Evergy Files Kansas First Rate Review in Five Years to Recover Investments to Modernize the Power Grid, Increase Reliability and Enhance Customer Service

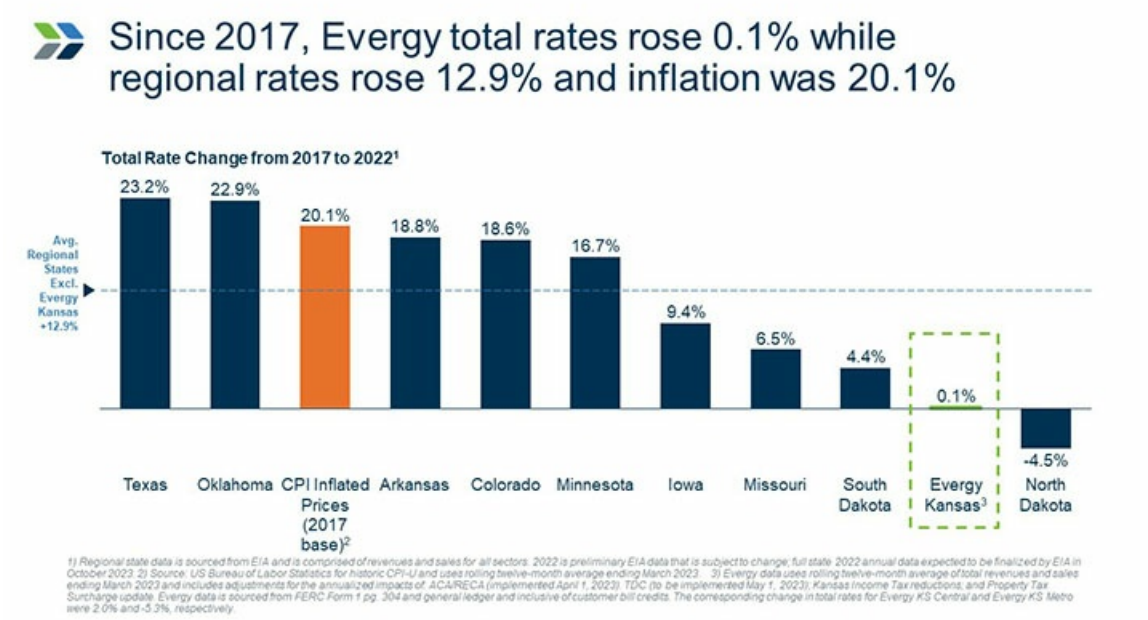
Ongoing savings achieved since 2018 exceeded projections, reducing the overall Kansas rate increase request by more than 37%

KANSAS CITY, Mo. – April 25, 2023 – Today Evergy (NASDAQ: EVRG) filed a request and supporting documentation with the Kansas Corporation Commission to recover investments made to improve service to customers with a more reliable and resilient power grid and updated customer service systems. This is the first base rate review Evergy has requested in five years.

Evergy was formed in 2018 by the merger of Westar Energy and Great Plains Energy. As part of the merger approval, Evergy agreed to keep the energy company local by maintaining its Kansas headquarters in Topeka and continuing to invest millions annually in local community organizations and charities throughout its Kansas service area. Evergy also committed to significantly reduce the operating costs of the combined company, to pass those savings on to customers and not to ask for an increase to base rates for five years. Evergy has kept all of those commitments.

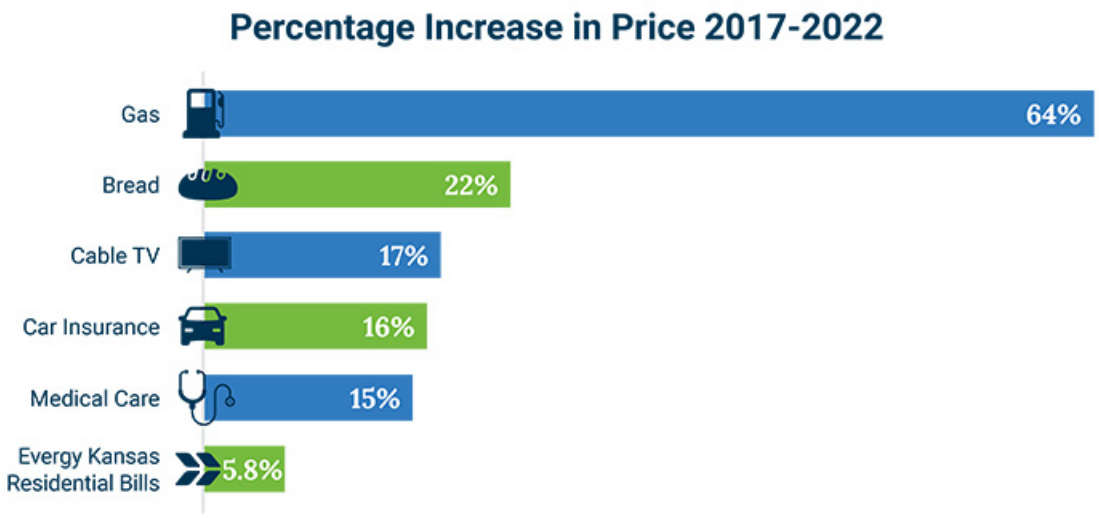
For the Evergy Kansas Central service area, the company is requesting a net revenue increase of $204 million or a 9.77% overall rate increase — reflecting a reduction of nearly $89 million in operating costs and other billing line items. If the full request is approved, the monthly bill increase for an average residential customer would be about $14.24. Evergy Kansas Central includes approximately 736,000 customers in Topeka, Pittsburg, Wichita, Hutchinson and other communities in the eastern third of the state. In the Evergy Kansas Metro service area, the company is requesting a net revenue increase of $14 million or a 1.95% overall rate increase — reflecting a reduction of nearly $41 million in operating costs and other billing line items. If the full request is approved, the monthly bill increase for an average residential customer would be about $3.47. Evergy Kansas Metro includes approximately 273,000 customers in Lenexa, Overland Park and other communities near the Kansas City metro area.

“We formed Evergy with a focus of reducing costs and making rates more affordable and competitive. Over the past five years, we have made significant progress towards that goal. Since 2018, our Kansas customers have received $232 million in merger savings and bill credits,” said David Campbell, Evergy president and chief executive officer. “We’ve exceeded our targeted merger savings and shared them with customers. Now, we are seeking to recover investments made to improve the electric grid and build a smarter, more reliable energy future for our Kansas customers.”

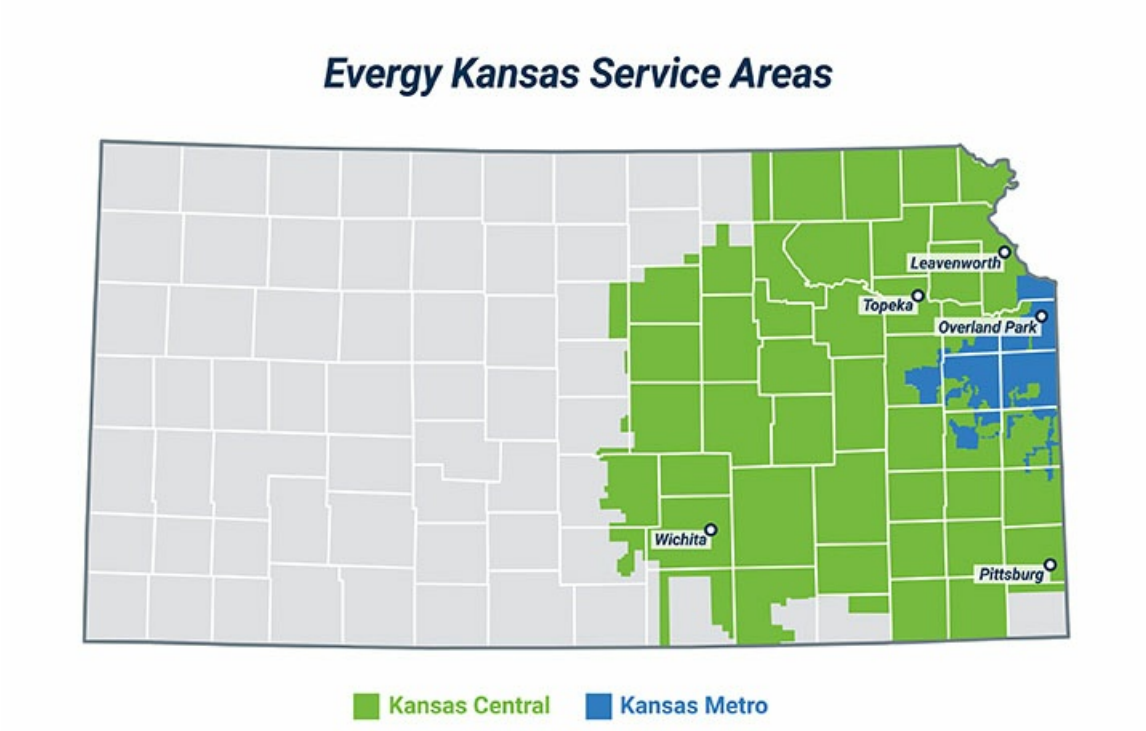


This rate review is the first that Evergy has requested in Kansas since the creation of the company in 2018. Offsetting steep inflation in Kansas and the US economy, operational cost savings and merger efficiencies have allowed Evergy to maintain flat rates for Evergy’s Kansas customers over the last five years. Since 2017, overall rates for Evergy Kansas customers have increased just 0.1% and residential rates have decreased 2.5%. During the same time period, other electric utility rates in states

surrounding Kansas have increased nearly 13% and the Consumer Price Index (CPI) has increased 20%. In addition, since the merger, Evergy has delivered $232 million in merger savings and bill credits to Kansas customers.



“The merger has helped stabilize prices despite historically high inflation. We have achieved nearly $1 billion in cost savings and efficiencies as a combined company since the merger. This achievement has helped us keep rates flat and has reduced our requested increase for investments made over the last five years by more than 37%,” said Campbell. “From residential customers to large businesses, we know how important it is to keep electricity affordable especially in the wake of record inflation.”



The most significant driver of the rate increase request relates to infrastructure improvement aimed at enhancing reliability and resiliency. While Evergy has a track record of solid performance, as the electric system ages, modern upgrades are needed to maintain and improve reliability. Evergy has made significant improvements over the past several years focused on the power grid, with a goal of making it more resistant to outages from severe weather and improving resiliency to restore power faster when outages occur. Some of those improvements include rebuilding aging power lines and equipment and adding advanced automation technology that can reduce the impact of power outages by isolating the cause of the outage more quickly. In addition, Evergy is leveraging data analytics to improve its ability to identify areas at risk for outages, allowing it to target maintenance and replacement work, driving reduced outages and operating costs.

“A resilient, reliable power grid is critical for our customers. A modern power grid deploys automation to run more efficiently and effectively and must be hardened and maintained against physical threats, including the extremes of Kansas weather, and equipped with secure communication devices that help prevent and shorten power outages,” Campbell said. “Five years after creating Evergy, we remain local and invested in the communities we serve. We have reduced our operating costs, our rates are more competitive, our power generation is more sustainable, and our service is more resilient.”

As part of the rate review, Evergy has requested an increased allowance for depreciation of investments to ensure that recovery of costs associated with an asset is aligned with the useful lives of those assets and the customers who benefit. Evergy has also asked to include funding for expected dismantlement costs to provide for appropriate decommissioning of power plants upon retirement.

This rate increase request includes investments made to replace legacy customer service systems with new, shared systems that provide for greater efficiency and that enable customer experience enhancements. This single platform enabled us to increase the number and types of online and self-service transactions either on the phone or online. Evergy has also expanded and improved payment capabilities, start and stop service, outage management capabilities, outage and billing notifications and energy management tools. In September 2022, Evergy launched a mobile app that includes often-used capabilities from the website.

The Evergy Kansas Central request includes recovery of its share of costs of IT systems shared across all Evergy customers. These shared systems are a key enabler of merger efficiencies that have resulted in savings of more than $110 million annually for Evergy Kansas Central customers, far exceeding the cost included in the request. Resolution of legacy Evergy Kansas Central items that constitute nearly $56 million of the rate increase request include the expiration of wholesale energy contracts which had contributed to lower rates during the contract term and managing the previously established end to a corporate owned life insurance program initiated in 1985.

Kansas rate requests follow an 8-month process before the Kansas Corporation Commission (KCC). New rates will become effective in December 2023. As part of the process, Evergy must demonstrate that its request is warranted, and the supporting costs are prudent. Evergy and other interested parties representing the Commission and consumers will submit and exchange information through briefs and filings available on the KCC website.

About Evergy, Inc.

Evergy, Inc. (NASDAQ: EVRG), serves 1.7 million customers in Kansas and Missouri. Evergy’s mission is to empower a better future. Our focus remains on producing, transmitting and delivering reliable, affordable, and sustainable energy for the benefit of our stakeholders. Today, about half of Evergy’s power comes from carbon-free sources, creating more reliable energy with less impact to the environment. We value innovation and adaptability to give our customers better ways to manage their energy use, to create a safe, diverse and inclusive workplace for our employees, and to add value for our investors. Headquartered in Kansas City, our employees are active members of the communities we serve.

Forward Looking Statements

Statements made in this document that are not based on historical facts are forward-looking, may involve risks and uncertainties, and are intended to be as of the date when made. Forward-looking statements include, but are not limited to, statements relating to Evergy's strategic plan, including, without limitation, those related to earnings per share, dividend, operating and maintenance expense and capital investment goals; the outcome of legislative efforts and regulatory and legal proceedings; future energy demand; future power prices; plans with respect to existing and potential future generation resources; the availability and cost of generation resources and energy storage; target emissions reductions; and other matters relating to expected financial performance or affecting future operations. Forward-looking statements are often accompanied by forward-looking words such as “anticipates,” “believes,” “expects,” “estimates,” “forecasts,” “should,” “could,” “may,” “seeks,” “intends,” “proposed,” “projects,” “planned,” “target,” “outlook,” “remain confident,” “goal,” “will” or other words of similar meaning. Forward-looking statements involve risks, uncertainties and other factors that could cause actual results to differ materially from the forward-looking information.

In connection with the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, Evergy, Inc., Evergy Kansas Central, Inc. and Evergy Metro, Inc. (collectively, the Evergy Companies) are providing a number of risks, uncertainties and other factors that could cause actual results to differ from the forward-looking information. These risks, uncertainties and other factors include, but are not limited to: economic and weather conditions and any impact on sales, prices and costs; changes in business strategy or operations; the impact of federal, state and local political, legislative, judicial and regulatory actions or developments, including deregulation, re-regulation, securitization and restructuring of the electric utility industry; decisions of regulators regarding, among other things, customer rates and the prudency of operational decisions such as capital expenditures and asset retirements; changes in applicable laws, regulations, rules, principles or practices, or the interpretations thereof, governing tax, accounting and environmental matters, including air and water quality and waste management and disposal; the impact of climate change, including increased frequency and severity of significant weather events and the extent to which counterparties are willing to do business with, finance the operations of or purchase energy from the Evergy Companies due to the fact that the Evergy Companies operate coal-fired generation; prices and availability of electricity and

natural gas in wholesale markets; market perception of the energy industry and the Evergy Companies; the impact of the Coronavirus (COVID-19) pandemic on, among other things, sales, results of operations, financial condition, liquidity and cash flows, and also on operational issues, such as supply chain issues and the availability and ability of the Evergy Companies' employees and suppliers to perform the functions that are necessary to operate the Evergy Companies; changes in the energy trading markets in which the Evergy Companies participate, including retroactive repricing of transactions by regional transmission organizations (RTO) and independent system operators; financial market conditions and performance, including changes in interest rates and credit spreads and in availability and cost of capital and the effects on derivatives and hedges, nuclear decommissioning trust and pension plan assets and costs; impairments of long-lived assets or goodwill; credit ratings; inflation rates; the transition to a replacement for the London Interbank Offered Rate (LIBOR) benchmark interest rate; effectiveness of risk management policies and procedures and the ability of counterparties to satisfy their contractual commitments; impact of physical and cybersecurity breaches, criminal activity, terrorist attacks, acts of war and other disruptions to the Evergy Companies' facilities or information technology infrastructure or the facilities and infrastructure of third-party service providers on which the Evergy Companies rely; impact of the Russian, Ukrainian conflict on the global energy market; ability to carry out marketing and sales plans; cost, availability, quality and timely provision of equipment, supplies, labor and fuel; ability to achieve generation goals and the occurrence and duration of planned and unplanned generation outages; delays and cost increases of generation, transmission, distribution or other projects; the Evergy Companies' ability to manage their transmission and distribution development plans and transmission joint ventures; the inherent risks associated with the ownership and operation of a nuclear facility, including environmental, health, safety, regulatory and financial risks; workforce risks, including those related to the Evergy Companies' ability to attract and retain qualified personnel, maintain satisfactory relationships with their labor unions and manage costs of, or changes in, wages, retirement, health care and other benefits; disruption, costs and uncertainties caused by or related to the actions of individuals or entities, such as activist shareholders or special interest groups, that seek to influence Evergy's strategic plan, financial results or operations; the impact of changing expectations and demands of our customers, regulators, investors and stakeholders, including heightened emphasis on environmental, social and governance concerns; the possibility that strategic initiatives, including mergers, acquisitions and divestitures, and long-term financial plans, may not create the value that they are expected to achieve in a timely manner or at all; difficulties in maintaining relationships with customers, employees, regulators or suppliers; and other risks and uncertainties.

This list of factors is not all-inclusive because it is not possible to predict all factors. You should also carefully consider the information contained in the Evergy Companies' other filings with the Securities and Exchange Commission (SEC). Additional risks and uncertainties are discussed in the Annual Report on Form 10-K for the year ended December 31, 2022, filed by the Evergy Companies with the SEC, and from time to time in current reports on Form 8-K and quarterly reports on Form 10-Q filed by the Evergy Companies with the SEC. Each forward-looking statement speaks only as of the date of the particular statement. The Evergy Companies undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise, except as required by law.

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https://newsroom.evergy.com/2023-04-25-Evergy-Files-Kansas-First-Rate-Review-in-Five-Years-to-Recover-Investments-to-Modernize-the-Power-Grid,-Increase-Reliability-and-Enhance-Customer-Service