

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

In the Matter of the Application of Evergy Metro, )	
Inc. d/b/a Evergy Missouri Metro and Evergy )	Case No. EA-2020-_____
Missouri West, Inc. d/b/a Evergy Missouri West )	
for Approval of COVID-19 Related Customer )	
Programs and Motion for Expedited Treatment )	

**EVERGY MISSOURI METRO’S AND EVERGY MISSOURI WEST’S  
APPLICATION FOR APPROVAL OF COVID-19 CUSTOMER PROGRAMS  
AND MOTION FOR EXPEDITED TREATMENT**

COMES NOW Evergy Missouri Metro, Inc. d/b/a Evergy Missouri Metro (“Evergy Missouri Metro”) and Evergy Missouri West, Inc. d/b/a Evergy Missouri West (“Evergy Missouri West”) (collectively, the “Company” or “Evergy”) and, pursuant to Missouri Public Service Commission (“Commission”) Rules 20 CSR 4240-2.060; and 20 CSR 4240-4.017(1)(D) files this Application for Approval of COVID-19 customer programs (“Application”). In support thereof, the Company states as follows:

1. Evergy Missouri Metro is a Missouri corporation with its principal office and place of business at 1200 Main Street, Kansas City, Missouri 64105. The Company is primarily engaged in the business of generating, transmitting, distributing, and selling electric energy in portions of eastern Kansas and western Missouri. The Company is an electric corporation and public utility as defined in Section 386.020 Mo. Rev. Stat. (2000), as amended. A Certificate of Good Standing was filed with the Commission in Case No. EN-2020-0063 and is incorporated herein by reference in accordance with 20 CSR 4240-2.060(1)(G).

2. Evergy Missouri West is a Delaware corporation with its principal office and place of business at 1200 Main Street, Kansas City, Missouri 64105. It is engaged in the generation, transmission, distribution and sale of electricity in western Missouri, including the suburban Kansas City metropolitan area, St. Joseph, and surrounding counties. Evergy Missouri

West is an “electrical corporation” and a “public utility” subject to the jurisdiction, supervision and control of the Commission under Chapters 386 and 393. A certificate of authority for a foreign corporation to do business Missouri was filed with the Commission in Case No. EN-2020-0064 and is incorporated by reference pursuant to 20 CSR 4240-2.060(1)(G).

3. In addition to the undersigned counsel, all correspondence, pleadings, orders, decisions and communications regarding this proceeding should be sent to:

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4. Eversource Missouri Metro does not have any pending actions or final unsatisfied judgments or decisions against them from any state or federal agency or court, which involve customer service or rates, which action, judgment, or decision has occurred within three years of the date of the Application.

5. Eversource Missouri West does not have any pending actions or final unsatisfied judgments or decisions against them from any state or federal agency or court, which involve customer service or rates, which action, judgment, or decision has occurred within three years of the date of the Application, except for:

- (i) *Patricia Sue Stinnett v. Kansas City Power & Light Co.*, No. EC-2020-0088<sup>1</sup>; and
- (ii) *Barbara Edwards v. Evergy Missouri West*, No. EC-2020-0252.

6. The Company does not have any annual reports or regulatory assessment fees that are overdue in Missouri.

**I. REQUEST FOR VARIANCE FROM 60-DAY NOTICE REQUIREMENT**

7. The Company requests a variance from the 60-day notice requirement of 20 CSR 4240-4.017, which states, in relevant part:

Any person that intends to file a case shall file a notice with the secretary of the commission a minimum of sixty (60) days prior to filing such case[...]

Pursuant to 20 CSR 4240-4.017(1)(D), waivers of the 60-day notice requirement may be granted for good cause shown. The Company has not conducted discussions with members of the office of the Commission regarding its plans on behalf of its customers within the 150-day window allowed by the regulation. Because the Company could not know 60 days ago that the pandemic would be causing the difficulties it is now seeing and because of the time needed to develop operationally feasible relief plans and put effective employee training and customer communication plans in place, it could not have submitted the notice required by Commission regulation. The COVID-19 pandemic, and communications necessary for the prioritization of operational and customer-focused actions of the Company, clearly qualify as “good cause shown” under the regulation, and waiver of the 60-day requirement should be allowed given the extenuating circumstances. No other public utility will be affected by granting the Company a waiver from this requirement.

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<sup>1</sup> Although this Complaint was filed against Kansas City Power & Light Co. (“KCP&L”), at the time of filing, the customer was actually served by KCP&L Greater Missouri Operations Co. (“GMO”). Effective October 7, 2019, Evergy Missouri West adopted the service territory and tariffs of GMO.

## **II. BACKGROUND AND GOALS OF COVID-19 CUSTOMER PROGRAMS**

8. As this Commission is well aware, the current Coronavirus (“COVID-19”) pandemic in confronting the world and the United States with a variety of fundamental and even unprecedented health, economic and social challenges. A number of governmental and private sector measures aimed at restricting travel, crowd sizes, the operation of schools, businesses, and churches as well as sporting and other events have been implemented in an effort to mitigate the spread and impact of COVID-19. These measures have had severe economic consequences as unemployment rates have quickly risen to historic levels across the country.

9. Consistent with the Commission’s statements and its orders in other Missouri utility proceedings, Evergy has suspended disconnections related to non-payment and has suspended the accumulation of interest and late fees related to non-payment through at least June 1, 2020 for all but its largest business customers. Evergy is offering customers flexible payment arrangements over a 12-month period and working case-by-case with commercial and industrial customers on payment arrangements as needed. As a result of these actions and the economic impact the pandemic is having on customers’ ability to pay bills generally, arrearages have substantially increased and will continue to rise and Evergy expects this to result in significantly higher bad debt expense.<sup>2</sup>

10. On May 19, 2020, Evergy announced that it had pledged \$2.2 million in contributions to help agencies, communities and customers to respond to and recover from the COVID-19 pandemic, bringing its 2020 planned community giving to more than \$8 million. Included in Evergy’s planned COVID-19 relief funding is up to \$400,000 in Emergency grants

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<sup>2</sup> See “Heard on the Street,” The Wall Street Journal at B12 (May 5, 2020) (“Delinquencies will get worse given the lagging nature of billing cycles. While businesses and households suddenly without income may have enough saved up to cover their bills in the first month or two, prolonged lockdowns or a deep recession may exhaust them”).

for non-profit agencies which continue to provide essential services in focus areas such as community vitality and environmental leadership; up to \$800,000 for Evergy's Hometown Economic Recovery Program to help build back our local economy in areas such as small business needs, business attraction and retention, and workforce training and development; and up to \$1 million to Dollar Aide, Project Deserve and other programs to assist customers in making energy payments. See **Attachment 1** for additional details regarding Evergy's COVID-19 relief giving.

11. As these events unfold, Evergy desires to further attempt to lessen the impact of COVID-19 on customers' electric service by:

- i. Reducing the number of customers in arrears and the magnitude of customer arrearages;
- ii. Accelerating the ability to interact with customers to establish payment plans;
- iii. Reducing the number of phone calls made by customers to the contact center and associated wait times;
- iv. Reducing the number of customer disconnections for non-payment, associated truck rolls and other collection activity costs;
- v. Reducing ultimate consumer write-offs and bad debt expense; and
- vi. Maintaining essential electric service to as many customers as possible which assists in maintaining continuity of revenue streams that supports the continued provision of safe and reliable electric service.

12. Evergy believes that these goals can best be achieved through the approaches described below that use less stick and more carrot in our customer engagement process.

Importantly, the programs are also designed to be feasible from an operational and administrative perspective and simple to understand for customers and our customer service representatives engaging with customers.

### **III. EXPLANATION OF COVID-19 CUSTOMER PROGRAMS**

13. Evergy is committed to assisting its customers and has developed the following COVID-19 customer programs:

- a. **Extension of moratorium on disconnection for non-payment.** The existing moratorium on disconnection of service to residential and small business customers for non-payment as well as the existing waiver of late payment fees for such customers will be extended to July 15, 2020.
- b. **Commercial and Industrial (C&I) customer classes.**
  - i. Larger C&I customers – upon request and discussion with the customer, on a case-by case review of the circumstances, Evergy will offer payment flexibility through extended payment plans to resolve arrearages by January 1, 2021; the extended payment plan would be documented by written agreement between the customer and the Company.
  - ii. Small C&I customers – agreement on extended payment plan of up to twelve months would be documented in billing system based upon agreement between the customer and Evergy’s customer contact center.

- c. **Residential Customers**

- i. \*\* [REDACTED]

[REDACTED]

[REDACTED] \*\*

- ii. Incentive for one-month payment plan – customers with balances due that include at least \$100 in arrears incurred before July 15, 2020, who pay off their balance due in one month to return to current status would receive a bill credit in the month after the balance has been paid off equal to 10% of the balance paid, up to \$100. Customers will be able to enter this program in June, July and August of 2020. The Company will record all instances in which it provides these bill credits. The customer must enroll in

electronic billing in order to qualify for the one-month payment plan, unless he or she claims hardship.

- iii. Incentives for 4-month payment plan – customers with balances due that include at least \$250 who agree to an extended payment plan to resolve balances in no more than 4 months (i.e., four installments of 25% of the balance) would receive a credit of \$25 toward the 25% installment in the first month of the agreement. If the customer complies with the agreement by paying the remaining three installments plus the charges for service provided in each of the subsequent three months, the customer will receive a credit in the month after the customer completes the agreement of 50% of the final installment amount, up to \$75. Customers will be able to enter this program in June, July and August of 2020, with the latest completion date for the four-month payment plan in December 2020. The Company will record all instances in which it provides these bill credits. The customer must enroll in electronic billing in order to qualify for the four-month payment plan, unless he or she claims hardship.
- iv. 12-month payment plan will remain available – the Company has been offering 12-month payment plans to residential customers, and 12-month payment plans will remain available to residential customers including even those residential customers who initially



agreed to one- or 4-month payment plans but were unable to follow through on such plans.

- v. As is customary, Evergy does not offer extended payment plans in situations involving fraud, misrepresentation, tampering with Company facilities, etc., and the Company will continue that practice for customers with a history of such conduct in the past two years in administering its COVID-19 customer programs.

14. So long as a utility observes guidelines set forth in applicable statutes, Commission rules, regulations and orders and Commission-approved tariffs, the extent of collection activities to be undertaken by a utility is a matter of management discretion. This would include such matters as whether to disconnect for non-payment if arrearages are present and not paid in full, whether to apply late fees, whether to offer a customer an extended payment plan and whether to forgive any portion of an arrearage. Consequently, the Company does not believe Commission authorization is necessary for Evergy to (1) extend the existing moratorium on non-pay shut-offs and late payment fees for residential and small business customers until July 15, as described in paragraph **13.a.** above (2) offer extended payment plans to larger C&I customers to resolve arrearages no later than January 1, 2021, and offer extended payment plans of up to twelve months to small C&I customers as described in paragraphs **13.b.i. and ii.** above (3) implement the program described in paragraph **13.c.i.** above, or (4) offer extended payment plans to residential customers to resolve arrearages over twelve months as described in paragraph **13.c.iv.** above.

15. Because the incentives for residential customers to enter into one- and 4-month payment plans as detailed in paragraphs **13.c.ii. and iii.** above may be perceived as preferential,

the Company is advising the Commission of such incentives before offering them. However, because the provision of these incentives will provide significant benefits to both the Company and all of its customers, the incentive programs discussed in this Application are not unduly preferential. Specifically, avoiding disconnection of accounts that are eligible for disconnection and helping customers pay off their past due account balances is (1) beneficial to the customer who participates in the payment plan because the customer avoids disconnection and receives assistance in bringing their balance current; (2) beneficial to the Company because the cost and operational impacts of such extraordinary collection activities is avoided and revenue associated with that service will continue in the future; and (3) beneficial to all other customers by avoiding collection-related costs and the incremental cost of other operational impacts of the pandemic that could be included in an accounting authority order related to the pandemic and by reducing the possibility of a write-off of that arrearage to increase bad debt expense in a future rate case.

16. With respect to the four-month payment plan option, it is reasonable to allow only customers with larger account balances that include at least \$250 in arrears to participate in the shorter payment plan option because payment of those larger account balances over the standard 12-month payment plan period would have a greater impact on the customer and the Company and the benefits of shortening the period of time over which the larger balances are repaid is significant. In addition, with respect to the one-month payment plan option, for accounts with accounts in arrears with balances owed of at least \$100 but less than \$250, it would be helpful for the customer and the Company if they were brought current sooner rather than later because the summer heating season, and the higher electric bills that come with it, is imminent. Moreover, the Company often seeks to avoid disconnection activity for accounts in arrears with

lower balances because the benefit of such activity can be outweighed by the associated costs so the risk of disconnection for customers with account balances including less than \$250 in arrears.

17. Therefore, in light of these facts and the other benefits anticipated to result from the Company's proposed COVID-19 customer programs, the provision of incentives for residential customers to enter into one- or four-month pay agreements is not unduly preferential under section 393.130.3 RSMo.

18. Consistent with the approach utilized when the operating utilities provided bill credits in conjunction with the merger between Great Plains Energy, Inc. and Westar Energy, Inc., which were approved by the Commission in its Report and Order in Case No. EM- 2018-0012, because the bill credits do not result in a change of rates, the Company proposes to provide the credits to customer bills contemplated by the one- and four-month payment plans discussed above without filing and getting approval of a specific tariff setting forth the provisions of those payment plans and credits. Instead, the Company requests that the Commission either formally (by issuing an order approving the plans) or implicitly (by not issuing an order asking the Company not to proceed) approve these two payment plans and the related credits to customer bills presented in this Application. Such an approach is also consistent with the intent behind the government declarations of a "state of emergency" in the Company's service territories and the Commission's recognition of the impact the pandemic is having on customers in its Orders in Case No. AW-2020-0356 because moving forward without requiring approval of a specific tariff will allow the Company to roll these programs out to customers and begin providing assistance as quickly as possible which, as discussed in paragraphs **21-24** below, is essential to the effectiveness of the programs' ability to lessen the impact of COVID-19 on customers' electric service.

19. Although the Company believes Commission approval of the incentives for residential customers to enter into either a one- or four-month payment plan is warranted under the circumstances in light of the benefits detailed in paragraph 11 above, the Company understands that time constraints, as detailed in paragraphs 21-24 below, may make it impossible for the Commission to grant prior approval. As such, the Company hereby notifies the Commission that it intends to begin offering residential customers incentives to enter into either one- or four-month payment plans on June 1, 2020, unless the Commission directs otherwise.

20. This filing is made to notify the Commission of the Company's plans regarding COVID-19 customer programs. The Company understands that any action the Commission may take concerning this filing does not grant or deny authority to defer costs associated with such programs to a regulatory asset and also does not grant or deny authority to recover the costs associated with such programs in rates. To be clear, however, the Company addressed the potential for COVID-19 customer programs in its accounting authority order request related to the pandemic and intends to request that costs incurred in connection with the one- and four-month payment plan incentives will be included in the deferral of COVID-19 costs for which the Company has requested an accounting authority order in Case No. EO-2020-0293. The Company expects that request to be addressed by the parties and the Commission in Case No. EO-2020-0293.

#### **IV. MOTION FOR EXPEDITED TREATMENT**

21. Evergy has worked expeditiously to develop the details of its proposed incentives for residential customers to enter into one- or four-month payment plans in order to present it to the Commission given the current circumstances and in order to help customers become current

on their accounts prior, or as close as possible, to the start of the Cold Weather Rule, Evergy plans to start offering the one- and four-month payment plans.

22. As detailed in paragraphs **13.c.ii. and iii.** above, this program (including the other elements of the program set forth in paragraphs **13.a., 13.b., 13.c.i., and 13.c.iv.** above for which Commission approval is not requested) has been designed: to reduce COVID-19 costs that may be borne by all customers; to provide options and flexibility to meet the needs of as many customers as reasonably possible; to be simple and readily understandable to customers and Evergy's customer contact center employees; and to be operationally and administratively feasible given the Company's systems and employee training needs.

23. To appreciate why time is of the essence, it is important to note that as of May 8, 2020, Evergy had nearly 60,000 residential customers throughout its service territory in Missouri and Kansas with balances that are in arrears by \$250 or greater, and approximately 130,000 residential customers with arrears of \$249 or less. In order to engage with as many of those customers as possible in advance of the end of the July 15, 2020 moratorium on disconnection for non-payment, it is imperative that Evergy begin communicating the availability of the proposed incentives for residential customers to enter into one- and four-month payment plans as set forth in paragraphs **13.c.ii. and iii.** above no later than June 1, 2020. As a result, time is of the essence in processing this Application and Evergy requests expedited review from the Commission.

24. Given the exigencies of the COVID-19 pandemic and the need to implement measures for mitigating it on a timely basis, the Company submits that there is good cause to approve this Application on an expedited basis and respectfully requests that the Commission approve it either formally (by issuing an order approving the plans) or implicitly (by not issuing

an order asking the Company not to proceed) before June 1, 2020. The Company submits that harm will be avoided by expedited approval of the Application by permitting these mitigation measures to be fully implemented on a timely basis. At the same time, there will be no negative impact on other customers or the general public if the Commission grants such relief. For all of these reasons, the Company submits that there is good cause for the Commission to approve its application before June 1, 2020.

25. This pleading was filed as soon as it could have been following the Company's formulation of this initiative for helping its customers in this time of need.

26. The Company has discussed this Application with the Commission Staff and the Office of the Public Counsel and both parties have authorized the Company to represent that they support the relief requested herein.

**WHEREFORE**, the Company files this Application for consideration by the Commission and requests an order consistent with one of the following alternative outcomes on an expedited basis:

- Issuance of an order before June 1, 2020, indicating that the Commission approves the Company proceeding with the above programs beginning on June 1, 2020; or
- Issuance of no order before June 1 in which case the Company will proceed with the program offerings; or
- Issuance of an order before June 1 indicating that the Company should not proceed with the programs in which case the Company will not offer the programs set forth in paragraphs **13.c.ii. and iii.** above and would likely need to

consider resuming disconnection of residential customers for non-payment before July 15, 2020.

Respectfully submitted,

/s/ Robert J. Hack

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**Attorneys for Evergy Missouri Metro and  
Evergy Missouri West**

**CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the above and foregoing document was served upon all counsel for Staff and the Office of the Public Counsel on this 22<sup>nd</sup> day of May 2020, via e-mail.

/s/ Robert J. Hack

Robert J. Hack

**VERIFICATION**

COUNTY OF JACKSON     )  
                                      )  
STATE OF MISSOURI     )     SS

I, Darrin R. Ives, state that I am Vice President of Regulatory Affairs for Evergy, Inc., that I have reviewed the foregoing pleading, that I am familiar with its contents, that the statements contained therein are true and correct to the best of my knowledge and belief, and that Evergy has had no communication with the Office of the Commission within the prior 150 days regarding any substantive issues likely to arise in this case.

Under penalty of perjury, I declare that the foregoing is true and correct to the best of my knowledge and belief.<sup>3</sup>

Evergy, Inc.

A handwritten signature in black ink, appearing to read "D R Ives", is written over a horizontal line.

Darrin R. Ives, Declarant

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<sup>3</sup> See Letter from the Commission, dated March 24, 2020: “[A]ny person may file an affidavit in any matter before the Commission without being notarized so long as the affidavit contains the following declaration: [‘]Under penalty of perjury, I declare that the foregoing is true and correct to the best of my knowledge and belief.[’]  
\_\_\_\_\_  
Signature of Declarant[.] This guidance applies both to pleadings filed in cases before the Commission and to required annual reports and statements of income.”





## **Evergy pledges \$2.2 million to local COVID-19 relief in historic commitment**

*Commitment brings company's annual community giving to more than \$8 million*

KANSAS CITY, Mo., May 19, 2020 – Evergy (NYSE: EVRG) is committing \$2.2 million to help agencies, communities and customers respond to and recover from the COVID-19 pandemic, bringing its 2020 planned community giving to more than \$8 million.

“We know our communities and customers are dealing with nearly unprecedented uncertainties due to this virus,” said Terry Bassham, Evergy President and CEO. “We are making the largest focused charitable commitment in our history. We’ve been serving these communities nearly 150 years, and we want to do our part to help them move forward.”

### **Emergency grants help non-profit agencies leading response**

Evergy Emergency Grants help non-profit agencies on the front lines that have remained open and are delivering essential services to its communities. Eligible agencies align with Evergy's focus areas of community vitality and environmental leadership, have continued to provide most if not all of their services and have had their costs increase and revenues reduced due to the pandemic. Evergy has pledged \$400,000 and already has awarded grants to multiple agencies. For eligibility and application requirements, visit [www.evergy.com/covid19](http://www.evergy.com/covid19).

“Evergy's COVID-19 emergency grant helped us pivot quickly as a training, job placement and garment manufacturing agency to one that is filling a huge need of providing 40,000 face masks to area health and retirement facilities,” said Jennifer Lapka, executive director, Rightfully Sewn. “We were able to scale up and secure equipment, employ individuals currently facing employment barriers and distribute masks almost immediately.”

### **Hometown Economic Recovery Program helps small businesses, communities**

Evergy's Hometown Economic Recovery Program focuses on efforts in Evergy communities that will help build back our local economies. Areas of eligibility include small business needs, business attraction and retention, and workforce training and development. Evergy will award grants totaling \$800,000 in two phases. Applications for the initial phase begin June 1 with awards made in August. On June 1, nonprofit agencies can visit Evergy Hometown Recovery Grant for criteria and the application. The second phase opens in August with awards made in October. As part of this effort, Evergy will also invest in two small business loan funds, Network Kansas and the GKC COVID Small Business Relief Fund. Eligibility and application requirements will be available at [www.evergy.com/covid19](http://www.evergy.com/covid19).



Additionally, Evergy will provide a new economic development tool [SizeUp](#) to help local communities develop and nurture new and expanding businesses.

**\$1 million assists customers with energy payments**

Expanding on its flexible pay arrangements for residential and small business customers, Evergy is committing up to \$1,000,000 to Dollar Aide, Project Deserve and other programs that assist customers with energy payments. For more information, visit [www.evergy.com/covid19](http://www.evergy.com/covid19).

On May 5 as part of Giving Tuesday Now, Evergy matched employee giving \$2 to \$1, generating nearly \$150,000 in donations for area organizations. "Our employees are always eager to step forward to help our communities when in need," said Bassham. "This time is no different with employees again going above and beyond to help our customers and communities."

The \$2.2 million in COVID-19 focused funding is in addition to Evergy's \$6 million annual giving to agencies and organizations throughout the communities it serves. Evergy focuses its giving to agencies that support community vitality and environmental leadership.

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**About Evergy, Inc.**

Evergy, Inc. (NYSE: EVRG) serves approximately 1.6 million customers in Kansas and Missouri. We were formed in 2018 when long-term local energy providers KCP&L and Westar Energy merged. We generate nearly half the power we provide to homes and businesses with emission-free sources. We support our local communities where we live and work, and strive to meet the needs of customers through energy savings and innovative solutions.

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