

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

In the Matter of the Establishment of a)	
Collaborative Working Case Dedicated to)	File No. EW-2025-0220
Reviewing the Consolidation of Jurisdictions of)	
Evergy Metro, Inc. d/b/a Evergy Missouri Metro)	
and Evergy Missouri West, Inc. d/b/a Evergy)	
Missouri West)	

NOTICE OF PRESENTATION

COMES NOW, Evergy Metro, Inc. d/b/a as Evergy Missouri Metro (“Evergy Missouri Metro”) and Evergy Missouri West, Inc. d/b/a Evergy Missouri West (“Evergy Missouri West”) (collectively, “Evergy” or the “Company”) and submits its *Notice of Presentation* (“Notice”) to the Missouri Public Service Commission (“Commission”), and states as follows:

1. On May 20, 2025, the Company made an on-the-record presentation pursuant to the Commission’s *Order Establishing Working Case to Review Consolidation of Evergy Missouri Metro and Evergy Missouri West* (“Order”) issued in this docket on March 12, 2025.

2. A copy of the Company’s presentation is attached hereto.

WHEREFORE, The Company submits the above-referenced presentation to the Commission.

Respectfully submitted,

/s/ Roger W. Steiner

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

CERTIFICATE OF SERVICE

I hereby certify that a true and copy of the foregoing was emailed on this 5th day of April
2025 to counsel for all parties.

/s/ Roger W. Steiner

Roger W. Steiner



EW-2025-0220

Jurisdictional Consolidation On-The-Record Presentation

May 20, 2025





Agenda

1. Overview of Commission Order, Purpose of Docket and Scope for Workshops
2. Evergy Overview & Merger History
3. Goals & Objectives for Jurisdictional Consolidation Evaluation
4. Potential Benefits for Jurisdictional Consolidation
5. Potential Challenges to Achieving Jurisdictional Consolidation
6. Next Steps

Kick-off meeting for a series of workshops to review options on jurisdictional consolidation

Overview of Commission Order, Purpose of Docket, and Scope of Workshops



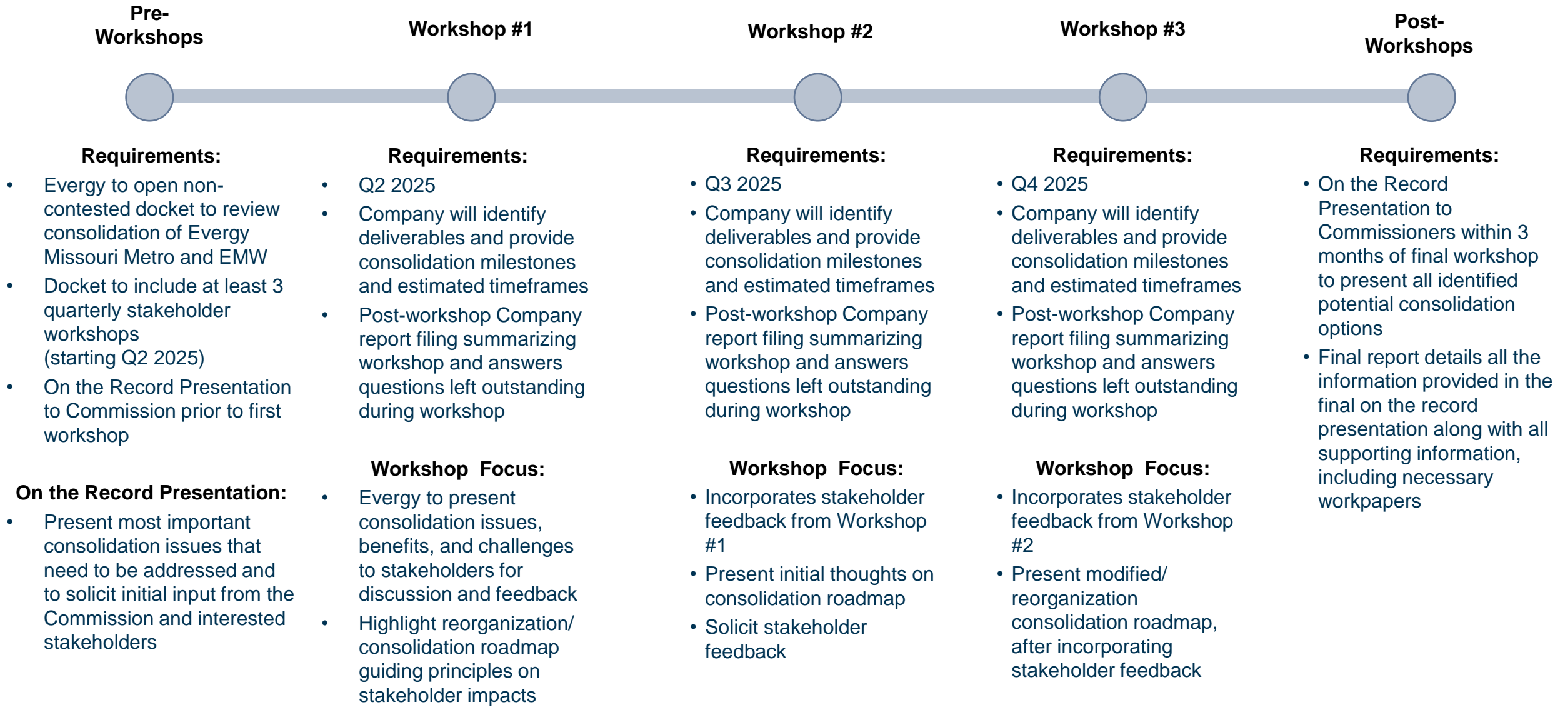


EW-2025-0220

- Commitment from parties in ER-2024-0189 settlement to open a non-contested docket dedicated to reviewing the consolidation of Evergy Missouri Metro and Evergy Missouri West.
- The Company agrees to participate in two On the Record Presentations and at least three workshops that will occur once each quarter starting second quarter of 2025
- Each workshop will entail the Company updating the Commission, Staff, OPC, and other stakeholders as to the progress it has made up to that point on consolidation of Evergy Missouri Metro and Evergy Missouri West.

A series of workshops over the coming months will discuss jurisdictional consolidation

Overview of Commission Order and Purpose of EW-2025-0220 Docket



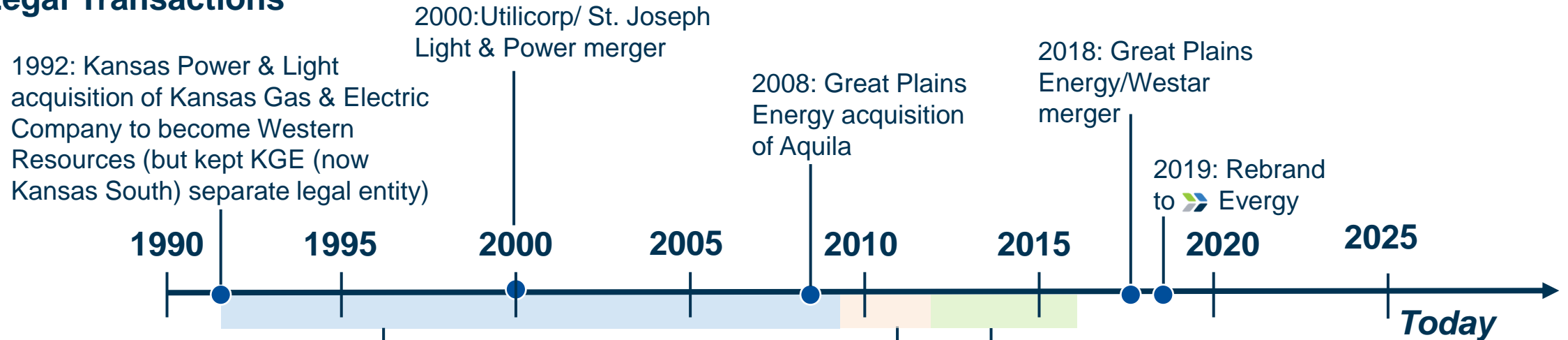
Evergy Overview & Merger History





Evergy is a product of past mergers and acquisitions

Past Legal Transactions



Past Rate Consolidations

Kansas Central rate consolidation of North (former KPL) and South (former KGE) rate jurisdictions

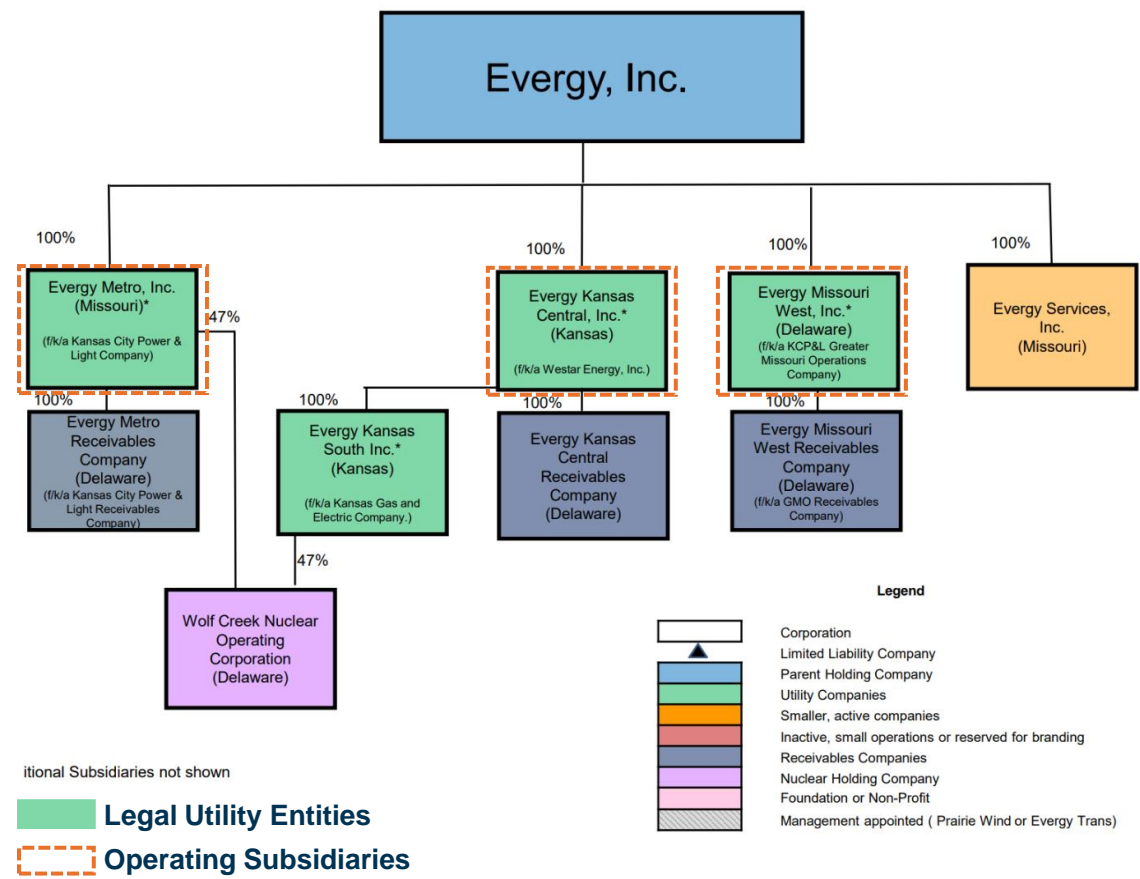
1992 – 2009: Westar worked over a series of rate cases and other Commission filings to adopt common terms of service, redesigned riders to consider application to all customers, consolidated its general terms and conditions, and took purposeful steps in the assignment of revenue requirement.

2009 – 2012: KCC opened a general investigation docket to determine if rate consolidation was appropriate for Westar customers. Following this determination, an additional general investigation and two additional general rate proceedings were utilized to finalize and execute a consolidation of rates. The final steps were taken in the 2012 general rate proceeding.

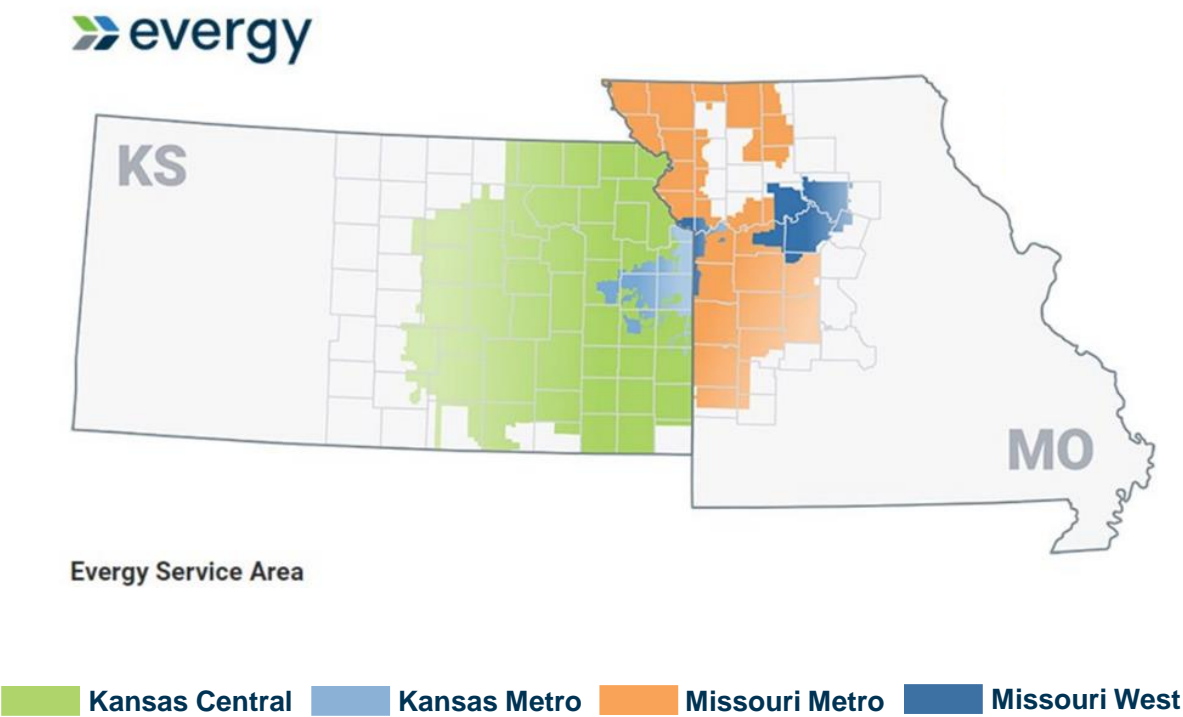


Evergy Legal Structure and Rate Jurisdictional Overview

Legal Structure



Rate Jurisdictions



Mergers and acquisitions at Evergy have resulted in 3 operating subsidiaries, 4 legal utility entities, and 4 electric rate jurisdictions

Goals & Objectives for Jurisdictional Consolidation



Approaches to Jurisdictional Consolidation

Legal Entity Consolidation: Merging of corporate units within a holding company structure

- *Consolidation of operating companies*

Rate Jurisdiction Consolidation: Refers to consolidation of rates and revenue requirements across jurisdictions, composed of three steps:

- *Step 1: Rate Structure Consolidation: refers to the consolidation of line items on a customer's bill (i.e., the line items across consolidated jurisdictions will be identical and measured the same way). While line items on customers' bills align, actual prices customers pay may continue to be different*
- *Step 2: Revenue Requirement Consolidation: combined revenue requirement as a common target to establish consolidated rates, requiring separate and combined cost of service studies*
- *Step 3: Price Consolidation: of rate jurisdiction consolidation refers to the actual rate that customers pay being aligned across jurisdictions.*

Legal entity and rate consolidation both have unique benefits and challenges



Goals for Legal Entity Consolidation

- Regulatory simplification
- Enhance access to capital
 - (e.g., improve financial profile for EMW and bondable capacity for EKS)
- Efficiently serve load across jurisdictional footprints
- Simplification of customer offerings and communication
- Potentially achieve cost savings and operating efficiencies

Legal entity consolidation has the potential to yield positive outcomes for several varying stakeholders



Legal Entity Consolidation Evaluation Objectives

- Evaluate consolidation of legal entity structures including different end states
 - Examples: consolidating Evergy Missouri West and Evergy Metro; consolidating Evergy Kansas Central and Evergy Kansas South; splitting Evergy Metro across state lines
- Develop the business case for legal consolidation
- Identify challenges to legal consolidation, as well as mitigating factors or offramps
- Catalogue the necessary steps and activities to achieve consolidation, including decision points and timelines

Potential Legal Entity Consolidation End State



Work should be staged and divided into manageable increments with milestones to adequately assess impacts



Goals for Rate Jurisdiction Consolidation

- Simplified and enhanced customer experience within each state
- Regulatory simplification - one revenue requirement in Missouri and one in Kansas
- Simplified billing with consolidated rates and elimination of legacy rate options
- Improve long-term affordability by sharing costs across a broader customer base
- Achieve stakeholder buy-in to rate consolidation for each state

Rate consolidation can provide simplifications to stakeholders and improves long-term affordability for customers

Rate Consolidation Evaluation Objectives

- Evaluate consolidation of rates within each state and where possible align rate structures across states.
- Understand the gap between today's rates and consolidated rates and then establish a reasoned approach to achieve consolidation.
- Identify potential barriers and mitigation strategies as well as off-ramps to rate consolidation.
- Catalogue the necessary steps and activities to achieve consolidation, including decision points and timelines

Potential Rate Consolidation End State

















The premise of rate consolidation is that the character of service provided across service areas is fundamentally the same and any snapshot of cost-of-service differences are temporary and driven by timing of investments for one service area compared to the next.

Potential Benefits from Jurisdictional Consolidation





Jurisdictional Consolidation Potential Benefits

Key Benefit / Cost Saving	Legal Entity Consolidation	Rate Jurisdiction Consolidation
Regulatory Simplification (including more predictable regulatory outcomes)		
Simplified Corporate Structure		
Reduced Mortgages and Streamlined Borrowing		
Expanded Bondable Capacity		
Reduced Coal Heavy Utility Financing Risk		
Efficient System and Resource Planning		
Operating Efficiencies (including purchasing economies of scale, and reduced audit costs)		
Streamlined Rate Structure and Reporting		
Improved Customer Experience		
Simplified Billing		
Improve Affordability by Sharing Costs Across a Broader Set of Customers		
Mitigates Challenges of State Policy Differences		

While both consolidation paths provide regulatory simplification and more efficient system and resource planning benefits, they have varying benefits



Legal Entity Consolidation Potential Benefits

Potential Benefit	Description
Regulatory Simplification	Aligns with/might advance consolidation of rates, which would help streamline regulatory and customer operations, including addressing different methodologies and reducing the number of allocations
Simplified Corporate Structure	Simplifies legal structure including tax filings, FERC Form-1s, audits, and avoid some double taxation when inventory is transferred between affiliate companies.
Reduced Mortgages and Streamlined Borrowing	Reduces number of outstanding mortgages/indentures and can streamlines the borrowing process. This can create a stronger financial position and stronger credit ratings (two larger entities instead of four smaller entities)
Expanded Bondable Capacity	Evergy Kansas Central's bondable capacity is limited, and consolidation would potentially unlocks sharing of KS South bondable capacity.
Reduced Coal Heavy Utility Financing Risk	Addresses these co-ownership issues (i.e., different net asset values for the same assets under co-ownership; different depreciation rates in each jurisdiction for the same asset)
Efficient System and Resource Planning	Enables Evergy to perform its integrated resource planning on a statewide basis, rather than OpCo by OpCo. Commission approval of generation assets will no longer require approval from two jurisdictions.
Operating Efficiencies	Legal consolidation can often include things like purchasing economies of scale, and reduced audit costs). It also allows costs to be shared across a broader customer group in each state. Given synergy savings from prior merger many operational synergies may not be material

Legal Entity Consolidation benefits include efficiency for regulatory, customer, and operations processes



Rate Jurisdictional Consolidation Potential Benefits

Potential Benefit	Description
Regulatory Simplification	Simplified rate structures and a consolidated revenue requirement simplifies reviews and the number of issues. It also reduces reporting volume and complexity.
Efficient System and Resource Planning	As business practices are simplified, utilities can redirect resources to support other customer needs. Utilities also have greater flexibility on where investments can be made without increased concern of bill impacts for smaller customer groups.
Streamlined Rate Structure and Reporting	Clean-up of historical rate options to streamline the portfolio of rates and underlying business processes as well as and drive out remaining class subsidy from the rate structures. Consistent pricing structures/incentives throughout the Evergy footprint.
Improved Customer Experience	Promotes universal service for customers. Customers in neighboring areas will have the same rates for the same service, thus reducing customer confusion, especially in metro media markets covering multiple jurisdictions. It also helps overcome barriers to system expansion or investment that could otherwise inhibit customer access.
Simplified Billing	As business practices are simplified, utilities can redirect resources to support other customer needs. Simplified billing management and underlying business processes. Utility billing systems, billing management, auditing, and addressing customer questions is simplified.
Improve Affordability	Costs are spread across a larger customer base thus averaging out investments across the full system over time. The ability to spread costs across a larger group of customers significantly improves the ability to make investments at more affordable rates.
Mitigates Challenges of State Policy Differences	Cases for different rate jurisdictions even within the same state do not always have similar outcomes, sometimes due to timing or different stakeholders involved

Potential Challenges to Achieving Jurisdictional Consolidation





Potential Challenges to Achieving Jurisdictional Consolidation



Legal Entity Consolidation



Rate Consolidation

Key Challenge	Legal Entity Consolidation	Rate Jurisdiction Consolidation
Complexity of Splitting Evergy Metro	>	>
Customer Pushback on Legacy Investment Sharing	>	
Debt Restructuring	>	
Property Tax Shifts	>	
Risk of Creating an Invalid End State	>	
Risk of “Half Measures” Where Further Consolidation Activities are Needed to Achieve Benefits	>	
MPSC and KCC Merger Standard Alignment (or Misalignment)	>	
Existing Rate Differentials Between Service Areas in Each State		>
Cost of Service Differences		>
Metro Cost Allocation/Legal Consolidation Between States		>
Customer Bill Impacts of Rate Consolidation		>
Stakeholder/Commission Opposition	>	>

Challenges vary based on consolidation paths, but both will have complexity surrounding splitting Evergy Metro

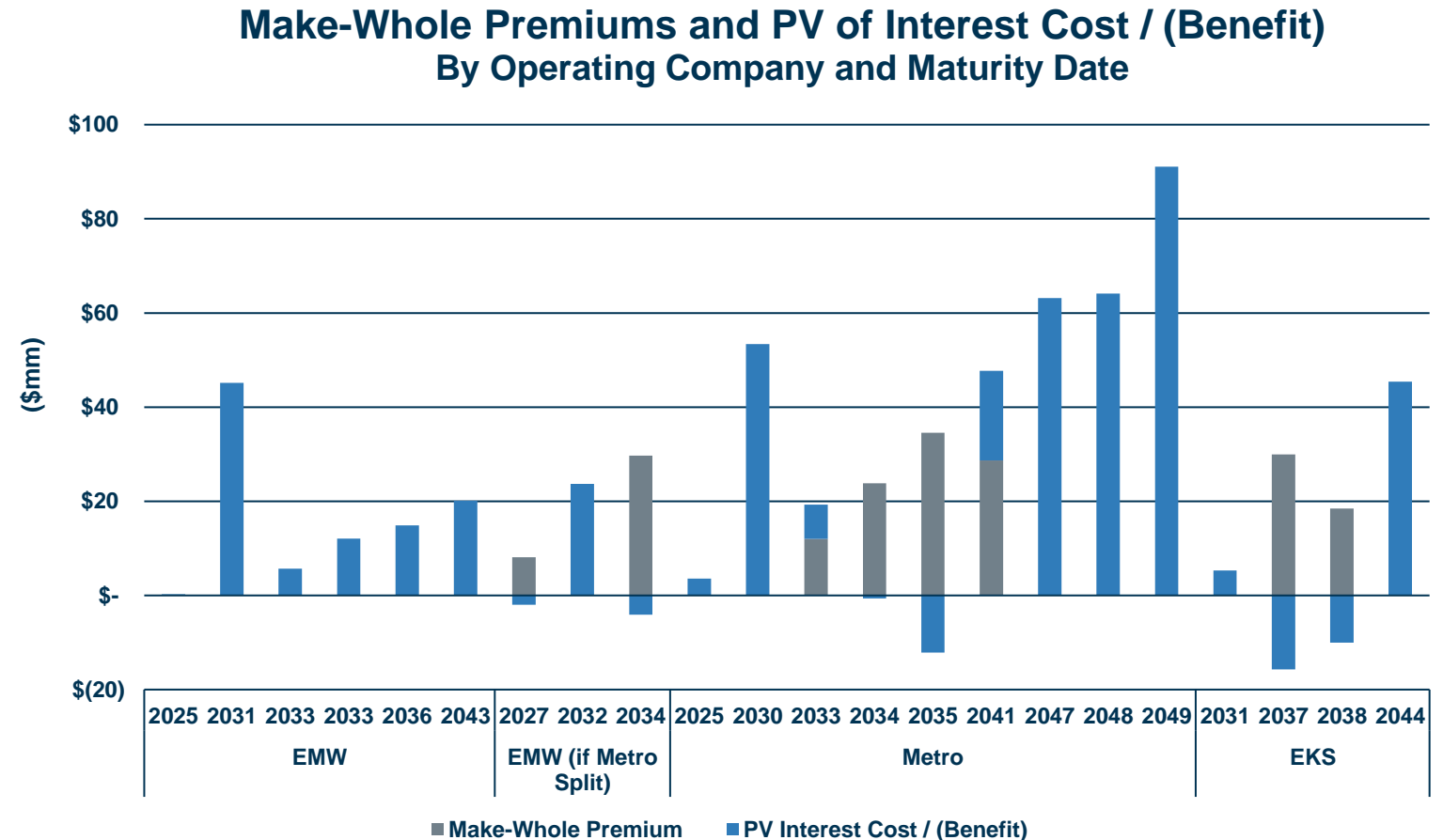
Key Challenges to Legal Entity Consolidation

Challenge	Description
Splitting Evergy Metro	If Evergy Metro is split, there will be significant challenges and administrative burdens involved with splitting assets between jurisdictions and bond indentures. This will be especially challenging as it relates to transmission and generating assets that serve customers in both Missouri and Kansas. In addition, a split Evergy Metro by itself does not bring the benefits of legal entity consolidation unless it is coincident with the consolidation of Evergy Metro MO and Evergy MO West, and Evergy Metro KS and EKC.
Customer pushback on legacy investment sharing	Current revenue requirements for each OpCo reflect legacy investments by customers. Allocation of assets to newly consolidated OpCos will be a challenging endeavor and will likely draw significant regulatory scrutiny.
Debt restructuring	Evergy's OpCos each have their own mortgage indentures and outstanding debt. Changes of control may trigger debt restructuring activities such as gaining bondholder consent, paying "make whole" payments, or refinancing of outstanding securities. Each of these activities has an associated cost.
Shifts of property tax burdens	<ul style="list-style-type: none"> The consolidation of MO OpCos could lead to a potential shift in property tax burdens between counties due to the way property taxes are assessed (i.e., by pole miles). There are also potential shifts in property taxes to Kansas South counties away from Kansas Central counties due to the way property taxes are assessed in KS (i.e., by earnings, and with Wolf Creek being in Kansas South).
"Half measures"	Certain contemplated consolidation interim states and end states represent "half measures" that will not unlock the full suite of potential consolidation benefits.
Creating an invalid end state	The splitting of Evergy Metro alone without taking further consolidation steps creates an end state that is not valid because the costs would outweigh potential benefits.
MoPSC and KCC Merger Standard Alignment (or Misalignment)	The Missouri Commission applies a "not detrimental to the public interest" standard. The Kansas Commission applies a standard that a merger will "promote the public interest,"
Stakeholder / commission opposition	Stakeholders and/or state regulatory commissions may oppose reorganization.

Challenges vary but are mainly financial focused

Make-Whole Payments and Refinancing Costs Must Be Addressed with Legal Entity Consolidation

- Evaluates covenants and change of control terms within Evergy's indentures, debt restructuring costs, and need for any bondholder consent for any changes to Evergy's indentures.
- Absent gaining bondholder consent to modify indentures (if required), the cost of make-whole payments and refinancing costs are significant (i.e., approx. \$185 million in make-whole payments and approx. \$430 million in refinancing costs) and potentially prohibitive.
- Analysis as of October 2024 and can change materially as interest rates change
- The potential costs highlight the need to approach debt restructuring strategically and to have financing related off-ramps.
- *Note: Negative PV of interest rate costs indicate that estimated refinancing interest rates are below current rates on existing bonds.*



Note: Chart does not include debt issuance costs. Analysis as of October 2024

Unmitigated, make-whole payments and refinancing costs create a significant challenge to accomplishing legal consolidation

Key Challenges to Rate Jurisdictional Consolidation

Challenge	Description
Splitting Evergy Metro	Splitting Metro for legal consolidation may have impacts on how costs are allocated to Missouri customers compared to current cost allocations.
Existing Rate Differentials Between Service Areas in Each State	The remaining steps for rate structure and rate alignment have greater chance of customer impacts and disruption. Left unmitigated, meaningful rate and rate structure changes may result in unpredictable customer outcomes
Cost of Service Differences	Temporary service costs may vary between different entities (urban vs. rural; legacy decisions). Tariff consolidation will require considerable process change and alignment within Evergy's Corporate processes.
Metro Cost Allocation/ Legal Consolidation Between States	Agreement between KS and MO commissions on Metro asset allocations is a critical requirement. Splitting Metro would require a cost allocation study to split assets between Kansas and Missouri. Such a study could result in changes to the allocation ratios to each jurisdiction, may indicate that infrastructure upgrades are needed, and may pose additional challenges.
Customer Bill Impacts of Rate Consolidation	Need robust tools to model customer impacts of consolidation proposals. Rate design bill impacts are incremental to rate increase requests and therefore limit the speed of rate consolidation.
Stakeholder / commission opposition	Rate consolidation delays may increase complexity for bill impacts and future regulatory goals.

Overcoming these challenges require collaborative problem solving and a long-term commitment

What Makes Rate Consolidation So Difficult?

- When aligning rate structures and prices, some customers will see bill decreases while others will see bill increases.
 - Unmitigated, these impacts can be significant and challenging to explain to individual customers.
 - Bill impacts to small groups of customers can stall rate consolidation efforts.
 - Additional customer communication and customer service support may be necessary about what is changing and why.
- Billing system capabilities may need to be enhanced to accommodate new billing practices or bill impact mitigation approaches.
 - Investments in the billing system may be time consuming and expensive.
- Successful consolidation requires commitment from the utility and Commission and can take many years to achieve, depending on mitigation efforts related to differences in rate structures and pricing.

Messaging and phasing are key to successful consolidation

Next Steps



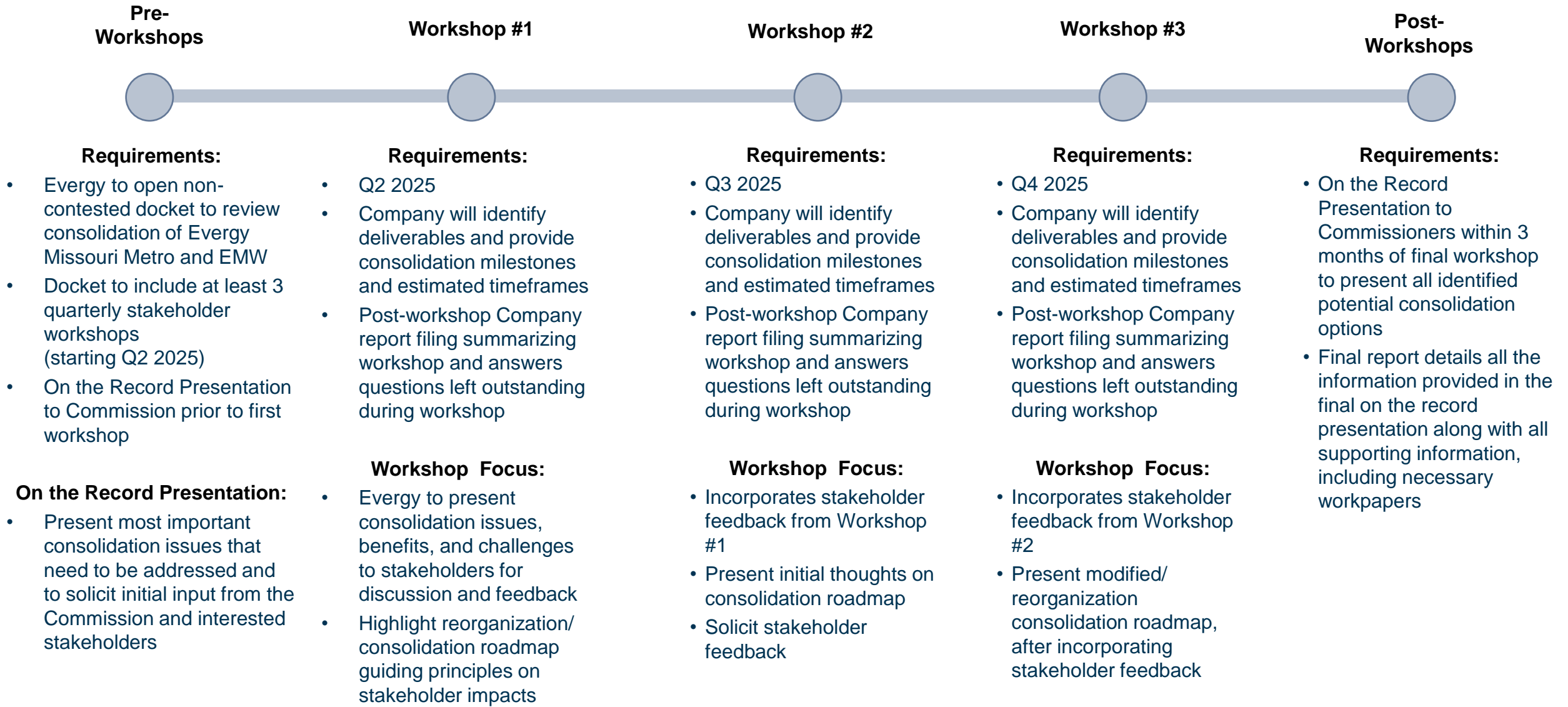


Evergy's Consolidation Roadmap Development Considerations

- Evaluate potential pathways towards establishing a single operating utility and rate jurisdiction for each state (Missouri and Kansas).
- Evaluate interdependencies and motivating factors across the legal entity and rate consolidation workstreams
- Identify creative solutions to consolidation, including analyzing mitigation factors to key consolidation roadblocks
- Defining key success factors, benefits, roadblocks and issues, and offramps and decision points
- Identify potential pathways and various permutations of legal consolidation; and
- Identify high-level implementation steps and sequencing events with interdependencies between workstreams

Evergy's roadmap will evaluate both independent and integrated approaches for legal entity and rate consolidation

Overview of Commission Order and Purpose of EW-2025-0220 Docket





Suggestions for Future Workshop Discussions

- Workshop #1
 - Present and discuss with parties the key issues, benefits and challenges to be addressed with jurisdictional consolidation
 - Share some Evergy specific data points regarding these issues
 - Get input from other stakeholders on their perspectives
- Workshop #2
 - Present initial thoughts on consolidation roadmap with potential scenarios and recommended approach
 - Get input from other stakeholders on their perspectives
- Workshop #3
 - Present modified/ reorganization consolidation roadmap, after incorporating stakeholder feedback
 - Include additional details on specific implementation plans

Each workshop will build on prior discussions and culminate with a follow-up on-the-record presentation to the Commission regarding findings and recommendations