



Evergy Missouri West
Case Name: 2022 Evergy MO West Rate Case
Case Number: ER-2022-0130

Requestor Marke Geoff -
Response Provided June 09, 2022

Question:2193

With reference to page 29 lines 9 through 22, please provide the Company’s current receivable amounts as of April 30, 2022, compared with receivables for April 30, 2021, April 30, 2020, and April 30, 2019. Please indicate what the Company considers to be a "normal" receivable amount. Please provide all collection practices the Company has undertaken in response to the increased receivables. Please provide all internal controls the Company utilizes to ensure it is managing its uncollectible accounts to the most responsible extent possible.

RESPONSE: (do not edit or delete this line or anything above this)

Confidentiality: PUBLIC

Statement: This response is Public. No Confidential Statement is needed.

Response:

Evergy is currently tracking arrears on a weekly basis, as such these numbers are reflective of the week ending closest to April 30th. The data provided is both residential and non-residential. This data may not tie directly with the accounting numbers as we are including payment arrangements.

	Evergy Metro	Evergy MO West	Evergy KS Central	Total Evergy
May 3, 2019	\$29,897,000	\$12,269,000	\$30,095,000*	\$72,260,000*
April 30, 2020	\$27,287,000	\$13,113,000	\$40,663,000*	\$81,063,000*
April 30, 2021	\$38,240,000	\$18,565,000	\$48,297,000	\$105,102,000
April 29, 2022	\$22,811,000	\$11,866,000	\$36,377,000	\$71,054,000

*Data provided from previous CIS system for Evergy KS Central

Evergy suspended field collection activity during the COVID-19 pandemic. In addition, we suspended credit reporting on write off accounts. Evergy also allowed customers to use their deposits on hand to apply to past due balances. Finally, Evergy allowed customers and unlimited number of payment arrangements during the height of the pandemic.

Evergy has fully resumed field collection activity which includes timely communication of past



due amounts and prioritization of disconnect orders based on dollar amount. Evergy has also taken an active role in outreach efforts directly to customers and energy assistance agencies (about 350 events in 2021). Through collaboration with Energy Assistance agencies throughout our territory, we have improved our ability to link customers to available resources, and enhanced customer communications on eligibility via all channels. The result of these efforts, coupled with a significant increase of available funds, has led to approximately 7% of Evergy's (not just Missouri) customers receiving some form of payment assistance in 2021 compared to just 2% in 2020.

Determining the "normal" arrears levels is a difficult thing considering the changes both within the company (merger & new CIS system) and externally (COVID). The arrears that we are seeing in April of 2022 is a positive sign on the surface. However, the "normal" trend is to see a spike in arrears levels during the winter months when disconnections for non-payment are limited. Evergy did not see that spike in the 2021-2022 CWR period – most likely due to the additional energy assistance funding available.

Mr. Caisley's testimony referenced the arrears levels from 2021 compared to 2020, and Evergy is expecting that higher level of arrearage to eventually move to bad debt. As federal assistance runs out or is reduced, customers will have to adapt and adjust accordingly. It is this uncertainty in historical trends and the related unpredictability of future trends that led Evergy to request the bad debt expense tracker in this particular rate case.

Information provided by:

David Austin – Mgr, Credit Management
Elizabeth Danforth – Dir, Public Affairs
Corey Chambers – Senior Accountant
Judy Iwig – Senior Accountant

Attachment(s):

None

Missouri Verification:

I have read the Information Request and answer thereto and find answer to be true, accurate, full and complete, and contain no material misrepresentations or omissions to the best of my knowledge and belief; and I will disclose to the Commission Staff any matter subsequently



discovered which affects the accuracy or completeness of the answer(s) to this Information Request(s).

Signature /s/ *Brad Lutz*
Director Regulatory Affairs