BEFORE THE MISSOURI PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of the Application of Evergy Metro, Inc. d/b/a Evergy Missouri Metro and Evergy Missouri West, Inc. d/b/a Evergy Missouri West for an Accounting Authority Order Allowing the Companies to Record and Preserve Costs Related to COVID-19 Expenses	))))))	File No. EU-2020-0350

REPLY BRIEF OF
EVERGY MISSOURI METRO AND EVERGY MISSOURI WEST

COMES NOW Evergy Metro, Inc., d/b/a/ Evergy Missouri Metro ("Evergy Metro") and Evergy Missouri West, Inc. ("Evergy Missouri West") (collectively, "Evergy" or "Company"), pursuant to the *Order Setting Hearing Date and Resuming Procedural Schedule* issued by the Missouri Public Service Commission ("Commission" or "PSC") on October 28, 2020, and state the following for their *Reply Brief*:

Introduction

That the pandemic is an extraordinary event cannot credibly be questioned. It has had, and continues to have, profound and unprecedented effects on the lives of all of us. Evergy's request in this proceeding is quite narrow. Pursuant to authority granted to the Commission under Sections 393.140(4) and (8),[1] Evergy asks the Commission, in recognition of the extraordinary nature of the pandemic, to grant deferral accounting that allows the recording and tracking of certain specified items to its balance sheet instead of its income statement where they would normally be recorded. Those deferral accounting entries will be subject to review and consideration for inclusion in rates during Evergy's next general rate proceedings, and the mere fact of deferral affords no commitment that such deferred amounts will be included in rates. The particulars of Evergy's requested accounting authority order ("AAO") are set forth in the Non-Unanimous

[1] All statutory references are to the Missouri Revised Statutes (2016), as amended.

Stipulation and Agreement ("Stipulation") filed herein on October 8, 2020, that is also supported by Commission Staff ("Staff"), Midwest Energy Consumers Group ("MECG"), Missouri Industrial Energy Consumers ("MIEC") and Sierra Club. Certain other parties – Ameren Missouri, Spire Missouri and Missouri-American Water Company – did not sign the Stipulation but stated that they do not oppose it.

The Office of the Public Counsel ("OPC") and National Housing Trust ("NHT") object to the Stipulation, largely on the basis of their views that Evergy has not taken sufficient steps to assist customers in dealing with the effects of the pandemic. In so doing, NHT and OPC ask the Commission to order Evergy to offer a variety of programs (including but not limited to: a moratorium on disconnection for non-payment; 18-month extended payment plans; an arrearage management plan funded in whole or in part by shareholders; expansion of Evergy's economic relief pilot program funded in whole or in part by shareholders; and cessation of full external credit reporting in connection with customer non-payment) as a condition of granting the AAO Evergy has requested. That the proposals by OPC and NHT go far beyond the provisions of Sections 393.140(4) and (8) – the statutory subsections that empower the Commission to grant Evergy's AAO request – cannot be seriously disputed. Although Renew Missouri did not oppose the Stipulation (Tr. 75) and presented no witness or evidence, it also offered additional conditions.

While not doubting the sincerity of OPC and NHT's desire to help certain customers, Evergy has serious concerns about the impact that implementing such proposals would have on the overall customer base. NHT witness Colton admitted that his testimony contained no information or evidence that would allow the Commission to ascertain whether implementation of his recommended arrearage management plan was in any way feasible or cost-effective.[2] The

[2] Tr. 339-342 (Colton).

dearth of such feasibility or cost-benefit evidence with respect to the remainder of his proposals as well as those of OPC witness Marke is glaring. Ordering the implementation of the programs NHT and OPC recommend, or conditioning deferral authority for what is unquestionably an extraordinary event on Evergy's commitment to implement those programs in the absence of evidence supporting the feasibility and cost-effectiveness of such programs would be patently unreasonable.

Evergy has been a leader in pandemic response, demonstrating responsiveness to customer assistance needs during the pandemic while balancing those efforts with the interests of the entire body of customers who may ultimately bear the cost consequences of those efforts. Unlike OPC and NHT, Evergy employees engage with customers on a daily basis and therefore have a clear and current perspective on customer needs and how to meet them efficiently and effectively. This allows Evergy to calibrate customer assistance efforts on a timelier and more nuanced basis than the across-the-board proposals recommended by NHT and OPC. An example of this is the Company's recent decision to re-institute a moratorium on disconnecting customers for non-payment through at least March 1, 2021, due to the continuation of the Customer Forward conversion, as well as the recent resurgence of COVID-19 infections and colder weather conditions.[3] Because Evergy will continue being responsive to customer assistance needs while balancing those efforts with consideration of the interests of the overall customer base, the Commission should allow Evergy to continue these efforts and not require it to adopt the programs advocated by NHT and OPC.

[3] Evergy made this decision during the week of November 23, 2020.

1. Is the COVID-19 pandemic an extraordinary event within the scope of the Uniform System of Accounts as it has been historically interpreted and applied by the Commission or as subsequently modified by Missouri courts?

Evergy's position is that the pandemic constitutes an extraordinary event as defined within the scope of the Uniform system of Accounts ("USOA") as it has been historically applied by the Commission and, further, that the Commission is not constrained by General Instruction 7 of the USOA in determining whether an event is extraordinary or in granting deferral accounting based on its review of facts and circumstances.

DISCUSSION

A. The COVID-19 Pandemic Constitutes an Extraordinary Event

The only party that argues COVID-19 is not an extraordinary event is OPC. In taking this remarkable position, it offers selective readings from past Commission and appellate court decisions that give the PSC wide discretion in determining whether to authorize an AAO. Public Counsel also ignores the continuing spread of the pandemic and the economic slowdown that are holding both the country and Missouri in their grip.

In the ten days that has passed since the filing of initial briefs, COVID-19 cases reported to the U.S. Centers for Disease Control and Prevention ("CDC") rose from 13,822,239 to 15,932,116, with an increase in deaths from 272,525 to 296,818.[4] The Missouri Department of Health and Senior Services stated that 347,603 cases have been reported to it (compared with 313,421 on December 4), with total deaths having risen from 4,122 to 4,513.[5]

Consistent with these trends, the Department of Labor reported on December 4 that "the continued resumption of economic activity that had been curtailed due to the [COVID-19]

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[4] https://covid.cdc.gov/covid-data-tracker (accessed Dec. 14, 2020).
[5] https://showmestrong.mo.gov/data/statewide-public-health/ (accessed Dec. 14, 2020).

pandemic … has moderated in recent months."[6] U.S. job growth slowed sharply in November when only 245,000 jobs were added, down from 610,000 in October and 711,000 in September.[7] These numbers indicate "that the labor-market recovery is losing steam amid a surge in coronavirus cases and new business restrictions," and that at "November's pace of job growth, employment won't return to pre-pandemic levels until 2024."[8]

Weekly unemployment insurance claims are rising after several months of decline. The Department of Labor reported an advance figure for seasonally adjusted initial claims of 853,000 for the week ending December 5, which was an increase of 137,000 claims from the November 28 figure of 716,000, and which included Missouri increases in both claims and unemployment levels.[9] "The economic recovery has downshifted, with job growth and layoffs persisting at a high level amid rising coronavirus cases and related restrictions."[10]

Based on these compelling facts, the Commission should find that the COVID-19 pandemic is an extraordinary event that justifies granting the AAO consistent with the terms of the Stipulation.

[6] See **Exhibit A (attached)**, Employment Situation Summary at 1, U.S. Bureau of Labor Statistics, Dep't of Labor (Dec. 4, 2020) (https://www.bls.gov/news.releaseempsit.nr0.htm). Pursuant to § 536.070(6), Evergy requests that the Commission take official notice of this report and other government data cited in this brief. Gershman Investment Corp. v. Danforth, 475 S.W.2d 36, 37-38 (Mo. en banc 1971); Estate of Layne v. Williams, 157 S.W.2d 157, 159 (Mo. App. W.D. 1987). See Missourians for Fiscal Accountability v. Klahr, 830 F.3d 789, 793 (8th Cir. 2016) (courts may take judicial notice of data on government websites).
[7] Id. at 1, 4.
[8] "Hiring Cools as Infections Sap Recovery," The Wall Street Journal at 1 (Dec. 5-6, 2020).
[9] See **Exhibit B (attached)**, News Release at 1-4, Unemployment Insurance Weekly Claims, U.S. Dep't of Labor (Dec. 10, 2020) (http://www.dol.gov)
[10] "Unemployment Claims Increase Sharply," The Wall Street Journal, Dec. 11, 2020, at A2.

B. The Commission's Authority Is Not Constrained by General Instruction 7 of the Uniform System of Accounts which is Irrelevant to Deferral Accounting and the Creation of Regulatory Assets.

There is no mandate in General Instruction 7 of the USOA[11] that FERC or any other regulatory commission must follow its view of "extraordinary items" in order to create a regulatory asset or a regulatory liability. To the contrary, neither this Commission nor FERC have viewed themselves as bound by its provisions.

When the PSC approved an AAO allowing Evergy's predecessors to create a regulatory asset in 2012 related to the Renewable Energy Standard ("RES") law,[12] it pointedly stated that "there is nothing in the Public Service Commission Law or the Commission's regulations that would limit the grant of an AAO to any particular set of circumstances" and relied on its general power to oversee a public utility's accounts and records under Section 393.140.[13] The PSC's reference in approving the AAO to establish a regulatory asset in Account 182.3 in the 2012 RES case was consistent with its prior rulings,[14] as well as FERC decisions.[15] Moreover, as Evergy has pointed out, General Instruction 7 doesn't even mention Account 182.3 or regulatory assets.[16]

Contrary to OPC's revisionist history of the Sibley decisions from the early 1990's, the Commission has always relied on its authority under Sections 393.140(4) and (8) to authorize AAOs while referencing its consideration of the extraordinary criteria outlined in the USOA,

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[11] Under 20 CSR 4240-20.030(1), electrical corporations like Evergy must keep their accounts "in conformity" with the USOA.
[12] See §§ 393.1020-1030.
[13] Order Approving Stip. & Agmt at 3 & n. 6, In re Application of KCP&L and KCP&L Greater Mo. Operations Co. for an AAO, No. EU-2012-0131 (Apr. 19, 2012). Accord Order Approving Unan. Stip. & Agmt. at 3-4, In re Application of Empire Dist. Elec. Co. for an AAO, No. EU-2011-0387 (Nov. 30, 2011) (Joplin tornado).
[14] In re Application of Southern Union Co. for an AAO, Report & Order at 26, No. GU-2011-0392 (Jan. 25, 2012) (authorizing regulatory asset in Acct. 182.3); In re Application of Empire Dist. Elec. Co. for an AAO, Order Approving Stip & Agmt. at 2, No. EU-2011-0387 (Nov. 30, 2011) (authorizing regulatory asset in Acct. 182.3).
[15] San Diego Gas & Elec. Co., Order on Compliance Fling, 140 FERC Para. 61,108, ¶ 21 & n. 11, 2012 WL 3143604 (citing Definition 31, 18 C.F.R. Part 101).
[16] Ex. 9 at 10 (Ives Surrebuttal).

General Instruction 7, and Accounts like 182.3 and 186 in the USOA's Balance Sheet Chart of Accounts related to "Assets and Other Debits" where regulatory assets are held.[17] See In re Missouri Public Service, Report & Order, No. EO-91-358, 1991 WL 501955 at 2-5 (Mo. P.S.C. 1991) ("MoPub"). It is notable that thirty years ago the PSC observed that in opposing MoPub's AAO request "Public Counsel would have the Commission impose a strict standard for determination of what is an extraordinary event." Id. at 6. However, OPC's argument was rejected as "too restrictive," with the Commission stating that there may be other circumstances that are "unusual, unique and nonrecurring where deferral would be justified and reasonable." Id.

The Commission also reviewed the five percent materiality threshold of General Instruction 7, commenting that if an item "thought to be extraordinary did not meet the five percent requirement *or a company felt there remained too much uncertainty of deferring these costs without Commission approval,* a utility could file an application, as was done in these cases …." Id. at 3 (emphasis added). This, of course, is what public utilities in Missouri have been doing for decades. The Commission's 1991 MoPub order stated the obvious: Although the five percent standard is relevant to materiality, it "is not case-dispositive." Id. at 5. This view that AAOs are not contingent upon the five percent materiality standards has continued to be followed by the Commission.[18]

When the Court of Appeals affirmed the MoPub order, it simply held that the Commission had lawfully exercised its authority under Sections 393.140(4) and (8) in granting the AAOs pertaining to the Sibley construction projects when it found that they were extraordinary events

[17] See Ex. 9 at 10 (Ives Surrebuttal). Account 182.3 is cited in Definition 31 which explicitly addresses Regulatory Assets and Liabilities.

[18] See Report & Order at 13 & n.35, In re Application of Southern Union Co. for an AAO, No. GU-2011-0392 (Jan. 25, 2012); Report & Order at 4, In re Application of Mo. Gas Energy for an AAO, No. GO-99-258 (Mar. 2, 2000) ("… the Commission need not find that the expenditures are material to allow deferral" regarding Y2K costs).

without any mention of the five percent materiality provision. State ex rel. Office of Public Counsel v. PSC, 858 S.W.2d 806, 811-12 (Mo. App. W.D. 1993).

The Court of Appeals held similarly in Kansas City Power & Light Co. v. PSC, 509 S.W.3d 757, 770 (Mo. App. W.D. 2016), where it ruled that the Commission "remains the authority that determines when an item may be included in a different accounting period" and that a decision regarding "[w]hether a cost … merits a deferral … is necessarily a discretionary judgment that is within the expertise of the PSC and not this Court." Furthermore, the courts will not "second-guess" how the PSC interprets Definition 31 and General Instruction 7 when deferrals are requested. Id. Contrary to OPC's view, materiality was never discussed in this appeal. Based on the Court's view that the "PSC is granted wide discretion" (Id.) regarding these issues, the Commission's long-held view that materiality is not a dispositive factor is both lawful and reasonable.

Public Counsel attempts to support its unorthodox view of the materiality issue by citing the Commission's decision in a Missouri-American Water Co. case issued in 2002.[19] However, on remand from the Court of Appeals, the final order in the case stated: "The Commission originally stated in the *Sibley* [the 1991 MoPub] decision, and has restated since, that materiality is a factor for consideration, but is not determinative" and "does not drive the decision."[20]

Indeed, in the COVID-19 related stipulations that the Commission recently approved in the Spire and Missouri-American Water AAO proceedings, there was no reference to the five

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[19] OPC Initial Brief at 10, nn. 25-26.

[20] Report and Order on Remand at 34 (emphasis added), In re Joint Application of Mo.-American Water Co., St. Louis Water Co. and Jefferson City Water Works Co. for an Acctg. Auth. Order related to Security Costs, No. WO-2002-0273 (Nov. 10, 2004).

percent materiality threshold or to any other provision of General Instruction 7.[21] Each of these orders declared, as have many in the past, that "there is nothing in the Public Service Commission Law or the Commission's regulations that would limit the grant of an AAO to any particular set of circumstances."[22]

As noted in multiple citations in Evergy's Initial Brief at 5-6, the Commission has authorized AAOs and trackers associated with changes to the Cold Weather Rule, electric vehicle charging costs, green tariff program costs, construction accounting, Y2K costs, and ice storm costs without a finding that they exceeded five percent of income.

There is no doubt that the COVID-19 pandemic is an extraordinary event, and the Commission should so find in this proceeding. Such a finding would be consistent with dozens of other state utility commissions across the country that have found that the pandemic is an extraordinary event and granted deferral accounting, as discussed in Evergy's Initial Brief and its Exhibit C.[23]

2. Should the Commission approve the Application for an AAO permitting Evergy to accumulate and defer to a regulatory asset for consideration of recovery in future rate case proceedings before the Commission extraordinary costs and financial impacts incurred as a result of the COVID-19 pandemic?

Evergy's position is that the Commission should grant Evergy an AAO as recommended in the Stipulation.

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[21] Order Approving Unan. Stip. & Agmt. at 2-4, In re Application of Mo.-American Water Co. for an Acctg. Auth. Order related to COVID-19, No. WU-2020-0417 (Oct. 28, 2020) ("MAWC COVID-19 Order"); Order Approving Amended Unan. Stip. & Agmt. at 2-3, In re Application of Spire Mo. Inc. for an Acctg. Auth. Order related to COVID-19 , GU-2020-0387 (Oct. 21, 2020) ("Spire COVID-19 Order").
[22] MAWC COVID-19 Order at 4; Spire COVID-19 Order at 4.
[23] Evergy Initial Brief at 14 & Ex. C.

<u>DISCUSSION</u>

As stated in response to Issue 1, there is no legitimate dispute that the pandemic constitutes an extraordinary event, and the Commission should grant Evergy's request for an AAO as recommended by the terms of the Stipulation.

The COVID-19 pandemic is not a singular event with beginning and end points. It is not like an ice storm or a tornado. As the initial briefs of both Staff and MECG stated, the full impact of the pandemic is unknown and will continue for an indefinite period of time.[24] Ignoring the obvious, OPC argues that Evergy has failed to show that the pandemic has adversely affected its operations.[25]

However, the confidential arrearage and customer load statistics cited in Mr. Ives' Surrebuttal,[26] coupled with the expected "long tail" of increases in pandemic-related uncollectibles expense as a result of the Company's early and continuing program to offer 12-month customer payment plans,[27] show that Evergy faces significant financial uncertainties that will extend into the future for an unknown period of time. In light of these developments, every party to this proceeding *except* OPC recommends that the Commission grant Evergy's AAO request in some fashion.[28] NHT requests that the PSC approve Evergy's application with certain conditions.[29] Renew Missouri does not oppose the Stipulation, but recommends additional conditions.[30]

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[24] Staff Initial Brief at 4; MECG Initial Brief at 19.
[25] OPC Initial Brief at 15.
[26] Ex. 8C at 15-18 (Ives Surrebuttal). <u>See</u> Evergy Initial Brief at 25 (Confidential Version).
[27] Tr. 170-72 (Ives); Tr. at 306-09 (Marke). <u>See</u> Evergy Initial Brief at 17.
[28] Ameren Missouri, Missouri American Water Co. and Spire Missouri do not oppose the Stipulation and did not request a hearing. <u>See</u> Ex. 1, ¶ 19 at 9 (Stipulation). NHT favors the granting of an AAO but with additional conditions. <u>See</u> NHT Initial Brief at 4. However, its conditions are beyond the scope of this proceeding and would unlawfully direct the use of Evergy's property and usurp its right to manage its business. <u>See</u> Evergy Initial Brief at 28-29.
[29] NHT Initial Brief at 4.
[30] Tr. 75; Renew Mo. Initial Brief at 2, 14.

OPC rehashes its narrow view of the Commission's authority which it has unsuccessfully pursued over the past thirty years since the Sibley AAO cases.[31] It again argues that the five percent materiality standard is mandatory, even though the PSC has repeatedly stated that it was not and that such a claim is "meritless."[32] Given that the pandemic continues to affect the public health and the economy, as Staff's Ms. Bolin and MECG's Mr. Meyer have recognized, COVID-19 will continue for an indefinite period of time so that even if materiality was a requirement, it could not be measured at this time.[33] As discussed above and in Evergy's Initial Brief at pages 5-6, this Commission has approved numerous orders without a finding that the amounts in question were material.

Public Counsel also attacks Evergy's reference to Definition 31 even though it and Accounts 182.3 and 254 (where regulatory assets and liabilities, respectively, are established) have been cited by the Commission and the courts in previous cases.[34] Without citation to any authority, OPC claims that reference to Definition 31 "contravenes past Commission practice and judicial guidance,"[35] when that is precisely how the USOA defines "Regulatory Assets and Liabilities" and what FERC refers to when it creates a regulatory asset.[36]

Under the extraordinary circumstances that exist as a result of the COVID-19 global pandemic, the Commission should exercise its discretion, as it did in other recent cases, and

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[31] MoPub, 1991 WL 501955 at 6 (OPC's view rejected as "too restrictive"); Order Concerning Application for Approval of Acct'g Procedure, In re Mo. Public Serv., No. ER-90-101 at 2 (Dec. 27, 1989) (deferral accounting granted over Public Counsel's objection).
[32] Report & Order at 13 & n.35, In re Application of Southern Union Co. for an AAO, No. GU-2011-0392 (Jan. 25, 2012) (granting AAO for Joplin tornado expenses).
[33] Ex. 100 at 5 (Bolin Rebuttal); Ex. Ex. 300 at 5 (Meyer Rebuttal).
[34] See Kansas City Power & Light Co. v. PSC, 509 S.W.3d 757, 770 (Mo. App. W.D. 2016) (citation to Def. 31); Report & Order at 26, In re Application of Southern Union Co. for an AAO, No. GU-2011-0392 (Jan. 25, 2012) (authorizing regulatory asset in Acct. 182.3); Order Approving Stip. & Agmt. at 2, In re Application of Empire Dist. Elec. Co. for an AAO, No. EU-2011-0387 (Nov. 30, 2011) (authorizing regulatory asset in Acct. 182.3).
[35] OPC Initial Brief at 17.
[36] San Diego Gas & Elec. Co., 140 FERC ¶ 61,108 at Para. 21 & n. 11, 2012 WL 314604 (2012); Madison Gas & Elec. Co., 118 FERC ¶ 62,107, 2007 WL 403905 at *3 & n.3 (2007).

authorize the AAO recommended in the Stipulation filed by Evergy, Staff, MIEC, MECG, and the Sierra Club.

3. If the Commission determines that an AAO or other deferral accounting mechanism should be ordered in connection with the COVID-19 pandemic, what items should be deferred?

a. Uncollectible expense in excess of amounts included in rates in the most recent general rate cases of Evergy Missouri Metro and Evergy Missouri West, respectively?

Evergy's position is that actual uncollectibles expense (also called bad debt) in excess of the amount included in rates (also called cost of service) should be eligible for deferral as recommended in Paragraphs 2(b) and 8 of the Stipulation.

b. Costs incurred in connection with the one- and four-month Pandemic payment plan incentives that the Commission permitted the Company to implement in Case No. EO-2020-0383 (including credits awarded as incentives and costs related to customer communications)?

Evergy's position is that costs related to programs implemented to aid customers with payment of electric bills during the pandemic – except for Evergy's charitable contributions addressed in Paragraph 17 of the Stipulation and the program designated as confidential in Evergy's filing in Case No, EO-2020-0383 – should be eligible for deferral as recommended in Paragraph 2(c) of the Stipulation. Costs eligible for deferral under this paragraph would include incentives provided to customers in connection with the one- and four-month payment plans offered in furtherance of Evergy's filing in Case No. EO-2020-0383, as well as customer communication efforts undertaken to educate customers about the availability of those programs. To the extent that Evergy rolls out additional pandemic-related customer assistance programs during the deferral period, costs incurred in connection with those programs should also be eligible for deferral.

c. Waived late payment fees / reconnection fees to the extent that they fall short of the amount included in rates?

Evergy's position is that waived late payment fee and reconnection fee revenues up to the amount included in rates related to late payment fees and reconnection fees waived due to the pandemic during the deferral period should be eligible for deferral as recommended in Paragraph 2(d) of the Stipulation.

d. Information technology-related costs incurred to enable employees to work from home, including hardware, licensing fees and connectivity costs?

Evergy's position is that the new or incremental cost of technology upgrades due to the pandemic, which include equipment directly related to enabling employees to work from home and associated contract labor but exclude costs normally incurred by the employee such as internet connectivity at the home, should be eligible for deferral during the deferral period as recommended in Paragraph 2(a)(iii) of the Stipulation.

e. Costs incurred to protect employees unable to work from home, including cleaning supplies, personal protective equipment, temperature testing, employee sequestration preparation (and employee sequestration if that becomes necessary)?

Evergy's position is that new or incremental costs caused by the pandemic related to the protection of employees and customers during the deferral period for additional cleaning of facilities and vehicles, personal protective equipment (such as masks, gloves, sanitizing sprays, temperature testing, plexiglass shields, etc.), and employee sequestration preparation costs (including the cost of employee sequestration if that becomes necessary) should be eligible for deferral as recommended in Paragraphs 2(a)(i), (ii) and (iv) of the Stipulation.

f. Lost revenues associated with the reduction of electric usage during the Pandemic? As an alternative, should the Commission order the deferral of pandemic-related lost fixed cost recovery due to the pandemic?

Evergy has agreed, in Paragraph 6 of the Stipulation, that lost revenue associated with customer usage reductions, including lost fixed cost recovery, during the pandemic should not be eligible for deferral.

g. Other incremental costs or other unfavorable financial impacts resulting from the Pandemic not presently identified?

Evergy's position is that costs and unfavorable financial impacts related to the pandemic eligible for deferral should be limited to the items identified in Paragraph 2 of the Stipulation.

h. What pandemic-related savings should be booked as a regulatory liability or included as an offset to the regulatory asset related to the pandemic- financial impacts?

Evergy's position is that operating cost savings caused by the pandemic eligible to be tracked and netted against the deferred costs recorded as a regulatory asset should be limited to the items recommended in Paragraph 7 of the Stipulation.

i. Should carrying costs be excluded during the deferral period and be considered for inclusion in rates in Evergy's next general rate case?

Evergy's position is that carrying costs should not be included in deferred amounts during the deferral period and that any party to the Company's next general rate cases may propose or oppose ratemaking treatment of carrying costs in connection with the pandemic AAO as recommended in Paragraph 5 of the Stipulation.

DISCUSSION

A. Costs and Unfavorable Impacts Eligible for Deferral (Issues 3.a. through 3.e. above).

No party disputes the items identified and recommended in Paragraph 2 of the Stipulation as eligible for deferral to a regulatory asset. To be more specific, NHT and Renew Missouri do not even address these issues in their initial briefs, OPC specifically states that it does not contest these items[37], and Staff[38], MECG[39], MIEC[40] and Sierra Club[41] support the items identified and recommended in Paragraph 2 of the Stipulation as eligible for deferral. In light of this, the Commission should find and conclude that the positions advocated by Evergy on these issues as enumerated above are reasonable and supported by competent and substantial evidence.

B. Lost Revenues Due to Customer Usage Reductions Caused by the Pandemic (Issue 3.f. above).

Although Sierra Club[42] and MECG[43] address this topic in some detail in their initial briefs, the question of whether revenue losses due to customer usage reductions caused by the pandemic should be eligible for deferral is no longer a disputed issue as Evergy has agreed in Paragraph 6 of the Stipulation not to defer into a regulatory asset any lost revenues from reduced customer usage (volumetric charges) due to the pandemic. As such, the issue is moot and does not require resolution by the Commission.

The simple fact that these parties addressed this moot issue in their initial briefs in such detail makes it abundantly clear, however, that this issue was very meaningful and that Evergy's concession in Paragraph 6 of the Stipulation not to defer revenue losses due to customer usage reductions caused by the pandemic is therefore substantial. In this regard it is meaningful to observe that a number of utility regulatory jurisdictions across the country, including the Kansas Corporation Commission, have granted authorization to defer pandemic-related revenue losses.[44]

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[37] OPC Initial Brief at 19.
[38] Staff Initial Brief at 7-10.
[39] MECG Initial Brief at 19-24.
[40] MIEC Initial Brief at 2'
[41] Sierra Club Initial Brief at 20-21.
[42] Sierra Club Initial Brief at 9-18.
[43] MECG Initial Brief at 24-29.
[44] Idaho Public Utilities Commission Case No. GNR-U-20-03, Order No. 34718, In the Matter of Deferred Accounting of Incremental Costs Associated with the COVID-19 Public Health Emergency, p. 10 (issued July 8, 2020); Iowa

Moreover, given the prevalence of decoupling mechanisms, formula rate plans and other advanced regulatory practices across the United States that would render unnecessary the specific authorization of deferral authority for pandemic-related revenue losses, it would be unreasonable for the Commission to place undue reliance on orders by other state commissions which have declined to grant such authority.

C. Other Unidentified Costs and Unfavorable Financial Impacts (Issue 3.g. above).

No party contests Evergy's position that costs and unfavorable financial impacts related to the pandemic eligible for deferral should be limited to the items identified in Paragraph 2 of the Stipulation. To be clear, therefore, Evergy has agreed not to defer costs or unfavorable impacts beyond those recommended in Paragraph 2 of the Stipulation. As such, the issue is moot and does not require resolution by the Commission.

D. Pandemic-related savings (Issue 3.h. above).

Only OPC contests the list of operating cost reductions recommended in Paragraph 7 of the Stipulation as eligible to be tracked and netted against the deferred pandemic costs recorded as a regulatory asset.[45] OPC recommends a much broader list of cost reductions than specified in Paragraph 7, and the Commission should reject that OPC recommendation for a number of sound reasons. First, the list of pandemic-related costs eligible for deferral in Paragraph 2 of the Stipulation is specific and limited; fairness, equity and symmetry require that pandemic-related cost reductions should be similarly specific and limited. Second, OPC does not even pretend to tie its recommended list of eligible cost reductions to the pandemic in any way.[46] This is patently

Utilities Board Docket SPU-2020-0003, Order Authorizing Regulatory Accounts and Establishing Additional Reporting Instructions, p. 6 (issued May 1, 2020); Kansas Corporation Commission Docket No. 20-EKME-454-ACT, Order Approving Application for Accounting Authority Order, pp. 5-6 (issued July 9, 2020).

[45] OPC Initial Brief at 21.

[46] Ex. 9 at 27-28 (Ives Surrebuttal).

unreasonable as it would be inconsistent with the costs specified in Paragraph 2 of the Stipulation as being eligible for deferral (which OPC specifically stated that it does not contest) and would open the door for substantial disputes during Evergy's next general rate cases about cost reductions eligible to net against the deferred costs. The Commission should therefore reject this recommendation by OPC.

E. Carrying Costs (Issue 3.i. above).

No party disputes the position of Evergy, Staff, MECG and MIEC that carrying costs should not be included in deferred amounts during the deferral period and that any party to the Company's next general rate cases may propose or oppose ratemaking treatment of carrying costs in connection with the pandemic AAO as recommended in Paragraph 5 of the Stipulation. As such, the Commission should adopt this uncontested recommendation.

4. Should the Commission adopt a sunset provision in connection with the AAO and, if so, how should it be structured? Should any sunset provision include the opportunity for the AAO to be extended?

Evergy's position is that all costs and cost reductions specified and recommended as eligible for deferral or netting against deferred costs for the period March 1, 2020, through March 31, 2021, may be recorded to the regulatory asset in connection with the pandemic as recommended in Paragraph 8 of the Stipulation. In addition, for uncollectibles (also called bad debt) expense only, Evergy's position is that this period should be extended for two additional quarters, from April 1, 2021, through September 30, 2021, as recommended in Paragraph 8(a) through (c) of the Stipulation.

DISCUSSION

This issue was not addressed by NHT, Renew Missouri or Sierra Club. MECG supported the initial deferral period (through March 31, 2021) and neither addressed nor opposed the secondary deferral period for uncollectibles expense only.[47] MIEC[48] and Staff[49] both supported the duration of the AAO recommended in Paragraph 8 of the Stipulation.

Only OPC opposed any aspect of Paragraph 8 of the Stipulation and this opposition was specifically limited to the secondary deferral period recommended for uncollectibles expense (April 1, 2021, through September 30, 2021).[50] The basis of OPC's opposition to the secondary deferral period for uncollectibles expense consists of three arguments, none of which withstand scrutiny or justify adoption of OPC's recommendation to cease all possible deferral of uncollectibles expense on March 31 2021.

OPC's first argument is that uncollectibles expense for Evergy is more likely to rise due to the pandemic than fall during the two quarters after March 31, 2021.[51] This is true – for reasons much better articulated by Evergy witness Klote than by OPC[52] – and this actually demonstrates why the secondary deferral period recommended for uncollectibles expense only in Paragraph 8 of the Stipulation is reasonable, appropriate and necessary. Adoption of OPC's recommendation to terminate all deferral of uncollectibles expense on March 31, 2021, would unreasonably ignore the lag inherent in Evergy's continued offering of pandemic-related extended payment plans in concert with the impact of the cold weather rule.

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[47] MECG Initial Brief at 32-33.
[48] MIEC Initial Brief at 2-3.
[49] Staff Initial Brief at 12-14.
[50] OPC Initial Brief at 19.
[51] OPC Initial Brief at 19-20.
[52] See Ex. 5 at 5-6 (Klote Surrebuttal). "The Company has entered, and will continue to enter, into extended payment plans (of one-, four- and twelve-month duration) with customers as a result of the pandemic that will continue into (and beyond) the upcoming cold weather rule period (November 1, 2020, through March 31, 2021) during which shut-offs for non-payment are constrained by weather conditions. Consequently, it is expected that the vast majority of shut-offs for non-payment driven by the COVID-19 pandemic will not commence until April 1, 2021. Because uncollectibles expense built into rates is based upon account write-offs that begin within approximately 90 days following the disconnection and final bill being sent, this means that pandemic-driven uncollectibles expense will necessarily lag conclusion of the pandemic by many months."

OPC next argues that the secondary deferral period benefits only the Company without affording customers concurrent protections and that the secondary deferral period is inconsistent with deferral authority granted by the utility regulatory commissions in Arkansas, Michigan and South Dakota.[53] Again, OPC is wrong on all counts. As described in Mr. Klote's surrebuttal testimony, the secondary deferral period allows for the recognition and capture of uncollectibles expense that results from pandemic-related extended payment plans that Evergy has already entered into with customers (beginning soon after the pandemic commenced in March 2020) and will continue to enter into through December 31, 2020 (for small business customers) and through March 31, 2021 (for residential customers under the provisions of the cold weather rule).[54] OPC apparently views its support for deferral authority as transactional and in the nature of a *quid pro quo* – meaning that OPC opposes granting pandemic deferral authority unless Evergy grants customers additional protections and programs beyond those it has already made available. However, the Commission should bear in mind that Evergy did not extend its numerous programs and assistance to customers on the condition that it be granted deferral authority in connection with those offerings. Evergy did the right thing without being asked or ordered to do so and without asking for anything in return.

OPC's argument that the Commission should reject the secondary deferral period for uncollectibles expense only because it is a departure from action by Arkansas, Michigan and South Dakota without a showing of materiality[55] is also wrong. First, because the pandemic is not over, it is simply not possible to ascertain its overall materiality from a financial perspective.[56] Second, the Commission has ruled on more than one occasion that the materiality of an event is not

[53] OPC Initial Brief at 20.
[54] Ex. 5 at 5-6 (Klote Surrebuttal).
[55] OPC Initial Brief at 20.
[56] Ex. 100 at 6 (Bolin Rebuttal); and Ex. 300 at 5 (Meyer Rebuttal).

dispositive of whether deferral authority should be granted.[57] Third, the Commission has granted deferral authority on numerous occasions with no inquiry or findings regarding materiality.[58] Given all of this, OPC's reliance on materiality is wholly misplaced and serves as no reasonable basis for the Commission to reject the secondary deferral period for uncollectibles expense only recommended in Paragraph 8(a) through (c) of the Stipulation. As to OPC's argument regarding action taken by the utility regulatory commissions in Arkansas, Michigan and South Dakota, it is clear from a reasonable reading of those orders that the secondary deferral period for uncollectibles expense only recommended in Paragraph 8(a) through (c) of the Stipulation is actually a more narrow grant of deferral authority than was provided by Arkansas, Michigan or South Dakota. For example, the Arkansas Commission authorized utilities to "establish regulatory assets to record costs resulting from the suspension of disconnections[.]" with no limitation on the time period of deferral authority nor any specified list limiting the costs eligible for deferral while specifically recognizing customers' obligation to continue paying their utility bills.[59] The Michigan Commission declined to adopt a termination date for tracking of pandemic costs, including uncollectibles expense.[60] The South Dakota Commission allowed the use of deferred accounting, beginning on March 13, 2020, for costs incurred as a result of the pandemic, including specific recognition of incremental bad debt expense, with no termination date specified.[61] Clearly the orders of the utility commissions in Arkansas, Michigan and South Dakota do not support OPC's recommendation that the Commission reject the secondary deferral period for uncollectibles expense only recommended in Paragraph 8(a) through (c) of the Stipulation.

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[57] See Evergy Initial Brief at 5, nn. 13-14.
[58] See Evergy Initial Brief at 5-6, nn. 15-22.
[59] See Ex. 206 at 3-4.
[60] See Ex. 207 at 31-32.
[61] See Ex. 208 at 1-2.

As its final argument in opposition to the secondary deferral period for uncollectibles expense, only OPC points to the agreements approved recently by the Commission in the pandemic AAO proceedings for Missouri-American Water Company and Spire Missouri.[62] In making this argument, OPC inappropriately relies on these agreements as if they have some precedential impact when, in fact, each of those agreements contains language expressly disclaiming precedential effect.[63] The simple fact is that those proceedings involved very different industries than this proceeding, with the comparability of circumstances of Spire Missouri and Missouri-American Water Company to Evergy's circumstances in this proceeding being entirely unknown. Given those facts and the additional fact that those proceedings were resolved by Commission approval of agreements which expressly declared that those agreements were to have no precedential effect, OPC's reliance on those agreements in this proceeding is inappropriate and should be rejected by the Commission.

For all of these reasons, as well as those set forth in its Initial Brief on this issue, the Commission should include a sunset clause that recognizes the secondary deferral period for uncollectibles expense only as recommended in Paragraph 8(a) through (c) of the Stipulation..

[62] OPC Initial Brief at 21.

[63] In Case No. GU-2020-0376 (regarding Spire Missouri), the Amended Unanimous Stipulation and Agreement approved by the Commission, to which OPC was a Signatory, provides that "[T]he Signatories further understand and agree that no party to this Stipulation and Agreement shall assert the terms of this Stipulation as a precedent in any future proceeding." Amended Unan. Stip. and Agmt., ¶ 19 at 8, Spire COVID-19 Order. Similarly, in Case No WU-2020-0417 (regarding Missouri-American Water Company), the Non-Unanimous Stipulation and Agreement approved by the Commission, to which OPC was a Party, provides that "[O]ther than as explicitly provided herein, none of the Parties shall be prejudiced or bound in any manner in this or any other proceeding by the terms of this Non-Unanimous Stipulation and Agreement regardless of whether this Non-Unanimous Stipulation and Agreement is approved." Non-Unan. Stip. and Agmt., ¶ 18 at 7, MAWC COVID-19 Order.

5. If the Commission adopts an AAO for some or all of the costs and revenues associated with the COVID-19, should the Commission order periodic reporting of information associated with the deferral? If so, what information should be reported and how often?

Evergy's position on this issue is that the Commission should adopt reporting requirements in connection with the AAO as recommended in Paragraphs 9 through 13 of the Stipulation.

<u>DISCUSSION</u>

This issue is addressed by only a few parties: Renew Missouri, MECG (very briefly) and Staff.

Renew Missouri, who did not oppose the Stipulation and presented no evidence, addresses reporting in a summary fashion. It makes no attempt whatsoever to tie reporting requirements to either (1) the authorization Evergy has requested from the Commission or (2) the statutory authority pursuant to which the Commission is empowered to grant such authorization.[64] Instead, Renew Missouri seeks to impose reporting requirements for review of "Evergy's COVID-19 initiatives" and seeks reports on "metrics of Evergy's COVID-19 programs". Unstated by Renew Missouri is any description of what might constitute a "COVID-19 initiative or program" or how the litany of information Renew Missouri asks the Commission to order Evergy to provide bears any relationship to such "COVID-19 initiatives or programs". More importantly, Renew Missouri fails to explain how the reporting it asks the Commission to impose is connected to the authorization Evergy requests from the Commission in this proceeding. In fact, the bulk of the items for which Renew Missouri requests reporting on bear no relationship to the deferral authority Evergy requests. For example, Renew Missouri asks that billed revenue be reported even though Evergy has agreed, in Paragraph 6 of the Stipulation, not to defer lost revenues due to customer

[64] Renew Missouri Initial Brief at 6-7.

usage reductions caused by the pandemic. Renew Missouri also requests that the Commission require Evergy to report additional information regarding its Economic Relief Pilot Program even though that program was approved in Evergy's general rate cases and is governed by Commission-approved tariffs that are already in place; Evergy has not proposed to change those tariffs by filing revised tariff sheets nor has any party filed a complaint alleging that such tariff sheets are unreasonable or unlawful. In failing to make any connection between the reporting requirements it seeks to impose and the authorization requested by Evergy from the Commission, Renew Missouri's recommended reporting requirements must be rejected by the Commission.

MECG states that it takes no position regarding the reporting that should be required[65] even though reporting requirements are set forth in Paragraphs 9-13 of the Stipulation and MECG asks the Commission to accept the terms of the Stipulation without modification.[66] Staff[67] asks the Commission to require reporting consistent with Paragraphs 9-13 of the Stipulation.

OPC asks the Commission to impose broad reporting requirements in connection with an AAO issued in this proceeding.[68] Like Renew Missouri, OPC fails to make any connection between the reporting requirements it seeks to impose and either the authorization Evergy requests from the Commission or the statutory authority empowering the Commission to grant such authorization. Absent such a connection, OPC's recommended reporting requirements must be rejected for the same reasons as those recommended by Renew Missouri. Despite offering no substantive basis for its recommended reporting requirements, OPC argues that its reporting requirements should be adopted because they are consistent with the reporting provisions approved

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[65] MECG Initial Brief at 34.
[66] MECG Initial Brief at 3.
[67] Staff Initial Brief at 14-16.
[68] OPC Initial Brief at 21-23.

by the Commission for Spire Missouri and Missouri-American Water Company.[69] As established earlier in this brief[70], however, OPC's reliance on the agreements underlying those Commission orders as having any precedential effect whatsoever is inappropriate and should be rejected by the Commission. Finally, OPC argues that its reporting requirements should be adopted because they are consistent with those approved by the Kansas Corporation Commission ("KCC") for Evergy's Kansas operations.[71] What OPC fails to tell the Commission, however, is that the KCC authorized Evergy to defer revenue losses due to customer usage reductions caused by the pandemic and that such authorization was granted without the necessity of a hearing or other contested case procedure.[72] The Commission should reject OPC's attempt to pick and choose select aspects of the KCC's order authorizing Evergy to defer pandemic costs, net of pandemic cost reductions, and revenue losses. To do otherwise fails to recognize that a reasonable relationship must exist between the deferral authorization granted and the reporting to be required in connection with that authorization.

[69] OPC Initial Brief at 23.
[70] See n. 63 on p. 21, *infra*.
[71] Id.
[72] Kansas Corporation Commission Docket No. 20-EKME-454-ACT, Order Approving Application for Accounting Authority Order, pp. 5-6 (July 7, 2020).

Note: To avoid repetitive arguments, Issues 6 and 7 will be addressed together as they both relate to customer recommendations

6. Should the Commission adopt the recommendations of NHT related to extension of the moratorium on nonpayment service disconnections, arrearage management programs, long-term payment deferment plans, expansion of the Economic Relief Program, income-eligible energy efficiency plans, suspend credit reporting, suspend disconnection and reconnection fees, or other customer programs?

7. Should the Commission adopt any of the customer-specific recommendations of OPC including: (1) waiving disconnection and reconnection fees; (2) ceasing full credit reporting; (3) waiving late payment fees and deposits; (4) expanding payment plans to 12 months or greater; and (5) establishing an arrearage matching program, dollar-for-dollar on bad debt for eligible customers?

Evergy's position is that none of the recommendations of NHT or OPC should be adopted, except for those already contained in Paragraphs 16-18 of the Stipulation. The Commission Staff agrees with Evergy on this point.[73]

DISCUSSION

Evergy's COVID-19 Customer Response Plan is fully developed and communicated to assist customers during this pandemic. Evergy has been an industry leader in our response to customers' needs during the COVID-19 pandemic. The Company was one of the first U.S. utilities to announce a voluntary moratorium on disconnection of service for non-payment. That moratorium included waving all charges, fees and deposits typically associated with non-payment or late payment of bills. The Company has continued to lead in development of alternative payment arrangement plans, including being one of only a handful of investor-owned utilities in the United States that offered payment programs offering bill credits for customers who made payment arrangements during the pandemic. These actions, in combination with Evergy's aggressive

[73] Staff Initial Brief at 18, 20.

customer communication and outreach, have reduced residential arrearages below pre-COVID-19 levels by the end of August.[74]

A. Evergy Should Not Be Penalized For Promptly Instituting Extensive Pandemic-related Customer Programs and in Extending Many of Them As Part of the Stipulation and Agreement.

NHT and OPC raised nothing in their briefs that should persuade the Commission that the additional recommendations or "conditions" proposed by NHT or OPC are necessary or should be adopted in this AAO proceeding. Such programs are unnecessary in light of Evergy's existing Covid-19 Customer Response Program, and are beyond the scope of this AAO proceeding.

It is clear from the record in the case that Evergy has proactively made substantial efforts to assist its customers during the pandemic, and that its efforts have had a positive and beneficial impact on customers.[75] Other Missouri public utilities, including Spire Missouri and Missouri-American Water Company[76] are now agreeing to follow the lead of Evergy by creating similar programs. Spire did not take early steps like Evergy to establish customer payment plans or arrearage management procedures that afforded bill credits and other consideration. In the stipulation approved by the Commission, Spire agreed "to create" payment plans and provide funding for various programs, in contrast to Evergy's proactive efforts.[77] Similarly, the stipulation entered into by Missouri-American Water called for it to make an additional contribution to existing programs, whereas Evergy had previously announced its intent to do so and has been making such contributions to various agencies.[78]

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[74] Ex. 3 at 2-4 (Caisley Surrebuttal).
[75] Evergy Initial Brief at 22-25.
[76] See Amended Unan. Stip. and Agmt., ¶ 18 at 6, Spire COVID-19 Order; Non-Unan. Stip. and Agmt., MAWC COVID-19 Order.
[77] See Amended Unan. Stip. and Agmt, ¶ 18 at 6, Spire COVID-19 Order.
[78] See Non-Unan. Stip. and Agmt., ¶ 16 at p. 7, MAWC COVID-19 Order.

In this case, a diverse group of stakeholders is recommending the Commission issue its Report and Order resolving the issues presented in this proceeding as recommended by the Non-Unanimous Stipulation, including Evergy's existing Covid-19-related customer programs without modification.[79]

Notwithstanding the proactive approach taken by Evergy, Public Counsel criticizes the Company for not proposing any "new" customer relief programs beyond what it had already implemented to assist its customers.[80] Public Counsel apparently believes that Evergy should have held back on proposing and implementing its innovative programs until after the negotiations in this case, and only agreed to the "new" programs as part of a transaction to win approval of the Covid-19-related AAO. Such a transactional approach to assisting Evergy's customers during this extraordinary pandemic is not reasonable or appropriate, and would not have been in the best interests of Evergy's customers. Rather than encouraging such negotiating tactics, the Commission should encourage public utilities to act innovatively to assist their customers[81], and not wait to propose and implement such innovative programs as a *quid pro quo* in negotiations with other stakeholders appearing before the Commission.

NHT and OPC requested the imposition of several "conditions" on the Commission's approval of an AAO in this case.[82] First, NHT and OPC proposed an "Arrearage Management Program (AMP) for income-eligible customers through which they can earn credits to retire their arrears over a 12-month period, with eligibility set at 200% of the Federal poverty level, along with allowance for long-term deferred payment plans. Such a program should be funded at roughly

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[79] Evergy Initial Brief at 31; Staff Initial Brief at 2, 22; MECG Initial Brief at 3; MIEC Initial Brief at 3.
[80] OPC Initial Brief at 5.
[81] Id. OPC witness Dr. Marke testified "that Evergy should be praised for its willingness to think outside the box" regarding customer incentive payment plans." See Ex. 202 at 17 (Marke Rebuttal).
[82] NHT Initial Brief at 4-5; OPC Initial Brief at 23-26.

$2 million, split evenly between ratepayers and Evergy shareholders…”.[83] OPC witness Geoff Marke supported NHT’s proposal related to the AMP only if the incentive-matching dollars are booked below-the-line requiring Evergy’s shareholders to fund the expansion of the program.[84]

NHT’s and OPC’s expansion of the AMP program is unnecessary since Evergy has already developed and implemented a successful AMP Program.[85] Moreover, NHT’s witness admitted that there was no information in his testimony demonstrating the feasibility or cost-effectiveness of the AMP he recommends.[86] Approval of the AMP recommended by NHT without any such support would be unreasonable. Evergy is also opposed to this condition because it would mandate additional shareholder contributions to fund this program. Such a condition would exceed the statutory authority of the Commission and would invade the Company’s right to manage its own affairs and conduct its business as it chooses.[87]

Second, NHT proposes to “[e]xpand Evergy’s Economic Relief Pilot Program, targeting relief to the extremely poor, using ‘Express Lane Eligibility’ and expanding use of grassroots outreach through community organizations and non-profits.”[88] Public Counsel, on the other hand, opposed this NHT recommendation: “NHT’s recommendations do not have sufficient detail and the Program lacks the administrative support necessary to meet NHT’s suggestions.”[89] OPC would support this recommendation, however, if the expansion of the program was financed solely by Evergy’s shareholders.[90]

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83 NHT Initial Brief at 5; See also OPC Initial Brief at 23.
84 Ex. 202 (Marke Corrected Rebuttal), p. 21; Ex. 203 (Marke Surrebuttal), p. 5.
85 Evergy Initial Brief at 22-23.
86 Tr. at 339-342 (Colton).
87 City of O’Fallon, 462 S.W.3d at 444 (Mo. App. W.D. 2015); Harline, 343 S.W.2d at 182 (Mo. App. K.C. 1960). See State ex rel. City of St. Joseph v. PSC, 30 S.W.2d 8, 14 (Mo. en banc 1930); State ex rel. PSC v. Bonacker, 906 S.W.2d 896, 899-900 (Mo. App. S.D. 1995).
88 NHT Initial Brief at 5.
89 OPC Initial Brief at 23-24.
90 OPC Initial Brief at 24.

This condition is not reasonably related to the AAO designed to defer the costs and financial impacts of the pandemic, and therefore is beyond the scope of this proceeding. It would also result in material changes to a Commission-approved tariffed program.[91] As a creature of statute, the Commission may only change tariffs under the file-and-suspend method required by Section 393.150, or by way of a complaint filed under either Section 393.260 or 386.390.[92] Neither of these processes required by law has been undertaken in this proceeding. In addition, Evergy opposes any condition that would mandate that the Company finance an expansion of its existing ERPP with shareholder funds for the same reasons discussed above.

Third, NHT proposed that the Commission enact a moratorium on disconnections for nonpayment until 180 days have passed beyond the date on which COVID-19 has resulted in the public availability of a vaccine.[93] This vague proposal should not be adopted since the Company has already taken significant steps to limit the number of disconnections and is committed to continuing to assess the circumstances surrounding the need for such steps as the pandemic continues. Although the Company's moratorium on disconnection of service to residential and small business customers for non-payment initially ended in mid-July 2020, Evergy has continued to waive late payment fees and security deposits and has not been reporting non-payment, late payment, or any other debt to credit bureaus.[94] In addition, Evergy has been following the Cold Weather Rule guidelines which have reduced any residential disconnect activity since November 1, 2020. Evergy reinstated its moratorium on residential service disconnects in late November as

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[91] See Evergy Metro Tariff, P.S.C. No. 7, Fourth Revised No. 43Z-43Z.3; https://www.evergy.com/-/media/documents/billing/missouri/detailed_tariffs_mo/promotional-practices-programs-081419.pdf?la=en

[92] State ex rel. Util. Consumers Council of Mo., Inc. v. PSC, 585 S.W.2d 41, 48-49 (Mo. en banc 1979).

[93] Public Counsel witness Geoff Marke initially opposed a moratorium on disconnections (Ex. 202 (Market Rebuttal Testimony) pp. 11-12, 19-20, but Public Counsel reversed its position in its brief and recommended that the Commission consider this option. (OPC Initial Brief at 23)

[94] Ex. 3 at 7 (Caisley Surrebuttal).

a result of the pandemic, the winter season, and upcoming changes to its customer systems. Currently the moratorium extends to March 1, 2021, when it will be re-evaluated. As a result, no residential customers have been disconnected since before Thanksgiving, and Evergy will continue suspending late fees, collections and disconnect processes until at least March 1, 2021. Evergy also made the decision not to disconnect commercial customers during the Thanksgiving week and re-instituted a moratorium on disconnecting commercial customers for non-payment after December 10, 2020 due in part to the Customer Forward conversion process. This moratorium will also be extended until at least March 1, 2021 given considerations for the current resurgence of COVID-19 infections. In addition, pursuant to the provisions recommended in Paragraph 18 of the Stipulation, waiver of late payment fees will continue through March 31, 2021, as will Evergy's current proactively initiated practice of not submitting external credit reporting.[95]

Evergy has also committed, pursuant to the provisions recommended in Paragraph 16 of the Stipulation, to evaluate, in consultation with Staff, OPC and NHT after December 31, 2020, the advisability of (1) extending its offering of twelve-month payment plans beyond December 31, 2020 (for small business customers) and March 31, 2021 (for residential customers); and (2) offering additional customer assistance programs.[96]

Fourth, NHT proposed to condition the approval of the AAO upon Evergy's agreement to expend all approved income-eligible energy efficiency funds and contribute new usage reduction funds to weatherization service providers.[97] OPC opposed this condition since "[w]eatherization and energy efficiency savings do not address the larger financial issues for customer who cannot

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[95] Ex. 1, ¶ 18 at 9.
[96] Id., ¶ 16 at 8.
[97] NHT Initial Brief at 5.

pay their overall utility bill…"[98] Again, Public Counsel supported an increase to weatherization and low-income energy efficiency programs if it were solely funded by Evergy shareholders.[99]

This condition is not reasonably related to the pandemic, and therefore is beyond the scope of this proceeding. It would also exceed the statutory authority of the Commission, and would usurp the right of the Company to manage its own affairs and business. Evergy also opposes any condition that requires Evergy shareholders to fund the expansion, as proposed by OPC.

Fifth, NHT proposed to adopt administrative procedures to suspend credit reporting of unpaid utility bills and engage in data collection and public reporting practices.[100] As discussed above, the Company is already suspending credit reporting, and under the provisions recommended to the Commission in Paragraphs 9-13 of the Stipulation, the Company has agreed to extensive reporting of relevant information to the Commission and the stakeholders. NHT and Public Counsel's recommendations of additional reporting are unnecessary and not reasonably related to the pandemic.

Sixth, NHT proposes to defer savings enumerated in Paragraph 7 of the Stipulation and refrain from deferring from collection of revenues lost due to changes in consumption during the pandemic. Again, the provisions recommended in Paragraphs 6 and 7 of the Stipulation already fully address these items.

For all the reasons stated above, none of the additional recommendations proposed by NHT or OPC are necessary and, therefore, none of them should be adopted in this proceeding.

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98 OPC Initial Brief at 24.
99 Id.
100 NHT Initial Brief at 5.

8. What, if any, other conditions should the Commission adopt in connection with the AAO?

It is Evergy's position that the Commission should approve the conditions recommended in the Stipulation, including the conditions recommended in Paragraphs 16, 17, and 18.

DISCUSSION

A. The Conditions Contained in the Stipulation are Lawful and Reasonable as they were Agreed to by Evergy and the Other Signatories.

There is no dispute among the parties that the Commission may approve the conditions contained in the Stipulation, including Paragraphs 16, 17, and 18.[101] Evergy has agreed to these conditions, and the Commission should not hesitate to approve them.

B. The Commission may not Condition its Approval of the AAOs provided in the Stipulation by ordering Additional Conditions Proposed by NHT and OPC.

There is wide agreement among the parties that the Commission does not have the statutory authority to adopt any condition that invades the role of Evergy to manage its own affairs and business.[102] In fact, no party contested this basic tenet of regulation of public utilities in Missouri.

As explained in Evergy's initial brief, the additional conditions being proposed by NHT and OPC — (1) mandated shareholder funding of both an expanded Arrearage Management Program and Evergy's Economic Relief Pilot Program; (2) mandated expenditures of funds for income-eligible energy efficiency and weatherization programs; and (3) a mandated extension of the moratorium on disconnections — all unlawfully invade the province of management to manage the affairs and business of the Company. For this reason alone, these conditions should not be adopted.

[101] Evergy Initial Brief at 28-30; Staff Initial Brief at 20-22; OPC Initial Brief at 29-30; MECG Initial Brief at 38-41; MIEC Initial Brief at 3; Sierra Club Initial Brief at 23, 27-28; NHT Initial Brief at 8; Ameren Initial Brief at 2.
[102] Evergy Initial Brief at 27-28; Staff Initial Brief at 21-22; OPC Initial Brief at 29-30; MECG Initial Brief at 38; Sierra Club Initial Brief at 23-24; Ameren Initial Brief at 8-10.

While several of the parties pointed out that the Commission's statutory authority to grant AAOs is found in Sections 393.140(4) and (8),[103] no party cited any of its provisions as authority for the PSC to condition the AAO in this case on anything reasonably related to the accounting and record-keeping powers granted to the Commission there. Whether there is any incidental authority in Chapters 386 or 393 for such conditions is doubtful. Any authority incidental or implicit to that expressly provided in Sections 393.140(4) and (8) must bear a reasonable relationship to the authority that the Commission is exercising under those subsections. The conditions proposed by NHT and OPC do not bear any reasonable relationship to the accounting and record-keeping authority of the Commission set forth in these provisions.

Nor has any party offered any statutory support for the proposition that the Commission may change existing tariff provisions or Commission rules in the context of this AAO proceeding. Commission rules and Commission-approved tariffs prescribe the conditions under which Evergy: (1) may disconnect electric service for non-payment, including the terms of payment plans that must be made available to allow residential customers to avoid disconnection for non-payment during the cold weather months of November through March; (2) provides assistance to customers under the Economic Relief Pilot Program; (3) may impose late payment fees; and (4) may impose reconnection fees. The statutory procedures that must be followed to change Commission rules and approved tariffs are well defined. An AAO proceeding is simply not the appropriate forum for addressing the Company's tariffs or the Commission's rules.

As explained in the discussion of Issues 6 and 7 above, there is no legitimate reason to expand the conditions beyond those conditions agreed to by Evergy in the Stipulation. The Signatories have adequately addressed accounting, customer, and other issues related to the

[103] Evergy Initial Brief at 8, 29; Staff Initial Brief at 21; OPC Initial Brief at 6; NHT Initial Brief at 6; MIEC Initial Brief at 3; Ameren Initial Brief at 2-8.

pandemic. The additional conditions being proposed by NHT and OPC are not necessary, are beyond the scope of this proceeding, and will invade the role of management to conduct its affairs and interact with its customers.

It is therefore unnecessary for the Commission to render an advisory opinion[104] about its statutory authority to impose additional conditions over the objection of the Company in this AAO case.

Conclusion

Based upon the foregoing, Evergy requests that the Commission issue its Report and Order resolving the issues presented in this proceeding as recommended by the Stipulation whose provisions are extensive, as well as lawful and reasonable.

WHEREFORE, Evergy Missouri Metro and Evergy Missouri West request that the Commission decide the disputed issues as recommended in the Non-Unanimous Stipulation and Agreement, and approve its terms which authorize Evergy Missouri Metro and Evergy Missouri West to track and defer in a regulatory asset the specified COVID-19 costs, as offset by savings, as just and reasonable and, therefore, in the public interest.

[104] State ex rel. Kansas Power and Light Co. v. PSC, 770 S.W.2d 740, 743 (Mo. App. W.D. 1989). See State ex rel. Laclede Gas Co. v. PSC, 392 S.W.3d 24, 38 (Mo. App. W.D. 2012) ("The Commission, the circuit court and this court should not render advisory opinions.")

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served, either electronically or by hand delivery or by First Class United States Mail, postage prepaid, on this 14th day of December 2020**,** on the parties of record as set out on the official Service List maintained by the Data Center of the Missouri Public Service Commission for this case.

/s/ Robert J. Hack

Counsel for Evergy Missouri Metro and Evergy Missouri West

U.S. BUREAU OF LABOR STATISTICS

Economic News Release

CES CPS PRINT:

Employment Situation Summary

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Transmission of material in this news release is embargoed until                USDL-20-2184
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THE EMPLOYMENT SITUATION -- NOVEMBER 2020

Total nonfarm payroll employment rose by 245,000 in November, and the unemployment rate edged down to 6.7 percent, the U.S. Bureau of Labor Statistics reported today. These improvements in the labor market reflect the continued resumption of economic activity that had been curtailed due to the coronavirus (COVID-19) pandemic and efforts to contain it. However, the pace of improvement in the labor market has moderated in recent months. In November, notable job gains occurred in transportation and warehousing, professional and business services, and health care. Employment declined in government and retail trade.

This news release presents statistics from two monthly surveys. The household survey measures labor force status, including unemployment, by demographic characteristics. The establishment survey measures nonfarm employment, hours, and earnings by industry. For more information about the concepts and statistical methodology used in these two surveys, see the Technical Note.

Household Survey Data

In November, the unemployment rate edged down to 6.7 percent. The rate is down by 8.0 percentage points from its recent high in April but is 3.2 percentage points higher than it was in February. The number of unemployed persons, at 10.7 million, continued to trend down in November but is 4.9 million higher than in February. (See table A-1. For more information about how the household survey and its measures were affected by the coronavirus pandemic, see the box note at the end of this news release.)

Among the major worker groups, the unemployment rate for adult women (6.1 percent) declined in November. The jobless rates for adult men (6.7 percent), teenagers (14.0 percent), Whites (5.9 percent), Blacks (10.3 percent), Asians (6.7 percent), and Hispanics (8.4 percent) showed little or no change. (See tables A-1, A-2, and A-3.)

Among the unemployed, the number of persons on temporary layoff decreased by 441,000 in November to 2.8 million. This measure is down considerably from the high of 18.1 million in April but is 2.0 million higher than its February level. The number of permanent job losers, at 3.7 million, was about unchanged in November but is 2.5 million higher than in February. (See table A-11.)

In November, the number of long-term unemployed (those jobless for 27 weeks or more) increased by 385,000 to 3.9 million, accounting for 36.9 percent of the total unemployed, while the number of persons jobless 15 to 26 weeks declined by 760,000 to 1.9 million. The number of persons jobless 5 to 14 weeks and persons jobless less than 5 weeks showed little change in November at 2.4 million and 2.5 million, respectively. (See table A-12.)

The labor force participation rate edged down to 61.5 percent in November; this is 1.9 percentage points below its February level. The employment-population ratio, at 57.3 percent, changed little over the month but is 3.8 percentage points lower than in February. (See table A-1.)

In November, the number of persons who usually work full time rose by 752,000 to 124.3 million, while the number of persons who usually work part time decreased by 779,000 to 25.4 million. (See table A-9.)

The number of persons employed part time for economic reasons was about unchanged over the month at 6.7 million but remains 2.3 million higher than the February level. These individuals, who would have preferred full-time employment, were working part time because their hours had been reduced or they were unable to find full-time jobs. This group includes persons who usually work full time and persons who usually work part time. (See table A-8.)

In November, the number of persons not in the labor force who currently want a job increased by 448,000 to 7.1 million; this measure is 2.2 million higher than in February. These individuals were not counted as unemployed because they were not actively looking for work during the last 4 weeks or were unavailable to take a job. (See table A-1.)

Among those not in the labor force who currently want a job, the number of persons marginally attached to the labor force, at 2.1 million, changed little in November. These individuals wanted and were available for work and had looked for a job sometime

Exhibit A
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in the prior 12 months but had not looked for work in the 4 weeks preceding the survey. The number of discouraged workers, a subset of the marginally attached who believed that no jobs were available for them, was 657,000 in November, little changed from the previous month. (See Summary table A.)

Household Survey Supplemental Data

In November, 21.8 percent of employed persons teleworked because of the coronavirus pandemic, up from 21.2 percent in October. These data refer to employed persons who teleworked or worked at home for pay at some point in the last 4 weeks specifically because of the pandemic.

In November, 14.8 million persons reported that they had been unable to work because their employer closed or lost business due to the pandemic--that is, they did not work at all or worked fewer hours at some point in the last 4 weeks due to the pandemic. This measure is little changed from October. Among those who reported in November that they were unable to work because of pandemic-related closures or lost business, 13.7 percent received at least some pay from their employer for the hours not worked, up from 11.7 percent in October.

About 3.9 million persons not in the labor force in November were prevented from looking for work due to the pandemic. This measure is up from 3.6 million in October. (To be counted as unemployed, by definition, individuals must either be actively looking for work or on temporary layoff.)

These supplemental data come from questions added to the household survey beginning in May to help gauge the effects of the pandemic on the labor market. The data are not seasonally adjusted. Tables with estimates from the supplemental questions for all months are available online at www.bls.gov/cps/effects-of-the-coronavirus-covid-19-pandemic.htm.

Establishment Survey Data

Total nonfarm payroll employment rose by 245,000, following gains of larger magnitude in the prior 6 months. In November, nonfarm employment was below its February level by 9.8 million, or 6.5 percent. Notable job gains occurred over the month in transportation and warehousing, professional and business services, and health care. Employment declined in government and retail trade. (See table B-1. For more information about how the establishment survey and its measures were affected by the coronavirus pandemic, see the box note at the end of this news release.)

Employment in transportation and warehousing rose by 145,000 in November but is 123,000 below its February level. In November, employment rose by 82,000 in couriers and messengers and by 37,000 in warehousing and storage; since February, employment in these industries has increased by 182,000 and 97,000, respectively. Job growth also occurred over the month in truck transportation (+13,000).

In November, employment in professional and business services increased by 60,000, with about half the gain occurring in temporary help services (+32,000). Job growth also occurred in services to buildings and dwellings (+14,000). Employment in professional and business services is down by 1.1 million since February.

Health care added 46,000 jobs in November, with gains occurring in offices of physicians (+21,000), home health care services (+13,000), and offices of other health practitioners (+8,000). Nursing care facilities continued to lose jobs (-12,000). Health care employment is 527,000 lower than in February.

Construction gained 27,000 jobs in November, but employment is 279,000 below its February level. In November, employment rose in residential specialty trade contractors (+14,000) and in heavy and civil engineering construction (+10,000).

In November, manufacturing employment increased by 27,000. Job gains occurred in motor vehicles and parts (+15,000) and in plastics and rubber products (+5,000). Employment in manufacturing was 599,000 lower than in February.

Financial activities added 15,000 jobs in November. Gains occurred in real estate (+10,000) and in nondepository credit intermediation (+8,000). Financial activities has added 164,000 jobs over the past 7 months, but employment in the industry is 115,000 lower than in February.

Employment in wholesale trade continued to trend up in November (+10,000) but is 281,000 lower than in February.

Government employment declined for the third consecutive month, decreasing by 99,000 in November. A decline of 86,000 in federal government employment reflected the loss of 93,000 temporary workers who had been hired for the 2020 Census. Employment in local government education continued to trend down (-21,000).

In November, retail trade lost 35,000 jobs, reflecting less seasonal hiring in several retail industries. Employment decreases occurred in general merchandise stores (-21,000); sporting goods, hobby, book, and music stores (-12,000); electronics and appliance stores (-11,000); and health and personal care stores (-8,000). By contrast, furniture and home furnishings stores and automobile dealers added 6,000 jobs and 4,000 jobs, respectively. Employment in retail trade is 550,000 lower than in February.

Employment in leisure and hospitality changed little in November (+31,000) but is down by 3.4 million since February. Arts, entertainment, and recreation added 43,000 jobs in November, while employment in food services and drinking places changed little (-17,000).

Employment in other major industries, including mining, information, and other services, showed little change in November.

In November, average hourly earnings for all employees on private nonfarm payrolls increased by 9 cents to $29.58. Average hourly earnings of private-sector production and nonsupervisory employees increased by 7 cents to $24.87. (See tables B-3 and B-8.)

The average workweek for all employees on private nonfarm payrolls remained unchanged at 34.8 hours in November. In manufacturing, the workweek decreased by 0.2 hour to 40.3 hours, and overtime decreased by 0.1 hour to 3.1 hours. The average workweek for production and nonsupervisory employees on private nonfarm payrolls was unchanged at 34.2 hours. (See tables B-2 and B-7.)

The change in total nonfarm payroll employment for September was revised up by 39,000, from +672,000 to +711,000, and the change for October was revised down by 28,000, from +638,000 to +610,000. With these revisions, employment in September and October combined was 11,000 more than previously reported. (Monthly revisions result from additional reports received from businesses and government agencies since the last published estimates and from the recalculation of seasonal factors.)

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The Employment Situation for December is scheduled to be released on Friday, January 8, 2021, at 8:30 a.m. (ET).

Coronavirus (COVID-19) Impact on November 2020
Establishment and Household Survey Data

Data collection for both surveys was affected by the coronavirus (COVID-19) pandemic. In the establishment survey, approximately one-fifth of the establishments are assigned to four regional data collection centers for collection. Although these centers were closed, interviewers at these centers worked remotely to collect data by telephone. Additionally, BLS encouraged businesses to report electronically. The collection rate for the establishment survey was 74 percent in November, about the same as the average for the 12 months ending in February 2020. The household survey is generally conducted through in-person and telephone interviews. However, for the safety of both interviewers and respondents, in-person interviews were conducted only when telephone interviews could not be done. The household survey response rate was 79 percent in November, considerably higher than the low of 65 percent in June but below the average of 83 percent for the 12 months ending in February 2020.

In the establishment survey, workers who are paid by their employer for all or any part of the pay period including the 12th of the month are counted as employed, even if they were not actually at their jobs. Workers who are temporarily or permanently absent from their jobs and are not being paid are not counted as employed, even if they continue to receive benefits.

In the household survey, individuals are classified as employed, unemployed, or not in the labor force based on their answers to a series of questions about their activities during the survey reference week (November 8th through November 14th). Workers who indicate they were not working during the entire survey reference week and expect to be recalled to their jobs should be classified as unemployed on temporary layoff. As in recent months, a large number of persons were classified as unemployed on temporary layoff in November.

Since March, household survey interviewers have been instructed to classify employed persons absent from work due to temporary, coronavirus-related business closures or cutbacks as unemployed on temporary layoff. As happened in earlier months, some workers affected by the pandemic who should have been classified as unemployed on temporary layoff were instead misclassified as employed but not at work. However, the share of responses that may have been misclassified was highest in the early months of the pandemic and has been considerably lower in recent months.

For March through October, BLS published an estimate of what the unemployment rate would have been had misclassified workers been included among the unemployed. Repeating this same approach, the overall November unemployment rate would have been 0.4 percentage point higher than reported. However, this represents the upper bound of our estimate of misclassification and probably overstates the size of the misclassification error.

According to usual practice, the data from the household survey are accepted as recorded. To maintain data integrity, no ad hoc actions are taken to reclassify survey responses.

More information is available at www.bls.gov/covid19/employment-situation-covid19-faq-november-2020.htm.

Revision of Seasonally Adjusted Household Survey Data

In accordance with usual practice, The Employment Situation news release for December 2020, scheduled for January 8, 2021, will incorporate annual revisions in seasonally adjusted household survey data. Seasonally adjusted data for the most recent 5 years are subject to revision.

- Employment Situation Summary Table A. Household data, seasonally adjusted
- Employment Situation Summary Table B. Establishment data, seasonally adjusted
- Employment Situation Frequently Asked Questions
- Employment Situation Technical Note
- Table A-1. Employment status of the civilian population by sex and age
- Table A-2. Employment status of the civilian population by race, sex, and age
- Table A-3. Employment status of the Hispanic or Latino population by sex and age
- Table A-4. Employment status of the civilian population 25 years and over by educational attainment
- Table A-5. Employment status of the civilian population 18 years and over by veteran status, period of service, and sex, not seasonally adjusted
- Table A-6. Employment status of the civilian population by sex, age, and disability status, not seasonally adjusted
- Table A-7. Employment status of the civilian population by nativity and sex, not seasonally adjusted
- Table A-8. Employed persons by class of worker and part-time status
- Table A-9. Selected employment indicators
- Table A-10. Selected unemployment indicators, seasonally adjusted
- Table A-11. Unemployed persons by reason for unemployment
- Table A-12. Unemployed persons by duration of unemployment
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- Table A-14. Unemployed persons by industry and class of worker, not seasonally adjusted
- Table A-15. Alternative measures of labor underutilization
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- Table B-1. Employees on nonfarm payrolls by industry sector and selected industry detail
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- Table B-5. Employment of women on nonfarm payrolls by industry sector, seasonally adjusted
- Table B-6. Employment of production and nonsupervisory employees on private nonfarm payrolls by industry sector, seasonally adjusted(1)
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- Access to historical data for the "A" tables of the Employment Situation News Release
- Access to historical data for the "B" tables of the Employment Situation News Release
- HTML version of the entire news release

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Last Modified Date: December 04, 2020

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Connect with DOL at https://blog.dol.gov

News Release

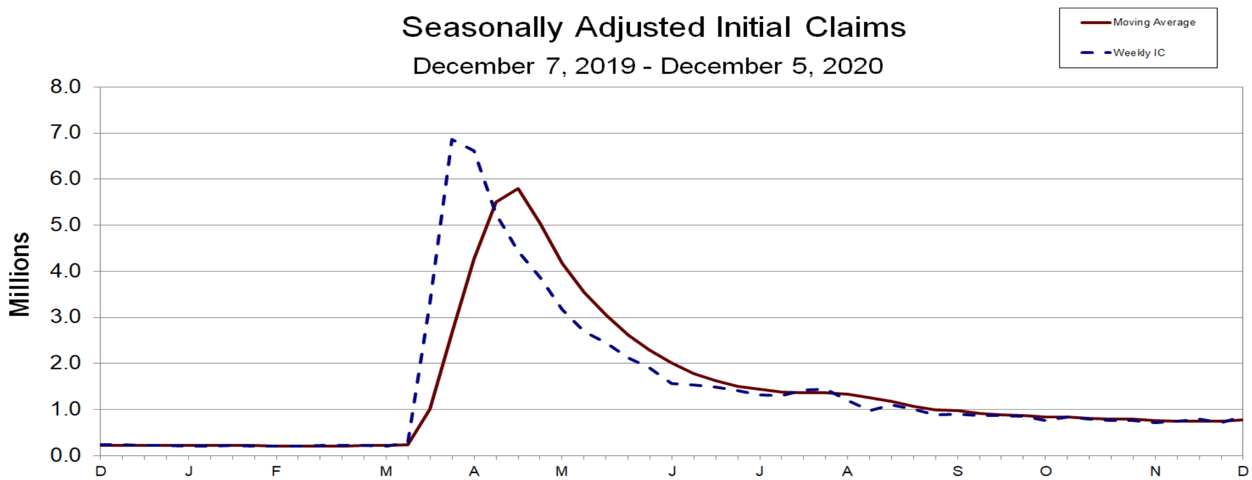
TRANSMISSION OF MATERIALS IN THIS RELEASE IS EMBARGOED UNTIL
8:30 A.M. (Eastern) Thursday, December 10, 2020

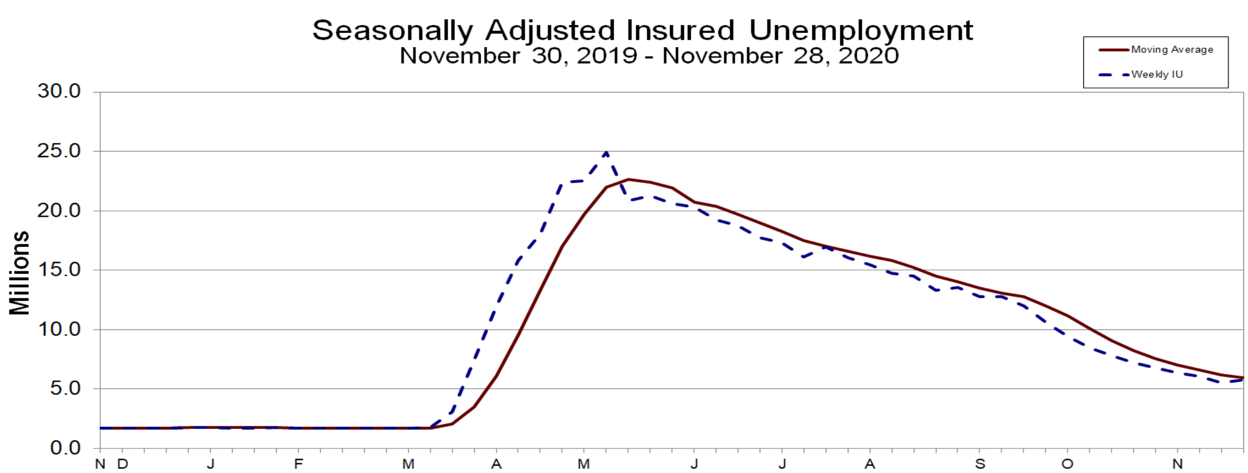
UNEMPLOYMENT INSURANCE WEEKLY CLAIMS

SEASONALLY ADJUSTED DATA

In the week ending December 5, the advance figure for seasonally adjusted **initial claims** was 853,000, an increase of 137,000 from the previous week's revised level. The previous week's level was revised up by 4,000 from 712,000 to 716,000. The 4-week moving average was 776,000, an increase of 35,500 from the previous week's revised average. The previous week's average was revised up by 1,000 from 739,500 to 740,500.

The advance seasonally adjusted **insured unemployment rate** was 3.9 percent for the week ending November 28, an increase of 0.1 percentage point from the previous week's unrevised rate. The advance number for seasonally adjusted **insured unemployment** during the week ending November 28 was 5,757,000, an increase of 230,000 from the previous week's revised level. The previous week's level was revised up 7,000 from 5,520,000 to 5,527,000. The 4-week moving average was 5,935,750, a decrease of 260,250 from the previous week's revised average. The previous week's average was revised up by 1,750 from 6,194,250 to 6,196,000.





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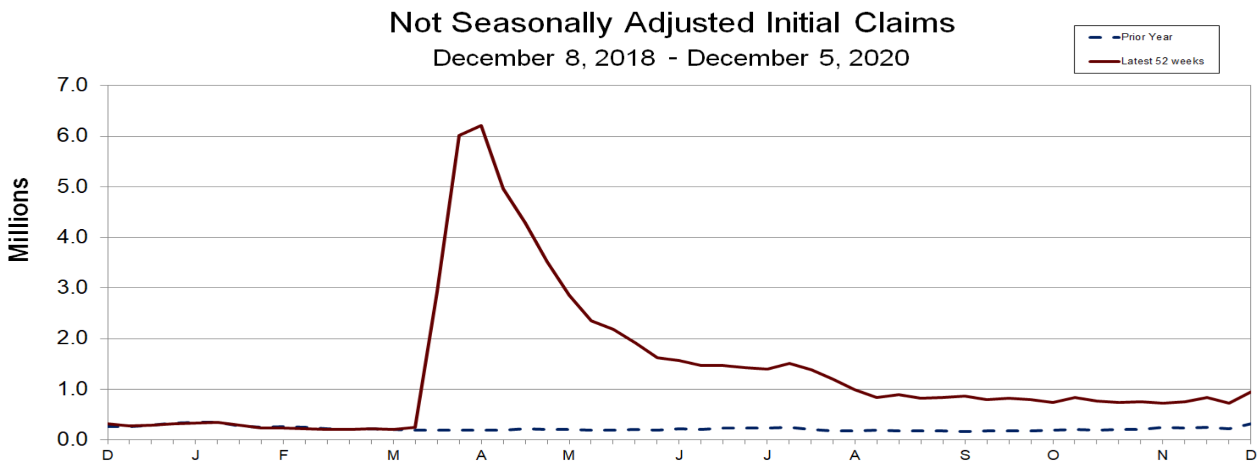
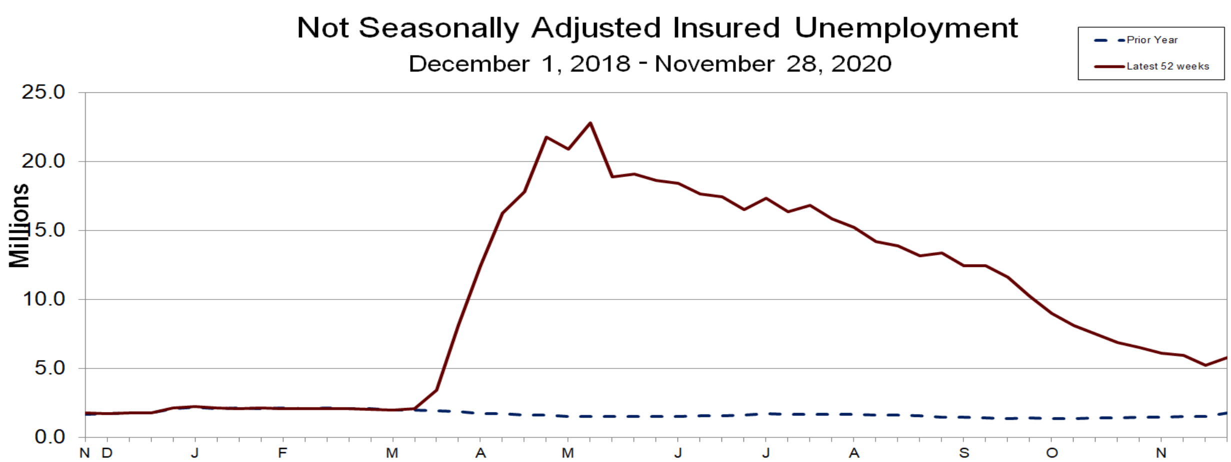
UNADJUSTED DATA

The advance number of actual initial claims under state programs, unadjusted, totaled 947,504 in the week ending December 5, an increase of 228,982 (or 31.9 percent) from the previous week. The seasonal factors had expected an increase of 92,333 (or 12.9 percent) from the previous week. There were 317,866 initial claims in the comparable week in 2019. In addition, for the week ending December 5, 52 states reported 427,609 initial claims for Pandemic Unemployment Assistance.

The advance unadjusted insured unemployment rate was 3.9 percent during the week ending November 28, an increase of 0.3 percentage point from the prior week. The advance unadjusted number for persons claiming UI benefits in state programs totaled 5,780,893, an increase of 533,336 (or 10.2 percent) from the preceding week. The seasonal factors had expected an increase of 303,285 (or 5.8 percent) from the previous week. A year earlier the rate was 1.2 percent and the volume was 1,754,590.





The total number of people claiming benefits in all programs for the week ending November 21 was 19,043,429, a decrease of 1,120,049 from the previous week. There were 1,535,274 persons claiming benefits in all programs in the comparable week in 2019.

During the week ending November 21, Extended Benefits were available in the following 33 states: Alaska, Arizona, California, Connecticut, Delaware, District of Columbia, Georgia, Hawaii, Illinois, Kansas, Louisiana, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Nevada, New Jersey, New Mexico, New York, North Carolina, Ohio, Oklahoma, Oregon, Pennsylvania, Puerto Rico, Rhode Island, South Carolina, Texas, Vermont, the Virgin Islands, Washington, and West Virginia.

Initial claims for UI benefits filed by former Federal civilian employees totaled 1,933 in the week ending November 28, a decrease of 873 from the prior week. There were 625 initial claims filed by newly discharged veterans, a decrease of 198 from the preceding week.

There were 13,788 former Federal civilian employees claiming UI benefits for the week ending November 21, a decrease of 706 from the previous week. Newly discharged veterans claiming benefits totaled 9,143, a decrease of 2,011 from the prior week.

During the week ending Novoember 21, 51 states reported 8,555,763 individuals claiming Pandemic Unemployment Assistance benefits and 51 states reported 4,532,876 individuals claiming Pandemic Emergency Unemployment Compensation benefits.

The highest insured unemployment rates in the week ending November 21 were in Alaska (6.3), California (6.3), New Mexico (6.1), Nevada (6.0), Hawaii (5.6), Massachusetts (5.1), District of Columbia (5.0), Illinois (5.0), Washington (4.7), and Georgia (4.6).

The largest increases in initial claims for the week ending November 28 were in Illinois (+8,535), Oregon (+5,461), Colorado (+1,905), Indiana (+1,746), and Louisiana (+1,735), while the largest decreases were in California (-37,803), Texas (-14,123), Michigan (-10,976), Georgia (-9,905), and Washington (-7,881).

UNEMPLOYMENT INSURANCE DATA FOR REGULAR STATE PROGRAMS

WEEK ENDING	December 5	November 28	Change	November 21	Prior Year[1]
Initial Claims (SA)	853,000	716,000	+137,000	787,000	237,000
Initial Claims (NSA)	947,504	718,522	+228,982	835,914	317,866
4-Wk Moving Average (SA)	776,000	740,500	+35,500	750,750	219,250

WEEK ENDING	November 28	November 21	Change	November 14	Prior Year[1]
Insured Unemployment (SA)	5,757,000	5,527,000	+230,000	6,089,000	1,700,000
Insured Unemployment (NSA)	5,780,893	5,247,557	+533,336	5,930,743	1,754,590
4-Wk Moving Average (SA)	5,935,750	6,196,000	-260,250	6,619,750	1,689,750
Insured Unemployment Rate (SA)[2]	3.9%	3.8%	+0.1	4.2%	1.2%
Insured Unemployment Rate (NSA)[2]	3.9%	3.6%	+0.3	4.0%	1.2%

INITIAL CLAIMS FILED IN FEDERAL PROGRAMS (UNADJUSTED)

WEEK ENDING	December 5	November 28	Change	November 21
Pandemic Unemployment Assistance	427,609	288,234	+139,375	318,855

WEEK ENDING	November 28	November 21	Change	Prior Year[1]
Federal Employees (UCFE)	1,933	2,806	-873	971
Newly Discharged Veterans (UCX)	625	823	-198	320

PERSONS CLAIMING UI BENEFITS IN ALL PROGRAMS (UNADJUSTED)

WEEK ENDING	November 21	November 14	Change	Prior Year[1]
Regular State	5,213,712	5,890,220	-676,508	1,505,775
Federal Employees	13,788	14,494	-706	9,305
Newly Discharged Veterans	9,143	11,154	-2,011	5,360
Pandemic Unemployment Assistance[3]	8,555,763	8,869,502	-313,739	NA
Pandemic Emergency UC[4]	4,532,876	4,569,016	-36,140	NA
Extended Benefits[5]	614,517	681,078	-66,561	0
State Additional Benefits[6]	2,363	2,625	-262	5,283
STC / Workshare [7]	101,267	125,389	-24,122	9,551
TOTAL[8]	19,043,429	20,163,478	-1,120,049	1,535,274

FOOTNOTES

SA - Seasonally Adjusted Data, NSA - Not Seasonally Adjusted Data

1. Prior year is comparable to most recent data.
2. Most recent week used covered employment of 146,534,375 as denominator.
3. Information on the Pandemic Unemployment Assistance (PUA) program can be found in UIPL 16-20: PUA Program information
4. Information on the Pandemic Emergency Unemployment Compensation (PEUC) program can be found in Unemployment Insurance Program Letter (UIPL) 17-20: PEUC Program information
5. Information on the EB program can be found here: EB Program information
6. Some states maintain additional benefit programs for those claimants who exhaust regular benefits, and when applicable, extended benefits. Information on states that participate, and the extent of benefits paid, can be found starting on page 4-4 of this link: Extensions and Special Programs PDF
7. Information on STC/Worksharing can be found starting on page 4-8 of the following link: Extensions and Special Programs PDF
8. Totals include PUA Unemployment for the appropriate corresponding week.

Advance State Claims - Not Seasonally Adjusted

	Initial Claims Filed During Week Ended December 5			Insured Unemployment For Week Ended November 28		
STATE	Advance	Prior Wk	Change	Advance	Prior Wk	Change
Alabama	7,059	7,061	-2	20,207	22,949	-2,742
Alaska	4,821	3,834	987	19,970	19,466	504
Arizona	9,283	5,569	3,714	84,951	81,219	3,732
Arkansas	3,937	3,663	274	21,614	21,220	394
California	177,837	130,383	47,454	1,242,501	1,103,423	139,078
Colorado	19,561	17,171	2,390	91,655	79,697	11,958
Connecticut	7,812	5,949	1,863	75,286	74,606	680
Delaware	1,896	1,533	363	14,147	12,103	2,044
District of Columbia	1,511	1,110	401	28,667	29,275	-608
Florida	25,012	23,063	1,949	163,881	142,253	21,628
Georgia	32,371	19,183	13,188	236,253	202,361	33,892
Hawaii	4,335	3,542	793	40,710	34,886	5,824
Idaho	4,792	3,991	801	10,289	9,245	1,044
Illinois	105,599	74,131	31,468	340,919	298,570	42,349
Indiana	26,910	20,575	6,335	84,251	78,674	5,577
Iowa	10,747	5,357	5,390	43,121	33,712	9,409
Kansas	32,046	22,519	9,527	74,190	49,892	24,298
Kentucky	7,936	9,319	-1,383	46,310	44,141	2,169
Louisiana	6,839	11,780	-4,941	67,637	74,863	-7,226
Maine	2,943	1,944	999	12,282	11,948	334
Maryland	10,259	9,289	970	72,606	75,848	-3,242
Massachusetts	25,838	24,178	1,660	171,507	182,992	-11,485
Michigan	22,170	22,965	-795	205,707	159,438	46,269
Minnesota	25,429	24,527	902	146,525	114,715	31,810
Mississippi	4,532	3,373	1,159	28,658	29,740	-1,082
Missouri	9,557	8,595	962	45,212	43,242	1,970
Montana	3,827	3,633	194	17,033	15,841	1,192
Nebraska	2,895	2,392	503	11,468	11,298	170
Nevada	9,574	6,442	3,132	79,523	84,363	-4,840
New Hampshire	2,923	2,308	615	20,902	20,677	225
New Jersey	15,951	13,546	2,405	153,719	143,270	10,449
New Mexico	8,432	8,337	95	53,464	49,130	4,334
New York	63,391	45,863	17,528	411,297	413,532	-2,235
North Carolina	9,183	6,391	2,792	69,204	68,849	355
North Dakota	1,890	1,613	277	8,654	7,009	1,645
Ohio	35,164	27,786	7,378	150,833	144,268	6,565
Oklahoma	5,498	3,541	1,957	40,914	45,225	-4,311
Oregon	14,720	15,371	-651	91,087	76,492	14,595
Pennsylvania	40,244	23,878	16,366	321,402	264,601	56,801
Puerto Rico	1,199	969	230	47,157	38,249	8,908
Rhode Island	5,177	3,932	1,245	15,639	14,707	932
South Carolina	5,109	2,567	2,542	44,300	41,769	2,531
South Dakota	818	436	382	3,847	3,015	832
Tennessee	6,886	6,186	700	47,558	50,970	-3,412
Texas	44,663	24,792	19,871	376,292	354,191	22,101
Utah	3,394	2,385	1,009	14,440	14,246	194
Vermont	1,904	1,255	649	12,328	10,082	2,246
Virgin Islands	8	53	-45	2,020	1,410	610
Virginia	23,221	8,606	14,615	73,627	72,305	1,322
Washington	25,333	23,260	2,073	191,598	160,893	30,705
West Virginia	2,743	1,628	1,115	22,509	18,097	4,412
Wisconsin	21,521	16,138	5,383	105,202	87,624	17,578
Wyoming	804	610	194	5,820	4,966	854
US Total	947,504	718,522	228,982	5,780,893	5,247,557	533,336

Note: Advance claims are not directly comparable to claims reported in prior weeks. Advance claims are reported by the state liable for paying the unemployment compensation, whereas previous weeks reported claims reflect claimants by state of residence. In addition, claims reported as "workshare equivalent" in the previous week are added to the advance claims as a proxy for the current week's "workshare equivalent" activity.

Seasonally Adjusted US Weekly UI Claims (in thousands)

Week Ending	Initial Claims	Change from Prior Week	4-Week Average	Insured Unemployment	Change from Prior Week	4-Week Average	IUR
November 30, 2019	206	-5	215.50	1,700	3	1,689.75	1.2
December 7, 2019	237	31	219.25	1,725	25	1,696.75	1.2
December 14, 2019	229	-8	220.75	1,716	-9	1,709.50	1.2
December 21, 2019	218	-11	222.50	1,728	12	1,717.25	1.2
December 28, 2019	220	2	226.00	1,775	47	1,736.00	1.2
January 4, 2020	212	-8	219.75	1,759	-16	1,744.50	1.2
January 11, 2020	207	-5	214.25	1,735	-24	1,749.25	1.2
January 18, 2020	220	13	214.75	1,704	-31	1,743.25	1.2
January 25, 2020	212	-8	212.75	1,753	49	1,737.75	1.2
February 1, 2020	201	-11	210.00	1,678	-75	1,717.50	1.2
February 8, 2020	204	3	209.25	1,729	51	1,716.00	1.2
February 15, 2020	215	11	208.00	1,693	-36	1,713.25	1.2
February 22, 2020	220	5	210.00	1,720	27	1,705.00	1.2
February 29, 2020	217	-3	214.00	1,699	-21	1,710.25	1.2
March 7, 2020	211	-6	215.75	1,702	3	1,703.50	1.2
March 14, 2020	282	71	232.50	1,784	82	1,726.25	1.2
March 21, 2020	3,307	3,025	1,004.25	3,059	1,275	2,061.00	2.1
March 28, 2020	6,867	3,560	2,666.75	7,446	4,387	3,497.75	5.1
April 4, 2020	6,615	-252	4,267.75	11,914	4,468	6,050.75	8.2
April 11, 2020	5,237	-1,378	5,506.50	15,819	3,905	9,559.50	10.9
April 18, 2020	4,442	-795	5,790.25	18,011	2,192	13,297.50	12.4
April 25, 2020	3,867	-575	5,040.25	22,377	4,366	17,030.25	15.4
May 2, 2020	3,176	-691	4,180.50	22,548	171	19,688.75	15.5
May 9, 2020	2,687	-489	3,543.00	24,912	2,364	21,962.00	17.1
May 16, 2020	2,446	-241	3,044.00	20,841	-4,071	22,669.50	14.3
May 23, 2020	2,123	-323	2,608.00	21,268	427	22,392.25	14.6
May 30, 2020	1,897	-226	2,288.25	20,606	-662	21,906.75	14.1
June 6, 2020	1,566	-331	2,008.00	20,289	-317	20,751.00	13.9
June 13, 2020	1,540	-26	1,781.50	19,231	-1,058	20,348.50	13.2
June 20, 2020	1,482	-58	1,621.25	18,760	-471	19,721.50	12.9
June 27, 2020	1,408	-74	1,499.00	17,760	-1,000	19,010.00	12.2
July 4, 2020	1,310	-98	1,435.00	17,304	-456	18,263.75	11.8
July 11, 2020	1,308	-2	1,377.00	16,151	-1,153	17,493.75	11.1
July 18, 2020	1,422	114	1,362.00	16,951	800	17,041.50	11.6
July 25, 2020	1,435	13	1,368.75	16,090	-861	16,624.00	11.0
August 1, 2020	1,191	-244	1,339.00	15,480	-610	16,168.00	10.6
August 8, 2020	971	-220	1,254.75	14,759	-721	15,820.00	10.1
August 15, 2020	1,104	133	1,175.25	14,492	-267	15,205.25	9.9
August 22, 2020	1,011	-93	1,069.25	13,292	-1,200	14,505.75	9.1
August 29, 2020	884	-127	992.50	13,544	252	14,021.75	9.3
September 5, 2020	893	9	973.00	12,747	-797	13,518.75	8.7
September 12, 2020	866	-27	913.50	12,747	0	13,082.50	8.7
September 19, 2020	873	7	879.00	11,979	-768	12,754.25	8.2
September 26, 2020	849	-24	870.25	10,594	-1,385	12,016.75	7.2
October 3, 2020	767	-82	838.75	9,398	-1,196	11,179.50	6.4
October 10, 2020	842	75	832.75	8,472	-926	10,110.75	5.8
October 17, 2020	797	-45	813.75	7,823	-649	9,071.75	5.3
October 24, 2020	758	-39	791.00	7,222	-601	8,228.75	4.9
October 31, 2020	757	-1	788.50	6,798	-424	7,578.75	4.6
November 7, 2020	711	-46	755.75	6,370	-428	7,053.25	4.3
November 14, 2020	748	37	743.50	6,089	-281	6,619.75	4.2
November 21, 2020	787	39	750.75	5,527	-562	6,196.00	3.8
November 28, 2020	716	-71	740.50	5,757	230	5,935.75	3.9
December 5, 2020	853	137	776.00				

Pandemic Unemployment Assistance Claims - Not Seasonally Adjusted

	PUA Initial Claims Filed During Week Ended December 5			PUA Continued Claims For Week Ended Nov 21		
STATE	Advance	Prior Wk	Change	Nov 21	Nov 14	Change
Alabama	2,672	1,712	960	45,064	46,177	-1,113
Alaska	254	333	-79	10,883	10,689	194
Arizona	1,583	1,087	496	218,703	250,173	-31,470
Arkansas	2,316	2,060	256	45,719	53,094	-7,375
California	46,246	34,143	12,103	1,820,945	1,802,531	18,414
Colorado	17,232	14,242	2,990	63,694	62,403	1,291
Connecticut	545	668	-123	38,565	37,746	819
Delaware	94	90	4	7,257	4,176	3,081
District of Columbia	171	80	91	14,522	15,223	-701
Florida	23,400	16,742	6,658	0	0	0
Georgia	2,884	2,238	646	172,490	216,381	-43,891
Hawaii	4,308	1,533	2,775	68,816	74,612	-5,796
Idaho	4	5	-1	10,941	10,846	95
Illinois	26,450	15,931	10,519	145,593	143,987	1,606
Indiana	28,579	16,689	11,890	349,429	293,432	55,997
Iowa	1,692	1,157	535	11,742	12,383	-641
Kansas	5,382	4,986	396	46,120	56,037	-9,917
Kentucky	4,477	2,309	2,168	47,630	9,660	37,970
Louisiana	2,389	6,429	-4,040	119,563	130,391	-10,828
Maine	1,182	725	457	15,395	13,711	1,684
Maryland	2,593	1,938	655	185,085	204,734	-19,649
Massachusetts	7,987	7,272	715	403,891	425,548	-21,657
Michigan	6,954	7,556	-602	435,249	465,347	-30,098
Minnesota	1	12	-11	39,539	41,902	-2,363
Mississippi	0	0	0	26,228	25,748	480
Missouri	296	255	41	40,652	42,919	-2,267
Montana	1,780	1,534	246	24,489	30,915	-6,426
Nebraska	752	625	127	7,161	8,146	-985
Nevada	61,290	8,345	52,945	77,712	74,049	3,663
New Hampshire	535	376	159	12,459	13,095	-636
New Jersey	7,667	7,090	577	349,335	345,838	3,497
New Mexico	1,558	1,398	160	32,557	30,022	2,535
New York	31,335	22,959	8,376	1,182,600	1,211,531	-28,931
North Carolina	12,377	11,680	697	119,085	118,951	134
North Dakota	731	753	-22	6,346	7,086	-740
Ohio	43,767	36,865	6,902	381,988	419,346	-37,358
Oklahoma	507	344	163	9,423	8,842	581
Oregon	15,854	7,654	8,200	121,506	122,221	-715
Pennsylvania	13,191	13,051	140	684,978	743,069	-58,091
Puerto Rico	13,814	11,837	1,977	215,385	209,875	5,510
Rhode Island	1,729	3,237	-1,508	39,731	40,152	-421
South Carolina	2,758	2,070	688	52,525	54,172	-1,647
South Dakota	18	16	2	1,318	1,581	-263
Tennessee	2,074	1,896	178	64,829	71,271	-6,442
Texas	8,220	4,882	3,338	414,607	514,259	-99,652
Utah	731	526	205	3,067	3,171	-104
Vermont	64	40	24	8,451	8,503	-52
Virgin Islands	50	40	10	0	0	0
Virginia	9,201	4,297	4,904	190,366	210,835	-20,469
Washington	3,763	3,305	458	108,859	101,292	7,567
West Virginia	1,739	1,575	164	34,560	39,977	-5,417
Wisconsin	2,282	1,559	723	27,055	29,601	-2,546
Wyoming	131	88	43	1,656	1,852	-196
US Total	427,609	288,234	139,375	8,555,763	8,869,502	-313,739

Note: Information on the Pandemic Unemployment Assistance (PUA) program can be found in UIPL 16-20: PUA Program information. Backdated claims may be included in these figures.

Pandemic Emergency Unemployment Compensation Claims - Not Seasonally Adjusted

	PEUC Claims Filed During Weeks Ended:				
STATE	November 21	November 14	Change	November 7	October 31
Alabama	26,810	29,960	-3,150	32,916	36,326
Alaska	8,459	8,909	-450	8,856	9,057
Arizona	55,001	55,006	-5	53,370	50,776
Arkansas	10,881	12,414	-1,533	12,395	13,473
California	1,272,167	1,264,212	7,955	1,294,265	1,204,014
Colorado	70,031	66,806	3,225	64,790	59,175
Connecticut	61,155	61,390	-235	60,046	57,966
Delaware	14,193	14,228	-35	13,485	12,861
District of Columbia	25,433	25,054	379	23,984	22,656
Florida	0	0	0	0	0
Georgia	0	0	0	0	0
Hawaii	45,256	50,244	-4,988	42,411	41,112
Idaho	4,473	4,876	-403	5,237	5,259
Illinois	231,238	228,583	2,655	218,266	204,472
Indiana	56,452	56,653	-201	53,389	51,555
Iowa	24,068	26,410	-2,342	25,855	26,153
Kansas	22,105	23,104	-999	22,274	22,505
Kentucky	31,212	29,672	1,540	29,580	28,839
Louisiana	41,452	39,167	2,285	35,533	34,001
Maine	12,683	13,513	-830	13,896	14,348
Maryland	56,837	56,777	60	52,196	49,540
Massachusetts	175,774	173,966	1,808	171,042	167,187
Michigan	228,265	213,879	14,386	220,670	196,101
Minnesota	83,514	83,409	105	80,864	78,814
Mississippi	17,360	16,796	564	16,960	16,855
Missouri	36,110	41,749	-5,639	45,274	47,485
Montana	5,749	5,710	39	5,657	5,582
Nebraska	4,230	4,249	-19	4,225	4,153
Nevada	95,860	95,965	-105	94,009	92,211
New Hampshire	7,056	7,749	-693	7,467	6,114
New Jersey	178,203	181,185	-2,982	179,936	174,200
New Mexico	35,654	34,946	708	32,483	13,449
New York	715,067	717,795	-2,728	688,988	682,997
North Carolina	123,151	127,999	-4,848	125,910	124,799
North Dakota	5,942	6,019	-77	6,023	6,092
Ohio	97,556	98,202	-646	95,005	93,606
Oklahoma	28,053	27,888	165	26,260	26,577
Oregon	60,715	60,972	-257	60,790	55,982
Pennsylvania	202,582	214,793	-12,211	196,087	240,011
Puerto Rico	34,696	36,177	-1,481	32,957	30,011
Rhode Island	19,302	19,674	-372	19,891	20,001
South Carolina	60,582	69,870	-9,288	69,870	71,306
South Dakota	726	890	-164	812	887
Tennessee	39,547	42,818	-3,271	45,141	47,864
Texas	20,465	22,615	-2,150	28,860	39,549
Utah	7,983	7,703	280	8,363	8,780
Vermont	8,963	9,598	-635	9,158	8,995
Virgin Islands	48	110	-62	78	167
Virginia	79,288	86,226	-6,938	88,519	89,763
Washington	4,256	5,761	-1,505	4,189	5,558
West Virginia	17,414	17,828	-414	17,557	15,579
Wisconsin	65,454	65,989	-535	60,044	58,737
Wyoming	3,405	3,508	-103	3,451	3,347
US Total	4,532,876	4,569,016	-36,140	4,509,284	4,376,847

Note: Information on the Pandemic Emergency Unemployment Compensation (PEUC) program can be found in Unemployment Insurance Program Letter (UIPL) 17-20: [PEUC Program information]

Extended Benefits (EB) Claims - Not Seasonally Adjusted

	EB Claims Filed During Weeks Ended:		
STATE	November 21	November 14	Change
Alabama	0	0	0
Alaska	1,475	1,372	103
Arizona	5,719	5,118	601
Arkansas	255	876	-621
California	116,397	158,175	-41,778
Colorado	61	71	-10
Connecticut	8,327	9,670	-1,343
Delaware	116	125	-9
District of Columbia	30	33	-3
Florida	0	0	0
Georgia	0	0	0
Hawaii	20	20	0
Idaho	15	27	-12
Illinois	29,002	30,175	-1,173
Indiana	71	2,826	-2,755
Iowa	127	324	-197
Kansas	1,416	1,505	-89
Kentucky	109	122	-13
Louisiana	2,281	2,135	146
Maine	132	2,388	-2,256
Maryland	7,293	7,195	98
Massachusetts	22,663	21,612	1,051
Michigan	30,024	41,330	-11,306
Minnesota	14,134	12,750	1,384
Mississippi	5,089	4,840	249
Missouri	68	79	-11
Montana	144	759	-615
Nebraska	66	90	-24
Nevada	14,832	13,363	1,469
New Hampshire	437	500	-63
New Jersey	33,663	38,241	-4,578
New Mexico	2,310	2,298	12
New York	51,256	52,138	-882
North Carolina	54,208	63,797	-9,589
North Dakota	5	6	-1
Ohio	16,590	16,902	-312
Oklahoma	0	0	0
Oregon	8,313	8,299	14
Pennsylvania	21,701	21,700	1
Puerto Rico	1,630	2,090	-460
Rhode Island	3,147	3,011	136
South Carolina	15,238	10,752	4,486
South Dakota	0	0	0
Tennessee	231	338	-107
Texas	104,603	104,025	578
Utah	0	0	0
Vermont	706	756	-50
Virgin Islands	0	0	0
Virginia	21,238	21,297	-59
Washington	19,326	17,871	1,455
West Virginia	21	37	-16
Wisconsin	21	40	-19
Wyoming	7	0	7
US Total	614,517	681,078	-66,561

Note: Information on the EB program can be found here: EB Program information

	INITIAL CLAIMS FILED DURING WEEK ENDED NOVEMBER 28					INSURED UNEMPLOYMENT FOR WEEK ENDED NOVEMBER 21						
		CHANGE FROM						CHANGE FROM				ALL PROGRAMS EXCLUDING RAILROAD RETIREMENT
STATE NAME	STATE	LAST WEEK	YEAR AGO	UCFE [1]	UCX [1]	STATE	(%) [2]	LAST WEEK	YEAR AGO	UCFE [1]	UCX [1]	
Alabama	7,061	-4,752	5,029	17	9	22,949	1.2	-2,698	8,792	72	39	23,060
Alaska	3,834	-697	2,893	14	1	19,466	6.3	-365	11,270	218	43	19,727
Arizona	5,569	-1,585	3,042	15	0	81,219	2.8	-10,266	63,848	249	179	81,647
Arkansas	3,663	-613	1,096	2	1	21,220	1.8	-3,019	11,157	166	28	21,414
California	130,383	-37,803	93,926	489	104	1,103,423	6.3	-173,986	843,860	2,700	1,873	1,107,996
Colorado	17,171	1,905	15,261	46	20	79,697	3.0	-6,385	62,473	238	302	80,237
Connecticut	5,949	-692	2,480	28	5	74,606	4.5	-4,136	47,064	208	92	74,906
Delaware	1,533	-336	860	4	0	12,103	2.7	-889	7,313	30	19	12,152
District of Columbia	1,110	-15	723	22	1	29,275	5.0	-2,926	22,725	450	12	29,737
Florida	23,063	-3,868	19,246	49	55	142,253	1.6	-44,038	111,106	273	258	142,784
Georgia	19,183	-9,905	15,222	76	19	202,361	4.6	-50,986	180,839	528	390	203,279
Hawaii	3,542	-687	2,579	16	8	34,886	5.6	-9,102	28,970	222	136	35,244
Idaho	3,991	-741	2,424	48	2	9,245	1.2	452	4,231	93	7	9,345
Illinois	74,131	8,535	63,898	9	6	298,570	5.0	-35,099	208,315	477	189	299,236
Indiana	20,575	1,746	18,263	26	7	78,674	2.6	-6,292	65,130	179	122	78,975
Iowa	5,357	-3,573	369	6	4	33,712	2.2	-3,090	18,176	63	32	33,807
Kansas	22,519	-1,160	21,283	1	0	49,892	3.6	-902	42,634	54	40	49,986
Kentucky	9,319	-1,664	6,132	1	0	44,141	2.3	43	29,138	89	121	44,351
Louisiana	11,780	1,735	10,273	7	3	74,863	4.0	-8,475	60,412	108	42	75,013
Maine	1,944	-310	1,212	3	1	11,948	2.0	-122	7,398	53	8	12,009
Maryland	9,289	-4,514	6,338	12	6	75,848	3.1	-4,294	53,661	256	81	76,185
Massachusetts	24,178	-5,909	18,036	79	18	182,992	5.1	-31,346	132,893	378	119	183,489
Michigan	22,965	-10,976	14,960	58	5	159,438	3.7	-21,130	113,015	226	63	159,727
Minnesota	24,527	1,613	18,964	16	13	114,715	4.0	1,791	75,274	171	120	115,006
Mississippi	3,373	-506	2,326	3	2	29,740	2.7	-2,899	22,617	98	33	29,871
Missouri	8,595	-2,021	5,717	5	1	43,242	1.6	-2,305	25,854	91	37	43,370
Montana	3,633	-262	1,893	62	3	15,841	3.5	138	8,825	238	19	16,098
Nebraska	2,392	-293	1,396	8	2	11,298	1.2	-615	7,944	21	11	11,330
Nevada	6,442	-1,679	3,876	11	2	84,363	6.0	-9,510	67,042	167	128	84,658
New Hampshire	2,308	-201	1,817	5	4	20,677	3.1	-1,069	17,605	42	8	20,727
New Jersey	13,546	1,341	4,397	46	13	143,270	3.5	-14,116	65,253	277	311	143,858
New Mexico	8,337	-3,822	7,526	20	2	49,130	6.1	5,085	40,394	311	84	49,525
New York	45,863	-958	32,342	34	30	413,532	4.4	-35,438	290,731	251	523	414,306
North Carolina	6,391	-2,197	4,209	45	33	68,849	1.6	-6,492	49,897	282	318	69,449
North Dakota	1,613	-152	916	1	1	7,009	1.7	-30	4,224	18	8	7,035
Ohio	27,786	-2,412	18,414	21	26	144,268	2.7	-6,181	97,424	228	255	144,751
Oklahoma	3,541	-2,293	619	30	6	45,225	2.9	-3,807	29,649	59	63	45,347
Oregon	15,371	5,461	11,088	76	9	76,492	4.0	-2,266	51,709	593	114	77,199
Pennsylvania	23,878	-3,105	6,539	153	42	264,601	4.6	-41,341	168,621	1,239	365	266,205
Puerto Rico	969	-144	-28	2	0	38,249	4.4	-9,180	21,527	114	19	38,382
Rhode Island	3,932	389	2,951	4	0	14,707	3.1	-752	8,549	59	48	14,814
South Carolina	2,567	-794	1,019	11	5	41,769	2.0	-5,118	27,986	36	94	41,899
South Dakota	436	-310	108	13	0	3,015	0.7	-822	1,613	63	3	3,081
Tennessee	6,186	-1,109	4,152	20	12	50,970	1.5	-5,639	35,541	47	58	51,075
Texas	24,792	-14,123	14,433	110	109	354,191	2.8	-106,666	239,099	853	1,376	356,420
Utah	2,385	-661	630	87	6	14,246	1.0	-444	6,463	138	19	14,403
Vermont	1,255	-224	131	1	0	10,082	3.3	-1,068	7,106	10	2	10,094
Virgin Islands	53	-27	31	0	1	1,410	3.8	-1,554	1,048	0	2	1,412
Virginia	8,606	-3,628	6,654	18	2	72,305	1.9	-8,833	55,308	288	291	72,884
Washington	23,260	-7,881	15,364	47	18	160,893	4.7	2,803	108,064	439	542	161,874
West Virginia	1,628	-538	636	6	2	18,097	2.7	-1,920	6,835	120	40	18,257
Wisconsin	16,138	-582	8,009	32	6	87,624	3.1	-5,471	60,021	162	54	87,840
Wyoming	610	-395	21	18	0	4,966	1.9	-416	2,620	43	3	5,012
Totals	718,522	-117,392	501,695	1,933	625	5,247,557	3.6	-683,186	3,739,263	13,788	9,143	5,270,488

Figures appearing in columns showing over-the-week changes reflect all revisions in data for prior week submitted by state agencies.

1. The Unemployment Compensation program for Federal Employees (UCFE) and the Unemployment Compensation for Ex-servicemembers (UCX) exclude claims filed jointly under other programs to avoid duplication.
2. Rate is not seasonally adjusted. The source of U.S. total covered employment is BLS.

UNADJUSTED INITIAL CLAIMS FOR WEEK ENDED NOVEMBER 28, 2020

STATES WITH AN INCREASE OF MORE THAN 1,000

State	Change	State Supplied Comment
IL	+8,535	Layoffs in the other services, construction, and administrative and support and waste management and remediation services industries.
OR	+5,461	No comment.
CO	+1,905	No comment.
IN	+1,746	No comment.
LA	+1,735	No comment.
MN	+1,613	Layoffs in the accommodation and food services and health care and social assistance industries.
NJ	+1,341	No comment.

STATES WITH A DECREASE OF MORE THAN 1,000

State	Change	State Supplied Comment
CA	-37,803	Fewer layoffs in the service industry.
TX	-14,123	No comment.
MI	-10,976	Fewer layoffs in the accommodation and food services industry.
GA	-9,905	Fewer layoffs in the accommodation and food services, transportation and warehousing, health care and social assistance, and art, entertainment and recreation industries.
WA	-7,881	No comment.
MA	-5,909	No comment.
AL	-4,752	Fewer layoffs in the health care and social assistance, retail trade, administrative and support and waste management and remediation services, finance and insurance, public administration, accommodation and food services, educational services, and construction industries.
MD	-4,514	No comment.
FL	-3,868	Fewer layoffs in the agriculture, forestry, fishing and hunting, construction, manufacturing, wholesale trade, retail trade, and service industries.
NM	-3,822	No comment.
VA	-3,628	No comment.
IA	-3,573	Fewer layoffs in the construction, accommodation and food services, and educational services industries.
PA	-3,105	Fewer layoffs in the health care and social assistance, professional, scientific and technical services, and construction industries.
OH	-2,412	No comment.
OK	-2,293	No comment.
NC	-2,197	Fewer layoffs in the administrative and support and waste management and remediation services and manufacturing industries.
MO	-2,021	Fewer layoffs in the accommodation and food services and health care and social assistance industries.
NV	-1,679	No comment.
KY	-1,664	No comment.
AZ	-1,585	No comment.
KS	-1,160	No comment.
TN	-1,109	No comment.

TECHNICAL NOTES

This news release presents the weekly unemployment insurance (UI) claims reported by each state's unemployment insurance program offices. These claims may be used for monitoring workload volume, assessing state program operations and for assessing labor market conditions. States initially report claims directly taken by the state liable for the benefit payments, regardless of where the claimant who filed the claim resided. These are the basis for the advance initial claims and continued claims reported each week. These data come from ETA 538, Advance Weekly Initial and Continued Claims Report. The following week initial claims and continued claims are revised based on a second reporting by states that reflect the claimants by state of residence. These data come from the ETA 539, Weekly Claims and Extended Benefits Trigger Data Report.

A. Initial Claims

An initial claim is a claim filed by an unemployed individual after a separation from an employer. The claimant requests a determination of basic eligibility for the UI program. When an initial claim is filed with a state, certain programmatic activities take place and these result in activity counts including the count of initial claims. The count of U.S. initial claims for unemployment insurance is a leading economic indicator because it is an indication of emerging labor market conditions in the country. However, these are weekly administrative data which are difficult to seasonally adjust, making the series subject to some volatility.

B. Continued Weeks Claimed

A person who has already filed an initial claim and who has experienced a week of unemployment then files a continued claim to claim benefits for that week of unemployment. Continued claims are also referred to as insured unemployment. The count of U.S. continued weeks claimed is also a good indicator of labor market conditions. Continued claims reflect the current number of insured unemployed workers filing for UI benefits in the nation. While continued claims are not a leading indicator (they roughly coincide with economic cycles at their peaks and lag at cycle troughs), they provide confirming evidence of the direction of the U.S. economy.

C. Seasonal Adjustments and Annual Revisions

Over the course of a year, the weekly changes in the levels of initial claims and continued claims undergo regularly occurring fluctuations. These fluctuations may result from seasonal changes in weather, major holidays, the opening and closing of schools, or other similar events. Because these seasonal events follow a more or less regular pattern each year, their influence on the level of a series can be tempered by adjusting for regular seasonal variation. These adjustments make trend and cycle developments easier to spot. At the beginning of each calendar year, the Bureau of Labor Statistics provides the Employment and Training Administration (ETA) with a set of seasonal factors to apply to the unadjusted data during that year. Concurrent with the implementation and release of the new seasonal factors, ETA incorporates revisions to the UI claims historical series caused by updates to the unadjusted data.

Weekly Claims Archives
Weekly Claims Data

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Washington, D.C. 20210
Release Number: USDL 20-2249-NAT

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