

Exhibit No. 1

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

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|---|---|------------------|
| 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 |) | No. EU-2020-0350 |
| Missouri West for an Accounting Authority |) | |
| Order Allowing the Companies to Record and |) | |
| Preserve Costs Related to COVID-19 Expenses |) | |

NON-UNANIMOUS STIPULATION AND AGREEMENT

COME NOW, Evergy Metro, Inc. d/b/a Evergy Missouri Metro (“Evergy Missouri Metro”) and Evergy Missouri West, Inc. (“Evergy Missouri West”) (collectively, “Evergy” or the “Company”), the Staff of the Missouri Public Service Commission (“Staff”), Missouri Industrial Energy Consumers (“MIEC”), Midwest Energy Consumers Group (“MECG”), and Sierra Club (“Sierra Club”) (collectively referred to as the “Signatories” or, if in the singular, “Signatory”) and pursuant to 20 CSR 4240-2.115, hereby submit this *Non-Unanimous Stipulation and Agreement* (“Non-Unanimous Stipulation and Agreement”), and in support thereof respectfully state as follows:

1. The Signatories have reached an agreement as a resolution of this matter on the terms set forth in this document.

2. The Signatories request that the Commission issue an order that authorizes the Company to track and defer into a regulatory asset the following incremental costs caused by the COVID-19 pandemic, beginning March 1, 2020:
 - (a) new or incremental operating and maintenance expense related to protecting employees and customers – eligible costs are the following:
 - (i) additional cleaning of facilities and vehicles;

- (ii) personal protective equipment (i.e., masks, gloves, sanitizing sprays, temperature testing, plexiglass shields, etc.);
 - (iii) technology upgrades which include equipment directly related to enabling employees to work from home and associated contract labor. Such costs shall not extend to costs normally incurred by the employee including internet connectivity at the home; and
 - (iv) employee sequestration preparation costs (and employee sequestration costs if that becomes necessary).
- (b) increased bad debt expense due to COVID-19 to the extent total bad debt expense exceeds levels included in the cost of service;
 - (c) Costs related to any assistance programs implemented to aid customers with payment of electric bills during the pandemic except for the contributions by the Company addressed in paragraph 17 and the program designated as confidential in the Company's filing in Case No. EO-2020-0383; and
 - (d) Waived fee revenues up to the amount included in rates related to waived late payment fees and waived reconnection fees.

3. The Company agrees to track all costs separately for Evergy Missouri Metro and Evergy Missouri West.

4. The Signatories agree that the bad debt expense and late payment fees, and service reconnection charges included in the Company's last rate cases are \$5,552,581 (Evergy Missouri Metro) and \$2,894,841 (Evergy Missouri West) for bad debt, and \$1,909,451 (for Evergy Missouri Metro) and \$725,422 (for Evergy Missouri West) for late payment fees, and \$362,605

(for Evergy Missouri Metro) and \$271,385 (for Evergy Missouri West) for service reconnection charges.

5. Carrying Costs: The Signatories agree that any party to the Company's next general rate cases may propose or oppose certain ratemaking treatment of carrying costs related to this COVID-19 AAO in the Company's next general rate cases.

6. Lost Revenues: The Company agrees not to defer into a regulatory asset any lost revenues from reduced customer usage (volumetric charges) due to the pandemic or other waived fee revenues except as provided in paragraph 2(d) above.

7. Savings to be deferred: The Signatories agree that operating cost reductions caused by the COVID-19 pandemic¹ shall be tracked and netted against the deferred costs recorded as a regulatory asset. These cost reductions will be identified and tracked separately and included in the reporting process prescribed in paragraph 9 below. These deferred COVID-19 operating cost reductions will be tracked so long as the total expense in each cost category is below the level included in rates in the Company's last rate cases. Operating cost reductions related to the COVID-19 pandemic will be reported separately for Evergy Missouri Metro and Evergy Missouri West. COVID-19 operating cost reductions to be tracked and netted against deferred costs include:

- (a) Travel expense (hotels, airfare, meals, entertainment);
- (b) Training expense;
- (c) Office supplies;

¹ The Company has not reduced headcount, compensation or benefits due to the COVID-19 pandemic and has no plans to do so. In the unlikely event those plans change and the Company reduces headcount, compensation and/or benefits due to the COVID-19 pandemic, the Company agrees that resulting operating cost reductions realized during the duration of the AAO for items other than uncollectibles expense granted by the Commission's approval of this Agreement shall be treated in accordance with the provisions of this paragraph 7.

- (d) Utility service provided to facilities leased or owned by the Company;
- (e) Staffing reductions due to the COVID-19 pandemic and excluding staffing reductions instituted in furtherance of merger savings and integration plans or in furtherance of the Sustainability Transformation Plan;
- (f) Reduced employee compensation and benefits due to the COVID-19 pandemic and excluding reductions in furtherance of merger savings and integration plans or in furtherance of the Sustainability Plan;
- (g) Any income tax benefits from taxable net operating losses that are carried back to previous tax years per the 2020 Coronavirus Aid, Relief and Economic Security (“CARES”) Act; and
- (h) Any direct federal or state assistance the Company receives, or any federal or state assistance received by Evergy, Inc., properly allocable to Evergy Missouri Metro and/or Evergy Missouri West, related to COVID-19 relief.

8. Duration of AAO: All costs and cost reductions will be tracked, netted and deferred into a regulatory asset until March 31, 2021; provided, however, that this period shall be extended for deferral of uncollectibles expense only in three-month increments as follows:

- (a) From April 1, 2021, through September 30, 2021, uncollectibles expense as determined in the last rate case for Evergy Missouri Metro and Evergy Missouri West, respectively, will be compared on a quarterly basis to actual net write-offs incurred by each respective company during that quarter. Exhibit 1, attached hereto, sets forth the uncollectibles expense as determined in the last rate case for Evergy Missouri Metro and Evergy Missouri West. This time period may be extended by agreement of the

Signatories approved by Commission order or upon request of one or more of the Signatories approved by Commission order.

- (b) If actual net write-offs during the quarter exceed the uncollectible expense as determined in the last general rate case for that quarter by at least 10 percent then the amount by which actual net write-offs exceed the uncollectible expense as determined in the last general rate case will be deferred.
- (c) If uncollectibles expense as determined in the last general rate case exceeds actual net write-offs for that quarter by at least ten percent then the amount by which uncollectibles expense as determined in the last general rate case exceeds actual net write-offs will be used as an offset to any uncollectibles expense recorded to a regulatory asset pursuant to the Commission's approval of this Agreement.

The duration of this time period for pandemic-related incremental costs and cost reductions, other than uncollectibles expense, may be extended, renewed or terminated upon agreement of the Signatories and subsequent Order of the Commission approving the agreement or, if agreement is not reached among the Signatories, by separate Order of the Commission pursuant to request of one or more of the Signatories. In no event will the deferral authority granted pursuant to the Commission's approval of this Stipulation and Agreement for pandemic-related cost reductions and incremental costs including uncollectibles expense extend beyond the conclusion of the true-up in Evergy's next general rate cases.

9. Reporting: The Company agrees, within two weeks after the Commission issues an order approving this Non-Unanimous Stipulation and Agreement, to file an initial report

identifying the cost categories to be tracked and deferred from the period March 1-June 30, 2020.

The report will identify all cost increases and decreases related to the pandemic that have been identified to date, and:

- (a) The number of customers, by customer class;
- (b) The number of customers, by customer class, voluntarily disconnected by month;
- (c) The number of customers, by customer class, involuntarily disconnected by month;
- (d) Number of utility reconnections, reported by month;
- (e) Number of customers on a utility payment plan, by payment plan type (including budget billing), by month;
- (f) Total dollar amount of arrearages by customer class;
- (g) The number of accounts in arrearage by customer class in increments (e.g., less than \$100, \$101 to \$250, \$251 to \$500, \$501 to \$750, \$751 to \$1000, \$1001 to \$1500, \$1501 to \$2000, \$2001 to \$2500, \$2501 to \$3000, and \$3000+) by month;
- (h) The range of arrearage amounts by customer class (i.e., current high and low dollar amount) and the mean average;
- (i) A quantification of total past-due customer arrearages and number of customers experiencing arrearages, that are thirty, sixty, and ninety days overdue; and

(j) Total dollar amount of accounts receivable balances, including accounts receivable balances that are subject to payment plan agreements, by customer class.

10. The Signatories agree that, for reporting purposes, arrearages will reflect only past due bills.

11. Costs will be tracked by month in the initial and later quarterly reports.

12. The Company will update this report quarterly until the conclusion of the update or true-up period, if applicable, in the Company's next general rate case. The quarterly report shall be filed within 45 days of the end of each quarter.

13. Accounting Practices and Procedures: The Company's authority to defer COVID-19 incremental costs and operating cost reductions is limited to those categories of savings and costs specifically listed herein. Within 30 days of a Commission order authorizing this deferral, the Company will provide the other Signatories copies of the applicable policies and procedures intended to govern how monthly deferral amounts are to be calculated for each applicable category. Such policies and procedures shall also contain a proposed monthly reporting format. Concerns regarding these policies and procedures on the part of any Signatory will be addressed through further discussion by the Signatories.

14. Future Recovery: The Signatories agree that the ability to track and defer costs into a regulatory asset is for accounting purposes only. All questions regarding potential ratemaking treatment of the deferred costs are reserved for the Company's next general rate proceedings. The Signatories reserve the right to review and challenge the Company's recovery of COVID-19 costs and recommend adjustments in the Company's next general rate cases.

15. Evergy Appeal (WD83319 and SC98724): The Signatories agree that if either the Missouri Court of Appeals or the Missouri Supreme Court renders a decision in either of these proceedings that invalidates accounting authority orders, this Non-Unanimous Stipulation and Agreement becomes null and void, and the Company agrees to adjust its books and records consistent with the Court's decision.

16. COVID-19 Customer Arrearage Payment Plans: The Company offered incentives for residential and small business customers to resolve arrearages through one- and four-month payment plans in June, July and August. The Company also offered twelve-month payment plans to residential and small business customers seeking flexibility regarding the payment of their electric bills, and the Company will continue to offer those twelve-month payment plans through at least December 31, 2020. Cold weather rule payment plans will also be available to residential customers from November 1, 2020, through March 31, 2021. The Company agrees to evaluate the advisability of extending its offering of twelve-month payment plans to residential and small business customers beyond December 31, 2020, and March 31, 2021, in consultation with Staff, the Office of the Public Counsel and National Housing Trust. In addition, the Company agrees to evaluate the advisability of offering additional customer assistance programs after December 31, 2021~~0~~, in consultation with Staff, the Office of the Public Counsel and National Housing Trust.

17. The Company has also provided additional support to help customers in communities it serves recover from the impact of the COVID-19 pandemic, including a pledge of \$2.2 million in contributions to help agencies communities and customers. Included in this support is \$400,000 already pledged for Evergy Emergency Grants to help non-profit agencies on the front lines that have remained open and are delivering essential services. Also included is \$800,000 in grants to non-profit agencies for Evergy's Hometown Economic Recovery Program

that will help build back our local economies by supporting small business and entrepreneurial efforts, business attraction and retention, and workforce training and development. In addition, Energy has announced that it is committing up to \$1,000,000 to Dollar-Aide, Project Deserve and other programs that assist customers with energy bill payments. These contributions are being recorded below the line and the Company will not seek to recover them in rates.

18. Customer Protections: The Company agrees that it will continue the practices currently in place of waiving late payment fees and not undertaking full credit external reporting of its customers for the duration of the approved AAO for pandemic-related incremental costs and cost reductions, other than uncollectibles expense as provided in paragraph 8, and will also waive re-connect fees commencing with the effective date of the Commission's order approving this Non-Unanimous Stipulation and Agreement through the end of the same time period.

19. Parties Not Objecting and Not Requesting a Hearing: The Signatories have been authorized to represent that the following parties do not object to this Non-Unanimous Stipulation and Agreement and will not request a hearing thereon: Missouri American Water Company, Spire Missouri, and Union Electric Company d/b/a Ameren Missouri.

GENERAL TERMS

20. Limitation of Scope: This Non-Unanimous Stipulation and Agreement is being entered into for the purpose of disposing of the issues specifically addressed herein. In presenting this Non-Unanimous Stipulation and Agreement, none of the Signatories shall be deemed to have approved, accepted, agreed, consented or acquiesced to any procedural principle, and none of the Signatories shall be prejudiced or bound in any manner by the terms of this Non-Unanimous Stipulation and Agreement, whether approved or not, in this or any other proceeding, other than a proceeding limited to the enforcement of the terms of this Non-Unanimous Stipulation and

Agreement, except as otherwise expressly specified herein. The Signatories further understand and agree that the provisions of this Non-unanimous Stipulation and Agreement relate only to the specific matters referred to in this Non-Unanimous Stipulation and Agreement, and no signatory waives any claim or right which it otherwise may have with respect to any matter not expressly provided for in this Non-Unanimous Stipulation and Agreement. The Signatories further understand and agree that no Signatory to this Non-Unanimous Stipulation and Agreement shall assert the terms of this Stipulation as a precedent in any future proceeding.

21. Interdependence and Non-Severability: This Non-Unanimous Stipulation and Agreement has resulted from negotiations and the terms hereof are interdependent. If the Commission does not approve this Non-Unanimous Stipulation and Agreement in total or approves it with modifications or conditions to which a Signatory objects, then this Non-Unanimous Stipulation and Agreement shall be void and no Signatory shall be bound by any of its provisions. The agreements herein are specific to this proceeding and are made without prejudice to the rights of the Signatories to take other positions in other proceedings except as otherwise noted herein. If the Commission does not unconditionally approve this Non-Unanimous Stipulation and Agreement without modification, and notwithstanding its provision that it shall become void, neither this Non-Unanimous Stipulation and Agreement, nor any matters associated with its consideration by the Commission, shall be considered or argued to be a waiver of the rights that any Signatory has for a decision in accordance with RSMo. section 536.080 or Article V, Section 18, of the Missouri Constitution, and the Signatories shall retain all procedural and due process rights as fully as though this Non-Unanimous Stipulation and Agreement had not been presented for approval, and any suggestions or memoranda, testimony or exhibits that have been offered or received in support of this Non-Unanimous Stipulation and

Agreement shall become privileged as reflecting the substantive content of settlement discussions and shall be stricken from and not be considered as part of the administrative or evidentiary record before the Commission for any further purpose whatsoever.

22. Waiver of Procedural Rights: If the Commission unconditionally accepts the specific terms of this Non-Unanimous Stipulation and Agreement without modification, the Signatories waive, with respect to the issues resolved herein, their respective rights: (1) to call, examine and cross-examine witnesses pursuant to RSMo. section 536.070(2); (2) to present oral argument and/or written briefs pursuant to RSMo. section 536.080.1; (3) to the reading of the transcript by the Commission pursuant to section RSMo. 536.800.2; (4) to seek rehearing pursuant to RSMo. section 386.500; and (5) to judicial review pursuant to RSMo. section 386.510. The Verified Applications submitted by the Company may be received into evidence for the sole purpose of providing evidentiary support for this Non-Unanimous Stipulation and Agreement. These waivers apply only to a Commission order respecting this Non-Unanimous Stipulation and Agreement issued in this above-captioned case and does not apply to any issues or matters raised in any prior or subsequent Commission order, or any issue or other matters not explicitly addressed by this Non-Unanimous Stipulation and Agreement.

23. Merger and Integration: This Non-Unanimous Stipulation and Agreement contains the entire agreement of the Signatories concerning the issues addressed herein. The intent of the Signatories to this Non-Unanimous Stipulation and Agreement has been fully and exclusively expressed in this document and the attachments appended hereto.

WHEREFORE, the Signatories request the Commission issue an Order approving this *Non-Unanimous Stipulation and Agreement* as a resolution of Evergy Missouri Metro's and Evergy Missouri West's request for an Accounting Authority Order in this case.

Respectfully submitted,

/s/ Robert J. Hack

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CERTIFICATE OF SERVICE

The undersigned certifies that a true and correct copy of the foregoing pleading was served on all Parties of record on this 8th day of October 2020 by hand-delivery, e-mail, fax, or by placing a copy of such document, postage prepaid, in the United States mail.

/s/ Robert J. Hack

Robert J. Hack

**Bad Debts in Rates by Month
Every MO Metro and MO West**

| Months | Missouri Metro | | | |
|---------------|------------------------------------|---|---|-------------------------------|
| | Mo Metro Net Write-Offs | Monthly Percent of Total | Distribution of Difference | Bad Debts In Rates |
| May-17 | 309,721 | 5.67% | 4,955 | 314,677 |
| Jun-17 | 370,234 | 6.77% | 5,924 | 376,158 |
| Jul-17 | 716,603 | 13.11% | 11,465 | 728,068 |
| Aug-17 | 412,201 | 7.54% | 6,595 | 418,796 |
| Sep-17 | 516,408 | 9.45% | 8,262 | 524,671 |
| Oct-17 | 502,361 | 9.19% | 8,038 | 510,399 |
| Nov-17 | 537,323 | 9.83% | 8,597 | 545,920 |
| Dec-17 | 605,539 | 11.08% | 9,688 | 615,227 |
| Jan-18 | 647,535 | 11.85% | 10,360 | 657,896 |
| Feb-18 | 429,554 | 7.86% | 6,873 | 436,427 |
| Mar-18 | 184,236 | 3.37% | 2,948 | 187,183 |
| Apr-18 | 233,425 | 4.27% | 3,735 | 237,160 |
| | 5,465,140 | 100.00% | 87,441 | 5,552,581 |

In Rates Bad Debts **5,552,581** Ties to DR 1-11
Difference 87,441

| Months | Missouri West | | | |
|---------------|-----------------------------------|---|---|-------------------------------|
| | Mo West Net Write-Offs | Monthly Percent of Total | Distribution of Difference | Bad Debts In Rates |
| May-17 | 140,244 | 4.91% | 1,872 | 142,116 |
| Jun-17 | 316,225 | 11.07% | 4,221 | 320,446 |
| Jul-17 | 257,557 | 9.02% | 3,438 | 260,994 |
| Aug-17 | 238,737 | 8.36% | 3,186 | 241,924 |
| Sep-17 | 352,173 | 12.33% | 4,700 | 356,874 |
| Oct-17 | 198,727 | 6.96% | 2,652 | 201,379 |
| Nov-17 | 347,038 | 12.15% | 4,632 | 351,670 |
| Dec-17 | 335,871 | 11.76% | 4,483 | 340,354 |
| Jan-18 | 434,508 | 15.21% | 5,799 | 440,307 |
| Feb-18 | 121,466 | 4.25% | 1,621 | 123,087 |
| Mar-18 | (6,588) | -0.23% | (88) | (6,676) |
| Apr-18 | 120,754 | 4.23% | 1,612 | 122,366 |
| | 2,856,713 | 100.00% | 38,128 | 2,894,841 |

In Rates Bad Debts **2,894,841** Ties to DR 1-11
Difference 38,128