

# Exhibit No. 7

Exhibit No.:  
Issue: Accounting Authority Orders  
Witness: Darrin R. Ives  
Type of Exhibit: Direct Testimony  
Sponsoring Party: Evergy Metro, Inc. and Evergy  
Missouri West, Inc.  
Case Nos.: EU-2020-0350  
Date Testimony Prepared: July 8, 2020

**MISSOURI PUBLIC SERVICE COMMISSION**

**CASE NO. EU-2020-0350**

**DIRECT TESTIMONY**

**OF**

**DARRIN R. IVES**

**ON BEHALF OF**

**EVERGY METRO, INC. D/B/A EVERGY MISSOURI METRO  
AND EVERGY MISSOURI WEST, INC. D/B/A EVERGY MISSOURI WEST**

**Kansas City, Missouri**

**July 2020**

**DIRECT TESTIMONY**

**OF**

**DARRIN R. IVES**

**Case No. EU-2020-0350**

1 **Q: Please state your name and business address.**

2 A: My name is Darrin R. Ives. My business address is 1200 Main, Kansas City, Missouri  
3 64105.

4 **Q: By whom and in what capacity are you employed?**

5 A: I am employed by Evergy Metro, Inc. I serve as Vice President – Regulatory Affairs for  
6 Evergy Metro, Inc. d/b/a Evergy Missouri Metro (“Evergy Missouri Metro”) and Evergy  
7 Kansas Metro (“Evergy Kansas Metro”); Evergy Missouri West, Inc. d/b/a Evergy  
8 Missouri West (“Evergy Missouri West”); and Evergy Kansas Central, Inc. d/b/a/ Evergy  
9 Kansas Central (“Evergy Kansas Central”).

10 **Q: On whose behalf are you testifying?**

11 A: I am testifying on behalf of Evergy Missouri Metro and Evergy Missouri West  
12 (collectively, “Evergy” or “Company”).

13 **Q: What are your responsibilities?**

14 A: My responsibilities include oversight of Evergy’s Regulatory Affairs Department, as well  
15 as all aspects of regulatory activities including cost of service, rate design, revenue  
16 requirements, regulatory reporting and tariff administration.

17 **Q: Please describe your education, experience and employment history.**

18 A: I graduated from Kansas State University in 1992 with a Bachelor of Science in Business  
19 Administration with majors in Accounting and Marketing. I received my Master of

1 Business Administration degree from the University of Missouri-Kansas City in 2001. I  
2 am a Certified Public Accountant. From 1992 to 1996, I performed audit services for the  
3 public accounting firm Coopers & Lybrand LLP. I was first employed by Kansas City  
4 Power & Light Company (“KCP&L”) in 1996 and held positions of progressive  
5 responsibility in Accounting Services and was named Assistant Controller in 2007. I  
6 served as Assistant Controller until I was named Senior Director – Regulatory Affairs in  
7 April 2011. I have held my current position as Vice President – Regulatory Affairs since  
8 August 2013.

9 **Q: Have you previously testified in a proceeding at the Missouri Public Service**  
10 **Commission (“Commission” or “PSC”) or before any other utility regulatory**  
11 **agency?**

12 A: Yes, I have testified before the Commission and the Kansas Corporation Commission  
13 (“KCC”). I have also provided written testimony to the Federal Energy Regulatory  
14 Commission and testified before Missouri and Kansas legislative committees.

15 **Q: What is the purpose of your testimony?**

16 A: The purpose of my testimony is to support the Company’s May 6, 2020 Application for  
17 an Accounting Authority Order (“AAO”) that requests permission for Evergy to  
18 accumulate and defer to a regulatory asset for consideration of recovery in future rate  
19 case proceedings before the PSC all extraordinary costs and financial impacts incurred as  
20 a result of the coronavirus disease (“COVID-19”) pandemic, plus associated carrying  
21 costs. I will explain why granting an AAO in this case is proper under the standards  
22 followed by the Commission for many years and why the effects of the COVID-19

1 pandemic justify deferral accounting treatment in the form of an AAO under the facts of  
2 this case.

3 **Q: Who else is providing direct testimony on behalf of the Company?**

4 A: Ronald A. Klote, Director of Regulatory Affairs, explains in detail the types of costs that  
5 the Company is seeking to defer. He also describes how such costs will be accounted for  
6 under the Uniform System of Accounts (“USOA”), as adopted by the Commission in 20  
7 CSR 4240-20.030, and how the costs will be reported to the Commission.

8 **Q: Are you familiar with the principles applicable to AAOs and deferral accounting in  
9 general?**

10 A: Yes, I am. I have provided testimony in a number of cases in recent years that involved  
11 AAOs and deferral accounting. They include KCP&L’s request for authority to defer  
12 transmission costs (net of transmission revenues) paid to Southwest Power Pool, Inc.  
13 (“SPP”) (No. EU-2014-0077), and KCP&L’s 2014 general rate case where it sought  
14 trackers for such SPP transmission costs and other cost items (No. ER-2014-0370). Most  
15 recently, I provided testimony opposing the AAO request related to the retirement of  
16 Evergy Missouri West’s Sibley coal-fired generating station (No. EC-2019-0200). I have  
17 a thorough and current understanding of the principles used by the Commission to  
18 determine whether the use of deferral accounting under an AAO is warranted.

19 **Q: What has the Commission stated with regard to whether the use of deferral  
20 accounting under an AAO is warranted?**

21 A: In its order approving a stipulation and agreement that authorized the use of an AAO by  
22 The Empire District Electric Company to account for costs related to the 2011 Joplin  
23 tornado, the Commission stated that “Missouri courts have recognized the Commission’s

1 regulatory authority to grant a form of relief to a utility in the form of an AAO ‘which  
2 allows the utility to defer and capitalize certain expenses until the time it files its next rate  
3 case.’”<sup>1</sup>

4 The PSC has stated that “[a]n AAO allows the ‘deferral’ in the booking of a  
5 current expense to a utility’s balance sheet as an asset ... based upon the possibility that a  
6 regulatory authority will agree to allow recovery of the cost in a future rate case. This  
7 allows costs to be recorded in a period other than that in which they were actually  
8 incurred. An AAO gives a utility the opportunity to obtain future recovery of  
9 extraordinary costs, even if those costs were not actually incurred within an ordered test  
10 year for a general rate proceeding.”<sup>2</sup>

11 **Q: What is the basis of the Commission’s granting AAOs with regard to extraordinary**  
12 **costs?**

13 A: In evaluating requests for an AAO, the Commission has historically considered the  
14 criteria of USOA General Instruction 7 which states: “Those items related to the effects  
15 of events and transactions which have occurred during the current period and which are  
16 of unusual nature and infrequent occurrence shall be considered extraordinary.  
17 Accordingly, they will be events and transactions of significant effect which are  
18 abnormal and significantly different from the ordinary and typical activities of the  
19 company, and which would not reasonably be expected to recur in the foreseeable  
20 future.”

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<sup>1</sup> Order Approving and Incorporating Unanimous Stipulation and Agreement at 3, In re Application of Empire Dist. Elec. Co. for the Issuance of an AAO, No. EU-2011-0387 (Nov. 30, 2011), citing State ex rel. Aquila, Inc. v. PSC, 326 S.W.3d 20, 27 (Mo. App. W.D. 2010). See Order Approving Stipulation & Agmt., In re Union Elec. Co., No. EU-2008-0141 (Apr. 30, 2008) (ice storm).

<sup>2</sup> See Report & Order at 7, In re Application of KCP&L and KCP&L Greater Missouri Operations Co. for the Issuance of an AAO, No. EU-2014-0077 (July 30, 2014).

1           Although “an item should be more than approximately 5 percent of income” to  
2 “be considered as extraordinary under the above guidelines,” Instruction 7 states that  
3 “Commission approval must be obtained to treat an item of less than 5 percent, as  
4 extraordinary.”

5           This Commission stated almost 40 years ago that while the 5 percent standard is  
6 relevant to materiality and whether an event is extraordinary, it “is not case-dispositive.”<sup>3</sup>  
7 More recently, the Commission rejected as “meritless” arguments that deferrals under an  
8 AAO may only be granted for amounts greater than 5 percent of income.<sup>4</sup>

9 **Q: What are the most common examples of “extraordinary” events where the**  
10 **Commission has granted an AAO?**

11 A: Natural disasters such as floods, tornadoes, windstorms, and ice storms are the most  
12 typical examples. As Staff witness Mark Oligschlaeger, now Director of the Financial  
13 and Business Analysis Division, recently testified, the “classic example of an  
14 extraordinary event is the occurrence of a natural disaster, such as a wind or ice storm, or  
15 major flood that affects a utility’s service territory.”<sup>5</sup>

16 **Q: Is COVID-19 such a natural disaster?**

17 A: Yes, it is. On March 13, 2020 the President of the United States issued a Proclamation  
18 declaring that “the outbreaks of the coronavirus disease (COVID-19) that has now spread  
19 globally” constituted a “national emergency” as of March 1, 2020 under the National  
20 Emergencies Act. The Proclamation noted that the Secretary of Health and Human

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<sup>3</sup> Report & Order, In re Missouri Public Service, 1991 WL 501955 at 5, No. EO-91-358 (Mo. P.S.C. 1991) (AAO granted to defer depreciation expenses and carrying costs associated with life extension construction and coal conversion project at the Sibley Generating Station).

<sup>4</sup> Report & Order at 13 & n.35, In re Application of Southern Union Co. for an AAO, No. GU-2011-0392 (Jan. 25, 2012) (AAO granted for Joplin tornado expenses, capital costs, depreciation, and carrying charges).

<sup>5</sup> Cross-Rebuttal Testimony of Mark L. Oligschlaeger at 3, Office of the Public Counsel v. KCP&L Greater Mo. Operations Co., No. EC-2019-0200 (June 6, 2019).

1 Services had declared a public health emergency on January 31, 2020 under Section 319  
2 of the Public Health Service Act, in response to COVID-19. The Federal Energy  
3 Regulatory Commission recognized this declaration in its Statement of Policy issued on  
4 April 2, 2020 in Docket No. PL20-5-000. President Trump’s Proclamation referenced  
5 the World Health Organization’s announcement on March 11, 2020 that, based upon the  
6 “alarming levels of spread and severity” of the disease around the world, the COVID-19  
7 outbreak “can be characterized as a pandemic.”

8 On July 6, 2020 the U.S. Centers for Disease Control and Prevention reported a  
9 total of 2,886,267 COVID-19 cases for the country, with 129,811 total deaths. For  
10 Missouri, there were reported 23,856 total cases with 1,028 deaths.<sup>6</sup>

11 **Q: What steps have governmental authorities in Missouri taken to contain the COVID-**  
12 **19 pandemic?**

13 A: At Governor Michael L. Parson’s direction, the Department of Health and Senior  
14 Services (“DHSS”) issued a series of orders closing schools, government offices, and  
15 businesses to prevent the further spread of COVID-19 through the end of May 2020. See  
16 DHSS Order (Apr. 3, 2020); DHSS Order (Apr. 27, 2020).

17 A number of local governments in Evergy’s Missouri service territory designated  
18 electricity and related energy businesses as “essential” and issued stay-at-home or  
19 shelter-in-place orders in April that affected all aspects of economic activity into May.  
20 See Fourth Amended Order 20-01, City of Kansas City (Apr. 30, 2020) (effective through  
21 May 31, 2020); Fourth Amended Declaration and Order, City of St. Joseph (Apr. 30,  
22 2020) (effective through May 31, 2020).

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<sup>6</sup> [www.cdc.gov/coronavirus/2019-ncov/cases-updates/cases-in-us.html](https://www.cdc.gov/coronavirus/2019-ncov/cases-updates/cases-in-us.html)



1           Although governmental restrictions have been relaxed since those orders were  
2 issued, the State of Missouri and its local communities have seen increases in both  
3 positive cases of COVID-19 and deaths. On June 26, 2020, Mayor Quinton D. Lucas of  
4 Kansas City issued Ninth Amended Order 20-01 which stated that “on June 25, 2020, the  
5 Kansas City Health Department confirmed 1,887 cases of the COVID-19 illness in  
6 Kansas City, 133 of which required hospitalization, and 32 deaths from the COVID-19  
7 illness in Kansas City; ....” See Sched. DRI-1 (“Ninth Order”). In effect through July  
8 12, 2020, unless otherwise extended, the Ninth Order declared that, with limited  
9 exceptions, “[a]ll employees or visitors to any indoor public accommodation must wear  
10 face mask coverings ... where six feet of separation is not feasible.” Id. at 3.<sup>7</sup>

11 **Q: What has been the effect of COVID-19 on Evergy?**

12 A: Industrial and commercial loads have decreased as a result of a variety of retail and  
13 entertainment venues such as Macy’s, Kohl’s, Best Buy, casinos, and motion picture  
14 theaters having closed in March and April, which are only now beginning to re-open.  
15 The Ford Motor Company plant in Claycomo closed its production line on March 20 for  
16 two months, reopening on May 18. Although we understand that Ford’s Claycomo plant  
17 remains operational as of the date this testimony is being filed, we also understand that  
18 the plant is experiencing manpower availability issues due to the resurgence of the new  
19 coronavirus in recent weeks.

20           Similarly, although the City of Kansas City, Missouri, Jackson County and Clay  
21 County officially re-opened, all of those jurisdictions have recently instituted mask  
22 requirements in an effort to mitigate the resurgence of the new coronavirus without  
23 ordering another round of business closings.

1           Although the Kansas City School District and other school districts in Evergy's  
2 Missouri service territory are currently planning for school re-opening, substantial  
3 uncertainty remains about how those plans will actually unfold at the time schools are  
4 currently scheduled to re-open.

5           Hospitals are currently open for all procedures, but none are operating at pre-  
6 COVID-19 levels.

7           Casinos have re-opened, but we understand that patronage of those businesses has  
8 fallen substantially during the Pandemic and that casino patronage is expected to remain  
9 below historical levels for some time.

10          Retail stores are also experiencing substantial difficulty during the Pandemic ,  
11 with Macy's being just one example in the Company's service territory. We are not  
12 presently aware that Macy's has closed or announced plans to close stores in our  
13 Missouri service territory, but our understanding is that most Macy's stores have reduced  
14 the hours they are open.

15          The Kansas City Royals have not played a single game in front of fans at  
16 Kauffman Stadium yet this year, and it appears almost certain that will hold true through  
17 the entirety of the baseball season which is currently scheduled to start in late July.  
18 Similarly, Starlight Theater in Swope Park has cancelled its 2020 season of  
19 performances, both theater and music. Just today (July 8, 2020), the Kansas City Star  
20 reported that four arts organizations (the Kansas City Symphony, the Kansas City Ballet,  
21 the Lyric Opera of Kansas City and the Harriman-Jewell Series) announced that they  
22 have canceled all of their performances at the Kauffman Center for the Performing Arts  
23 in Kansas City until January 2021. While cinemas have re-opened recently, the number

1 of people patronizing those businesses has fallen substantially compared to pre-COVID-  
2 19 levels.

3 Given the effects of COVID-19 on so many of its customers, Evergy suspended  
4 disconnections for non-payment and waived the application of late payment charges  
5 through July 15, 2020 for all but its largest business customers. Through August 31,  
6 Evergy is offering incentives for residential customers to enter into agreements to  
7 eliminate arrearages over one-month and four-month payment plans. Evergy is also  
8 offering customers flexible payment arrangements over a 12-month period and continues  
9 to work on a case-by-case basis with commercial and industrial customers on payment  
10 plans as needed. Although the Commission did not approve these incentive programs (as  
11 Evergy requested), it permitted Evergy to implement them.<sup>8</sup>

12 As a result of these actions and the economic impact of COVID-19 on the ability  
13 of customers to pay their bills, the Company's arrearages have substantially increased  
14 and will continue to rise. As of April 3, 2020 to June 30, 2020, Evergy Missouri Metro  
15 has experienced increases from \*\* [REDACTED] \*\* to \*\* [REDACTED] \*\* and Evergy Missouri West  
16 has experienced increases from \*\* [REDACTED] \*\* to \*\* [REDACTED] \*\*. Consequently, Evergy  
17 expects these trends to continue and to result in significantly higher bad debt expense.

18 **Q: Are there other categories of costs that Evergy seeks to include in the AAO it is**  
19 **requesting related to the effects of the COVID-19 pandemic?**

20 **A:** Yes. Those categories are set forth in detail in Mr. Klote's direct testimony. They  
21 include cost increases and the effects of other unfavorable financial impacts. They also

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<sup>8</sup> Order Permitting COVID-19 Customer Programs at 3, In re Application of Evergy Metro, Inc. and Evergy Missouri West, Inc. for Approval of COVID-19 Related Customer Programs, No. EO-2020-0383 (May 28, 2020).

1 include any cost reductions and favorable financial impacts that have resulted from and  
2 will continue to be caused by COVID-19.

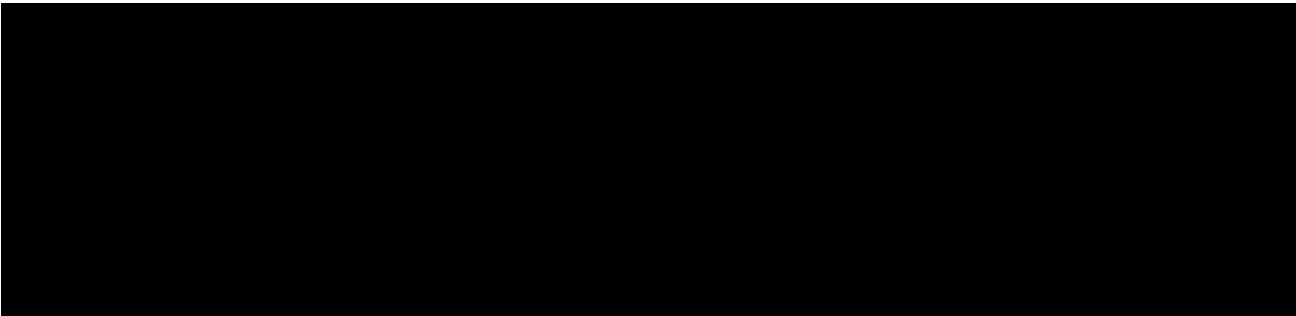
3 **Q: Does one of the categories of costs relate to unfavorable financial impacts**  
4 **concerning revenue that Evergy has lost and may lose in the future as a result of**  
5 **COVID-19?**

6 A: Yes. As this Commission has recognized, revenues not collected by a utility can be an  
7 extraordinary item that may be deferred and considered for later ratemaking where the  
8 utility lost a significant portion of its customer base as a result of a natural disaster.<sup>9</sup>

9 **Q: Has one of the effects of COVID-19 been a general reduction in load at Evergy?**

10 A: Yes. Year-over-year weather normalized retail sales for Evergy were flat for the first  
11 quarter. However, total retail load was down **\*\*[REDACTED]\*\*** and **\*\*[REDACTED]\*\*** for April and  
12 May, respectively, on a weather normalized basis, as shown below:

13 **\*\***



14

15 **\*\***

16 [ **Confidential** Data from March-April v. May-June.]

17 While the data at this point is uncertain, the Energy Information Administration issued a  
18 report on July 7, 2020 indicating that it expects electricity consumption in the U.S. to  
19 decline 4.2% in 2020, with the commercial sector declining by 7.0% and the industrial

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<sup>9</sup> Report & Order at 3-4, In re Union Elec. Co., No. EU-2012-0027 (Nov. 26, 2013) (ice storm caused loss of major industrial customer).

1 sector declining by 5.6%.<sup>10</sup> It stated: “Reduced economic activity related to the COVID-  
2 19 pandemic has caused changes in energy supply and demand patterns in 2020,” noting  
3 that “[u]ncertainties persist across [EIA’s] outlook for all energy sources, including  
4 liquid fuels, natural gas, electricity, coal and renewables.”<sup>11</sup> “EIA’s expectation for less  
5 electricity demand overall drives the forecast of a 5% decrease in U.S. electric power  
6 sector generation during 2020 compared with 2019.”<sup>12</sup>

7 **Q: Have other state public utility commissions authorized AAOs or otherwise approved**  
8 **the establishment of regulatory assets as a result of the COVID-19 pandemic?**

9 A: Yes, a number of state public utility commissions have approved such measures. In a  
10 March 26, 2020 order the Texas Public Utility Commission “ ... authorize[d] each  
11 electric, water, and sewer utility to record as a regulatory asset expenses resulting from  
12 the effects of COVID-19, including but not limited to non-payment of qualified customer  
13 bills ....” See Order Related to Accrual of Regulatory Assets, Issues Related to the State  
14 of Disaster for the Coronavirus Disease 2019, Project No. 50664 (Tex. P.U.C., Mar. 26,  
15 2020).

16 The Wyoming Public Service Commission authorized its public utilities “to  
17 establish a deferred regulatory account for extraordinary expenses related to the COVID-  
18 19 pandemic” in a series of orders issued May 18, 2020.<sup>13</sup>

19 Similar actions have been taken by the Arkansas Public Service Commission  
20 (Order No. 1, Docket No. 20-012-A issued April 10, 2020); the Nevada Public Service

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<sup>10</sup> Short-Term Energy Outlook at 3 , U.S. Energy Information Administration (July 2020).

<sup>11</sup> Id. at 1.

<sup>12</sup> Id. at 18.

<sup>13</sup> See, e.g., Notice and Order at 2-4, In re Application of Black Hills Power, Inc., Record No. 15496 (Wyo. P.S.C., May 18, 2020); Notice and Order at 2-4, In re Application of Rocky Mountain Power Co., Record No. 15488 (Wyo. P.S.C., May 18, 2020).

1 Commission (Order of March 27, 2020 in Docket No. 20-03021); and the Connecticut  
2 Public Utilities Regulatory Authority (Interim Decision of April 29, 2020 in Docket No.  
3 20-03-15).

4 **Q: Have any state commissions granted or indicated a willingness to consider granting**  
5 **deferral accounting regarding unfavorable financial impacts, including lost**  
6 **revenues, caused by COVID-19?**

7 A: Yes. The Iowa Utilities Board issued an order in May that found “the use of regulatory  
8 accounts for the tracking of financial impacts arising from the COVID-19 pandemic” to  
9 be “appropriate.” See Order Authorizing Regulatory Accounts and Establishing Add'l  
10 Reporting Instructions at 4, In re Winter Moratorium Extension, No. SPU-2020-0003  
11 (Iowa Util. Bd., May 1, 2020). It concluded: “Rate-regulated utilities may utilize a  
12 regulatory asset account to track the increased expenses and other financial impacts,  
13 including revenue changes, incurred after March 1, 2020.” Id. at 6.

14 In a similar order, the Connecticut regulatory authority’s decision required  
15 utilities “to maintain a detailed record of costs incurred and revenues lost” as a result of  
16 implementing the state’s COVID-19 emergency orders to cease terminations of service.  
17 See Interim Decision, In re Emergency Decision of Atty. Gen’l to Establish a State of  
18 Emergency Util. Shut-off Moratorium, No. 20-03-15 (Conn. Public Util. Regul. Auth.,  
19 Apr. 29, 2020).

20 **Q: How have the rating agencies and the financial markets in general viewed U.S.**  
21 **public utilities in light of the COVID-19 pandemic?**

22 A: The general reaction has been negative to mixed. On April 2, 2020 S&P Global Ratings  
23 lowered its outlook for the North American regulated utility sector to “negative” from

1 “stable,” with COVID-19 concerns being one of the major factors. On April 7, 2020  
2 Moody’s stated the pandemic had decreased demand for electricity in the U.S., and  
3 predicted business activity will contract 4.3% in the first half of 2020.

4 The Wall Street Journal recently reported that utility stocks “have long been seen  
5 as a safe place to park cash and collect steady dividends,” but that “as the coronavirus  
6 spread around the world this year, they have been more volatile than the broader  
7 market.”<sup>14</sup>

8 **Q: What is Evergy’s request in this proceeding?**

9 A: Evergy requests that the Commission authorize it to establish an Accounting Authority  
10 Order to identify, track, document, accumulate, and defer the following items in a  
11 regulatory asset in USOA Account 182.3 from March 1, 2020 going forward: (1) its  
12 actual incurred operating and maintenance expenses related in any way to protecting  
13 employees and customers from the effects of COVID-19; its planning for and  
14 communications regarding the impacts of COVID-19; increased bad debt expense to the  
15 extent they exceed levels included in the cost of service; costs related to preparing for and  
16 any actual sequestration of employees; and costs related to new assistance programs  
17 implemented to aid customers with the payment of electric bills during the COVID-19;  
18 (2) lost revenues related to the COVID-19; (3) less costs avoided related to COVID-19;  
19 and (4) carrying costs.

20 Carrying costs will be calculated using each respective operating utility’s cost of  
21 capital, exclusive of related taxes, as determined in the utility’s most recent rate case.

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<sup>14</sup> “Utilities Saw More Volatility Than S&P 500,” The Wall Street Journal at B-10 (June 15, 2020) (“Millions of people lost their jobs in recent months, prompting concerns that they may stop paying their bills.”).

1           Energys will track all offsets to cost increases caused by COVID-19 and will  
2 reduce the amount of the regulatory asset by any cost reductions. Such offsets will likely  
3 include reduction in travel costs, reduction in electricity and other costs at Energys offices,  
4 and any increases in residential revenues that occur as a result of more people working  
5 from home.

6           Mr. Klote describes these requests in detail in his direct testimony.

7 **Q: What type of reporting does Energys propose to provide the Commission if its**  
8 **application for an AAO is granted?**

9 A: As set forth in greater detail in Mr. Klotes direct testimony, Energys agrees to file an  
10 annual report, with the first report filed no later than May 1, 2021, and no later than May 1  
11 for each succeeding year until each of the operating utilities' next respective general rate  
12 case filings, setting forth its costs incurred and revenues lost relating to COVID-19  
13 during the preceding calendar year.

14 **Q: If the Commission approves the Application in this case, how long does Energys**  
15 **expect such costs will be deferred?**

16 A: At this time it is not known how long the extraordinary impacts caused by COVID-19  
17 will continue. However, Energys agrees to track all specific expenses and financial  
18 impacts, including revenue degradation, that are included in the regulatory asset. It  
19 agrees to retain all appropriate documents supporting those calculations for the  
20 Commission's consideration in the Company's next general rate cases. In this regard,  
21 Energys Missouri Metro and Energys Missouri West will initiate general rate cases no later  
22 than early January 2022. Energys anticipates that the test year for those cases will be the  
23 12-month period of July 1, 2020 to June 30, 2021 (as updated through June 30, 2022).



1 Q: Does this conclude your testimony?

2 A: Yes, it does.

**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 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 )

**AFFIDAVIT OF DARRIN R. IVES**


STATE OF MISSOURI )  
 ) ss  
COUNTY OF JACKSON )

Darrin R. Ives, being first duly sworn on his oath, states:


1. My name is Darrin R. Ives. I work in Kansas City, Missouri, and I am employed by Evergy Metro, Inc. and serve as Vice President – Regulatory Affairs for Evergy Metro, Inc. d/b/a Evergy Missouri Metro (“Evergy Missouri Metro”) and Evergy Kansas Metro (“Evergy Kansas Metro”); Evergy Missouri West, Inc. d/b/a Evergy Missouri West (“Evergy Missouri West”); and Evergy Kansas Central, Inc. d/b/a/ Evergy Kansas Central (“Evergy Kansas Central”).

2. Attached hereto and made a part hereof for all purposes is my Direct Testimony on behalf of Evergy Missouri Metro and Evergy Missouri West consisting of fifteen (15) pages, having been prepared in written form for introduction into evidence in the above-captioned docket.

3. I have knowledge of the matters set forth therein. I hereby swear and affirm that my answers contained in the attached testimony to the questions therein propounded, including any attachments thereto, are true and accurate to the best of my knowledge, information and belief.

  
\_\_\_\_\_  
Darrin R. Ives

Subscribed and sworn before me this 8<sup>th</sup> day of July 2020.

  
\_\_\_\_\_  
Notary Public

My commission expires: 4/26/2021



CITY OF FOUNTAINE  
HEART OF THE NATION



KANSAS CITY  
MISSOURI

QUINTON D. LUCAS  
Mayor

### NINTH AMENDED ORDER 20-01

WHEREAS, On March 12, 2020, a proclamation of a state of emergency was issued to allow the City of Kansas City to take measures to reduce the possibility of exposure to COVID-19 and promote the health and safety of Kansas City residents, along with an accompanying order; and

WHEREAS, COVID-19 spreads between people who are in close contact with one another through respiratory droplets; and

WHEREAS, a gathering of individuals without necessary mitigation for the spread of infection will pose a risk of the spread of infectious disease; and

WHEREAS, the City wishes to employ all means available under the law to protect public life, health, safety and property to limit the development, contraction and spread of COVID-19 creating this emergency; and

WHEREAS, as of March 16, 2020, numerous cases of COVID-19, including a fatality and evidence of community transmission were identified in jurisdictions bordering Kansas City; and

WHEREAS, on March 16, 2020, an amended order was issued by Mayor Quinton Lucas related to COVID-19, modifying event gathering numbers in the City; and on March 21, 2020, an Amended Emergency Proclamation and Second Amended Order 20-01, also known as the Stay-At-Home order; was entered by Mayor Quinton Lucas; and

WHEREAS, on June 25, 2020, the Kansas City Health Department confirmed 1,887 cases of the COVID-19 illness in Kansas City, 133 of which required hospitalization, and 32 deaths, from the COVID-19 illness in Kansas City; and

WHEREAS, on May 28, 2020, Mayor Quinton Lucas issued the Seventh Amended Order 20-01 to supersede all prior orders;



WHEREAS, on May 31, 2020, Mayor Quinton Lucas issued the Eighth Amended Order 20-01, which was in effect for approximately one day; thereafter, the Seventh Amended Order 20-01 went back into effect; and

WHEREAS, the Centers for Disease Control (“CDC”) continues to study the spread and effects of COVID-19 across the United States and has determined that a significant portion of individuals with coronavirus lack symptoms and that even those who eventually develop symptoms can transmit the virus to others before showing symptoms which means that the virus can spread between people interacting in close proximity (for example, speaking, coughing, or sneezing) even if those people are not exhibiting symptoms; and

WHEREAS, the CDC recommends wearing cloth face coverings in public settings where other social distancing measures are difficult to maintain including but not limited to, grocery stores and pharmacies and other areas of significant community-based transmission; and

WHEREAS, the CDC is advising the use of simple cloth face coverings to slow the spread of the virus and help people who may have the virus and do not know it from transmitting it to others.

WHEREAS, on June 26, 2020, Mayor Quinton Lucas has issued this Ninth Amended Order 20-01; NOW, THEREFORE,

IT IS SO ORDERED:

That in accordance with Section Six below, the Seventh Amended Order 20-01 dated May 28, 2020, is hereby repealed and the following Ninth Amended Order 20-01 (the “Order”) is enacted in lieu thereof, to read as follows:

**Section One: Community Health Guidance**

- A. People at high risk of severe illness from COVID-19, as recommended by the Director of Public Health, are urged to stay in their residence or place of rest except as necessary to seek medical care and to obtain provision of essential life items. All individuals should exercise social distancing requirements at all times, including wearing face coverings or masks when others may be present closer than 6 feet away.
- B. All persons are encouraged to limit exposure, to the extent possible, by wearing masks, maintaining social distancing, as defined infra, and avoiding large groups or other crowd-based activities.
- C. For the purposes of this Order: “Social Distancing Requirements” includes maintaining at least six-foot social distancing from other individuals and wearing a Face Covering that cover the nose and mouth in any indoor public accommodation.

## Section Two: Business Operations

- A. A reasonable standard of care is established in Kansas City requiring that businesses shall reasonably accommodate employees with health or safety concerns or with responsibilities to care for minors or other persons to not report to work while this Order is in effect, absent undue hardship, if:
1. The employee has an underlying health condition, including but not limited to, Asthma, other respiratory conditions, or AIDS or other illnesses that result in a compromised immune system, putting that person at greater risk of death or serious injury if they contract COVID-19; or
  2. The employee is the primary caregiver for a family member who contracted COVID-19 and qualifies for leave under the Family Medical Leave Act; or
  3. The employee is employed by a business with fewer than 500 employees, and under the Families First Coronavirus Relief Act (FFCRA) that employee is eligible for paid leave because the employee must care for a minor child due to the closure or loss of a caregiver resulting from the COVID-19 pandemic.
- B. All previous limits on business operations and gatherings under previous COVID-19 orders are rescinded, with the following exceptions:
1. Taverns shall limit the number of occupants to no more than 50% of building occupancy.
  2. All employees or visitors to any indoor public accommodation must wear face coverings in an area or while performing an activity which will necessarily involve close contact or proximity to co-workers or the public where six feet of separation is not feasible. These spaces include, but are not limited to, grocery and other retail stores, special events, and public transit. Exceptions:
    - i. Minors, though CDC guidance strongly recommends that children over age ten wear face coverings.
    - ii. Persons who have disabilities that:
      - a. Prevent them from comfortably wearing or taking off a Face Covering.
      - b. Prevent them from communicating while wearing a Face Covering.
    - iii. Persons who have a respiratory condition that is exacerbated by the wearing of a Face Covering.
    - iv. Persons who have been told by a medical, legal, or behavioral health professional not to wear a Face Covering.



- v. Persons who are in a restaurant or tavern and are engaged in consuming food or drink while adequately distanced from other patrons.
  - vi. Persons who are hearing impaired, or communicating with a person who is hearing impaired, where the ability to see the mouth is essential for communication.
  - vii. Persons who are obtaining a service involving the nose or face for which temporary removal of the Face Covering is necessary to perform the service.
3. In the interest of public health and to avoid a COVID-19 outbreak in the community, business operations should maintain a record of occupants who are seated on the premises or in contact with stationary furniture, fixtures, or other equipment at a facility for a period of longer than ten (10) minutes. Salons may, for example, satisfy the registration recommendation by maintaining a roster of reservations or appointments. Any information collected under this subsection by the business operation or the Director of Public Health shall, to the extent allowed by law, remain confidential and be utilized only for public health purposes or to address public health concerns.
4. Business operations generally open to the public and operating in a publicly accessible capacity where six feet of social distancing cannot be maintained during the provision of service (for example, salons, restaurants, gyms, and taverns) shall maintain six feet of distance between areas of service, such as tables, booths, or stations in addition to the wearing a Face Covering.
- C. The Director of Public Health and other relevant city officials, including but not limited to the Director of Regulated Industries, the Fire Marshal, and/or law enforcement, may close, revoke licensure, or fine any entities or individuals found in violation of occupancy, hygiene, and social distancing requirements of this section.
- D. Exemptions. All first responders, emergency management personnel, emergency dispatchers, law enforcement personnel, and any individuals performing essential government functions are categorically exempt from this Order. Further, nothing in this Order shall prohibit any individual from performing or accessing "Essential Governmental Functions." Essential Governmental Functions means all services needed to ensure the continuing operation of any government agencies, including schools, and provide for the health, safety and welfare of the public. All Essential Governmental Functions should be performed in compliance with Social Distancing Requirements as defined this Section, to the extent possible.

Section Three. Violation of any provision of this Order constitutes an imminent threat, creates an immediate menace to public health, and shall be considered a violation of Section 50-155 of the City's Code of Ordinances. All remedies prescribed by the provisions of this Order shall

be cumulative, and the use of one or more remedies by the City shall not bar the use of any other remedy for the purpose of enforcing the provisions of this Order.


Section Four. The Director of Public Health or his designee is authorized by the City's Charter to enter all property necessary to enforce all laws relating to public health and for purposes of providing for the avoidance, suppression or mitigation of disease, and abatement of nuisances and other unhealthy conditions. Upon complaint, or whenever the Director deems a business, trade or profession carried on or engaged in by any person in the City detrimental to the public health, the Director shall notify that person to show cause to the director at a time and place to be specified in the notice, why the trade or profession should not be discontinued or removed. The notice shall be served by a police officer or other person before the time specified therein as provided by law.

Section Five. Violation of any provision of this Order may result in the suspension or revocation of the Certificate of Occupancy and/or Business License for the offending business or concern in accordance with the Sections 18-23 and 40-28 of City Code of Ordinances.


Section Six. The Ninth Amended Order herein shall take effect at 12:01 a.m. on Monday, June 29th, 2020 and shall expire at 12:01 a.m. on Sunday, July 12, 2020 unless and until it is extended, rescinded, superseded, or amended in writing prior thereto.

Authenticated as Adopted

This 26th day of June, 2020

  
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Quinton D. Lucas  
Mayor

Filed with me, the City Clerk of the City of Kansas City, Missouri, this 26<sup>th</sup> day of June, 2020, by Mayor Quinton D. Lucas, whose signature I hereby attest.

  
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Marilyn Sanders  
City Clerk