

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the quarterly period ended **June 30, 2020**

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the transition period from _____ to _____



Commission File Number	Exact name of registrant as specified in its charter, state of incorporation, address of principal executive offices and telephone number	I.R.S. Employer Identification Number
001-38515	EVERGY, INC. (a Missouri corporation) 1200 Main Street Kansas City, Missouri 64105 (816) 556-2200	82-2733395
001-03523	EVERGY KANSAS CENTRAL, INC. (a Kansas corporation) 818 South Kansas Avenue Topeka, Kansas 66612 (785) 575-6300	48-0290150
000-51873	EVERGY METRO, INC. (a Missouri corporation) 1200 Main Street Kansas City, Missouri 64105 (816) 556-2200	44-0308720
Securities registered pursuant to Section 12(b) of the Act:		
<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Evergy, Inc. common stock	EVRG	New York Stock Exchange

[Table of Contents](#)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Evergy, Inc.	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
Evergy Kansas Central, Inc.	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
Evergy Metro, Inc.	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Evergy, Inc.	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
Evergy Kansas Central, Inc.	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
Evergy Metro, Inc.	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company” and “emerging growth company” in Rule 12b-2 of the Exchange Act.

Evergy, Inc.	Large Accelerated Filer	<input checked="" type="checkbox"/>	Accelerated Filer	<input type="checkbox"/>	Non-accelerated Filer	<input type="checkbox"/>	Smaller Reporting Company	<input type="checkbox"/>	Emerging Growth Company	<input type="checkbox"/>
Evergy Kansas Central, Inc.	Large Accelerated Filer	<input type="checkbox"/>	Accelerated Filer	<input type="checkbox"/>	Non-accelerated Filer	<input checked="" type="checkbox"/>	Smaller Reporting Company	<input type="checkbox"/>	Emerging Growth Company	<input type="checkbox"/>
Evergy Metro, Inc.	Large Accelerated Filer	<input type="checkbox"/>	Accelerated Filer	<input type="checkbox"/>	Non-accelerated Filer	<input checked="" type="checkbox"/>	Smaller Reporting Company	<input type="checkbox"/>	Emerging Growth Company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards pursuant to Section 13(a) of the Exchange Act.

Evergy, Inc.	<input type="checkbox"/>
Evergy Kansas Central, Inc.	<input type="checkbox"/>
Evergy Metro, Inc.	<input type="checkbox"/>

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Evergy, Inc.	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
Evergy Kansas Central, Inc.	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
Evergy Metro, Inc.	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>

On July 31, 2020, Evergy, Inc. had 226,827,540 shares of common stock outstanding. On July 31, 2020, Evergy Metro, Inc. and Evergy Kansas Central, Inc. each had one share of common stock outstanding and held by Evergy, Inc.

Evergy Kansas Central, Inc. and Evergy Metro, Inc. meet the conditions set forth in General Instruction (H)(1)(a) and (b) of Form 10-Q and are therefore filing this Form 10-Q with the reduced disclosure format.

This combined Quarterly Report on Form 10-Q is provided by the following registrants: Evergy, Inc. (Evergy), Evergy Kansas Central, Inc. (Evergy Kansas Central) and Evergy Metro, Inc. (Evergy Metro) (collectively, the Evergy Companies). Information relating to any individual registrant is filed by such registrant solely on its own behalf. Each registrant makes no representation as to information relating exclusively to the other registrants.

This report should be read in its entirety. No one section of the report deals with all aspects of the subject matter. It should be read in conjunction with the consolidated financial statements and related notes and with the management's discussion and analysis of financial condition and results of operations included in the 2019 Form 10-K for each of Evergy, Evergy Kansas Central and Evergy Metro.

TABLE OF CONTENTS

	<u>Page Number</u>
Cautionary Statements Regarding Certain Forward-Looking Information	4
Glossary of Terms	6
<u>Part I - Financial Information</u>	
Item 1. Financial Statements	
<u>Evergy, Inc.</u>	
Unaudited Consolidated Balance Sheets	8
Unaudited Consolidated Statements of Comprehensive Income	10
Unaudited Consolidated Statements of Cash Flows	11
Unaudited Consolidated Statements of Changes in Equity	12
<u>Evergy Kansas Central, Inc.</u>	
Unaudited Consolidated Balance Sheets	14
Unaudited Consolidated Statements of Income (Loss)	16
Unaudited Consolidated Statements of Cash Flows	17
Unaudited Consolidated Statements of Changes in Equity	18
<u>Evergy Metro, Inc.</u>	
Unaudited Consolidated Balance Sheets	19
Unaudited Consolidated Statements of Comprehensive Income	21
Unaudited Consolidated Statements of Cash Flows	22
Unaudited Consolidated Statements of Changes in Equity	23
Combined Notes to Unaudited Consolidated Financial Statements for Evergy, Inc., Evergy Kansas Central, Inc. and Evergy Metro, Inc.	24
Note 1: Organization and Basis of Presentation	24
Note 2: Revenue	28
Note 3: Receivables	30
Note 4: Rate Matters and Regulation	31
Note 5: Goodwill	33
Note 6: Pension Plans and Post-Retirement Benefits	33
Note 7: Short-Term Borrowings and Short-Term Bank Lines of Credit	36
Note 8: Long-Term Debt	36
Note 9: Fair Value Measurements	37
Note 10: Commitments and Contingencies	42
Note 11: Related Party Transactions and Relationships	45
Note 12: Taxes	47
Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations	50
Item 3. Quantitative and Qualitative Disclosures About Market Risk	68
Item 4. Controls and Procedures	68
<u>Part II - Other Information</u>	
Item 1. Legal Proceedings	69
Item 1A. Risk Factors	69
Item 2. Unregistered Sales of Equity Securities and Use of Proceeds	71
Item 3. Defaults Upon Senior Securities	71
Item 4. Mine Safety Disclosures	71
Item 5. Other Information	71
Item 6. Exhibits	72
Signatures	74

CAUTIONARY STATEMENTS REGARDING CERTAIN FORWARD-LOOKING INFORMATION

Statements made in this report 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 our strategic plan, including, without limitation, those related to earnings per share, dividend, operating and maintenance expense and capital investment goals; the outcome of 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, 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 and restructuring of the electric utility industry; decisions of regulators regarding, among other things, customer rates and the prudence 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 reduced demand for coal-based energy; prices and availability of electricity 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 the availability and ability of our 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 terrorist acts, including cyber terrorism; 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 increased costs of, or changes in, 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 our strategic plan, financial results or operations; the possibility that strategic initiatives, including mergers, acquisitions and divestitures 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. Additional risks and uncertainties are discussed from time to time in current, quarterly and annual reports filed by the Evergy Companies with the Securities and Exchange Commission (SEC). Reports filed by the Evergy Companies with the SEC should also be read for more information regarding risk factors. 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.

AVAILABLE INFORMATION

The SEC maintains an internet site that contains reports, proxy and information statements and other information regarding issuers that file electronically with the SEC at sec.gov. Additionally, information about the Evergy Companies, including their combined annual reports on Form 10-K, combined quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports filed with the SEC, is also available through the Evergy Companies' website, www.evergy.com. Such reports are accessible at no charge and are made available as soon as reasonably practical after such material is filed with or furnished to the SEC.

Investors should note that the Evergy Companies announce material financial information in SEC filings, press releases and public conference calls. In accordance with SEC guidelines, the Evergy Companies also use the Investor Relations tab on their website, www.evergy.com, to communicate with investors. It is possible that the financial and other information posted there could be deemed to be material information. The information on Evergy's website is not part of this document.

GLOSSARY OF TERMS

The following is a glossary of frequently used abbreviations or acronyms that are found throughout this report.

<u>Abbreviation or Acronym</u>	<u>Definition</u>
ACE	Affordable Clean Energy
AEP	American Electric Power Company, Inc.
AFUDC	Allowance for funds used during construction
AROs	Asset retirement obligations
BSER	Best system of emission reduction
CAA	Clean Air Act Amendments of 1990
CCRs	Coal combustion residuals
CO ₂	Carbon dioxide
COLI	Corporate-owned life insurance
CPP	Clean Power Plan
CWA	Clean Water Act
DOE	Department of Energy
ELG	Effluent limitations guidelines
EPA	Environmental Protection Agency
EPS	Earnings per common share
ERISA	Employee Retirement Income Security Act of 1974, as amended
ERSP	Earnings Review and Sharing Plan
Evergy	Evergy, Inc. and its consolidated subsidiaries
Evergy Board	Evergy Board of Directors
Evergy Companies	Evergy, Evergy Kansas Central, and Evergy Metro, collectively, which are individual registrants within the Evergy consolidated group
Evergy Kansas Central	Evergy Kansas Central, Inc., a wholly-owned subsidiary of Evergy, and its consolidated subsidiaries
Evergy Kansas South	Evergy Kansas South, Inc., a wholly-owned subsidiary of Evergy Kansas Central
Evergy Metro	Evergy Metro, Inc., a wholly-owned subsidiary of Evergy, and its consolidated subsidiaries
Evergy Missouri West	Evergy Missouri West, Inc., a wholly-owned subsidiary of Evergy
Evergy Transmission Company	Evergy Transmission Company, LLC
Exchange Act	The Securities Exchange Act of 1934, as amended
FASB	Financial Accounting Standards Board
FERC	Federal Energy Regulatory Commission
FMBs	First Mortgage Bonds
GAAP	Generally Accepted Accounting Principles
GHG	Greenhouse gas
Great Plains Energy	Great Plains Energy Incorporated
JEC	Jeffrey Energy Center
KCC	State Corporation Commission of the State of Kansas
kV	Kilovolt
kWh	Kilowatt hour
MDNR	Missouri Department of Natural Resources
MECG	Midwest Energy Consumers Group

<u>Abbreviation or Acronym</u>	<u>Definition</u>
MEEIA	Missouri Energy Efficiency Investment Act
MPSC	Public Service Commission of the State of Missouri
MW	Megawatt
MWh	Megawatt hour
NAAQS	National Ambient Air Quality Standards
NAV	Net Asset Value
NRC	Nuclear Regulatory Commission
NSR	New source review
OCI	Other comprehensive income
OPC	Office of the Public Counsel
Prairie Wind	Prairie Wind Transmission, LLC, 50% owned by Evergy Kansas Central
RSU	Restricted share unit
RTO	Regional transmission organization
SEC	Securities and Exchange Commission
SPP	Southwest Power Pool, Inc.
TDC	Transmission delivery charge
TFR	Transmission formula rate
Transource	Transource Energy, LLC and its subsidiaries, 13.5% owned by Evergy Transmission Company
VIE	Variable interest entity
Wolf Creek	Wolf Creek Generating Station

PART I - FINANCIAL INFORMATION**ITEM 1. FINANCIAL STATEMENTS**

EVERGY, INC.
Consolidated Balance Sheets
(Unaudited)

	June 30	December 31
	2020	2019
ASSETS		
	(millions, except share amounts)	
CURRENT ASSETS:		
Cash and cash equivalents	\$ 176.2	\$ 23.2
Receivables, net of allowance for credit losses of \$18.0 and \$10.5, respectively	396.0	228.5
Accounts receivable pledged as collateral	297.0	339.0
Fuel inventory and supplies	520.3	481.6
Income taxes receivable	112.7	85.5
Regulatory assets	207.7	231.7
Prepaid expenses and other assets	80.5	78.2
Total Current Assets	1,790.4	1,467.7
PROPERTY, PLANT AND EQUIPMENT, NET	19,191.8	19,184.4
PROPERTY, PLANT AND EQUIPMENT OF VARIABLE INTEREST ENTITIES, NET	158.5	162.0
OTHER ASSETS:		
Regulatory assets	1,714.6	1,740.5
Nuclear decommissioning trust fund	557.4	573.2
Goodwill	2,336.6	2,336.6
Other	501.1	511.5
Total Other Assets	5,109.7	5,161.8
TOTAL ASSETS	\$ 26,250.4	\$ 25,975.9

The accompanying Notes to Unaudited Consolidated Financial Statements are an integral part of these statements.

EVERGY, INC.
Consolidated Balance Sheets
(Unaudited)

	June 30 2020	December 31 2019
LIABILITIES AND EQUITY	(millions, except share amounts)	
CURRENT LIABILITIES:		
Current maturities of long-term debt	\$ 350.8	\$ 251.1
Current maturities of long-term debt of variable interest entities	18.8	32.3
Notes payable and commercial paper	467.0	561.9
Collateralized note payable	297.0	339.0
Accounts payable	332.8	528.8
Accrued taxes	200.2	145.1
Accrued interest	92.8	122.3
Regulatory liabilities	51.7	63.3
Asset retirement obligations	66.7	71.3
Accrued compensation and benefits	61.1	59.2
Other	147.2	161.6
Total Current Liabilities	2,086.1	2,335.9
LONG-TERM LIABILITIES:		
Long-term debt, net	9,281.2	8,746.7
Long-term debt of variable interest entities, net	—	18.8
Deferred income taxes	1,602.2	1,744.4
Unamortized investment tax credits	188.2	375.4
Regulatory liabilities	2,581.2	2,248.3
Pension and post-retirement liability	1,007.6	1,017.6
Asset retirement obligations	619.1	602.8
Other	357.9	340.7
Total Long-Term Liabilities	15,637.4	15,094.7
Commitments and Contingencies (Note 10)		
EQUITY:		
Evergy, Inc. Shareholders' Equity:		
Common stock - 600,000,000 shares authorized, without par value 226,825,105 and 226,641,443 shares issued, stated value	7,073.5	7,070.4
Retained earnings	1,524.1	1,551.5
Accumulated other comprehensive loss	(49.8)	(50.0)
Total Evergy, Inc. Shareholders' Equity	8,547.8	8,571.9
Noncontrolling Interests	(20.9)	(26.6)
Total Equity	8,526.9	8,545.3
TOTAL LIABILITIES AND EQUITY	\$ 26,250.4	\$ 25,975.9

The accompanying Notes to Unaudited Consolidated Financial Statements are an integral part of these statements.

EVERGY, INC.
Consolidated Statements of Comprehensive Income
(Unaudited)

	Three Months Ended June 30		Year to Date June 30	
	2020	2019	2020	2019
	(millions, except per share amounts)			
OPERATING REVENUES	\$ 1,184.7	\$ 1,221.7	\$ 2,301.4	\$ 2,438.6
OPERATING EXPENSES:				
Fuel and purchased power	258.1	291.6	516.3	621.6
SPP network transmission costs	69.7	62.8	131.7	126.3
Operating and maintenance	272.7	288.6	560.9	595.5
Depreciation and amortization	221.6	215.4	440.1	429.0
Taxes other than income tax	90.9	91.6	183.2	184.9
Total Operating Expenses	913.0	950.0	1,832.2	1,957.3
INCOME FROM OPERATIONS	271.7	271.7	469.2	481.3
OTHER INCOME (EXPENSE):				
Investment earnings	3.1	2.6	2.3	5.8
Other income	7.6	6.1	9.9	14.3
Other expense	(14.9)	(18.1)	(37.6)	(37.5)
Total Other Expense, Net	(4.2)	(9.4)	(25.4)	(17.4)
Interest expense	99.5	95.4	195.7	186.5
INCOME BEFORE INCOME TAXES	168.0	166.9	248.1	277.4
Income tax expense	33.7	24.4	43.8	33.7
Equity in earnings of equity method investees, net of income taxes	2.0	2.1	4.2	4.3
NET INCOME	136.3	144.6	208.5	248.0
Less: Net income attributable to noncontrolling interests	2.9	4.9	5.7	8.8
NET INCOME ATTRIBUTABLE TO EVERGY, INC.	\$ 133.4	\$ 139.7	\$ 202.8	\$ 239.2
BASIC AND DILUTED EARNINGS PER AVERAGE COMMON SHARE OUTSTANDING ATTRIBUTABLE TO EVERGY, INC. (see Note 1)				
Basic earnings per common share	\$ 0.59	\$ 0.57	\$ 0.89	\$ 0.96
Diluted earnings per common share	\$ 0.59	\$ 0.57	\$ 0.89	\$ 0.96
AVERAGE COMMON SHARES OUTSTANDING				
Basic	227.2	243.2	227.1	248.0
Diluted	227.6	243.4	227.6	248.2
COMPREHENSIVE INCOME				
NET INCOME	\$ 136.3	\$ 144.6	\$ 208.5	\$ 248.0
Derivative hedging activity				
Loss on derivative hedging instruments	—	(21.2)	—	(35.0)
Income tax benefit	—	5.4	—	9.0
Net loss on derivative hedging instruments	—	(15.8)	—	(26.0)
Reclassification to expenses, net of tax	(1.0)	—	0.3	—
Derivative hedging activity, net of tax	(1.0)	(15.8)	0.3	(26.0)
Defined benefit pension plans				
Amortization of net losses included in net periodic benefit costs, net of tax	(0.1)	—	(0.1)	—
Change in unrecognized pension expense, net of tax	(0.1)	—	(0.1)	—
Total other comprehensive income (loss)	(1.1)	(15.8)	0.2	(26.0)
COMPREHENSIVE INCOME	135.2	128.8	208.7	222.0
Less: comprehensive income attributable to noncontrolling interest	2.9	4.9	5.7	8.8
COMPREHENSIVE INCOME ATTRIBUTABLE TO EVERGY, INC.	\$ 132.3	\$ 123.9	\$ 203.0	\$ 213.2

The accompanying Notes to Unaudited Consolidated Financial Statements are an integral part of these statements.

EVERGY, INC.
Consolidated Statements of Cash Flows
(Unaudited)

Year to Date June 30	2020	2019
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES:		
	(millions)	
Net income	\$ 208.5	\$ 248.0
Adjustments to reconcile income to net cash from operating activities:		
Depreciation and amortization	440.1	429.0
Amortization of nuclear fuel	29.0	29.4
Amortization of deferred refueling outage	12.8	12.9
Amortization of corporate-owned life insurance	8.5	9.9
Non-cash compensation	8.7	9.4
Net deferred income taxes and credits	69.7	13.9
Allowance for equity funds used during construction	(4.6)	(0.4)
Payments for asset retirement obligations	(4.0)	(9.9)
Equity in earnings of equity method investees, net of income taxes	(4.2)	(4.3)
Income from corporate-owned life insurance	(6.3)	(15.1)
Other	0.5	(2.4)
Changes in working capital items:		
Accounts receivable	(115.4)	(78.3)
Accounts receivable pledged as collateral	42.0	53.0
Fuel inventory and supplies	(38.4)	22.5
Prepaid expenses and other current assets	13.9	36.2
Accounts payable	(123.6)	(136.0)
Accrued taxes	27.9	99.9
Other current liabilities	(84.4)	(121.1)
Changes in other assets	66.0	41.1
Changes in other liabilities	(24.2)	(4.0)
Cash Flows from Operating Activities	522.5	633.7
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES:		
Additions to property, plant and equipment	(635.6)	(572.4)
Purchase of securities - trusts	(36.9)	(27.0)
Sale of securities - trusts	30.3	24.5
Investment in corporate-owned life insurance	(16.1)	(17.0)
Proceeds from investment in corporate-owned life insurance	58.6	68.4
Other investing activities	(1.5)	(6.0)
Cash Flows used in Investing Activities	(601.2)	(529.5)
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES:		
Short-term debt, net	(94.9)	1,500.5
Collateralized short-term borrowings, net	(42.0)	(53.0)
Proceeds from long-term debt	889.5	493.3
Retirements of long-term debt	(251.1)	(701.1)
Retirements of long-term debt of variable interest entities	(32.3)	(30.3)
Borrowings against cash surrender value of corporate-owned life insurance	53.4	56.1
Repayment of borrowings against cash surrender value of corporate-owned life insurance	(51.1)	(51.4)
Cash dividends paid	(229.0)	(235.6)
Repurchase of common stock under repurchase plan	—	(1,128.7)
Other financing activities	(10.8)	(7.3)
Cash Flows from (used in) Financing Activities	231.7	(157.5)
NET CHANGE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	153.0	(53.3)
CASH, CASH EQUIVALENTS AND RESTRICTED CASH:		
Beginning of period	23.2	160.3
End of period	\$ 176.2	\$ 107.0

The accompanying Notes to Unaudited Consolidated Financial Statements are an integral part of these statements.

EVERGY, INC.
Consolidated Statements of Changes in Equity
(Unaudited)

	Eversgy, Inc. Shareholders				Non- controlling interests	Total equity
	Common stock shares	Common stock	Retained earnings	AOCI		
	(millions, except share amounts)					
Balance as of December 31, 2018	255,326,252	\$ 8,685.2	\$ 1,346.0	\$ (3.0)	\$ (37.5)	\$ 9,990.7
Net income	—	—	99.5	—	3.9	103.4
Issuance of stock compensation and reinvested dividends, net of tax withholding	60,594	(1.6)	—	—	—	(1.6)
Dividends declared on common stock (\$0.475 per share)	—	—	(119.8)	—	—	(119.8)
Stock compensation expense	—	5.4	—	—	—	5.4
Repurchase of common stock under repurchase plan	(10,548,060)	(578.3)	—	—	—	(578.3)
Consolidation of noncontrolling interests	—	—	—	—	3.8	3.8
Distributions to shareholders of noncontrolling interests	—	—	—	—	(1.4)	(1.4)
Derivative hedging activity, net of tax	—	—	—	(10.2)	—	(10.2)
Other	—	(0.3)	—	—	—	(0.3)
Balance as of March 31, 2019	244,838,786	8,110.4	1,325.7	(13.2)	(31.2)	9,391.7
Net income	—	—	139.7	—	4.9	144.6
Issuance of stock compensation and reinvested dividends, net of tax withholding	41,982	(0.7)	—	—	—	(0.7)
Dividends declared on common stock (\$0.475 per share)	—	—	(115.8)	—	—	(115.8)
Dividend equivalents declared	—	—	(0.5)	—	—	(0.5)
Stock compensation expense	—	4.0	—	—	—	4.0
Repurchase of common stock under repurchase plan	(9,414,920)	(550.4)	—	—	—	(550.4)
Distributions to shareholders of noncontrolling interests	—	—	—	—	(2.1)	(2.1)
Derivative hedging activity, net of tax	—	—	—	(15.8)	—	(15.8)
Other	—	(0.3)	—	—	—	(0.3)
Balance as of June 30, 2019	235,465,848	\$ 7,563.0	\$ 1,349.1	\$ (29.0)	\$ (28.4)	\$ 8,854.7

The accompanying Notes to Unaudited Consolidated Financial Statements are an integral part of these statements.

EVERGY, INC.
Consolidated Statements of Changes in Equity
(Unaudited)

	Eversource, Inc. Shareholders				Non- controlling interests	Total equity
	Common stock shares	Common stock	Retained earnings	AOCI		
	(millions, except share amounts)					
Balance as of December 31, 2019	226,641,443	\$ 7,070.4	\$ 1,551.5	\$ (50.0)	\$ (26.6)	\$ 8,545.3
Net income	—	—	69.4	—	2.8	72.2
Issuance of stock compensation and reinvested dividends, net of tax withholding	97,305	(3.0)	—	—	—	(3.0)
Dividends declared on common stock (\$0.505 per share)	—	—	(114.5)	—	—	(114.5)
Dividend equivalents declared	—	—	(0.7)	—	—	(0.7)
Stock compensation expense	—	4.6	—	—	—	4.6
Derivative hedging activity, net of tax	—	—	—	1.3	—	1.3
Other	—	0.2	—	—	—	0.2
Balance as of March 31, 2020	226,738,748	7,072.2	1,505.7	(48.7)	(23.8)	8,505.4
Net income	—	—	133.4	—	2.9	136.3
Issuance of stock compensation and reinvested dividends, net of tax withholding	86,357	(2.9)	—	—	—	(2.9)
Dividends declared on common stock (\$0.505 per share)	—	—	(114.6)	—	—	(114.6)
Dividend equivalents declared	—	—	(0.4)	—	—	(0.4)
Stock compensation expense	—	4.1	—	—	—	4.1
Derivative hedging activity, net of tax	—	—	—	(1.0)	—	(1.0)
Change in unrecognized pension expense, net of tax	—	—	—	(0.1)	—	(0.1)
Other	—	0.1	—	—	—	0.1
Balance as of June 30, 2020	226,825,105	\$ 7,073.5	\$ 1,524.1	\$ (49.8)	\$ (20.9)	\$ 8,526.9

The accompanying Notes to Unaudited Consolidated Financial Statements are an integral part of these statements.

EVERGY KANSAS CENTRAL, INC.
Consolidated Balance Sheets
(Unaudited)

	June 30	December 31
	2020	2019
ASSETS	(millions, except share amounts)	
CURRENT ASSETS:		
Cash and cash equivalents	\$ 52.2	\$ 5.2
Receivables, net of allowance for credit losses of \$4.9 and \$3.8, respectively	265.6	140.4
Related party receivables	15.4	9.9
Accounts receivable pledged as collateral	146.0	171.0
Fuel inventory and supplies	281.4	266.4
Income taxes receivable	26.6	30.4
Regulatory assets	93.0	93.3
Prepaid expenses and other assets	34.3	34.3
Total Current Assets	914.5	750.9
PROPERTY, PLANT AND EQUIPMENT, NET	9,833.5	9,864.9
PROPERTY, PLANT AND EQUIPMENT OF VARIABLE INTEREST ENTITIES, NET	158.5	162.0
OTHER ASSETS:		
Regulatory assets	710.2	730.4
Nuclear decommissioning trust fund	263.2	272.5
Other	256.3	266.0
Total Other Assets	1,229.7	1,268.9
TOTAL ASSETS	\$ 12,136.2	\$ 12,046.7

The disclosures regarding Evergy Kansas Central included in the accompanying Notes to Unaudited Consolidated Financial Statements are an integral part of these statements.

EVERGY KANSAS CENTRAL, INC.
Consolidated Balance Sheets
(Unaudited)

	June 30 2020	December 31 2019
(millions, except share amounts)		
LIABILITIES AND EQUITY		
CURRENT LIABILITIES:		
Current maturities of long-term debt	\$ —	\$ 250.0
Current maturities of long-term debt of variable interest entities	18.8	32.3
Notes payable and commercial paper	215.0	249.2
Collateralized note payable	146.0	171.0
Accounts payable	159.8	200.5
Related party payables	17.7	14.8
Accrued taxes	105.0	98.7
Accrued interest	45.0	74.2
Regulatory liabilities	40.0	42.3
Asset retirement obligations	23.3	23.3
Other	132.7	130.2
Total Current Liabilities	903.3	1,286.5
LONG-TERM LIABILITIES:		
Long-term debt, net	3,930.4	3,436.1
Long-term debt of variable interest entities, net	—	18.8
Deferred income taxes	819.3	817.7
Unamortized investment tax credits	66.6	253.2
Regulatory liabilities	1,402.0	1,132.5
Pension and post-retirement liability	467.7	495.5
Asset retirement obligations	258.7	249.6
Other	185.6	151.8
Total Long-Term Liabilities	7,130.3	6,555.2
Commitments and Contingencies (Note 10)		
EQUITY:		
Evergy Kansas Central, Inc. Shareholder's Equity:		
Common stock - 1,000 shares authorized, \$0.01 par value, 1 share issued	2,737.6	2,737.6
Retained earnings	1,385.9	1,494.0
Total Evergy Kansas Central, Inc. Shareholder's Equity	4,123.5	4,231.6
Noncontrolling Interests	(20.9)	(26.6)
Total Equity	4,102.6	4,205.0
TOTAL LIABILITIES AND EQUITY	\$ 12,136.2	\$ 12,046.7

The disclosures regarding Evergy Kansas Central included in the accompanying Notes to Unaudited Consolidated Financial Statements are an integral part of these statements.

EVERGY KANSAS CENTRAL, INC.
Consolidated Statements of Income (Loss)
(Unaudited)

	Three Months Ended June 30		Year to Date June 30	
	2020	2019	2020	2019
	(millions)			
OPERATING REVENUES	\$ 570.8	\$ 585.5	\$ 1,130.9	\$ 1,182.3
OPERATING EXPENSES:				
Fuel and purchased power	102.1	107.7	201.3	230.4
SPP network transmission costs	69.7	62.8	131.7	126.3
Operating and maintenance	115.2	127.4	238.9	256.0
Depreciation and amortization	113.5	110.6	225.6	220.4
Taxes other than income tax	49.1	49.4	97.7	97.3
Total Operating Expenses	449.6	457.9	895.2	930.4
INCOME FROM OPERATIONS	121.2	127.6	235.7	251.9
OTHER INCOME (EXPENSE):				
Investment earnings	4.1	0.9	2.4	2.4
Other income	6.5	3.4	8.6	10.7
Other expense	(5.7)	(8.5)	(17.2)	(19.1)
Total Other Income (Expense), Net	4.9	(4.2)	(6.2)	(6.0)
Interest expense	45.8	47.5	87.4	92.4
INCOME BEFORE INCOME TAXES	80.3	75.9	142.1	153.5
Income tax expense	118.9	9.9	126.7	20.4
Equity in earnings of equity method investees, net of income taxes	1.0	1.2	2.2	2.4
NET INCOME (LOSS)	(37.6)	67.2	17.6	135.5
Less: Net income attributable to noncontrolling interests	2.9	4.9	5.7	8.8
NET INCOME (LOSS) ATTRIBUTABLE TO EVERGY KANSAS CENTRAL, INC.	\$ (40.5)	\$ 62.3	\$ 11.9	\$ 126.7

The disclosures regarding Evergy Kansas Central included in the accompanying Notes to Unaudited Consolidated Financial Statements are an integral part of these statements.

EVERGY KANSAS CENTRAL, INC.
Consolidated Statements of Cash Flows
(Unaudited)

Year to Date June 30	2020	2019
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES:	(millions)	
Net income	\$ 17.6	\$ 135.5
Adjustments to reconcile income to net cash from operating activities:		
Depreciation and amortization	225.6	220.4
Amortization of nuclear fuel	14.5	14.7
Amortization of deferred refueling outage	6.4	6.5
Amortization of corporate-owned life insurance	8.5	9.9
Net deferred income taxes and credits	121.5	(6.3)
Allowance for equity funds used during construction	(3.9)	(0.1)
Payments for asset retirement obligations	(0.4)	(8.2)
Equity in earnings of equity method investees, net of income taxes	(2.2)	(2.4)
Income from corporate-owned life insurance	(6.3)	(14.4)
Other	(2.7)	(2.7)
Changes in working capital items:		
Accounts receivable	(79.3)	(49.5)
Accounts receivable pledged as collateral	25.0	33.0
Fuel inventory and supplies	(14.7)	8.8
Prepaid expenses and other current assets	(2.1)	7.2
Accounts payable	17.4	(19.8)
Accrued taxes	10.1	48.9
Other current liabilities	(65.8)	(36.4)
Changes in other assets	23.2	13.1
Changes in other liabilities	(30.6)	(9.9)
Cash Flows from Operating Activities	261.8	348.3
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES:		
Additions to property, plant and equipment	(284.0)	(287.0)
Purchase of securities - trusts	(11.8)	(9.6)
Sale of securities - trusts	10.2	11.0
Investment in corporate-owned life insurance	(15.3)	(16.3)
Proceeds from investment in corporate-owned life insurance	58.6	67.8
Other investing activities	(0.2)	(3.0)
Cash Flows used in Investing Activities	(242.5)	(237.1)
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES:		
Short-term debt, net	(34.2)	325.3
Collateralized short-term debt, net	(25.0)	(33.0)
Proceeds from long-term debt	493.0	—
Retirements of long-term debt	(250.0)	(300.0)
Retirements of long-term debt of variable interest entities	(32.3)	(30.3)
Borrowings against cash surrender value of corporate-owned life insurance	50.4	53.1
Repayment of borrowings against cash surrender value of corporate-owned life insurance	(51.1)	(51.4)
Cash dividends paid	(120.0)	(110.0)
Other financing activities	(3.1)	(5.1)
Cash Flows from (used in) Financing Activities	27.7	(151.4)
NET CHANGE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	47.0	(40.2)
CASH, CASH EQUIVALENTS AND RESTRICTED CASH:		
Beginning of period	5.2	44.5
End of period	\$ 52.2	\$ 4.3

The disclosures regarding Evergy Kansas Central included in the accompanying Notes to Unaudited Consolidated Financial Statements are an integral part of these statements.

EVERGY KANSAS CENTRAL, INC.
Consolidated Statements of Changes in Equity
(Unaudited)

	Evergy Kansas Central, Inc. Shareholder			Non- controlling interests	Total equity
	Common stock shares	Common stock	Retained earnings		
	(millions, except share amounts)				
Balance as of December 31, 2018	1	\$ 2,737.6	\$ 1,260.6	\$ (37.5)	\$ 3,960.7
Net income	—	—	64.4	3.9	68.3
Dividends declared on common stock	—	—	(110.0)	—	(110.0)
Consolidation of noncontrolling interests	—	—	—	3.8	3.8
Distributions to shareholders of noncontrolling interests	—	—	—	(1.4)	(1.4)
Balance as of March 31, 2019	1	2,737.6	1,215.0	(31.2)	3,921.4
Net income	—	—	62.3	4.9	67.2
Distributions to shareholders of noncontrolling interests	—	—	—	(2.1)	(2.1)
Balance as of June 30, 2019	1	\$ 2,737.6	\$ 1,277.3	\$ (28.4)	\$ 3,986.5
Balance as of December 31, 2019	1	\$ 2,737.6	\$ 1,494.0	\$ (26.6)	\$ 4,205.0
Net income	—	—	52.4	2.8	55.2
Dividends declared on common stock	—	—	(60.0)	—	(60.0)
Balance as of March 31, 2020	1	2,737.6	1,486.4	(23.8)	4,200.2
Net income (loss)	—	—	(40.5)	2.9	(37.6)
Dividends declared on common stock	—	—	(60.0)	—	(60.0)
Balance as of June 30, 2020	1	\$ 2,737.6	\$ 1,385.9	\$ (20.9)	\$ 4,102.6

The disclosures regarding Evergy Kansas Central included in the accompanying Unaudited Notes to Consolidated Financial Statements are an integral part of these statements.

EVERGY METRO, INC.
Consolidated Balance Sheets
(Unaudited)

	June 30	December 31
	2020	2019
ASSETS		
	(millions, except share amounts)	
CURRENT ASSETS:		
Cash and cash equivalents	\$ 110.6	\$ 2.0
Receivables, net of allowance for credit losses of \$9.0 and \$4.6, respectively	101.5	48.1
Related party receivables	95.9	93.9
Accounts receivable pledged as collateral	103.0	118.0
Fuel inventory and supplies	181.4	163.0
Income taxes receivable	7.1	8.7
Regulatory assets	92.4	95.4
Prepaid expenses	27.8	22.8
Other assets	13.5	15.0
Total Current Assets	733.2	566.9
PROPERTY, PLANT AND EQUIPMENT, NET	6,852.3	6,839.0
OTHER ASSETS:		
Regulatory assets	464.1	464.4
Nuclear decommissioning trust fund	294.2	300.7
Other	131.5	134.1
Total Other Assets	889.8	899.2
TOTAL ASSETS	\$ 8,475.3	\$ 8,305.1

The disclosures regarding Evergy Metro included in the accompanying Notes to Unaudited Consolidated Financial Statements are an integral part of these statements.

EVERGY METRO, INC.
Consolidated Balance Sheets
(Unaudited)

	June 30 2020	December 31 2019
LIABILITIES AND EQUITY		
(millions, except share amounts)		
CURRENT LIABILITIES:		
Notes payable and commercial paper	\$ 30.0	\$ 199.3
Collateralized note payable	103.0	118.0
Accounts payable	147.1	233.6
Related party payables	12.5	4.6
Accrued taxes	65.3	38.8
Accrued interest	27.1	26.7
Regulatory liabilities	9.3	11.4
Asset retirement obligations	32.2	36.1
Accrued compensation and benefits	34.7	45.1
Other	30.4	34.0
Total Current Liabilities	491.6	747.6
LONG-TERM LIABILITIES:		
Long-term debt, net	2,922.3	2,525.0
Deferred income taxes	520.4	642.8
Unamortized investment tax credits	119.0	119.6
Regulatory liabilities	884.4	792.2
Pension and post-retirement liability	516.4	499.7
Asset retirement obligations	225.2	217.5
Other	166.7	180.0
Total Long-Term Liabilities	5,354.4	4,976.8
Commitments and Contingencies (Note 10)		
EQUITY:		
Common stock - 1,000 shares authorized, without par value, 1 share issued, stated value	1,563.1	1,563.1
Retained earnings	1,061.3	1,012.8
Accumulated other comprehensive income	4.9	4.8
Total Equity	2,629.3	2,580.7
TOTAL LIABILITIES AND EQUITY	\$ 8,475.3	\$ 8,305.1

The disclosures regarding Evergy Metro included in the accompanying Notes to Unaudited Consolidated Financial Statements are an integral part of these statements.

EVERGY METRO, INC.
Consolidated Statements of Comprehensive Income
(Unaudited)

	Three Months Ended June 30		Year to Date June 30	
	2020	2019	2020	2019
	(millions)			
OPERATING REVENUES	\$ 424.3	\$ 437.0	\$ 799.8	\$ 862.4
OPERATING EXPENSES:				
Fuel and purchased power	101.3	116.2	193.8	251.1
Operating and maintenance	98.5	108.0	204.4	230.0
Depreciation and amortization	82.8	79.9	164.2	158.8
Taxes other than income tax	29.2	31.0	61.2	63.7
Total Operating Expenses	311.8	335.1	623.6	703.6
INCOME FROM OPERATIONS	112.5	101.9	176.2	158.8
OTHER INCOME (EXPENSE):				
Investment earnings	0.3	0.6	0.8	1.4
Other income	1.1	0.3	1.1	1.1
Other expense	(5.9)	(5.8)	(13.3)	(10.8)
Total Other Expense, Net	(4.5)	(4.9)	(11.4)	(8.3)
Interest expense	27.7	29.6	56.3	63.4
INCOME BEFORE INCOME TAXES	80.3	67.4	108.5	87.1
Income tax expense (benefit)	(22.6)	8.0	(20.0)	11.7
NET INCOME	\$ 102.9	\$ 59.4	\$ 128.5	\$ 75.4
COMPREHENSIVE INCOME				
NET INCOME	\$ 102.9	\$ 59.4	\$ 128.5	\$ 75.4
OTHER COMPREHENSIVE INCOME:				
Derivative hedging activity				
Reclassification to expenses, net of tax	0.2	(0.1)	0.1	0.8
Derivative hedging activity, net of tax	0.2	(0.1)	0.1	0.8
Total other comprehensive income (loss)	0.2	(0.1)	0.1	0.8
COMPREHENSIVE INCOME	\$ 103.1	\$ 59.3	\$ 128.6	\$ 76.2

The disclosures regarding Evergy Metro included in the accompanying Notes to Unaudited Consolidated Financial Statements are an integral part of these statements.

EVERGY METRO, INC.
Consolidated Statements of Cash Flows
(Unaudited)

Year to Date June 30	2020	2019
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES:		
	(millions)	
Net income	\$ 128.5	\$ 75.4
Adjustments to reconcile income to net cash from operating activities:		
Depreciation and amortization	164.2	158.8
Amortization of nuclear fuel	14.5	14.8
Amortization of deferred refueling outage	6.4	6.5
Net deferred income taxes and credits	(21.5)	(28.0)
Allowance for equity funds used during construction	(0.7)	(0.3)
Payments for asset retirement obligations	(1.4)	(1.4)
Other	(0.2)	0.5
Changes in working capital items:		
Accounts receivable	(53.6)	(3.7)
Accounts receivable pledged as collateral	15.0	20.0
Fuel inventory and supplies	(18.4)	10.1
Prepaid expenses and other current assets	(4.6)	24.4
Accounts payable	(63.6)	(66.5)
Accrued taxes	28.1	50.8
Other current liabilities	(11.2)	(54.6)
Changes in other assets	24.9	24.9
Changes in other liabilities	5.2	17.8
Cash Flows from Operating Activities	211.6	249.5
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES:		
Additions to property, plant and equipment	(235.7)	(208.6)
Purchase of securities - trusts	(25.1)	(17.5)
Sale of securities - trusts	20.0	13.4
Other investing activities	2.7	2.4
Cash Flows used in Investing Activities	(238.1)	(210.3)
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES:		
Short-term debt, net	(169.3)	49.8
Collateralized short-term debt, net	(15.0)	(20.0)
Proceeds from long-term debt	396.5	393.4
Retirements of long-term debt	—	(400.0)
Cash dividends paid	(80.0)	(65.0)
Other financing activities	2.9	3.0
Cash Flows from (used in) Financing Activities	135.1	(38.8)
NET CHANGE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	108.6	0.4
CASH, CASH EQUIVALENTS AND RESTRICTED CASH:		
Beginning of period	2.0	2.6
End of period	\$ 110.6	\$ 3.0

The disclosures regarding Evergy Metro included in the accompanying Notes to Unaudited Consolidated Financial Statements are an integral part of these statements.

EVERGY METRO, INC
Consolidated Statements of Changes in Equity
(Unaudited)

	Common stock shares	Common Stock	Retained earnings	AOCI - Net gains (losses) on cash flow hedges	Total Equity
(millions, except share amounts)					
Balance as of December 31, 2018	1	\$ 1,563.1	\$ 932.6	\$ 4.1	\$ 2,499.8
Net income	—	—	16.0	—	16.0
Derivative hedging activity, net of tax	—	—	—	0.9	0.9
Balance as of March 31, 2019	1	1,563.1	948.6	5.0	2,516.7
Net income	—	—	59.4	—	59.4
Dividends declared on common stock	—	—	(65.0)	—	(65.0)
Derivative hedging activity, net of tax	—	—	—	(0.1)	(0.1)
Balance as of June 30, 2019	1	\$ 1,563.1	\$ 943.0	\$ 4.9	\$ 2,511.0
Balance as of December 31, 2019	1	\$ 1,563.1	\$ 1,012.8	\$ 4.8	\$ 2,580.7
Net income	—	—	25.6	—	25.6
Dividends declared on common stock	—	—	(60.0)	—	(60.0)
Derivative hedging activity, net of tax	—	—	—	(0.1)	(0.1)
Balance as of March 31, 2020	1	1,563.1	978.4	4.7	2,546.2
Net income	—	—	102.9	—	102.9
Dividends declared on common stock	—	—	(20.0)	—	(20.0)
Derivative hedging activity, net of tax	—	—	—	0.2	0.2
Balance as of June 30, 2020	1	\$ 1,563.1	\$ 1,061.3	\$ 4.9	\$ 2,629.3

The disclosures regarding Evergy Metro included in the accompanying Notes to Unaudited Consolidated Financial Statements are an integral part of these statements.

**EVERGY, INC.
EVERGY KANSAS CENTRAL, INC.
EVERGY METRO, INC.**

Combined Notes to Unaudited Consolidated Financial Statements

The notes to unaudited consolidated financial statements that follow are a combined presentation for Evergy, Inc., Evergy Kansas Central, Inc. and Evergy Metro, Inc., all registrants under this filing. The terms "Evergy," "Evergy Kansas Central," "Evergy Metro" and "Evergy Companies" are used throughout this report. "Evergy" refers to Evergy, Inc. and its consolidated subsidiaries, unless otherwise indicated. "Evergy Kansas Central" refers to Evergy Kansas Central, Inc. and its consolidated subsidiaries, unless otherwise indicated. "Evergy Metro" refers to Evergy Metro, Inc. and its consolidated subsidiaries, unless otherwise indicated. "Evergy Companies" refers to Evergy, Evergy Kansas Central, and Evergy Metro, collectively, which are individual registrants within the Evergy consolidated group.

1. ORGANIZATION AND BASIS OF PRESENTATION

Organization

Evergy is a public utility holding company incorporated in 2017 and headquartered in Kansas City, Missouri. Evergy operates primarily through the following wholly-owned direct subsidiaries listed below.

- Evergy Kansas Central, Inc. (Evergy Kansas Central) is an integrated, regulated electric utility that provides electricity to customers in the state of Kansas. Evergy Kansas Central has one active wholly-owned subsidiary with significant operations, Evergy Kansas South, Inc. (Evergy Kansas South).
- Evergy Metro, Inc. (Evergy Metro) is an integrated, regulated electric utility that provides electricity to customers in the states of Missouri and Kansas.
- Evergy Missouri West, Inc. (Evergy Missouri West) is an integrated, regulated electric utility that provides electricity to customers in the state of Missouri.
- Evergy Transmission Company, LLC (Evergy Transmission Company) owns 13.5% of Transource Energy, LLC (Transource) with the remaining 86.5% owned by AEP Transmission Holding Company, LLC, a subsidiary of American Electric Power Company, Inc. (AEP). Transource is focused on the development of competitive electric transmission projects. Evergy Transmission Company accounts for its investment in Transource under the equity method.

Evergy Kansas Central also owns a 50% interest in Prairie Wind Transmission, LLC (Prairie Wind), which is a joint venture between Evergy Kansas Central and subsidiaries of AEP and Berkshire Hathaway Energy Company. Prairie Wind owns a 108-mile, 345 kV double-circuit transmission line that provides transmission service in the Southwest Power Pool, Inc. (SPP). Evergy Kansas Central accounts for its investment in Prairie Wind under the equity method.

Evergy Kansas Central, Evergy Kansas South, Evergy Metro and Evergy Missouri West conduct business in their respective service territories using the name Evergy. Collectively, the Evergy Companies have approximately 14,700 MWs of owned generating capacity and renewable purchased power agreements and engage in the generation, transmission, distribution and sale of electricity to approximately 1.6 million customers in the states of Kansas and Missouri.

Basis of Presentation

These unaudited consolidated financial statements have been prepared in accordance with generally accepted accounting principles (GAAP) for interim financial information and with the instructions to Form 10-Q and Regulation S-X. Accordingly, these unaudited consolidated financial statements do not include all of the information and notes required by GAAP for annual financial statements and should be read in conjunction with the consolidated financial statements in the Evergy Companies' combined 2019 Form 10-K.

These unaudited consolidated financial statements, in the opinion of management, reflect all normal recurring adjustments necessary to fairly present the unaudited consolidated financial statements for each of the Evergy Companies for these interim periods. In preparing financial statements that conform to GAAP, management must make estimates and assumptions that affect the reported amounts of assets and liabilities, the reported amounts of revenues and expenses, and the disclosure of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

Principles of Consolidation

Each of Evergy's, Evergy Kansas Central's and Evergy Metro's unaudited consolidated financial statements includes the accounts of their subsidiaries and variable interest entities (VIEs) of which they are the primary beneficiary. Undivided interests in jointly-owned generation facilities are included on a proportionate basis. Intercompany transactions have been eliminated. The Evergy Companies assess financial performance and allocate resources on a consolidated basis (i.e., operate in one segment).

Fuel Inventory and Supplies

The Evergy Companies record fuel inventory and supplies at average cost. The following table separately states the balances for fuel inventory and supplies.

	June 30 2020	December 31 2019
Evergy		(millions)
Fuel inventory	\$ 168.1	\$ 146.4
Supplies	352.2	335.2
Fuel inventory and supplies	\$ 520.3	\$ 481.6
Evergy Kansas Central		
Fuel inventory	\$ 87.4	\$ 80.2
Supplies	194.0	186.2
Fuel inventory and supplies	\$ 281.4	\$ 266.4
Evergy Metro		
Fuel inventory	\$ 58.6	\$ 46.1
Supplies	122.8	116.9
Fuel inventory and supplies	\$ 181.4	\$ 163.0

Property, Plant and Equipment

The following tables summarize the property, plant and equipment of Evergy, Evergy Kansas Central and Evergy Metro.

June 30, 2020	Evergy	Evergy Kansas Central	Evergy Metro
	(millions)		
Electric plant in service	\$ 28,246.6	\$ 13,739.7	\$ 10,930.9
Electric plant acquisition adjustment	724.3	724.3	—
Accumulated depreciation	(10,680.9)	(5,127.0)	(4,421.2)
Plant in service, net	18,290.0	9,337.0	6,509.7
Construction work in progress	799.4	445.2	291.5
Nuclear fuel, net	101.5	50.4	51.1
Plant to be retired, net ^(a)	0.9	0.9	—
Property, plant and equipment, net	\$ 19,191.8	\$ 9,833.5	\$ 6,852.3

December 31, 2019	Evergy	Evergy Kansas Central	Evergy Metro
	(millions)		
Electric plant in service	\$ 27,768.8	\$ 13,538.1	\$ 10,776.5
Electric plant acquisition adjustment	740.6	740.6	—
Accumulated depreciation	(10,293.7)	(4,951.5)	(4,272.0)
Plant in service, net	18,215.7	9,327.2	6,504.5
Construction work in progress	839.2	472.8	269.9
Nuclear fuel, net	128.5	63.9	64.6
Plant to be retired, net ^(a)	1.0	1.0	—
Property, plant and equipment, net	\$ 19,184.4	\$ 9,864.9	\$ 6,839.0

^(a) As of June 30, 2020 and December 31, 2019, represents the planned retirement of Evergy Kansas Central analog meters prior to the end of their remaining useful lives.

Other Income (Expense), Net

The table below shows the detail of other expense for each of the Evergy Companies.

	Three Months Ended		Year to Date	
	June 30		June 30	
	2020	2019	2020	2019
	(millions)			
Evergy				
Non-service cost component of net benefit cost	\$ (13.8)	\$ (14.1)	\$ (30.0)	\$ (27.2)
Other	(1.1)	(4.0)	(7.6)	(10.3)
Other expense	\$ (14.9)	\$ (18.1)	\$ (37.6)	\$ (37.5)
Evergy Kansas Central				
Non-service cost component of net benefit cost	\$ (4.4)	\$ (5.2)	\$ (10.0)	\$ (9.6)
Other	(1.3)	(3.3)	(7.2)	(9.5)
Other expense	\$ (5.7)	\$ (8.5)	\$ (17.2)	\$ (19.1)
Evergy Metro				
Non-service cost component of net benefit cost	\$ (6.3)	\$ (5.2)	\$ (13.2)	\$ (10.3)
Other	0.4	(0.6)	(0.1)	(0.5)
Other expense	\$ (5.9)	\$ (5.8)	\$ (13.3)	\$ (10.8)

Earnings Per Share

To compute basic earnings per share (EPS), Evergy divides net income attributable to Evergy, Inc. by the weighted average number of common shares outstanding. Diluted EPS includes the effect of issuable common shares resulting from restricted share units (RSUs), performance shares and restricted stock. Evergy computes the dilutive effects of potential issuances of common shares using the treasury stock method.

The following table reconciles Evergy's basic and diluted EPS.

	Three Months Ended June 30		Year to Date June 30	
	2020	2019	2020	2019
Income	(millions, except per share amounts)			
Net income	\$ 136.3	\$ 144.6	\$ 208.5	\$ 248.0
Less: Net income attributable to noncontrolling interests	2.9	4.9	5.7	8.8
Net income attributable to Evergy, Inc.	\$ 133.4	\$ 139.7	\$ 202.8	\$ 239.2
Common Shares Outstanding				
Weighted average number of common shares outstanding - basic	227.2	243.2	227.1	248.0
Add: Effect of dilutive securities	0.4	0.2	0.5	0.2
Weighted average number of common shares outstanding - dilutive	227.6	243.4	227.6	248.2
Basic and Diluted EPS	\$ 0.59	\$ 0.57	\$ 0.89	\$ 0.96

Anti-dilutive shares excluded from the computation of diluted EPS for the three months ended June 30, 2020, were 295,802 RSUs with performance measures and 58,714 RSUs with only service requirements. Anti-dilutive shares excluded from the computation of diluted EPS year to date June 30, 2020, were 295,802 RSUs with performance measures and 234 RSUs with only service requirements. There were no anti-dilutive securities excluded from the computation of diluted EPS for the three months ended and year to date June 30, 2019.

Dividends Declared

In August 2020, Evergy's Board of Directors (Evergy Board) declared a quarterly dividend of \$0.505 per share on Evergy's common stock. The common dividend is payable September 21, 2020, to shareholders of record as of August 20, 2020.

Supplemental Cash Flow Information

Evergy	Year to Date June 30	
	2020	2019
Cash paid for (received from):	(millions)	
Interest, net of amounts capitalized	\$ 185.3	\$ 173.9
Interest of VIEs	0.6	1.0
Income taxes, net of refunds	0.2	(17.7)
Right-of-use assets obtained in exchange for new operating lease liabilities	3.8	2.2
Non-cash investing transactions:		
Property, plant and equipment additions	113.2	93.1
Non-cash financing transactions:		
Issuance of stock for compensation and reinvested dividends	0.9	(0.3)
Right-of-use assets obtained in exchange for new finance lease liabilities	3.5	2.3

Evergy Kansas Central

Year to Date June 30	2020	2019
Cash paid for (received from):	(millions)	
Interest, net of amounts capitalized	\$ 82.7	\$ 76.9
Interest of VIEs	0.6	1.0
Income taxes, net of refunds	0.2	(10.4)
Right-of-use assets obtained in exchange for new operating lease liabilities	3.5	—
Non-cash investing transactions:		
Property, plant and equipment additions	46.3	24.2
Non-cash financing transactions:		
Right-of-use assets obtained in exchange for new finance lease liabilities	2.2	2.3

Evergy Metro

Year to Date June 30	2020	2019
Cash paid for (received from):	(millions)	
Interest, net of amounts capitalized	\$ 54.9	\$ 64.6
Income taxes, net of refunds	—	17.5
Right-of-use assets obtained in exchange for new operating lease liabilities	0.3	2.2
Non-cash investing transactions:		
Property, plant and equipment additions	46.4	64.5
Non-cash financing transactions:		
Right-of-use assets obtained in exchange for new finance lease liabilities	1.3	—

2. REVENUE

Evergy's, Evergy Kansas Central's and Evergy Metro's revenues disaggregated by customer class are summarized in the following tables.

Three Months Ended June 30, 2020	Evergy	Evergy Kansas Central	Evergy Metro
Revenues	(millions)		
Residential	\$ 476.7	\$ 196.8	\$ 183.6
Commercial	388.7	154.7	172.7
Industrial	139.3	86.8	32.9
Other retail	9.1	4.2	2.7
Total electric retail	\$ 1,013.8	\$ 442.5	\$ 391.9
Wholesale	47.3	44.6	0.2
Transmission	82.2	74.1	3.8
Industrial steam and other	2.8	(2.3)	1.5
Total revenue from contracts with customers	\$ 1,146.1	\$ 558.9	\$ 397.4
Other	38.6	11.9	26.9
Operating revenues	\$ 1,184.7	\$ 570.8	\$ 424.3

Year to Date June 30, 2020	Evergy	Evergy Kansas Central	Evergy Metro
Revenues	(millions)		
Residential	\$ 879.2	\$ 364.6	\$ 331.0
Commercial	773.4	305.8	344.8
Industrial	279.9	178.9	63.0
Other retail	19.7	8.9	6.2
Total electric retail	\$ 1,952.2	\$ 858.2	\$ 745.0
Wholesale	110.8	99.4	7.0
Transmission	157.8	142.3	6.9
Industrial steam and other	11.2	1.2	1.9
Total revenue from contracts with customers	\$ 2,232.0	\$ 1,101.1	\$ 760.8
Other	69.4	29.8	39.0
Operating revenues	\$ 2,301.4	\$ 1,130.9	\$ 799.8

Three Months Ended June 30, 2019	Evergy	Evergy Kansas Central	Evergy Metro
Revenues	(millions)		
Residential	\$ 431.6	\$ 179.2	\$ 162.1
Commercial	438.6	172.8	195.6
Industrial	156.6	98.8	36.2
Other retail	9.5	5.1	2.7
Total electric retail	\$ 1,036.3	\$ 455.9	\$ 396.6
Wholesale	72.3	53.5	13.1
Transmission	76.4	68.6	3.1
Industrial steam and other	9.4	1.2	0.3
Total revenue from contracts with customers	\$ 1,194.4	\$ 579.2	\$ 413.1
Other	27.3	6.3	23.9
Operating revenues	\$ 1,221.7	\$ 585.5	\$ 437.0

Year to Date June 30, 2019	Evergy	Evergy Kansas Central	Evergy Metro
Revenues	(millions)		
Residential	\$ 883.3	\$ 371.5	\$ 326.3
Commercial	852.1	337.1	379.4
Industrial	303.6	197.2	65.9
Other retail	19.3	10.2	5.3
Total electric retail	\$ 2,058.3	\$ 916.0	\$ 776.9
Wholesale	155.4	114.8	31.2
Transmission	153.1	137.8	6.2
Industrial steam and other	12.7	2.9	1.7
Total revenue from contracts with customers	\$ 2,379.5	\$ 1,171.5	\$ 816.0
Other	59.1	10.8	46.4
Operating revenues	\$ 2,438.6	\$ 1,182.3	\$ 862.4

3. RECEIVABLES

The Evergy Companies' receivables are detailed in the following table.

	June 30 2020	December 31 2019
Evergy	(millions)	
Customer accounts receivable - billed	\$ 12.9	\$ 7.2
Customer accounts receivable - unbilled	225.0	104.0
Other receivables	176.1	127.8
Allowance for credit losses	(18.0)	(10.5)
Total	\$ 396.0	\$ 228.5
Evergy Kansas Central		
Customer accounts receivable - billed	\$ —	\$ —
Customer accounts receivable - unbilled	87.7	49.7
Other receivables	182.8	94.5
Allowance for credit losses	(4.9)	(3.8)
Total	\$ 265.6	\$ 140.4
Evergy Metro		
Customer accounts receivable - billed	\$ 5.2	\$ 3.1
Customer accounts receivable - unbilled	91.2	26.5
Other receivables	14.1	23.1
Allowance for credit losses	(9.0)	(4.6)
Total	\$ 101.5	\$ 48.1

Evergy's, Evergy Kansas Central's and Evergy Metro's other receivables at June 30, 2020 and December 31, 2019, consisted primarily of receivables from partners in jointly-owned electric utility plants, wholesale sales receivables and receivables related to alternative revenue programs. The Evergy Companies' other receivables also included receivables from contracts with customers as summarized in the following table.

	June 30 2020	December 31 2019
	(millions)	
Evergy	\$ 76.2	\$ 42.0
Evergy Kansas Central	72.8	37.7
Evergy Metro	0.5	1.2

Allowance for Credit Losses

Historical loss information generally provides the basis for the Evergy Companies' assessment of expected credit losses. The Evergy Companies use an aging of accounts receivable method to assess historical loss information. When historical experience may not fully reflect the Evergy Companies' expectations about the future, the Evergy Companies will adjust historical loss information, as necessary, to reflect the current conditions and reasonable and supportable forecasts not already reflected in the historical loss information. The Evergy Companies have made an insignificant adjustment to their allowance for credit losses as of June 30, 2020, to reflect their belief that historical loss information does not reflect current conditions that have resulted from the economic slowdown resulting from the Coronavirus (COVID-19) pandemic.

Receivables are charged off when they are deemed uncollectible, which is based on a number of factors including specific facts surrounding an account and management's judgment.

The change in the Evergy Companies' allowance for credit losses is summarized in the following table.

	2020		2019	
	(millions)			
Evergy				
Beginning balance January 1	\$	10.5	\$	9.2
Credit loss expense		11.6		10.6
Write-offs		(10.9)		(16.6)
Recoveries of prior write-offs		6.8		6.0
Ending balance June 30	\$	18.0	\$	9.2
Evergy Kansas Central				
Beginning balance January 1	\$	3.8	\$	3.9
Credit loss expense		2.9		3.4
Write-offs		(3.3)		(5.3)
Recoveries of prior write-offs		1.5		1.8
Ending balance June 30	\$	4.9	\$	3.8
Evergy Metro				
Beginning balance January 1	\$	4.6	\$	3.8
Credit loss expense		5.7		4.9
Write-offs		(5.0)		(7.7)
Recoveries of prior write-offs		3.7		2.9
Ending balance June 30	\$	9.0	\$	3.9

Sale of Accounts Receivable

Evergy Kansas Central, Evergy Metro and Evergy Missouri West sell an undivided percentage ownership interest in their retail electric accounts receivable to independent outside investors. These sales are accounted for as secured borrowings with accounts receivable pledged as collateral and a corresponding short-term collateralized note payable recognized on the balance sheets. The Evergy Companies' accounts receivable pledged as collateral and the corresponding short-term collateralized note payable are summarized in the following table.

	June 30		December 31	
	2020		2019	
	(millions)			
Evergy	\$	297.0	\$	339.0
Evergy Kansas Central		146.0		171.0
Evergy Metro		103.0		118.0

Each receivable sale facility expires in September 2020. Evergy Kansas Central's facility allows for \$185.0 million in aggregate outstanding principal amount of borrowings from mid-October through mid-June and then \$200.0 million from mid-June through the expiration date of the facility. Evergy Metro's facility allows for \$130.0 million in aggregate outstanding principal amount of borrowings at any time. Evergy Missouri West's facility allows for \$50.0 million in aggregate outstanding principal amount of borrowings from mid-November through mid-June and then \$65.0 million from mid-June through the expiration date of the facility. Evergy Kansas Central, Evergy Metro and Evergy Missouri West expect to renew these agreements for at least one year.

4. RATE MATTERS AND REGULATION

KCC Proceedings

Evergy Kansas Central 2020 Transmission Delivery Charge (TDC)

In March 2020, the State Corporation Commission of the State of Kansas (KCC) issued an order adjusting Evergy Kansas Central's retail prices to include updated transmission costs as reflected in the Federal Energy Regulatory

Commission (FERC) transmission formula rate (TFR). The new prices were effective in April 2020 and are expected to increase Evergy Kansas Central's annual retail revenues by \$3.5 million.

Evergy Metro 2020 TDC

In April 2020, the KCC issued an order adjusting Evergy Metro's retail prices to include updated transmission costs as reflected in the FERC TFR. The new prices were effective in May 2020 and are expected to decrease Evergy Metro's annual retail revenues by \$2.7 million.

Evergy Kansas Central and Evergy Metro Earnings Review and Sharing Plan (ERSP)

As part of their merger settlement agreement with the KCC, Evergy Kansas Central and Evergy Metro agreed to participate in an ERSP for the years 2019 through 2022. Under the ERSP, Evergy Kansas Central's and Evergy Metro's Kansas jurisdiction are required to refund to customers 50% of annual earnings in excess of their authorized return on equity of 9.3% to the extent the excess earnings exceed the amount of Evergy Kansas Central's and Evergy Metro's annual merger bill credits for the year being measured.

Evergy Kansas Central's and Evergy Metro's 2019 calculations of annual earnings did not exceed their authorized return on equity of 9.3% and therefore did not result in any customer refund obligations. These calculations were filed with the KCC in April 2020. As of June 30, 2020, Evergy Kansas Central and Evergy Metro estimate their 2020 annual earnings will not result in a refund obligation. The final refund obligations for 2019 and 2020, if any, will be decided by the KCC and could vary from the current estimates.

Evergy Kansas Central and Evergy Metro COVID-19 Accounting Authority Order (AAO) Request

In May 2020, Evergy Kansas Central and Evergy Metro filed a joint request for an AAO with the KCC that would allow for the extraordinary costs and lost revenues incurred by the companies, net of any COVID-19-related savings, as a result of the COVID-19 pandemic to be considered for future recovery from customers as part of their next rate cases.

In July 2020, the KCC granted Evergy Kansas Central's and Evergy Metro's request for an AAO as discussed above. As a result of the KCC's order, Evergy Kansas Central and Evergy Metro will record to a regulatory asset all net incremental costs incurred associated with the COVID-19 pandemic for consideration in their next rate cases, which are expected to be completed no later than the end of 2023. Additionally, the KCC order states that the KCC will also consider granting the recovery of Evergy Kansas Central's and Evergy Metro's lost revenues associated with the COVID-19 pandemic as part of their next rate cases. If granted, these lost revenues would be recognized prospectively as billed to customers in future rates.

MPSC Proceedings

Evergy Missouri West Other Proceedings

In December 2018, the Office of the Public Counsel (OPC) and the Midwest Energy Consumers Group (MECG) filed a petition with the Public Service Commission of the State of Missouri (MPSC) requesting an AAO that would require Evergy Missouri West to record a regulatory liability for all revenues collected from customers for return on investment, non-fuel operations and maintenance costs, taxes including accumulated deferred income taxes, and all other costs associated with Sibley Station following the station's retirement in November 2018.

In October 2019, the MPSC granted OPC's and MECG's request for an AAO and required Evergy Missouri West to record to a regulatory liability the revenues discussed above for consideration in Evergy Missouri West's next rate case, which is expected to be completed no later than 2022. Depending on the MPSC's decision in this next rate case, Evergy Missouri West could be required to refund to customers all or a portion of amounts collected in revenue for Sibley Station since December 2018 or, alternatively, could be required to make no refunds.

As a result of the MPSC order, Evergy has recorded a regulatory liability of \$15.6 million as of June 30, 2020 for the estimated amount of revenues that Evergy Missouri West has collected from customers for Sibley Station since December 2018 that Evergy has determined is probable of refund. Evergy expects that it will continue to defer such amounts as collected from customers until new rates become effective in Evergy Missouri West's next rate case.

The accrual for this estimated amount does not include certain revenues collected related to Sibley Station that Evergy has determined to not be probable of refund in the next rate case based on the relevant facts and circumstances. While Evergy has determined these additional revenues to not be probable of refund, the ultimate resolution of this matter in Evergy Missouri West's next rate case is uncertain and could result in an estimated loss of up to approximately \$12 million per year in excess of the amount accrued until Evergy Missouri West's new rates become effective. Evergy's regulatory liability for probable refunds as of June 30, 2020 and estimated loss in excess of the amount accrued represent estimates that could change significantly based on ongoing developments including as a result of an appeal of the MPSC order, decisions in other regulatory proceedings that establish precedent applicable to this matter and positions of parties on this issue in a future Evergy Missouri West rate case.

Evergy Metro and Evergy Missouri West COVID-19 AAO Request

In May 2020, Evergy Metro and Evergy Missouri West filed a joint request for an AAO with the MPSC that would allow for the extraordinary costs and lost revenues incurred by the companies, net of any COVID-19-related savings, as a result of the COVID-19 pandemic to be considered for future recovery from customers as part of their next rate cases. A decision by the MPSC regarding the AAO request is expected in the fourth quarter of 2020.

FERC Proceedings

Evergy Kansas Central TFR

Evergy Kansas Central's TFR, effective in January 2020, includes projected 2020 transmission capital expenditures and operating costs and is expected to increase annual transmission revenues by \$6.8 million when compared to 2019. This rate is the most significant component in the retail rate calculation for Evergy Kansas Central's annual request with the KCC to adjust retail prices to include updated transmission costs through the TDC.

Evergy Metro TFR

Evergy Metro's TFR, effective in January 2020, includes projected 2020 transmission capital expenditures and operating costs and is expected to decrease annual transmission revenues by \$1.7 million when compared to 2019. This rate is the most significant component in the retail rate calculation for Evergy Metro's annual request with the KCC to adjust retail prices to include updated transmission costs through the TDC.

5. GOODWILL

Accounting rules require goodwill to be tested for impairment annually and when an event occurs indicating the possibility that an impairment exists. Evergy's impairment test for the \$2,336.6 million of goodwill that was recorded as a result of the Great Plains Energy Incorporated (Great Plains Energy) and Evergy Kansas Central merger was conducted as of May 1, 2020. The goodwill impairment test consists of comparing the fair value of a reporting unit to its carrying amount, including goodwill, to identify potential impairment. In the event that the carrying amount exceeds the fair value of the reporting unit, an impairment loss is recognized for the difference between the carrying amount of the reporting unit and its fair value. Evergy's consolidated operations are considered one reporting unit for assessment of impairment, as management assesses financial performance and allocates resources on a consolidated basis. The determination of fair value of the reporting unit consisted of two valuation techniques: an income approach consisting of a discounted cash flow analysis and a market approach consisting of a determination of reporting unit invested capital using a market multiple derived from the historical earnings before interest, income taxes, depreciation and amortization and market prices of the stock of peer companies. The results of the two techniques were evaluated and weighted to determine a point within the range that management considered representative of fair value for the reporting unit. The fair value of the reporting unit exceeded the carrying amount, including goodwill. As a result, there was no impairment of goodwill.

6. PENSION PLANS AND POST-RETIREMENT BENEFITS

Evergy and certain of its subsidiaries maintain, and Evergy Kansas Central and Evergy Metro participate in, qualified non-contributory defined benefit pension plans covering the majority of Evergy Kansas Central's and Evergy Metro's employees as well as certain non-qualified plans covering certain active and retired officers. Evergy is also responsible for its indirect 94% ownership share of Wolf Creek Generating Station's (Wolf Creek) defined benefit plans, consisting of Evergy Kansas South's and Evergy Metro's respective 47% ownership shares.

For the majority of employees, pension benefits under these plans reflect the employees' compensation, years of service and age at retirement. However, for the plan covering Evergy Kansas Central's employees, the benefits for non-union employees hired between 2002 and the second quarter of 2018 and union employees hired beginning in 2012 are derived from a cash balance account formula. The plan was closed to future non-union employees in 2018. For the plans covering Evergy Metro's employees, the benefits for union employees hired beginning in 2014 are derived from a cash balance account formula and the plans were closed to future non-union employees in 2014.

Evergy and its subsidiaries also provide certain post-retirement health care and life insurance benefits for substantially all retired employees of Evergy Kansas Central and Evergy Metro and their respective shares of Wolf Creek's post-retirement benefit plans.

The Evergy Companies record pension and post-retirement expense in accordance with rate orders from the KCC and MPSC that allow the difference between pension and post-retirement costs under GAAP and costs for ratemaking to be recognized as a regulatory asset or liability. This difference between financial and regulatory accounting methods is due to timing and will be eliminated over the life of the plans.

The following tables provide the components of net periodic benefit costs prior to the effects of capitalization and sharing with joint owners of power plants.

Three Months Ended June 30, 2020	Pension Benefits			Post-Retirement Benefits		
	Evergy	Evergy Kansas Central	Evergy Metro	Evergy	Evergy Kansas Central	Evergy Metro
Components of net periodic benefit costs	(millions)					
Service cost	\$ 19.5	\$ 6.8	\$ 12.7	\$ 0.7	\$ 0.3	\$ 0.4
Interest cost	24.5	11.7	12.4	2.3	1.2	1.1
Expected return on plan assets	(26.7)	(13.3)	(13.9)	(2.3)	(1.6)	(0.6)
Prior service cost	0.5	0.4	0.2	0.1	0.1	—
Recognized net actuarial (gain)/loss	11.3	8.5	11.3	—	—	(0.2)
Net periodic benefit costs before regulatory adjustment and intercompany allocations	29.1	14.1	22.7	0.8	—	0.7
Regulatory adjustment	9.1	0.3	0.7	(1.0)	(0.7)	(0.1)
Intercompany allocations	—	(1.7)	(5.0)	—	—	(0.2)
Net periodic benefit costs (income)	\$ 38.2	\$ 12.7	\$ 18.4	\$ (0.2)	\$ (0.7)	\$ 0.4

Year to Date June 30, 2020	Pension Benefits			Post-Retirement Benefits		
	Evergy	Evergy Kansas Central	Evergy Metro	Evergy	Evergy Kansas Central	Evergy Metro
Components of net periodic benefit costs	(millions)					
Service cost	\$ 39.1	\$ 13.6	\$ 25.5	\$ 1.4	\$ 0.6	\$ 0.8
Interest cost	48.9	23.5	25.0	4.6	2.4	2.2
Expected return on plan assets	(53.4)	(26.6)	(28.0)	(4.6)	(3.3)	(1.3)
Prior service cost	0.9	0.8	0.4	0.2	0.2	—
Recognized net actuarial (gain)/loss	22.7	16.9	22.6	0.1	—	(0.3)
Net periodic benefit costs before regulatory adjustment and intercompany allocations	58.2	28.2	45.5	1.7	(0.1)	1.4
Regulatory adjustment	19.0	0.7	2.1	(1.9)	(1.4)	(0.1)
Intercompany allocations	—	(1.7)	(11.2)	—	—	—
Net periodic benefit costs (income)	\$ 77.2	\$ 27.2	\$ 36.4	\$ (0.2)	\$ (1.5)	\$ 1.3

Three Months Ended June 30, 2019	Pension Benefits			Post-Retirement Benefits		
	Evergy	Evergy Kansas Central	Evergy Metro	Evergy	Evergy Kansas Central	Evergy Metro
Components of net periodic benefit costs	(millions)					
Service cost	\$ 19.1	\$ 7.2	\$ 11.9	\$ 0.7	\$ 0.3	\$ 0.4
Interest cost	27.4	13.5	13.9	2.7	1.4	1.3
Expected return on plan assets	(26.8)	(13.7)	(12.3)	(2.6)	(1.6)	(1.0)
Prior service cost	0.5	0.4	0.3	0.1	0.1	—
Recognized net actuarial (gain)/loss	6.8	6.4	12.3	(0.3)	(0.2)	(0.4)
Net periodic benefit costs before regulatory adjustment and intercompany allocations	27.0	13.8	26.1	0.6	—	0.3
Regulatory adjustment	12.7	0.5	(0.6)	(0.9)	(0.7)	0.1
Intercompany allocations	—	—	(7.1)	—	—	—
Net periodic benefit costs (income)	\$ 39.7	\$ 14.3	\$ 18.4	\$ (0.3)	\$ (0.7)	\$ 0.4

Year to Date June 30, 2019	Pension Benefits			Post-Retirement Benefits		
	Evergy	Evergy Kansas Central	Evergy Metro	Evergy	Evergy Kansas Central	Evergy Metro
Components of net periodic benefit costs	(millions)					
Service cost	\$ 38.2	\$ 14.5	\$ 23.7	\$ 1.3	\$ 0.6	\$ 0.7
Interest cost	54.9	26.9	28.0	5.3	2.8	2.5
Expected return on plan assets	(53.9)	(27.4)	(24.6)	(5.0)	(3.3)	(1.7)
Prior service cost	1.0	0.8	0.5	0.2	0.2	—
Recognized net actuarial (gain)/loss	13.7	12.8	24.5	(0.6)	(0.3)	(0.8)
Net periodic benefit costs before regulatory adjustment and intercompany allocations	53.9	27.6	52.1	1.2	—	0.7
Regulatory adjustment	25.5	1.0	(1.2)	(1.7)	(1.5)	0.2
Intercompany allocations	—	—	(14.0)	—	—	(0.1)
Net periodic benefit costs (income)	\$ 79.4	\$ 28.6	\$ 36.9	\$ (0.5)	\$ (1.5)	\$ 0.8

The components of net periodic benefit costs other than the service cost component are included in other expense on the Evergy Companies' consolidated statements of income and comprehensive income.

Year to date June 30, 2020, Evergy, Evergy Kansas Central and Evergy Metro made pension contributions of \$35.8 million, \$29.0 million and \$6.8 million, respectively. Evergy expects to make additional pension contributions of \$96.9 million in 2020 to satisfy the Employee Retirement Income Security Act of 1974, as amended (ERISA) funding requirements and KCC and MPSC rate orders, of which \$16.8 million is expected to be paid by Evergy Kansas Central and \$80.1 million is expected to be paid by Evergy Metro.

Year to date June 30, 2020, Evergy, Evergy Kansas Central and Evergy Metro made post-retirement benefit contributions of \$0.6 million, \$0.3 million and \$0.3 million, respectively. Evergy, Evergy Kansas Central and Evergy Metro expect to make additional contributions in 2020 of \$3.1 million, \$0.4 million and \$2.7 million, respectively, to the post-retirement benefit plans.

7. SHORT-TERM BORROWINGS AND SHORT-TERM BANK LINES OF CREDIT

Evergy's \$2.5 billion master credit facility expires in 2023. Evergy, Evergy Kansas Central, Evergy Metro and Evergy Missouri West have borrowing capacity under the master credit facility with specific sublimits for each borrower. These sublimits can be unilaterally adjusted by Evergy for each borrower provided the sublimits remain within minimum and maximum sublimits as specified in the facility. A default by any borrower under the facility or one of its significant subsidiaries on other indebtedness totaling more than \$100.0 million constitutes a default by that borrower under the facility. Under the terms of this facility, each of Evergy, Evergy Kansas Central, Evergy Metro and Evergy Missouri West is required to maintain a total indebtedness to total capitalization ratio, as defined in the facility, of not greater than 0.65 to 1.00 at all times. As of June 30, 2020, Evergy, Evergy Kansas Central, Evergy Metro and Evergy Missouri West were in compliance with this covenant.

The following table summarizes the committed credit facilities (excluding receivable sale facilities discussed in Note 3) available to the Evergy Companies as of June 30, 2020 and December 31, 2019.

	Amounts Drawn					Available Borrowings	Weighted Average Interest Rate on Short-Term Borrowings
	Master Credit Facility	Commercial Paper	Letters of Credit	Cash Borrowings			
June 30, 2020	(millions)						
Evergy, Inc.	\$ 450.0	n/a	\$ 0.7	\$ 55.0	\$ 394.3	1.47%	
Evergy Kansas Central	1,000.0	215.0	27.1	—	757.9	0.34%	
Evergy Metro	600.0	30.0	—	—	570.0	0.39%	
Evergy Missouri West	450.0	167.0	2.0	—	281.0	0.46%	
Evergy	\$ 2,500.0	\$ 412.0	\$ 29.8	\$ 55.0	\$ 2,003.2		
December 31, 2019							
Evergy, Inc.	\$ 450.0	n/a	\$ 0.7	\$ 20.0	\$ 429.3	2.99%	
Evergy Kansas Central	1,000.0	249.2	14.2	—	736.6	2.07%	
Evergy Metro	600.0	199.3	—	—	400.7	2.02%	
Evergy Missouri West	450.0	93.4	2.1	—	354.5	2.02%	
Evergy	\$ 2,500.0	\$ 541.9	\$ 17.0	\$ 20.0	\$ 1,921.1		

8. LONG-TERM DEBT

Mortgage Bonds

In April 2020, Evergy Kansas Central issued, at a discount, \$500.0 million of 3.45% First Mortgage Bonds (FMBs), maturing in 2050 and issued a notice of redemption for its \$250.0 million of 5.10% FMBs, which had an original maturity date of July 2020. The proceeds from the issuance of Evergy Kansas Central's \$500.0 million of 3.45% FMBs were used to redeem the \$250.0 million of 5.10% FMBs in May 2020 and for general corporate purposes.

In May 2020, Evergy Metro issued, at a discount, \$400.0 million of 2.25% Mortgage Bonds, maturing in 2030. The proceeds from the issuance of Evergy Metro's \$400.0 million of 2.25% Mortgage Bonds were used to repay a portion of Evergy Metro's borrowings under the master credit facility and for general corporate purposes.

9. FAIR VALUE MEASUREMENTS

Values of Financial Instruments

GAAP establishes a hierarchical framework for disclosing the transparency of the inputs utilized in measuring assets and liabilities at fair value. Management's assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the classification of assets and liabilities within the fair value hierarchy levels. In addition, the Evergy Companies measure certain investments that do not have a readily determinable fair value at net asset value (NAV), which are not included in the fair value hierarchy. Further explanation of these levels and NAV is summarized below.

Level 1 – Quoted prices are available in active markets for identical assets or liabilities. The types of assets and liabilities included in Level 1 are highly liquid and actively traded instruments with quoted prices, such as equities listed on public exchanges.

Level 2 – Pricing inputs are not quoted prices in active markets but are either directly or indirectly observable. The types of assets and liabilities included in Level 2 are certain marketable debt securities, financial instruments traded in less than active markets or other financial instruments priced with models using highly observable inputs.

Level 3 – Significant inputs to pricing have little or no transparency. The types of assets and liabilities included in Level 3 are those with inputs requiring significant management judgment or estimation.

NAV - Investments that do not have a readily determinable fair value are measured at NAV. These investments do not consider the observability of inputs and, therefore, they are not included within the fair value hierarchy. The Evergy Companies include in this category investments in private equity, real estate and alternative investment funds that do not have a readily determinable fair value. The underlying alternative investments include collateralized debt obligations, mezzanine debt and a variety of other investments.

The Evergy Companies record cash and cash equivalents, accounts receivable and short-term borrowings on their consolidated balance sheets at cost, which approximates fair value due to the short-term nature of these instruments.

Interest Rate Derivatives

The Evergy Companies are exposed to market risks arising from changes in interest rates and may use derivative instruments to manage these risks. From time to time, risk management activities may include entering into interest rate swap agreements to protect against unfavorable interest rate changes relating to forecasted debt transactions. These interest rate swap agreements can be designated as cash flow hedges, in which case gains and losses on the interest rate swaps are deferred in other comprehensive income to be recognized as an adjustment to interest expense over the same period that the hedged interest payments affect earnings. The Evergy Companies classify all cash inflows and outflows for interest rate swap agreements accounted for as cash flow hedges of forecasted debt transactions as financing activities on their consolidated statements of cash flows.

In September 2019, Evergy issued \$800.0 million of 2.90% Senior Notes maturing in 2029 and paid \$69.8 million to settle an interest rate swap agreement with a notional amount of \$500.0 million that was designated as a cash flow hedge of interest payments on the debt issuance. The \$69.8 million pre-tax loss was recorded in accumulated other comprehensive loss on Evergy's consolidated balance sheet and is being reclassified to interest expense over the ten-year term of the debt. For the three months ended June 30, 2020, \$1.8 million and (\$2.8) million were reclassified from accumulated other comprehensive loss to interest expense and income tax expense, respectively, on Evergy's consolidated statements of comprehensive income. Year to date June 30, 2020, \$3.5 million and (\$3.2) million were reclassified from accumulated other comprehensive loss to interest expense and income tax expense, respectively, on Evergy's consolidated statements of comprehensive income. As of June 30, 2020, Evergy expects to amortize \$5.2 million to earnings from accumulated other comprehensive loss over the next twelve months.

Fair Value of Long-Term Debt

The Evergy Companies measure the fair value of long-term debt using Level 2 measurements available as of the measurement date. The book value and fair value of the Evergy Companies' long-term debt and long-term debt of variable interest entities is summarized in the following table.

	June 30, 2020		December 31, 2019	
	Book Value	Fair Value	Book Value	Fair Value
Long-term debt^(a)	(millions)			
Evergy ^(b)	\$ 9,632.0	\$ 11,034.5	\$ 8,997.8	\$ 9,750.2
Evergy Kansas Central	3,930.4	4,650.3	3,686.1	4,078.8
Evergy Metro	2,922.3	3,522.4	2,525.0	2,932.2
Long-term debt of variable interest entities^(a)				
Evergy	\$ 18.8	\$ 19.2	\$ 51.1	\$ 51.5
Evergy Kansas Central	18.8	19.2	51.1	51.5

^(a) Includes current maturities.

^(b) Book value as of June 30, 2020 and December 31, 2019, includes \$117.9 million and \$125.5 million, respectively, of fair value adjustments recorded in connection with purchase accounting for the Great Plains Energy and Evergy Kansas Central merger, which are not part of future principal payments and will amortize over the remaining life of the associated debt instrument.

Recurring Fair Value Measurements

The following tables include the Evergy Companies' balances of financial assets and liabilities measured at fair value on a recurring basis.

Description	June 30, 2020	Level 1	Level 2	Level 3	NAV
Evergy Kansas Central					
(millions)					
Assets					
Nuclear decommissioning trust ^(a)					
Domestic equity funds	\$ 85.2	\$ 77.7	\$ —	\$ —	\$ 7.5
International equity funds	51.2	51.2	—	—	—
Core bond fund	39.7	39.7	—	—	—
High-yield bond fund	20.6	20.6	—	—	—
Emerging markets bond fund	18.5	18.5	—	—	—
Combination debt/equity/other fund	16.9	16.9	—	—	—
Alternative investments fund	17.4	—	—	—	17.4
Real estate securities fund	12.9	—	—	—	12.9
Cash equivalents	0.8	0.8	—	—	—
Total nuclear decommissioning trust	263.2	225.4	—	—	37.8
Rabbi trust					
Core bond fund	25.0	—	—	—	25.0
Combination debt/equity/other fund	6.4	—	—	—	6.4
Cash equivalents	0.1	0.1	—	—	—
Total rabbi trust	31.5	0.1	—	—	31.4
Total	\$ 294.7	\$ 225.5	\$ —	\$ —	\$ 69.2
Evergy Metro					
Assets					
Nuclear decommissioning trust ^(a)					
Equity securities	\$ 196.5	\$ 196.5	\$ —	\$ —	\$ —
Debt securities					
U.S. Treasury	50.8	50.8	—	—	—
U.S. Agency	0.5	—	0.5	—	—
State and local obligations	3.1	—	3.1	—	—
Corporate bonds	40.7	—	40.7	—	—
Foreign governments	0.1	—	0.1	—	—
Cash equivalents	1.8	1.8	—	—	—
Other	0.7	—	0.7	—	—
Total nuclear decommissioning trust	294.2	249.1	45.1	—	—
Self-insured health plan trust ^(b)					
Equity securities	0.5	0.5	—	—	—
Debt securities	8.8	3.2	5.6	—	—
Cash and cash equivalents	1.5	1.5	—	—	—
Total self-insured health plan trust	10.8	5.2	5.6	—	—
Total	\$ 305.0	\$ 254.3	\$ 50.7	\$ —	\$ —
Other Evergy					
Assets					
Rabbi trusts					
Fixed income fund	\$ 13.0	\$ —	\$ —	\$ —	\$ 13.0
Cash and cash equivalents	0.6	0.6	—	—	—
Total rabbi trusts	\$ 13.6	\$ 0.6	\$ —	\$ —	\$ 13.0
Evergy					
Assets					
Nuclear decommissioning trust ^(a)	\$ 557.4	\$ 474.5	\$ 45.1	\$ —	\$ 37.8
Rabbi trusts	45.1	0.7	—	—	44.4
Self-insured health plan trust ^(b)	10.8	5.2	5.6	—	—
Total	\$ 613.3	\$ 480.4	\$ 50.7	\$ —	\$ 82.2

[Table of Contents](#)

Description	December 31, 2019	Level 1	Level 2	Level 3	NAV
Evergy Kansas Central					
(millions)					
Assets					
Nuclear decommissioning trust ^(a)					
Domestic equity funds	\$ 86.1	\$ 78.6	\$ —	\$ —	\$ 7.5
International equity funds	52.0	52.0	—	—	—
Core bond fund	39.3	39.3	—	—	—
High-yield bond fund	22.3	22.3	—	—	—
Emerging markets bond fund	19.4	19.4	—	—	—
Combination debt/equity/other fund	16.4	16.4	—	—	—
Alternative investments fund	23.9	—	—	—	23.9
Real estate securities fund	12.6	—	—	—	12.6
Cash equivalents	0.5	0.5	—	—	—
Total nuclear decommissioning trust	272.5	228.5	—	—	44.0
Rabbi trust					
Core bond fund	25.3	—	—	—	25.3
Combination debt/equity/other fund	6.3	—	—	—	6.3
Cash equivalents	0.1	0.1	—	—	—
Total rabbi trust	31.7	0.1	—	—	31.6
Total	\$ 304.2	\$ 228.6	\$ —	\$ —	\$ 75.6
Evergy Metro					
Assets					
Nuclear decommissioning trust ^(a)					
Equity securities	\$ 211.1	\$ 211.1	\$ —	\$ —	\$ —
Debt securities					
U.S. Treasury	50.3	50.3	—	—	—
U.S. Agency	0.4	—	0.4	—	—
State and local obligations	2.2	—	2.2	—	—
Corporate bonds	33.2	—	33.2	—	—
Foreign governments	0.1	—	0.1	—	—
Cash equivalents	3.1	3.1	—	—	—
Other	0.3	—	0.3	—	—
Total nuclear decommissioning trust	300.7	264.5	36.2	—	—
Self-insured health plan trust ^(b)					
Equity securities	0.5	0.5	—	—	—
Debt securities	6.7	1.4	5.3	—	—
Cash and cash equivalents	2.7	2.7	—	—	—
Total self-insured health plan trust	9.9	4.6	5.3	—	—
Total	\$ 310.6	\$ 269.1	\$ 41.5	\$ —	\$ —
Other Evergy					
Assets					
Rabbi trusts					
Fixed income fund	\$ 13.3	\$ —	\$ —	\$ —	\$ 13.3
Cash and cash equivalents	0.5	0.5	—	—	—
Total rabbi trusts	\$ 13.8	\$ 0.5	\$ —	\$ —	\$ 13.3
Evergy					
Assets					
Nuclear decommissioning trust ^(a)	\$ 573.2	\$ 493.0	\$ 36.2	\$ —	\$ 44.0
Rabbi trust	45.5	0.6	—	—	44.9
Self-insured health plan trust ^(b)	9.9	4.6	5.3	—	—
Total	\$ 628.6	\$ 498.2	\$ 41.5	\$ —	\$ 88.9

^(a) Fair value is based on quoted market prices of the investments held by the trust and/or valuation models.

^(b) Fair value is based on quoted market prices of the investments held by the trust. Debt securities classified as Level 1 are comprised of U.S. Treasury securities. Debt securities classified as Level 2 are comprised of corporate bonds, U.S. Agency, state and local obligations, and other asset-backed securities.

Certain Evergy and Evergy Kansas Central investments included in the table above are measured at NAV as they do not have readily determinable fair values. In certain situations, these investments may have redemption restrictions.

The following table provides additional information on these Evergy and Evergy Kansas Central investments.

	June 30, 2020		December 31, 2019		June 30, 2020	
	Fair Value	Unfunded Commitments	Fair Value	Unfunded Commitments	Redemption Frequency	Length of Settlement
Evergy Kansas Central	(millions)					
Nuclear decommissioning trust:						
Domestic equity funds	\$ 7.5	\$ 2.6	\$ 7.5	\$ 3.3	(a)	(a)
Alternative investments fund ^(b)	17.4	—	23.9	—	Quarterly	65 days
Real estate securities fund ^(b)	12.9	—	12.6	—	Quarterly	65 days
Total	\$ 37.8	\$ 2.6	\$ 44.0	\$ 3.3		
Rabbi trust:						
Core bond fund	\$ 25.0	\$ —	\$ 25.3	\$ —	(c)	(c)
Combination debt/equity/other fund	6.4	—	6.3	—	(c)	(c)
Total	\$ 31.4	\$ —	\$ 31.6	\$ —		
Other Evergy						
Rabbi trust:						
Fixed income fund	\$ 13.0	\$ —	\$ 13.3	\$ —	(c)	(c)
Total Evergy investments at NAV	\$ 82.2	\$ 2.6	\$ 88.9	\$ 3.3		

^(a) This investment is in five long-term private equity funds that do not permit early withdrawal. Investments in these funds cannot be distributed until the underlying investments have been liquidated, which may take years from the date of initial liquidation. Three funds have begun to make distributions. The initial investment in the fourth and fifth funds occurred in 2016 and 2018, respectively. The fourth fund's term is 15 years, subject to the general partner's right to extend the term for up to three additional one-year periods. The fifth fund's term will be 15 years after the initial closing date, subject to additional extensions approved by a fund advisory committee to provide for an orderly liquidation of fund investments and dissolution of the fund.

^(b) There is a holdback on final redemptions.

^(c) This investment can be redeemed immediately and is not subject to any restrictions on redemptions.

The Evergy Companies hold equity and debt investments classified as securities in various trusts including for the purposes of funding the decommissioning of Wolf Creek and for the benefit of certain retired executive officers of Evergy Kansas Central. The Evergy Companies record net realized and unrealized gains and losses on the nuclear decommissioning trusts in regulatory liabilities on their consolidated balance sheets and record net realized and unrealized gains and losses on the Evergy Companies' rabbi trusts in the consolidated statements of income and comprehensive income.

The following table summarizes the net unrealized gains (losses) for the Evergy Companies' nuclear decommissioning trusts and rabbi trusts.

	Three Months Ended June 30		Year to Date June 30	
	2020	2019	2020	2019
Evergy	(millions)			
Nuclear decommissioning trust - equity securities	\$ 53.3	\$ 13.3	\$ (36.0)	\$ 51.2
Nuclear decommissioning trust - debt securities	2.3	2.3	5.3	4.4
Rabbi trusts - equity securities	2.8	1.0	0.8	1.5
Total	\$ 58.4	\$ 16.6	\$ (29.9)	\$ 57.1
Evergy Kansas Central				
Nuclear decommissioning trust - equity securities	\$ 22.1	\$ 8.8	\$ (16.0)	\$ 26.0
Rabbi trust - equity securities	2.6	0.9	0.5	2.2
Total	\$ 24.7	\$ 9.7	\$ (15.5)	\$ 28.2
Evergy Metro				
Nuclear decommissioning trust - equity securities	\$ 31.2	\$ 4.5	\$ (20.0)	\$ 25.2
Nuclear decommissioning trust - debt securities	2.3	2.3	5.3	4.4
Total	\$ 33.5	\$ 6.8	\$ (14.7)	\$ 29.6

10. COMMITMENTS AND CONTINGENCIES

Environmental Matters

Set forth below are descriptions of contingencies related to environmental matters that may impact the Evergy Companies' operations or their financial results. Management's assessment of these contingencies, which are based on federal and state statutes and regulations, and regulatory agency and judicial interpretations and actions, has evolved over time. These laws and regulations can also change, restrict or otherwise impact the Evergy Companies' operations or financial results in many ways, including the handling or disposal of waste material and the planning for future construction activities. The failure to comply with these laws and regulations could result in the assessment of administrative, civil and criminal penalties and/or the imposition of remedial requirements. The Evergy Companies believe that all of their operations are in substantial compliance with current federal, state and local environmental standards.

There are a variety of final and proposed laws and regulations that could have a material adverse effect on the Evergy Companies' operations and consolidated financial results. Due in part to the complex nature of environmental laws and regulations, the Evergy Companies are unable to assess the impact of potential changes that may develop with respect to the environmental contingencies described below.

Cross-State Air Pollution Update Rule

In September 2016, the Environmental Protection Agency (EPA) finalized the Cross-State Air Pollution (CSAPR) Update Rule. The final rule addresses interstate transport of nitrogen oxides emissions in 22 states including Kansas, Missouri and Oklahoma during the ozone season and the impact from the formation of ozone on downwind states with respect to the 2008 ozone National Ambient Air Quality Standards (NAAQS). In December 2018, the EPA finalized a determination, known as the CSAPR Close-Out Rule, demonstrating the CSAPR Update Rule fully addressed certain upwind states' 2008 ozone NAAQS interstate transport obligations. Various states and others have challenged both the CSAPR Update Rule and the CSAPR Close-Out Rule in the U.S. Court of Appeals for the D.C. Circuit (D.C. Circuit). In the fourth quarter of 2019, the D.C. Circuit granted these petitions and remanded a portion of the CSAPR Update Rule back to the EPA and vacated the CSAPR Close-Out Rule in its entirety. The impact of any future CSAPR Rules on the Evergy Companies' operations or consolidated financial results cannot be determined and could be material.

Greenhouse Gases

Burning coal and other fossil fuels releases carbon dioxide (CO₂) and other gases referred to as greenhouse gases (GHG). Various regulations under the federal Clean Air Act Amendments of 1990 (CAA) limit CO₂ and other GHG emissions, and in addition, other measures are being imposed or offered by individual states, municipalities and regional agreements with the goal of reducing GHG emissions.

In August 2018, the EPA published in the Federal Register proposed regulations, which contained (1) emission guidelines for GHG emissions from existing electric utility generating units (EGUs), (2) revisions to emission guideline implementing regulations and (3) revisions to the new source review (NSR) program. These emission guidelines are better known as the Affordable Clean Energy (ACE) Rule. In July 2019, the EPA published in the Federal Register the final ACE Rule with one significant change from the proposal. The NSR program revisions were not included in the final version of the ACE Rule and are expected to be addressed in a future rulemaking. The ACE Rule establishes emission guidelines for states to use in the development of plans to reduce GHG emissions from existing coal-fired EGUs. This rule defines the "best system of emission reduction" (BSER) for GHG emissions from existing coal-fired EGUs as on-site, heat-rate efficiency improvements. The final rule also provides states with a list of candidate technologies that can be used to establish standards of performance and incorporate these performance standards into state plans. In order for the states to be able to effectively implement the emission guidelines contained in the ACE Rule, the EPA is finalizing new regulations under Section 111(d) of the CAA to help clarify this process. The ACE Rule became effective in September 2019. In conjunction with the finalization of the ACE Rule, the EPA repealed its previously adopted Clean Power Plan (CPP). Also, in September 2019, the D.C. Circuit granted motions to dismiss challenges to the CPP and challenges to EPA's denial of reconsideration of the CPP.

Due to uncertainty regarding what future state implementation plans will require for compliance with the ACE Rule as well as legal challenges that have been filed, the Evergy Companies cannot determine the impact of the rule on their operations or consolidated financial results, but the cost to comply with the ACE Rule, should it be upheld and implemented in its current or a substantially similar form, could be material.

Water

The Evergy Companies discharge some of the water used in generation and other operations containing substances deemed to be pollutants. A November 2015 EPA rule establishes effluent limitations guidelines (ELG) and standards for wastewater discharges, including limits on the amount of toxic metals and other pollutants that can be discharged. Implementation timelines for this 2015 rule vary from 2018 to 2023. In April 2019, the U.S. Court of Appeals for the 5th Circuit (5th Circuit) issued a ruling that vacates and remands portions of the original ELG rule. Due to this ruling, future ELG modifications for the best available technology economically achievable for the discharge of legacy wastewater and leachate are likely.

In November 2019, the EPA published a proposed modification to the ELG rule. The proposed rule modifies numeric limits for flue gas desulfurization (FGD) wastewater and added a 10% volumetric purge limit for bottom ash transport water. The timeline for final FGD wastewater compliance was also delayed by two years to December 31, 2025. The Evergy Companies are in the process of reviewing the proposed rule and the costs to comply with these changes could be material.

In October 2014, the EPA's final standards for cooling water intake structures at power plants to protect aquatic life took effect. The standards, based on Section 316(b) of the federal Clean Water Act (CWA), require subject facilities to choose among seven best available technology options to reduce fish impingement. In addition, some facilities must conduct studies to assist permitting authorities to determine whether and what site-specific controls, if any, would be required to reduce entrainment of aquatic organisms. The Evergy Companies' current analysis indicates this rule will not have a significant impact on their coal plants that employ cooling towers or cooling lakes that can be classified as closed cycle cooling and do not expect the impact from this rule to be material. Plants without closed cycle cooling are under evaluation for compliance with these standards and may require additional controls, the costs of which could be material.

Evergy Metro holds a permit from the Missouri Department of Natural Resources (MDNR) covering water discharge from its Hawthorn Station. The permit authorizes Evergy Metro to, among other things, withdraw water from the Missouri River for cooling purposes and return the heated water to the Missouri River. Evergy Metro has applied for a renewal of this permit and the EPA has submitted an interim objection letter regarding the allowable amount of heat that can be contained in the returned water. Until this matter is resolved, Evergy Metro continues to operate under its current permit. Evergy and Evergy Metro cannot predict the outcome of this matter; however, while less significant outcomes are possible, this matter may require a reduction in generation, installation of cooling towers or other technology to cool the water, or both, any of which could have a material impact on Evergy's and Evergy Metro's operations and consolidated financial results.

In April 2020, the U.S. District Court for the District of Montana (District Court of Montana) ruled that the U.S. Army Corps of Engineers' (Corps) reissuance of Nationwide Permit 12 (NWP 12) in 2017 violated the Endangered Species Act (ESA). The District Court of Montana determined that the Corps failed to initiate consultation under ESA to ensure that discharge activities under NWP 12 complied with the ESA. As a result, the District Court of Montana remanded NWP 12 to the Corps, vacated NWP 12 pending completion of the ESA consultation process and enjoined the Corps from authorizing any dredge or fill activities under NWP 12. The Evergy Companies utilize NWP 12 in the regulatory approval of various types of projects and the ruling and resulting actions of the Corps could have a material impact on the Evergy Companies' operations and consolidated financial results. In May 2020, the District Court of Montana amended the previous ruling such that the vacatur only applies to new oil and gas pipelines and that NWP 12 remains in place for non-pipeline activities, which would include activities performed by the Evergy Companies. The Corps followed that action with a request to the U.S. Supreme Court (Supreme Court) to stay the District Court of Montana's order. In July 2020, the Supreme Court granted in part and denied in part the Corps' request to stay. The Supreme Court ruled that the request was granted and the order stayed except as it applies to the Keystone XL pipeline. As such, the original NWP 12 ruling would no longer apply to the Evergy Companies' activities and it is not believed that the ruling will have a material impact on the Evergy Companies' operations and consolidated financial results.

Regulation of Coal Combustion Residuals

In the course of operating their coal generation plants, the Evergy Companies produce coal combustion residuals (CCRs), including fly ash, gypsum and bottom ash. The EPA published a rule to regulate CCRs in April 2015, that requires additional CCR handling, processing and storage equipment and closure of certain ash disposal units.

In March 2019, the D.C. Circuit issued a ruling to grant the EPA's request to remand the Phase I, Part I CCR rule in response to a prior court ruling requiring the EPA to address un-lined surface impoundment closure requirements. In July 2020, the EPA issued a pre-publication version of the Part A CCR Rule. This proposal reclassified clay-lined surface impoundments from "lined" to "un-lined" and established a deadline of April 11, 2021 to initiate closure. The prior rule included a deadline of October 31, 2020 for unlined impoundments to initiate closure. In March 2020, the EPA published a proposed rule called the Part B CCR Rule. This proposal includes a process to allow unlined impoundments to continue to operate if a demonstration is made to prove that the unlined impoundments are not adversely impacting groundwater, human health or the environment. The proposal also includes clarification regarding ash used in the closure of landfills and surface impoundments. The Evergy Companies are in the process of reviewing the Part A and Part B CCR rules and the costs to comply with these changes could be material.

The Evergy Companies have recorded asset retirement obligations (AROs) for their current estimates for the closure of ash disposal ponds, but the revision of these AROs may be required in the future due to changes in existing CCR regulations, the results of groundwater monitoring of CCR units or changes in interpretation of existing CCR regulations or changes in the timing or cost to close ash disposal ponds. If revisions to these AROs are necessary, the impact on the Evergy Companies' operations or consolidated financial results could be material.

Storage of Spent Nuclear Fuel

Under the Nuclear Waste Policy Act of 1982, the Department of Energy (DOE) is responsible for the permanent disposal of spent nuclear fuel. In 2010, the DOE filed a motion with the Nuclear Regulatory Commission (NRC) to

withdraw its application to construct a national repository for the disposal of spent nuclear fuel and high-level radioactive waste at Yucca Mountain, Nevada. The NRC has not yet issued a final decision on the matter.

Wolf Creek has elected to build a dry cask storage facility to expand its existing on-site spent nuclear fuel storage, which is expected to provide additional capacity prior to 2022. The Evergy Companies expect that the majority of the costs to construct the dry cask storage facility that would not have otherwise been incurred had the DOE begun accepting spent nuclear fuel will be reimbursed by the DOE. The Evergy Companies cannot predict, when, or if, an off-site storage site or alternative disposal site will be available to receive Wolf Creek's spent nuclear fuel and will continue to monitor this activity.

11. RELATED PARTY TRANSACTIONS AND RELATIONSHIPS

In the normal course of business, Evergy Kansas Central, Evergy Metro and Evergy Missouri West engage in related party transactions with one another. A summary of these transactions and the amounts associated with them is provided below.

Jointly-Owned Plants and Shared Services

Evergy Metro employees manage Evergy Missouri West's business and operate its facilities at cost, including Evergy Missouri West's 18% ownership interest in Evergy Metro's Iatan Nos. 1 and 2. Evergy Kansas Central employees manage Jeffrey Energy Center (JEC) and operate its facilities at cost, including Evergy Missouri West's 8% ownership interest in JEC. Evergy Metro employees manage La Cygne Station and operate its facilities at cost, including Evergy Kansas Central's 50% interest in La Cygne Station. Evergy Metro and Evergy Kansas Central employees also provide one another with shared service support, including costs related to human resources, information technology, accounting and legal services.

The operating expenses and capital costs billed for jointly-owned plants and shared services are detailed in the following table.

	Three Months Ended June 30		Year to Date June 30	
	2020	2019	2020	2019
	(millions)			
Evergy Metro billings to Evergy Missouri West	\$ 36.0	\$ 42.2	\$ 75.3	\$ 84.2
Evergy Kansas Central billings to Evergy Missouri West	10.0	6.4	14.3	12.7
Evergy Metro billings to Evergy Kansas Central	19.5	44.3	67.6	75.8
Evergy Kansas Central billings to Evergy Metro	4.5	8.9	19.5	16.3

Money Pool

Evergy Metro and Evergy Missouri West are authorized to participate in the Evergy, Inc. money pool, which is an internal financing arrangement in which funds may be lent on a short-term basis to Evergy Metro and Evergy Missouri West from Evergy, Inc. and between Evergy Metro and Evergy Missouri West. At June 30, 2020 and December 31, 2019, Evergy Metro had no outstanding receivables or payables under the money pool.

Related Party Net Receivables and Payables

The following table summarizes Evergy Kansas Central's and Evergy Metro's related party net receivables and payables.

	June 30 2020	December 31 2019
(millions)		
Evergy Kansas Central		
Net receivable from Evergy Missouri West	\$ 3.0	\$ 3.1
Net payable to Evergy Metro	(5.9)	(14.9)
Net receivable from Evergy	0.6	6.9
Evergy Metro		
Net receivable from Evergy Missouri West	\$ 62.8	\$ 78.7
Net receivable from Evergy Kansas Central	5.9	14.9
Net receivable from (payable to) Evergy	14.7	(4.3)

Tax Allocation Agreement

Evergy files a consolidated federal income tax return as well as unitary and combined income tax returns in several state jurisdictions with Kansas and Missouri being the most significant. Income taxes for consolidated or combined subsidiaries are allocated to the subsidiaries based on separate company computations of income or loss. As of June 30, 2020 and December 31, 2019, Evergy Kansas Central had income taxes receivable from Evergy of \$26.6 million and \$37.9 million, respectively. As of June 30, 2020 and December 31, 2019, Evergy Metro had income taxes receivable from Evergy of \$7.1 million and payable to Evergy of \$14.1 million, respectively.

Leases

Evergy Metro leases certain transmission equipment from Evergy Kansas Central. This lease was entered into prior to the merger in an arms-length transaction and is accounted for as an operating lease. The right-of-use asset related to this lease is recorded within other long-term assets and the current and long-term lease liabilities are recorded within other current liabilities and other long-term liabilities, respectively, on the consolidated balance sheet. The assets and liabilities related to this lease between Evergy Kansas Central and Evergy Metro are eliminated at consolidated Evergy. As of June 30, 2020, Evergy Metro had a right-of-use asset of \$29.3 million, a current lease liability of \$0.7 million and a long-term lease liability of \$28.6 million on its consolidated balance sheet related to this lease. As of December 31, 2019, Evergy Metro had a right-of-use asset of \$29.5 million, a current lease liability of \$0.6 million and a long-term lease liability of \$28.9 million on its consolidated balance sheet related to this lease.

12. TAXES

Components of income tax expense are detailed in the following tables.

Evergy

	Three Months Ended June 30		Year to Date June 30	
	2020	2019	2020	2019
Current income taxes	(millions)			
Federal	\$ (21.0)	\$ 8.7	\$ (18.6)	\$ 20.6
State	(6.9)	(0.2)	(7.3)	(0.8)
Total	(27.9)	8.5	(25.9)	19.8
Deferred income taxes				
Federal	30.8	9.8	36.8	2.5
State	33.4	7.2	36.2	13.5
Total	64.2	17.0	73.0	16.0
Investment tax credit amortization	(2.6)	(1.1)	(3.3)	(2.1)
Income tax expense	\$ 33.7	\$ 24.4	\$ 43.8	\$ 33.7

Evergy Kansas Central

	Three Months Ended June 30		Year to Date June 30	
	2020	2019	2020	2019
Current income taxes	(millions)			
Federal	\$ (12.1)	\$ 17.5	\$ 12.1	\$ 27.9
State	(6.5)	(1.6)	(6.9)	(1.2)
Total	(18.6)	15.9	5.2	26.7
Deferred income taxes				
Federal	(10.4)	(10.7)	(28.6)	(13.9)
State	150.2	5.5	152.8	9.1
Total	139.8	(5.2)	124.2	(4.8)
Investment tax credit amortization	(2.3)	(0.8)	(2.7)	(1.5)
Income tax expense	\$ 118.9	\$ 9.9	\$ 126.7	\$ 20.4

Evergy Metro

	Three Months Ended June 30		Year to Date June 30	
	2020	2019	2020	2019
Current income taxes	(millions)			
Federal	\$ (11.1)	\$ 26.4	\$ 0.5	\$ 34.3
State	(0.2)	4.6	1.0	5.4
Total	(11.3)	31.0	1.5	39.7
Deferred income taxes				
Federal	26.2	(19.7)	16.7	(24.9)
State	(37.3)	(3.0)	(37.7)	(2.6)
Total	(11.1)	(22.7)	(21.0)	(27.5)
Investment tax credit amortization	(0.2)	(0.3)	(0.5)	(0.5)
Income tax expense (benefit)	\$ (22.6)	\$ 8.0	\$ (20.0)	\$ 11.7

Effective Income Tax Rates

Effective income tax rates reflected in the financial statements and the reasons for their differences from the statutory federal rates are detailed in the following tables.

Evergy

	Three Months Ended June 30		Year to Date June 30	
	2020	2019	2020	2019
Federal statutory income tax rate	21.0 %	21.0 %	21.0 %	21.0 %
Effect of:				
COLI policies	(1.6)	(1.8)	(1.6)	(1.8)
State income taxes	3.6	2.9	3.2	3.6
Flow through depreciation for plant-related differences	(5.0)	(2.7)	(4.7)	(3.4)
Federal tax credits	(4.6)	(4.0)	(4.6)	(3.9)
Non-controlling interest	(0.3)	(0.5)	(0.3)	(0.4)
AFUDC equity	(0.7)	(0.1)	(0.6)	—
Amortization of federal investment tax credits	(0.5)	(0.5)	(0.5)	(0.5)
State tax rate change	8.1	—	5.5	—
Valuation allowance	—	—	—	(2.8)
Stock compensation	(0.4)	(0.3)	(0.2)	(0.1)
Officer compensation limitation	0.2	0.1	0.2	0.1
Other	—	0.4	—	0.2
Effective income tax rate	19.8 %	14.5 %	17.4 %	12.0 %

Evergy Kansas Central

	Three Months Ended June 30		Year to Date June 30	
	2020	2019	2020	2019
Federal statutory income tax rate	21.0 %	21.0 %	21.0 %	21.0 %
Effect of:				
COLI policies	(3.0)	(3.3)	(3.0)	(3.3)
State income taxes	4.4	3.0	3.6	4.0
Flow through depreciation for plant-related differences	0.1	0.3	—	0.1
Federal tax credits	(6.9)	(6.1)	(6.8)	(6.1)
Non-controlling interest	(0.6)	(1.0)	(0.6)	(0.8)
AFUDC equity	(1.6)	(0.1)	(1.1)	(0.1)
Amortization of federal investment tax credits	(0.7)	(0.7)	(0.7)	(0.7)
State tax rate change	134.0	—	75.6	—
Valuation allowance	—	—	—	(1.0)
Stock compensation	(0.5)	(0.5)	(0.3)	(0.3)
Other	—	0.3	0.1	0.3
Effective income tax rate	146.2 %	12.9 %	87.8 %	13.1 %

Evergy Metro

	Three Months Ended June 30		Year to Date June 30	
	2020	2019	2020	2019
Federal statutory income tax rate	21.0 %	21.0 %	21.0 %	21.0 %
Effect of:				
COLI policies	(0.3)	(0.1)	(0.2)	(0.1)
State income taxes	3.3	1.8	3.0	2.5
Flow through depreciation for plant-related differences	(9.5)	(5.7)	(9.0)	(6.0)
Federal tax credits	(2.4)	(1.5)	(2.4)	(1.5)
AFUDC equity	0.1	—	—	—
Amortization of federal investment tax credits	(0.4)	(0.3)	(0.4)	(0.3)
State tax rate change	(40.1)	—	(29.7)	—
Stock compensation	(0.3)	(0.2)	(1.1)	0.1
Officer compensation limitation	0.6	0.3	0.4	0.3
Other	(0.1)	(3.3)	—	(2.5)
Effective income tax rate	(28.1)%	12.0 %	(18.4)%	13.5 %

Tax Reform

In May 2020, the Kansas Legislature passed and Governor Laura Kelly signed House Bill 2585 (HB 2585), which exempts certain public utilities, including Evergy Kansas Central and Evergy Metro, from Kansas corporate income tax beginning in 2021 and allows the KCC to approve changes in rates related to increases or decreases in federal or state income tax rates.

As a result of the exemption from Kansas corporate income tax, the Evergy Companies revalued their deferred income tax assets and liabilities in May 2020. Evergy decreased its net deferred income tax liabilities by \$233.8 million, primarily consisting of a \$400.4 million adjustment for the revaluation of deferred income tax assets and liabilities included in rate base and a \$31.7 million tax gross-up adjustment on this amount for ratemaking purposes and \$13.8 million of income tax expense primarily related to the revaluation of deferred income taxes that will not be recovered from customers in future rates; partially offset by a decrease to unamortized investment tax credits of \$183.6 million due to the revaluation of certain Kansas income tax credits and a \$16.9 million tax gross-up adjustment on this amount for ratemaking purposes.

Evergy Kansas Central decreased its net deferred income tax liabilities by \$17.6 million, primarily consisting of a \$293.7 million adjustment for the revaluation of deferred income tax assets and liabilities included in rate base and a \$17.3 million tax gross-up adjustment on this amount for ratemaking purposes; partially offset by a decrease to unamortized investment tax credits of \$183.6 million due to the revaluation of certain Kansas income tax credits and a \$16.9 million tax gross-up adjustment on this amount for ratemaking purposes and \$109.0 million of income tax expense primarily related to the revaluation of deferred income taxes that will not be recovered from customers in future rates.

Evergy Metro decreased its net deferred income tax liabilities by \$152.9 million, primarily consisting of a \$106.7 million adjustment for the revaluation of deferred income tax assets and liabilities included in rate base and a \$14.4 million tax gross-up adjustment on this amount for ratemaking purposes and \$32.2 million of income tax benefit primarily related to the revaluation of deferred income taxes that will not be refunded to customers in future rates.

The changes to the Evergy Companies' net deferred income tax liabilities included in rate base were offset by corresponding changes in regulatory liabilities. The net regulatory liabilities will be refunded to customers in future rates by amortizing the amounts related to plant assets over the remaining useful life of the assets, and amortizing the amounts related to other items over a period to be determined in a future rate case. The changes to the Evergy Companies' unamortized investment tax credits were related to the portion of certain Kansas income tax credits that are not expected to be used after December 31, 2020. The amounts of income tax expense (benefit) recognized by

the Evergy Companies related to the revaluation of deferred income taxes that will not be recovered from or refunded to customers in future rates primarily pertain to deferred tax adjustments related to the difference between Evergy's consolidated tax rate and the statutory tax rates used for setting rates at Evergy Kansas Central, Evergy Metro and Evergy Missouri West as well as deferred income tax adjustments related to non-regulated operations.

Evergy Kansas Central and Evergy Metro currently recover the cost of Kansas corporate income taxes in rates from their customers at the statutory rate of 7% that will be effective until 2021, when the income tax exemption established by HB 2585 takes effect. In accordance with the provisions of HB 2585, Evergy Metro and Evergy Kansas Central filed a joint application with the KCC in July 2020 to reduce their retail rates to reflect their exemption from Kansas corporate income taxes. In the joint application, Evergy Metro requested to implement its rate reduction in one phase, effective January 1, 2021, and Evergy Kansas Central requested to implement its rate reduction in three phases, effective January 1 in each of 2021, 2022 and 2023. A decision on the joint application from the KCC is expected in the fourth quarter of 2020.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following combined Management's Discussion and Analysis of Financial Condition and Results of Operations (MD&A) should be read in conjunction with the consolidated financial statements and accompanying notes in this combined Quarterly Report on Form 10-Q and the Evergy Companies' combined 2019 Form 10-K. None of the registrants make any representation as to information related solely to Evergy, Evergy Kansas Central or Evergy Metro other than itself.

EVERGY, INC.

EXECUTIVE SUMMARY

Evergy is a public utility holding company incorporated in 2017 and headquartered in Kansas City, Missouri. Evergy operates primarily through the following wholly-owned direct subsidiaries listed below.

- Evergy Kansas Central is an integrated, regulated electric utility that provides electricity to customers in the state of Kansas. Evergy Kansas Central has one active wholly-owned subsidiary with significant operations, Evergy Kansas South.
- Evergy Metro is an integrated, regulated electric utility that provides electricity to customers in the states of Missouri and Kansas.
- Evergy Missouri West is an integrated, regulated electric utility that provides electricity to customers in the state of Missouri.
- Evergy Transmission Company owns 13.5% of Transource with the remaining 86.5% owned by AEP Transmission Holding Company, LLC, a subsidiary of AEP. Transource is focused on the development of competitive electric transmission projects. Evergy Transmission Company accounts for its investment in Transource under the equity method.

Evergy Kansas Central also owns a 50% interest in Prairie Wind, which is a joint venture between Evergy Kansas Central and subsidiaries of AEP and Berkshire Hathaway Energy Company. Prairie Wind owns a 108-mile, 345 kV double-circuit transmission line that provides transmission service in the SPP. Evergy Kansas Central accounts for its investment in Prairie Wind under the equity method.

Evergy Kansas Central, Evergy Kansas South, Evergy Metro and Evergy Missouri West conduct business in their respective service territories using the name Evergy. Collectively, the Evergy Companies have approximately 14,700 MWs of owned generating capacity and renewable purchased power agreements and engage in the generation, transmission, distribution and sale of electricity to approximately 1.6 million customers in the states of Kansas and Missouri. The Evergy Companies assess financial performance and allocate resources on a consolidated basis (i.e., operate in one segment).

Strategy

Evergy expects to continue operating its integrated utilities within the currently existing regulatory frameworks. In March 2020, the Evergy Board announced the creation of a Strategic Review & Operations Committee, whose mandate was to explore ways to enhance long-term shareholder value (taking into account applicable legal and regulatory requirements and any other relevant considerations), including through a potential strategic combination or an enhanced long-term standalone operating plan and strategy. The committee completed its review and unanimously recommended to the Evergy Board that Evergy pursue an enhanced long-term standalone operating plan and strategy and the Evergy Board subsequently unanimously concurred with the recommendation. This "Sustainability Transformation Plan" is a five-year plan to optimize and enhance value creation for shareholders, customers, communities and employees. Significant elements of the plan include:

- targeting a reduction of approximately \$330 million of operating and maintenance expense by 2024 from 2018 adjusted operating and maintenance expense (non-GAAP) (see "Non-GAAP Measures" within this Executive Summary for a reconciliation of this non-GAAP measure to the most comparable GAAP measure);
- targeting a reduction of approximately \$145 million of fuel and purchased power expense between 2019 and 2024; and
- approximately \$8.9 billion of expected base capital investments through 2024, or \$1.4 billion more than Evergy's prior plan. Of this amount, Evergy expects approximately \$2.8 billion to qualify for plant-in-service accounting in Missouri, and approximately \$1.8 billion to be focused on FERC-jurisdictional improvements. See "Liquidity and Capital Resources; Capital Expenditures", for further information regarding Evergy's projected capital expenditures through 2024.

The plan also enhances Evergy's efforts to mitigate future strategic risk through responsible, accelerated decarbonization. Evergy has already reduced carbon dioxide emissions by 45% from 2005 levels and, earlier in 2020 Evergy announced a goal to achieve an 80% reduction from 2005 levels by 2050. The Sustainability Transformation Plan has the potential to reduce carbon dioxide emissions 85% by 2030 compared to 2005 levels. The new plan expedites carbon dioxide emission reductions by pursuing constructive regulatory recovery mechanisms that would be necessary to economically retire aging, coal-fired generation and expanding Evergy's wind and solar footprint. The pace of decarbonization will ultimately be defined in continued collaboration with stakeholders, including in the second half of 2020 as part of Evergy's triennial integrated resource plan.

See "Cautionary Statements Regarding Certain Forward-Looking Information" and Part II, Item 1A, Risk Factors, for additional information.

Impact of COVID-19

The COVID-19 pandemic has had, and may continue to have, a significant impact on the way that the Evergy Companies conduct their operations, including the implementation of social distancing and other preventative protocols and the direction of employees to work remotely when possible. Further, the spread of COVID-19 has resulted in efforts to contain the virus, such as quarantines, restrictions on travel, closures and the reduced operations of businesses, governmental agencies and other institutions. The pandemic, along with the efforts to contain the virus, has caused and could continue to cause an economic slowdown or recession, result in significant disruptions or reductions in various public, commercial or industrial activities and cause employee absences. In the states of Missouri and Kansas as well as certain counties and municipalities within the Evergy Companies' service territory, "stay-at-home" orders were in effect for substantially all of April 2020 and expired in early May 2020.

Following the expiration of the "stay-at-home" orders in early May 2020, much of the Evergy Companies' service territory was subject to phased reopening guidelines that limited the operations of businesses, governmental agencies and other institutions. Certain of these restrictions continue to remain in effect and a substantial portion of the Evergy Companies' service territory is also now required to utilize preventative measures such as the wearing of face coverings while in public areas. Management cannot foresee whether the outbreak of COVID-19 will be effectively contained, nor can it predict the severity and duration of its impact.

During the second quarter of 2020, Evergy experienced an overall reduction in demand and the shifting of usage away from customers with relatively higher load requirements, such as industrial and commercial customers, towards customers with relatively lower load requirements, such as residential customers. Of Evergy's total 2019 revenues, approximately 37% were from residential customers with approximately 47% from commercial and industrial customers. The KCC and MPSC have established different prices for the Evergy Companies' residential, commercial and industrial customers and a similar change in demand across each customer class will have a different impact on earnings. Management estimates that a 1% change in demand for residential, commercial and industrial customers will impact Evergy's 2020 earnings by approximately \$10 million, \$8 million and \$2 million, respectively. As a result, the impacts to Evergy's earnings from a reduction in demand from industrial and commercial customers have been partially offset by an increase in demand from residential customers.

The Evergy Companies have also temporarily implemented policies, and in the future may implement additional policies, that are intended to ease the financial burden of the pandemic on customers. These policies, such as temporarily extending payment options and offering incentives for customer payments on overdue balances as well as the elimination of late payment fees and disconnections for non-payment through July 15, 2020, could lead to higher levels of credit loss expense and lower levels of operating cash flows compared to historical levels for the Evergy Companies. In addition, these policies, along with lower electric sales as a result of the overall reduction in demand discussed above, could also lead to the additional repayment of portions of the Evergy Companies' borrowings under receivable sale facilities.

Finally, the Evergy Companies have incurred, and will continue to incur, expenses related to monitoring the COVID-19 pandemic and modifying operations in response to the pandemic that are recorded in operating and maintenance expense.

In May 2020, Evergy Kansas Central, Evergy Metro and Evergy Missouri West filed joint requests for AAOs with the KCC and MPSC, as applicable, that would allow for the extraordinary costs and lost revenues incurred by the companies, net of any COVID-19-related savings, as a result of the COVID-19 pandemic to be considered for future recovery from customers as part of their next rate cases. The KCC approved the AAO request in July 2020 and a decision by the MPSC is expected in the fourth quarter of 2020.

Evergy's management is actively monitoring, and will continue to monitor, the evolving impact of COVID-19 on its results of operations and any developments affecting its workforce and suppliers and will take additional actions as it believes are warranted. The situation is changing rapidly and future impacts may materialize that are not yet known. Accordingly, the extent to which COVID-19 and the factors noted above may impact the results of operations, financial condition, cash flows and liquidity of the Evergy Companies will depend on future developments that are highly uncertain and cannot be predicted, including new information concerning the severity and duration of the COVID-19 outbreak and the actions taken to contain it or to seek recovery of its impact, among others.

See "Cautionary Statements Regarding Certain Forward-Looking Information" and Part II, Item 1A, Risk Factors, for additional information.

Regulatory Proceedings

See Note 4 to the consolidated financial statements for information regarding regulatory proceedings.

Earnings Overview

The following table summarizes Evergy's net income and diluted EPS.

	Three Months Ended June 30			Year to Date June 30		
	2020	Change	2019	2020	Change	2019
	(millions, except per share amounts)					
Net income attributable to Evergy, Inc.	\$ 133.4	\$ (6.3)	\$ 139.7	\$ 202.8	\$ (36.4)	\$ 239.2
Earnings per common share, diluted	0.59	0.02	0.57	0.89	(0.07)	0.96

Net income attributable to Evergy, Inc. decreased for the three months ended June 30, 2020, compared to the same period in 2019, primarily due to lower retail sales driven by a decrease in weather-normalized commercial and industrial demand primarily due to temporary business closures as a result of COVID-19, partially offset by an increase in weather-normalized residential demand and favorable weather; higher depreciation expense, and higher income tax expense due to the Kansas corporate income tax rate change, partially offset by lower operating and maintenance expense driven by plant outages and lower employee headcount.

Diluted EPS increased for the three months ended June 30, 2020, compared to the same period in 2019, primarily due to a lower number of diluted weighted average common shares outstanding in 2020, which increased EPS by \$0.04 for the three months ended June 30, 2020.

Net income attributable to Evergy, Inc. decreased year to date June 30, 2020, compared to the same period in 2019, primarily due to lower retail sales driven by a decrease in weather-normalized commercial and industrial demand primarily due to temporary business closures as a result of COVID-19, partially offset by an increase in weather-normalized residential demand; higher depreciation expense; lower corporate-owned life insurance (COLI) benefits in 2020; higher interest expense and higher income tax expense due to the Kansas corporate income tax rate change, partially offset by lower operating and maintenance expenses in 2020.

Diluted EPS decreased year to date June 30, 2020, compared to the same period in 2019, primarily due to the decrease in net income attributable to Evergy, Inc. discussed above, partially offset by a lower number of diluted weighted average common shares outstanding in 2020, which increased EPS by \$0.07 year to date June 30, 2020.

For additional information regarding the change in net income, refer to the Evergy Results of Operations section within this MD&A.

Adjusted Earnings (non-GAAP) and Adjusted EPS (non-GAAP)

Evergy's adjusted earnings (non-GAAP) and adjusted EPS (non-GAAP) for the three months ended and year to date June 30, 2020, were \$154.2 million or \$0.68 per share and \$248.4 million or \$1.09 per share, respectively. For the three months ended and year to date June 30, 2019, Evergy's adjusted earnings (non-GAAP) and adjusted EPS (non-GAAP) were \$140.3 million or \$0.58 per share and \$251.4 million or \$1.01 per share, respectively. In addition to net income attributable to Evergy, Inc. and diluted EPS, Evergy's management uses adjusted earnings (non-GAAP) and adjusted EPS (non-GAAP) to evaluate earnings and EPS without the costs resulting from rebranding, voluntary severance, advisor expenses and the revaluation of deferred tax assets and liabilities from the Kansas corporate income tax rate change.

Non-GAAP Measures**Adjusted Earnings and Adjusted EPS**

Adjusted earnings (non-GAAP) and adjusted EPS (non-GAAP) are intended to enhance an investor's overall understanding of results. Adjusted earnings (non-GAAP) and adjusted EPS (non-GAAP) are used internally to measure performance against budget and in reports for management and the Evergy Board. Adjusted earnings (non-GAAP) and adjusted EPS (non-GAAP) are financial measures that are not calculated in accordance with GAAP and may not be comparable to other companies' presentations or more useful than the GAAP information provided elsewhere in this report.

The following tables provide a reconciliation between net income attributable to Evergy, Inc. and diluted EPS as determined in accordance with GAAP and adjusted earnings (non-GAAP) and adjusted EPS (non-GAAP).

Three Months Ended June 30	2020		2019	
	Earnings (Loss)	Earnings (Loss) per Diluted Share	Earnings (Loss)	Earnings (Loss) per Diluted Share
(millions, except per share amounts)				
Net income attributable to Evergy, Inc.	\$ 133.4	\$ 0.59	\$ 139.7	\$ 0.57
Non-GAAP reconciling items:				
Rebranding costs, pre-tax ^(a)	—	—	0.9	0.01
Voluntary severance costs, pre-tax ^(b)	(0.4)	—	(0.1)	—
Advisor expenses, pre-tax ^(c)	9.8	0.04	—	—
Income tax benefit ^(d)	(2.4)	(0.01)	(0.2)	—
Kansas corporate income tax change ^(e)	13.8	0.06	—	—
Adjusted earnings (non-GAAP)	\$ 154.2	\$ 0.68	\$ 140.3	\$ 0.58

Year to Date June 30	2020		2019	
	Earnings (Loss)	Earnings (Loss) per Diluted Share	Earnings (Loss)	Earnings (Loss) per Diluted Share
(millions, except per share amounts)				
Net income attributable to Evergy, Inc.	\$ 202.8	\$ 0.89	\$ 239.2	\$ 0.96
Non-GAAP reconciling items:				
Rebranding costs, pre-tax ^(a)	—	—	1.1	—
Voluntary severance costs, pre-tax ^(b)	26.6	0.12	14.7	0.06
Advisor expenses, pre-tax ^(c)	16.4	0.07	—	—
Income tax benefit ^(d)	(11.2)	(0.05)	(3.6)	(0.01)
Kansas corporate income tax change ^(e)	13.8	0.06	—	—
Adjusted earnings (non-GAAP)	\$ 248.4	\$ 1.09	\$ 251.4	\$ 1.01

^(a) Reflects external costs incurred to rebrand the legacy Westar Energy and KCP&L utility brands to Evergy and are included in operating and maintenance expense on the consolidated statements of comprehensive income.

^(b) Reflects severance costs incurred associated with certain voluntary severance programs at the Evergy Companies and are included in operating and maintenance expense on the consolidated statements of comprehensive income.

^(c) Reflects advisor expenses incurred associated with strategic planning and are included in operating and maintenance expense on the consolidated statements of comprehensive income.

^(d) Reflects an income tax effect calculated at a statutory rate of approximately 26%, with the exception of certain non-deductible items.

^(e) Reflects the revaluation of Evergy Kansas Central's, Evergy Metro's and Evergy Missouri West's deferred income tax assets and liabilities from the Kansas corporate income tax rate change and are included in income tax expense on the consolidated statements of comprehensive income.

2018 Adjusted Operating and Maintenance Expense

The following table provides a reconciliation between 2018 operating and maintenance expense and 2018 pro forma operating and maintenance expense as determined in accordance with GAAP and 2018 adjusted operating and maintenance expense (non-GAAP).

	(millions)
2018 Operating and maintenance expense	\$ 1,115.8
Pro forma adjustments ^(a) :	
Great Plains Energy operating and maintenance expense prior to the merger	317.9
Non-recurring merger costs and other	(101.3)
2018 Pro forma operating and maintenance expense	\$ 1,332.4
Non-GAAP reconciling items:	
Voluntary severance costs ^(b)	(23.5)
Deferral of merger transition costs ^(c)	28.5
Inventory write-offs at retiring generating units ^(d)	(31.0)
2018 Adjusted operating and maintenance expense (non-GAAP)	\$ 1,306.4

^(a) Reflects pro forma adjustments made in accordance with Article 11 of Regulation S-X and ASC 805 - *Business Combinations*. See Note 2 to the consolidated financial statements in the Evergy Companies' combined 2018 annual report on Form 10-K for further information regarding these adjustments.

^(b) Reflects severance costs incurred associated with certain voluntary severance programs at the Evergy Companies and are included in operating and maintenance expense on the 2018 consolidated statements of comprehensive income in the Evergy Companies' combined 2018 annual report on Form 10-K.

^(c) Reflects the portion of the \$47.8 million deferral of merger transition costs to a regulatory asset in June 2018 that related to costs incurred prior to 2018. The remaining merger transition costs included within the \$47.8 million deferral were both incurred and deferred in 2018 and did not impact earnings. This item is included in operating and maintenance expense on the 2018 consolidated statements of comprehensive income in the Evergy Companies' combined 2018 annual report on Form 10-K.

^(d) Reflects obsolete inventory write-offs for Evergy Kansas Central's Unit 7 at Tecumseh Energy Center, Units 3 and 4 at Murray Gill Energy Center, Units 1 and 2 at Gordon Evans Energy Center, Evergy Metro's Montrose Station and Evergy Missouri West's Sibley Station and are included in operating and maintenance expense on the 2018 consolidated statements of comprehensive income in the Evergy Companies' combined 2018 annual report on Form 10-K.

Wolf Creek Refueling Outage

Wolf Creek's most recent refueling outage began in September 2019 and the unit returned to service in November 2019. Wolf Creek's next refueling outage is planned to begin in the first quarter of 2021.

ENVIRONMENTAL MATTERS

See Note 10 to the consolidated financial statements for information regarding environmental matters.

RELATED PARTY TRANSACTIONS

See Note 11 to the consolidated financial statements for information regarding related party transactions.

EVERGY RESULTS OF OPERATIONS

The following table summarizes Evergy's comparative results of operations.

	Three Months Ended June 30			Year to Date June 30		
	2020	Change	2019	2020	Change	2019
	(millions)					
Operating revenues	\$ 1,184.7	\$ (37.0)	\$ 1,221.7	\$ 2,301.4	\$ (137.2)	\$ 2,438.6
Fuel and purchased power	258.1	(33.5)	291.6	516.3	(105.3)	621.6
SPP network transmission costs	69.7	6.9	62.8	131.7	5.4	126.3
Operating and maintenance	272.7	(15.9)	288.6	560.9	(34.6)	595.5
Depreciation and amortization	221.6	6.2	215.4	440.1	11.1	429.0
Taxes other than income tax	90.9	(0.7)	91.6	183.2	(1.7)	184.9
Income from operations	271.7	—	271.7	469.2	(12.1)	481.3
Other expense, net	(4.2)	5.2	(9.4)	(25.4)	(8.0)	(17.4)
Interest expense	99.5	4.1	95.4	195.7	9.2	186.5
Income tax expense	33.7	9.3	24.4	43.8	10.1	33.7
Equity in earnings of equity method investees, net of income taxes	2.0	(0.1)	2.1	4.2	(0.1)	4.3
Net income	136.3	(8.3)	144.6	208.5	(39.5)	248.0
Less: Net income attributable to noncontrolling interests	2.9	(2.0)	4.9	5.7	(3.1)	8.8
Net income attributable to Evergy, Inc.	\$ 133.4	\$ (6.3)	\$ 139.7	\$ 202.8	\$ (36.4)	\$ 239.2

Evergy Utility Gross Margin and MWh Sales

Utility gross margin is a financial measure that is not calculated in accordance with GAAP. Utility gross margin, as used by the Evergy Companies, is defined as operating revenues less fuel and purchased power costs and amounts billed by the SPP for network transmission costs. Expenses for fuel and purchased power costs, offset by wholesale sales margin, are subject to recovery through cost adjustment mechanisms. As a result, changes in fuel and purchased power costs are offset in operating revenues with minimal impact on net income. In addition, SPP network transmission costs fluctuate primarily due to investments by SPP members for upgrades to the transmission grid within the SPP RTO. As with fuel and purchased power costs, changes in SPP network transmission costs are mostly reflected in the prices charged to customers with minimal impact on net income.

Management believes that utility gross margin provides a meaningful basis for evaluating the Evergy Companies' operations across periods because utility gross margin excludes the revenue effect of fluctuations in these expenses. Utility gross margin is used internally to measure performance against budget and in reports for management and the Evergy Board. Utility gross margin should be viewed as a supplement to, and not a substitute for, income from operations, which is the most directly comparable financial measure prepared in accordance with GAAP. The Evergy Companies' definition of utility gross margin may differ from similar terms used by other companies.

The following tables summarize Evergy's utility gross margin and MWhs sold and provide a reconciliation of utility gross margin to income from operations.

Three Months Ended June 30	Revenues and Expenses			MWhs Sold		
	2020	Change	2019	2020	Change	2019
Retail revenues	(millions)			(thousands)		
Residential	\$ 476.7	\$ 45.1	\$ 431.6	3,723	461	3,262
Commercial	388.7	(49.9)	438.6	3,854	(480)	4,334
Industrial	139.3	(17.3)	156.6	1,899	(246)	2,145
Other retail revenues	9.1	(0.4)	9.5	32	(3)	35
Total electric retail	1,013.8	(22.5)	1,036.3	9,508	(268)	9,776
Wholesale revenues	47.3	(25.0)	72.3	3,861	702	3,159
Transmission revenues	82.2	5.8	76.4	N/A	N/A	N/A
Other revenues	41.4	4.7	36.7	N/A	N/A	N/A
Operating revenues	1,184.7	(37.0)	1,221.7	13,369	434	12,935
Fuel and purchased power	(258.1)	33.5	(291.6)			
SPP network transmission costs	(69.7)	(6.9)	(62.8)			
Utility gross margin ^(a)	856.9	(10.4)	867.3			
Operating and maintenance	(272.7)	15.9	(288.6)			
Depreciation and amortization	(221.6)	(6.2)	(215.4)			
Taxes other than income tax	(90.9)	0.7	(91.6)			
Income from operations	\$ 271.7	\$ —	\$ 271.7			

^(a) Utility gross margin is a non-GAAP financial measure. See explanation of utility gross margin above.

Year to Date June 30	Revenues and Expenses			MWhs Sold		
	2020	Change	2019	2020	Change	2019
Retail revenues	(millions)			(thousands)		
Residential	\$ 879.2	\$ (4.1)	\$ 883.3	7,301	75	7,226
Commercial	773.4	(78.7)	852.1	8,060	(698)	8,758
Industrial	279.9	(23.7)	303.6	3,898	(258)	4,156
Other retail revenues	19.7	0.4	19.3	65	(6)	71
Total electric retail	1,952.2	(106.1)	2,058.3	19,324	(887)	20,211
Wholesale revenues	110.8	(44.6)	155.4	6,735	(453)	7,188
Transmission revenues	157.8	4.7	153.1	N/A	N/A	N/A
Other revenues	80.6	8.8	71.8	N/A	N/A	N/A
Operating revenues	2,301.4	(137.2)	2,438.6	26,059	(1,340)	27,399
Fuel and purchased power	(516.3)	105.3	(621.6)			
SPP network transmission costs	(131.7)	(5.4)	(126.3)			
Utility gross margin ^(a)	1,653.4	(37.3)	1,690.7			
Operating and maintenance	(560.9)	34.6	(595.5)			
Depreciation and amortization	(440.1)	(11.1)	(429.0)			
Taxes other than income tax	(183.2)	1.7	(184.9)			
Income from operations	\$ 469.2	\$ (12.1)	\$ 481.3			

^(a) Utility gross margin is a non-GAAP financial measure. See explanation of utility gross margin above.

Evergy's utility gross margin decreased \$10.4 million for the three months ended June 30, 2020, compared to the same period in 2019 driven by:

- a \$7.2 million decrease including lower retail sales driven by a decrease in weather-normalized commercial and industrial demand primarily due to temporary business closures resulting from government restrictions to slow the spread of COVID-19, partially offset by an increase in weather-normalized residential demand and favorable weather; cooling degree days increased 24% and heating degree days increased 31%;
- a \$4.9 million decrease related to Evergy Kansas Central's TDC rider; and
- a \$2.7 million decrease in revenue related to the granting of an AAO by the MPSC in October 2019 requiring Evergy Missouri West to record a regulatory liability for the estimated amount of revenues it has collected from customers for certain costs related to Sibley Station since its retirement in November 2018; partially offset by
- a \$2.8 million increase for recovery of programs costs for energy efficiency programs under the Missouri Energy Efficiency Investment Act (MEEIA), which have a direct offset in operating and maintenance expense; and
- a \$1.6 million increase in Evergy Metro's and Evergy Missouri West's MEEIA throughput disincentive in 2020.

Evergy's utility gross margin decreased \$37.3 million year to date June 30, 2020, compared to the same period in 2019 driven by:

- a \$26.9 million decrease primarily due to lower retail sales driven by a decrease in weather-normalized commercial and industrial demand primarily due to temporary business closures resulting from government restrictions to slow the spread of COVID-19, partially offset by an increase in weather-normalized residential demand;
- a \$9.6 million decrease in revenue recognized for the MEEIA earnings opportunity in 2020 related to the achievement of certain energy savings levels in the second cycle of Evergy Metro's and Evergy Missouri West's MEEIA programs;
- a \$5.4 million decrease in revenue related to the granting of an AAO by the MPSC in October 2019 requiring Evergy Missouri West to record a regulatory liability for the estimated amount of revenues it has collected from customers for certain costs related to Sibley Station since its retirement in November 2018; and
- a \$5.1 million decrease related to Evergy Kansas Central's TDC rider; partially offset by
- a \$6.7 million increase for recovery of programs costs for energy efficiency programs under MEEIA, which have a direct offset in operating and maintenance expense; and
- a \$3.0 million increase in Evergy Metro's and Evergy Missouri West's MEEIA throughput disincentive in 2020.

Operating and Maintenance

Evergy's operating and maintenance expense decreased \$15.9 million for the three months ended June 30, 2020, compared to the same period in 2019 primarily driven by:

- a \$19.5 million decrease in plant operating and maintenance expense at fossil-fuel generating units primarily due to:
 - a \$9.4 million decrease at Evergy Kansas Central primarily driven by a \$7.2 million decrease from maintenance outages at JEC Unit 2 and La Cygne Unit 2 in 2019 and lower employee headcount; and
 - a \$7.6 million decrease at Evergy Metro primarily driven by a \$7.2 million decrease from outages at Hawthorn Station, Iatan Station and La Cygne Unit 2 and lower employee headcount; and

- an \$8.5 million decrease in transmission and distribution operating and maintenance expense primarily due to lower employee headcount in 2020; partially offset by
- \$9.8 million of advisor expenses incurred in the second quarter of 2020 associated with strategic planning; and
- a \$2.8 million increase in program costs for energy efficiency programs under MEEIA, which have a direct offset in revenue.

Evergy's operating and maintenance expense decreased \$34.6 million year to date June 30, 2020, compared to the same period in 2019 primarily driven by:

- a \$28.0 million decrease in plant operating and maintenance expense at fossil-fuel generating units primarily due to:
 - a \$14.9 million decrease at Evergy Kansas Central primarily driven by a \$10.9 million decrease from maintenance outages at JEC Unit 2 and La Cygne Unit 2 in 2019 and lower employee headcount in 2020; and
 - a \$9.1 million decrease at Evergy Metro primarily driven by a \$9.7 million decrease from outages at Hawthorn Station, Iatan Station and La Cygne Unit 2 and lower employee headcount;
- a \$25.8 million decrease in transmission and distribution operating and maintenance expense primarily due to \$13.1 million of costs at Evergy Metro and Evergy Missouri West incurred from storms that occurred in January 2019 and lower employee headcount in 2020; and
- a \$9.2 million decrease in various administrative and general operating and maintenance expenses primarily driven by a \$4.2 million decrease in labor and employee benefits expense that included lower employee headcount in 2020 and a \$3.7 million decrease in property insurance expense due to a higher annual refund of nuclear insurance premiums received by Evergy Kansas Central and Evergy Metro in 2020 related to their ownership interest in Wolf Creek; partially offset by
- \$16.4 million of advisor expenses incurred in the first half of 2020 associated with strategic planning;
- an \$11.4 million increase due to \$6.6 million of voluntary severance expenses incurred in the first quarter of 2020 by Evergy Kansas Central and Evergy Metro related to a Wolf Creek voluntary exit program and a \$4.8 million increase of voluntary severance expenses at Evergy Kansas Central, Evergy Metro and Evergy Missouri West related to additional Evergy voluntary exit programs in 2020; and
- a \$6.7 million increase in program costs for energy efficiency programs under MEEIA, which have a direct offset in revenue.

Depreciation and Amortization

Evergy's depreciation and amortization increased \$6.2 million for the three months ended June 30, 2020, compared to the same period in 2019 primarily driven by capital additions at Evergy Kansas Central and Evergy Metro.

Evergy's depreciation and amortization increased \$11.1 million year to date June 30, 2020, compared to the same period in 2019 primarily driven by capital additions at Evergy Kansas Central and Evergy Metro.

Other Expense, Net

Evergy's other expense, net decreased \$5.2 million for the three months ended June 30, 2020, compared to the same period in 2019 primarily driven by a \$2.6 million increase in Evergy Kansas Central's equity allowance for funds used during construction (AFUDC) in 2020 and a \$1.0 million decrease due to recording higher Evergy Kansas Central COLI benefits in the second quarter of 2020.

Evergy's other expense, net increased \$8.0 million year to date June 30, 2020, compared to the same period in 2019 primarily driven by:

- a \$5.5 million increase due to recording lower Evergy Kansas Central COLI benefits in 2020;

- a \$3.5 million decrease in investment earnings primarily due to a loss from equity investments; and
- a \$2.8 million increase due to higher Evergy Metro pension non-service costs in 2020; partially offset by
- a \$4.2 million increase in Evergy Kansas Central's equity AFUDC in 2020.

Interest Expense

Evergy's interest expense increased \$4.1 million for the three months ended June 30, 2020, compared to the same period in 2019 primarily driven by:

- a \$12.5 million increase due to the issuance of Evergy's \$1.6 billion of senior notes in September 2019;
- a \$3.9 million increase due to the issuance of Evergy Kansas Central's \$500.0 million of 3.45% FMBs in April 2020; and
- a \$2.5 million increase due to the issuance of Evergy Kansas Central's \$300.0 million of 3.25% FMBs in August 2019; partially offset by
- a \$9.3 million decrease primarily due to Evergy's borrowings under its \$1.0 billion term loan credit agreement in 2019 and a lower commercial paper balance and a lower weighted-average interest rate on short-term borrowings at Evergy Kansas Central and Evergy Metro in 2020; and
- a \$5.1 million decrease due to the repayment of Evergy Kansas South's \$300.0 million of 6.70% FMBs at maturity in June 2019.

Evergy's interest expense increased \$9.2 million year to date June 30, 2020, compared to the same period in 2019 primarily driven by:

- a \$24.9 million increase due to the issuance of Evergy's \$1.6 billion of senior notes in September 2019;
- a \$4.9 million increase due to the issuance of Evergy Kansas Central's \$300.0 million of 3.25% FMBs in August 2019; and
- a \$3.9 million increase due to the issuance of Evergy Kansas Central's \$500.0 million of 3.45% FMBs in April 2020; partially offset by
- a \$13.5 million decrease primarily due to Evergy's borrowings under its \$1.0 billion term loan credit agreement in 2019 and a lower commercial paper balance and a lower weighted-average interest rate on short-term borrowings at Evergy Kansas Central and Evergy Metro in 2020;
- a \$10.1 million decrease due to the repayment of Evergy Kansas South's \$300.0 million of 6.70% FMBs at maturity in June 2019; and
- a \$4.7 million net decrease due to the repayment of Evergy Metro's \$400.0 million of 7.15% Mortgage Bonds at maturity in April 2019, which decreased interest expense by \$8.6 million, partially offset by a \$3.9 million increase due to Evergy Metro's issuance of \$400.0 million of 4.125% Mortgage Bonds in March 2019.

Income Tax Expense

Evergy's income tax expense increased \$9.3 million for the three months ended June 30, 2020, compared to the same period in 2019 primarily driven by a \$13.8 million net increase due to the revaluation of deferred income tax assets and liabilities in the second quarter of 2020 due to the change in the Kansas corporate income tax rate.

Evergy's income tax expense increased \$10.1 million year to date June 30, 2020, compared to the same period in 2019 primarily driven by a \$13.8 million net increase due to the revaluation of deferred income tax assets and liabilities in the second quarter of 2020 due to the change in the Kansas corporate income tax rate.

See Note 12 to the consolidated financial statements for more information regarding the change in the Kansas corporate income tax rate.

LIQUIDITY AND CAPITAL RESOURCES

Evergy relies primarily upon cash from operations, short-term borrowings, debt and equity issuances and its existing cash and cash equivalents to fund its capital requirements. Evergy's capital requirements primarily consist of capital expenditures, payment of contractual obligations and other commitments and the payment of dividends to shareholders. See the Evergy Companies' combined 2019 Form 10-K for more information on Evergy's sources and uses of cash.

As of June 30, 2020, Evergy had \$176.4 million of cash and cash equivalents on hand and \$2.0 billion of available borrowing capacity under its master credit facility. Evergy believes that its existing cash on hand and available borrowing capacity under its master credit facility provide sufficient liquidity for its existing capital requirements.

Short-Term Borrowings

As of June 30, 2020, Evergy had \$2.0 billion of available borrowing capacity under its master credit facility. The available borrowing capacity under the master credit facility consisted of \$394.3 million for Evergy, Inc., \$757.9 million for Evergy Kansas Central, \$570.0 million for Evergy Metro and \$281.0 million for Evergy Missouri West. Evergy Kansas Central's, Evergy Metro's and Evergy Missouri West's borrowing capacity under the master credit facility also supports their issuance of commercial paper. See Note 7 to the consolidated financial statements for more information regarding the master credit facility. Along with cash flows from operations and receivable sales facilities, Evergy generally uses borrowings under its master credit facility and the issuance of commercial paper to meet its day-to-day cash flow requirements.

As a result of lower electric sales as well as delays in the timely receipt of customer payments and increased customer non-payment due to the COVID-19 pandemic and temporary policies implemented by Evergy to ease the financial burden of the pandemic on customers, the Evergy Companies have not had sufficient eligible receivables to maximize their borrowing capacity under their receivable sales facilities and have been required to repay portions of these borrowings under the facilities. As of June 30, 2020, Evergy had total borrowings under receivable sales facilities of \$297.0 million out of a maximum borrowing capacity of \$395.0 million. To the extent that the Evergy Companies continue to experience lower electric sales, further delays in the timely receipt of customer payments or increases in customer non-payments, they could be required to repay additional borrowings under their receivable sales facilities. Evergy expects that these repayments would be funded with cash from operations or short-term borrowings.

Significant Debt Issuances

See Note 8 to the consolidated financial statements for information regarding significant debt issuances.

Capital Expenditures

Evergy requires significant capital investments and expects to need cash primarily for utility construction programs designed to improve and expand facilities related to providing electric service, which include, but are not limited to, expenditures to develop new transmission lines and improvements to power plants, transmission and distribution lines and equipment. Evergy's capital expenditures were \$1,210.1 million, \$1,069.7 million and \$764.6 million in 2019, 2018 and 2017, respectively.

In August 2020, Evergy announced its new Sustainability Transformation Plan, which includes, among other things, approximately \$8.9 billion of expected base capital investments through 2024, or \$1.4 billion more than Evergy's prior plan. See "Executive Summary; Strategy", above for further information regarding the Sustainability Transformation Plan. Capital expenditures projected for the next five years pursuant to the new plan, excluding AFUDC and including costs of removal, are detailed in the following table. This capital expenditure plan is subject to continual review and change.

	2020	2021	2022	2023	2024
	(millions)				
Generating facilities	\$ 453	\$ 280	\$ 767	\$ 494	\$ 262
Transmission and distribution facilities	893	1,314	1,336	1,252	1,131
General facilities and other	240	132	137	106	108
Total capital expenditures	\$ 1,586	\$ 1,726	\$ 2,240	\$ 1,852	\$ 1,501

Pensions

Year to date June 30, 2020, Evergy made pension contributions of \$35.8 million. Evergy expects to make additional pension contributions of \$96.9 million in 2020 to satisfy ERISA funding requirements and KCC and MPSC rate orders, of which \$16.8 million is expected to be paid by Evergy Kansas Central and \$80.1 million is expected to be paid by Evergy Metro. Also in 2020, Evergy expects to make additional contributions of \$3.1 million to the post-retirement benefit plans.

Debt Covenants

As of June 30, 2020, Evergy was in compliance with all debt covenants under the master credit facility and certain debt instruments that contain restrictions that require the maintenance of certain capitalization and leverage ratios. See Note 7 to the consolidated financial statements for more information.

Off-Balance Sheet Arrangement

Evergy's off-balance sheet arrangements were reported in the Evergy Companies' combined 2019 Form 10-K. As of June 30, 2020, there have been no material changes with regards to these off-balance sheet arrangements.

Cash Flows

The following table presents Evergy's cash flows from operating, investing and financing activities.

Year to Date June 30	2020	2019
	(millions)	
Cash Flows from Operating Activities	\$ 522.5	\$ 633.7
Cash Flows used in Investing Activities	(601.2)	(529.5)
Cash Flows from (used in) Financing Activities	231.7	(157.5)

Cash Flows from Operating Activities

Evergy's cash flows from operating activities decreased \$111.2 million year to date June 30, 2020, compared to the same period in 2019, primarily driven by:

- a \$70.6 million decrease in cash receipts for retail electric sales in 2020 primarily driven by lower sales as a result of a decrease in weather-normalized commercial and industrial demand primarily due to temporary business closures resulting from government restrictions to slow the spread of COVID-19;
- a \$38.6 million decrease related to fuel recovery mechanisms in 2020 driven by a \$49.6 million increase in the under recovery of costs subject to fuel recovery mechanisms at Evergy Kansas Central and Evergy Metro, partially offset by an \$11.0 million decrease in the under recovery of costs at Evergy Missouri West; and
- \$22.1 million of interest payments made in March 2020 on Evergy's \$1.6 billion of senior notes issued in September 2019.

Cash Flows used in Investing Activities

Evergy's cash flows used in investing activities increased \$71.7 million year to date June 30, 2020, compared to the same period in 2019, primarily driven by:

- a \$63.2 million increase in additions to property, plant and equipment primarily due to a \$39.2 million increase at Evergy Missouri West due to a variety of capital projects including transmission infrastructure additions and a \$27.1 million increase at Evergy Metro due to a variety of capital projects including increased spending on customer meters and a customer billing system; and
- a decrease of \$9.8 million in proceeds from COLI investments, primarily from Evergy Kansas Central due to a higher number of policy settlements in 2019.

Cash Flows from Financing Activities

Evergy's cash flows from financing activities increased \$389.2 million year to date June 30, 2020, compared to the same period in 2019, primarily driven by:

- \$1,128.7 million of common stock repurchased as a result of Evergy's share repurchase program in 2019;
- a \$450.0 million decrease in retirements of long-term debt, net due to Evergy Metro's repayment of \$400.0 million of 7.15% Mortgage Bonds in April 2019 and Evergy Kansas South's repayment of its \$300.0 million of 6.70% FMBs in June 2019; partially offset by Evergy Kansas Central's repayment of its \$250.0 million of 5.10% FMBs in May 2020; and
- a \$396.2 million increase in proceeds from long-term debt, net due to Evergy Kansas Central's issuance of \$500.0 million of 3.45% FMBs in April 2020 and Evergy Metro's issuance of \$400.0 million of 2.25% Mortgage Bonds in May 2020; partially offset by Evergy Metro's issuance of \$400.0 million of 4.125% Mortgage Bonds in March 2019 and Evergy Missouri West's issuance of \$100.0 million of 3.74% Senior Notes in March 2019; partially offset by
- a \$1,595.4 million decrease in short-term borrowings primarily driven by Evergy's \$1.0 billion of borrowings under its term loan credit facility in 2019 and a \$94.9 million decrease in 2020 primarily driven by lower commercial paper borrowings at Evergy Metro and Evergy Kansas Central, partially offset by higher commercial paper borrowings at Evergy Missouri West as further detailed in the table set forth in Note 7 to the consolidated financial statements.

EVERGY KANSAS CENTRAL, INC.

MANAGEMENT'S NARRATIVE ANALYSIS OF RESULTS OF OPERATIONS

The below results of operations and related discussion for Evergy Kansas Central is presented in a reduced disclosure format in accordance with General Instruction (H)(2)(a) to Form 10-Q.

The following table summarizes Evergy Kansas Central's comparative results of operations.

Year to Date June 30	2020	Change	2019
		(millions)	
Operating revenues	\$ 1,130.9	\$ (51.4)	\$ 1,182.3
Fuel and purchased power	201.3	(29.1)	230.4
SPP network transmission costs	131.7	5.4	126.3
Operating and maintenance	238.9	(17.1)	256.0
Depreciation and amortization	225.6	5.2	220.4
Taxes other than income tax	97.7	0.4	97.3
Income from operations	235.7	(16.2)	251.9
Other expense, net	(6.2)	(0.2)	(6.0)
Interest expense	87.4	(5.0)	92.4
Income tax expense	126.7	106.3	20.4
Equity in earnings of equity method investees, net of income taxes	2.2	(0.2)	2.4
Net income	17.6	(117.9)	135.5
Less: Net income attributable to noncontrolling interests	5.7	(3.1)	8.8
Net income attributable to Evergy Kansas Central, Inc.	\$ 11.9	\$ (114.8)	\$ 126.7

Evergy Kansas Central Utility Gross Margin and MWh Sales

The following table summarizes Evergy Kansas Central's utility gross margin and MWhs sold and provides a reconciliation of utility gross margin to income from operations.

Year to Date June 30	Revenues and Expenses			MWhs Sold		
	2020	Change	2019	2020	Change	2019
		(millions)			(thousands)	
Retail revenues						
Residential	\$ 364.6	\$ (6.9)	\$ 371.5	2,989	59	2,930
Commercial	305.8	(31.3)	337.1	3,198	(284)	3,482
Industrial	178.9	(18.3)	197.2	2,461	(276)	2,737
Other retail revenues	8.9	(1.3)	10.2	21	(3)	24
Total electric retail	858.2	(57.8)	916.0	8,669	(504)	9,173
Wholesale revenues	99.4	(15.4)	114.8	3,792	221	3,571
Transmission revenues	142.3	4.5	137.8	N/A	N/A	N/A
Other revenues	31.0	17.3	13.7	N/A	N/A	N/A
Operating revenues	1,130.9	(51.4)	1,182.3	12,461	(283)	12,744
Fuel and purchased power	(201.3)	29.1	(230.4)			
SPP network transmission costs	(131.7)	(5.4)	(126.3)			
Utility gross margin ^(a)	797.9	(27.7)	825.6			
Operating and maintenance	(238.9)	17.1	(256.0)			
Depreciation and amortization	(225.6)	(5.2)	(220.4)			
Taxes other than income tax	(97.7)	(0.4)	(97.3)			
Income from operations	\$ 235.7	\$ (16.2)	\$ 251.9			

^(a) Utility gross margin is a non-GAAP financial measure. See explanation of utility gross margin under Evergy's Results of Operations.

Evergy Kansas Central's utility gross margin decreased \$27.7 million year to date June 30, 2020, compared to the same period in 2019 driven by:

- a \$19.6 million decrease primarily due to lower retail sales driven by a decrease in weather-normalized commercial and industrial demand primarily due to temporary business closures resulting from government restrictions to slow the spread of COVID-19, partially offset by an increase in weather-normalized residential demand; and
- an \$8.1 million decrease related to Evergy Kansas Central's TDC rider.

Evergy Kansas Central Operating and Maintenance

Evergy Kansas Central's operating and maintenance expense decreased \$17.1 million year to date June 30, 2020, compared to the same period in 2019 primarily driven by:

- a \$14.9 million decrease in plant operating and maintenance expense at fossil-fuel generating units primarily due to a \$10.9 million decrease from maintenance outages at JEC Unit 2 and La Cygne Unit 2 in the first half of 2019 and lower employee headcount in 2020; and
- an \$8.7 million decrease in various administrative and general operating and maintenance expenses primarily driven by a \$4.6 million decrease in labor and employee benefits expense that included lower employee headcount in 2020 and a \$1.9 million decrease in property insurance expense due to a higher annual refund of nuclear insurance premiums received by Evergy Kansas Central related to its indirect ownership interest in Wolf Creek; partially offset by
- a \$5.7 million increase due to \$3.3 million of voluntary severance expenses incurred in 2020 related to a Wolf Creek voluntary exit program and a \$2.4 million increase of voluntary severance expenses in 2020 related to additional Evergy voluntary exit programs.

Evergy Kansas Central Depreciation and Amortization

Evergy Kansas Central's depreciation and amortization expense increased \$5.2 million year to date June 30, 2020, compared to the same period in 2019 primarily driven by capital additions.

Evergy Kansas Central Interest Expense

Evergy Kansas Central's interest expense decreased \$5.0 million year to date June 30, 2020, compared to the same period in 2019 primarily driven by:

- a \$10.1 million decrease due to the repayment of Evergy Kansas South's \$300.0 million of 6.70% FMBs at maturity in June 2019; and
- a \$5.4 million decrease due to a lower commercial paper balance and a lower weighted-average interest rate on short-term borrowings in 2020; partially offset by
- a \$4.9 million increase due to the issuance of Evergy Kansas Central's \$300.0 million of 3.25% FMBs in August 2019; and
- a \$3.9 million increase due to the issuance of Evergy Kansas Central's \$500.0 million of 3.45% FMBs in April 2020.

Evergy Kansas Central Income Tax Expense

Evergy Kansas Central's income tax expense increased \$106.3 million year to date June 30, 2020, compared to the same period in 2019 primarily driven by the revaluation of deferred income tax assets and liabilities in the second quarter of 2020 due to the change in the Kansas corporate income tax rate. See Note 12 to the consolidated financial statements for more information regarding the change in the Kansas corporate income tax rate.

EVERGY METRO, INC.

MANAGEMENT'S NARRATIVE ANALYSIS OF RESULTS OF OPERATIONS

The below results of operations and related discussion for Evergy Metro is presented in a reduced disclosure format in accordance with General Instruction (H)(2)(a) to Form 10-Q.

The following table summarizes Evergy Metro's comparative results of operations.

Year to Date June 30	2020	Change	2019
	(millions)		
Operating revenues	\$ 799.8	\$ (62.6)	\$ 862.4
Fuel and purchased power	193.8	(57.3)	251.1
Operating and maintenance	204.4	(25.6)	230.0
Depreciation and amortization	164.2	5.4	158.8
Taxes other than income tax	61.2	(2.5)	63.7
Income from operations	176.2	17.4	158.8
Other expense, net	(11.4)	(3.1)	(8.3)
Interest expense	56.3	(7.1)	63.4
Income tax expense (benefit)	(20.0)	(31.7)	11.7
Net income	\$ 128.5	\$ 53.1	\$ 75.4

Evergy Metro Utility Gross Margin and MWh Sales

The following table summarizes Evergy Metro's utility gross margin and MWhs sold and provides a reconciliation of utility gross margin to income from operations.

Year to Date June 30	Revenues and Expenses			MWhs Sold		
	2020	Change	2019	2020	Change	2019
	(millions)			(thousands)		
Retail revenues						
Residential	\$ 331.0	\$ 4.7	\$ 326.3	2,589	38	2,551
Commercial	344.8	(34.6)	379.4	3,391	(312)	3,703
Industrial	63.0	(2.9)	65.9	821	6	815
Other retail revenues	6.2	0.9	5.3	35	(3)	38
Total electric retail	745.0	(31.9)	776.9	6,836	(271)	7,107
Wholesale revenues	7.0	(24.2)	31.2	2,663	(559)	3,222
Transmission revenues	6.9	0.7	6.2	N/A	N/A	N/A
Other revenues	40.9	(7.2)	48.1	N/A	N/A	N/A
Operating revenues	799.8	(62.6)	862.4	9,499	(830)	10,329
Fuel and purchased power	(193.8)	57.3	(251.1)			
Utility gross margin ^(a)	606.0	(5.3)	611.3			
Operating and maintenance	(204.4)	25.6	(230.0)			
Depreciation and amortization	(164.2)	(5.4)	(158.8)			
Taxes other than income tax	(61.2)	2.5	(63.7)			
Income from operations	\$ 176.2	\$ 17.4	\$ 158.8			

^(a) Utility gross margin is a non-GAAP financial measure. See explanation of utility gross margin under Evergy's Results of Operations.

Evergy Metro's utility gross margin decreased \$5.3 million year to date June 30, 2020, compared to the same period in 2019 driven by:

- a \$4.7 million decrease in revenue recognized for the MEEIA earnings opportunity in 2020 related to the achievement of certain energy savings levels in the second cycle of Evergy Metro's MEEIA program; and

- a \$4.5 million decrease primarily due to lower retail sales driven by a decrease in weather-normalized commercial demand primarily due to temporary business closures resulting from government restrictions to slow the spread of COVID-19, partially offset by an increase in weather-normalized residential demand; partially offset by
- a \$2.2 million increase for recovery of programs costs for energy efficiency programs under MEEIA, which have a direct offset in operating and maintenance expense; and
- a \$1.7 million increase in MEEIA throughput disincentive in 2020.

Evergy Metro Operating and Maintenance

Evergy Metro's operating and maintenance expense decreased \$25.6 million year to date June 30, 2020, compared to the same period in 2019 primarily driven by:

- a \$19.3 million decrease in transmission and distribution operating and maintenance expense primarily due to \$11.7 million of costs incurred from storms that occurred in January 2019 and lower employee headcount in 2020;
- a \$9.1 million decrease in plant operating and maintenance expense at fossil-fuel generating units primarily driven by a \$9.7 million decrease from outages at Hawthorn Station, Iatan Station and La Cygne Unit 2 and lower employee headcount; and
- a \$1.8 million decrease in property insurance expense due to a higher annual refund of nuclear insurance premiums received by Evergy Metro related to its ownership interest in Wolf Creek in the first quarter of 2020; partially offset by
- a \$4.8 million increase due to \$3.3 million of voluntary severance expenses incurred in 2020 related to a Wolf Creek voluntary exit program and a \$1.5 million increase of voluntary severance expenses in 2020 related to additional Evergy voluntary exit programs; and
- a \$2.2 million increase in program costs for energy efficiency programs under MEEIA, which have a direct offset in revenue.

Evergy Metro Depreciation and Amortization

Evergy Metro's depreciation and amortization increased \$5.4 million year to date June 30, 2020, compared to the same period in 2019 primarily driven by capital additions.

Evergy Metro Other Expense, Net

Evergy Metro's other expense, net increased \$3.1 million year to date June 30, 2020, compared to the same period in 2019, primarily driven by higher pension non-service costs in 2020.

Evergy Metro Interest Expense

Evergy Metro's interest expense decreased \$7.1 million year to date June 30, 2020, compared to the same period in 2019 primarily driven by:

- a \$4.7 million net decrease due to the repayment of Evergy Metro's \$400.0 million of 7.15% Mortgage Bonds at maturity in April 2019, which decreased interest expense by \$8.6 million, partially offset by a \$3.9 million increase due to Evergy Metro's issuance of \$400.0 million of 4.125% Mortgage Bonds in March 2019; and
- a \$1.3 million decrease due to a lower commercial paper balance and a lower weighted-average interest rate on short-term borrowings in 2020.

Evergy Metro Income Tax Expense

Evergy Metro had an income tax benefit of \$20.0 million year to date June 30, 2020, compared to income tax expense of \$11.7 million for the same period in 2019 driven by the revaluation of deferred income tax assets and liabilities in the second quarter of 2020 due to the change in the Kansas corporate income tax rate. See Note 12 to the consolidated financial statements for more information regarding the change in the Kansas corporate income tax rate.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

In the ordinary course of business, Evergy faces risks that are either non-financial or non-quantifiable. Such risks principally include business, legal, operational and credit risks and are discussed elsewhere in this document as well as in the Evergy Companies' combined 2019 Form 10-K and therefore are not represented here.

Evergy's interim period disclosures about market risk included in quarterly reports on Form 10-Q address material changes, if any, from the most recently filed annual report on Form 10-K. Therefore, these interim period disclosures should be read in conjunction with Part II, Item 7A, Quantitative and Qualitative Disclosures About Market Risk included in the Evergy Companies' combined 2019 Form 10-K.

ITEM 4. CONTROLS AND PROCEDURES

EVERGY

Disclosure Controls and Procedures

Evergy carried out an evaluation of its disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act). This evaluation was conducted under the supervision, and with the participation, of Evergy's management, including the chief executive officer and chief financial officer, and Evergy's disclosure committee. Based upon this evaluation, the chief executive officer and chief financial officer of Evergy have concluded as of the end of the period covered by this report that the disclosure controls and procedures of Evergy were effective at a reasonable assurance level.

Changes in Internal Control Over Financial Reporting

Effective May 4, 2020, the Evergy Companies combined the finance, supply chain and human capital information technology systems that were historically maintained separately by Evergy Kansas Central and Evergy Metro. In connection with this implementation, the Evergy Companies have updated their internal controls over financial reporting, as necessary, to accommodate modifications to their business processes.

EVERGY KANSAS CENTRAL

Disclosure Controls and Procedures

Evergy Kansas Central carried out an evaluation of its disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act). This evaluation was conducted under the supervision, and with the participation, of Evergy Kansas Central's management, including the chief executive officer and chief financial officer, and Evergy Kansas Central's disclosure committee. Based upon this evaluation, the chief executive officer and chief financial officer of Evergy Kansas Central have concluded as of the end of the period covered by this report that the disclosure controls and procedures of Evergy Kansas Central were effective at a reasonable assurance level.

Changes in Internal Control Over Financial Reporting

Effective May 4, 2020, the Evergy Companies combined the finance, supply chain and human capital information technology systems that were historically maintained separately by Evergy Kansas Central and Evergy Metro. In connection with this implementation, the Evergy Companies have updated their internal controls over financial reporting, as necessary, to accommodate modifications to their business processes.

EVERGY METRO

Disclosure Controls and Procedures

Evergy Metro carried out an evaluation of its disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act). This evaluation was conducted under the supervision, and with the participation, of Evergy Metro's management, including the chief executive officer and chief financial officer, and Evergy Metro's disclosure committee. Based upon this evaluation, the chief executive officer and chief financial officer of Evergy Metro have concluded as of the end of the period covered by this report that the disclosure controls and procedures of Evergy Metro were effective at a reasonable assurance level.

Changes in Internal Control Over Financial Reporting

Effective May 4, 2020, the Evergy Companies combined the finance, supply chain and human capital information technology systems that were historically maintained separately by Evergy Kansas Central and Evergy Metro. In connection with this implementation, the Evergy Companies have updated their internal controls over financial reporting, as necessary, to accommodate modifications to their business processes.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

Other Proceedings

The Evergy Companies are parties to various lawsuits and regulatory proceedings in the ordinary course of their respective businesses. For information regarding material lawsuits and proceedings, see Notes 4 and 10 to the consolidated financial statements. Such information is incorporated herein by reference.

ITEM 1A. RISK FACTORS

Actual results in future periods for the Evergy Companies could differ materially from historical results and the forward-looking statements contained in this report. The business of the Evergy Companies is influenced by many factors that are difficult to predict, involve uncertainties that may materially affect actual results and are often beyond their control. Additional risks and uncertainties not presently known or that management currently believes to be immaterial may also adversely affect the Evergy Companies. Factors that might cause or contribute to such differences include, but are not limited to, those discussed in Part I, Item 1A, Risk Factors included in the 2019 Form 10-K for each of Evergy, Evergy Kansas Central and Evergy Metro, as well as Quarterly Reports on Form 10-Q and Current Reports on Form 8-K filed by Evergy, Evergy Kansas Central and Evergy Metro. Except as set forth below, there have been no material changes with regards to those risk factors. This information, as well as the other information included in this report and in the other documents filed with the SEC, should be carefully considered before making an investment in the securities of the Evergy Companies. Risk factors of Evergy Kansas Central and Evergy Metro are also risk factors of Evergy.

The spread of COVID-19 and resulting impact on business and economic conditions could negatively affect the Evergy Companies' business and operations.

The COVID-19 pandemic has had, and may continue to have, a significant impact on the way that the Evergy Companies conduct their operations and could adversely impact their results of operations, financial condition, cash flows and liquidity. Further, the spread of COVID-19 has resulted in efforts to contain the virus, such as quarantines, restrictions on travel, closures and reduced operations of businesses, governmental agencies and other institutions. The pandemic, along with the efforts to contain the virus, has caused and could continue to cause an economic slowdown or recession, result in significant disruptions or reductions in various public, commercial or industrial activities and cause employee absences, which could interfere with the Evergy Companies' operations or the operations of their customers. In addition, the COVID-19 pandemic led to disruption and volatility in the financial markets in the first quarter of 2020 and in the event that further market disruptions occur, the Evergy Companies could experience an increase in their cost of capital or an impairment in their ability to access the capital markets.

The COVID-19 pandemic has altered electricity usage patterns, including an overall reduction in demand and shifting usage away from customers with relatively higher load requirements, such as industrial and commercial customers, toward customers with relatively lower load requirements, such as residential customers. These changes in electricity usage patterns, their duration and the extent to which some of these shifts could become long-term or permanent could result in a significant decrease in the Evergy Companies' sales of electricity.

The Evergy Companies have also incurred, and will continue to incur, expenses related to monitoring the COVID-19 pandemic and modifying operations in response to the pandemic. In July 2020, the KCC authorized Evergy Kansas Central and Evergy Metro to record to a regulatory asset all net incremental costs incurred with respect to their Kansas operations associated with the COVID-19 pandemic for consideration in their next Kansas

rate cases, which are expected to be completed no later than the end of 2023. Additionally, the KCC order states that the KCC will also consider granting the recovery of Evergy Kansas Central's and Evergy Metro's lost revenues associated with the COVID-19 pandemic as part of their next Kansas rate cases. Evergy Metro and Evergy Missouri West have filed a similar request with the MPSC with respect to their Missouri operations, and a decision by the MPSC is expected in the fourth quarter of 2020. Notwithstanding the foregoing, regulators might not allow for recovery of these amounts in a timely manner, or at all. In addition, Evergy Metro and Evergy Missouri West elected into plant-in service accounting (PISA) in Missouri effective as of January 1, 2019, which, by law, requires each company to keep base rates constant for three years following Evergy Metro's and Evergy Missouri West's last general rate case. These and other factors may result in under-recovery of costs or failure to earn the authorized return on investment, or both.

The Evergy Companies have also temporarily implemented policies, and in the future may implement additional policies, that are intended to ease the financial burden of the pandemic on customers, such as temporarily extending payment options and offering incentives for customer payments on overdue balances as well as the elimination of late payment fees and disconnections for non-payment through July 15, 2020. There is also the possibility that legislation or regulations could be enacted at the federal or state level that would further restrict the Evergy Companies' ability to discontinue service to customers in the event of non-payment or to collect amounts owed from customers for service provided. These measures could result in an overall increase in customer non-payment or delay in the timely receipt of customer payments, which could result in a significant increase in the Evergy Companies' credit loss expense or significant decrease in operating cash flows.

Evergy Kansas Central, Evergy Metro and Evergy Missouri West sell retail electric accounts receivable to independent outside investors as a source of liquidity. These arrangements include covenants that limit the extent to which accounts receivable can be delinquent or unpaid. A decrease in the amount of, or a delay in receiving, customer collections due to the COVID-19 pandemic or otherwise could, absent a waiver or amendment, result in a breach of these accounts receivable financing arrangements and require the borrowers to repay any outstanding loans. Further, in 2020, the Evergy Companies have experienced lower retail electric sales primarily driven by a decrease in weather-normalized commercial and industrial demand. To the extent that the Evergy Companies continue to experience lower electric sales, they may not have sufficient eligible receivables to maximize their borrowing capacity under their receivables sales facilities or could be required to repay additional portions of their borrowings under the facilities.

The Evergy Companies are planning to make significant capital expenditures in 2020 and beyond, and they regularly conduct maintenance on their facilities. The pandemic could disrupt the supply chains that provide services and equipment to the Evergy Companies as part of their capital expenditures or maintenance efforts. If the Evergy Companies' supply chains are disrupted, the Evergy Companies may be unable to perform necessary maintenance, which could result in increased costs as the Evergy Companies implement contingency plans to allow them to continue to operate. Supply chain interruptions may also increase the cost of maintenance and capital expenditures or result in the delay or cancellation of planned projects, any of which could have a material adverse impact on the Evergy Companies' results of operations.

The Evergy Companies also have a significant amount of net operating loss, tax credit and other tax carryforwards that are recorded as deferred income tax assets on their balance sheets. These tax benefits have various expiration dates and other limitations on the extent to which the benefits can be realized. The Evergy Companies regularly assess their future ability to utilize tax benefits to determine whether a valuation allowance is necessary. A significant reduction in the Evergy Companies' taxable income due to the impacts of the COVID-19 pandemic or otherwise could require the Evergy Companies to record a valuation allowance against a portion of those tax assets, which in turn reduces earnings, and the Evergy Companies may in general not be able to utilize these tax benefits.

Public reports have also indicated an increase in cyberattacks in general since the start of the pandemic due, in part, to the increase in the number of employees working remotely and the proliferation of the different ways in which employees and third parties interact with our information technology infrastructure. A successful attack could result in disruption to the Evergy Companies' generation, transmission and distribution systems or to the electrical grid in general, reduce sales and could increase the cost of insurance coverage or result in a decline in the U.S. economy.

Any of these circumstances, or other impacts of the pandemic, could adversely affect customer demand or revenues, impact the ability of the Evergy Companies' suppliers, vendors or contractors to perform, or cause other unpredictable events, which could have a significant adverse impact on the results of operations, financial condition, liquidity and cash flows of the Evergy Companies.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Purchases of Equity Securities

The following table provides information regarding purchases by Evergy of its equity securities that are registered pursuant to Section 12 of the Exchange Act during the three months ended June 30, 2020.

Issuer Purchases of Equity Securities				
Month	Total Number of Shares (or Units) Purchased ^(a)	Average Price Paid per Share (or Unit)	Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs	Maximum Number of Shares (or Units) that May Yet Be Purchased Under the Plans or Programs ^(b)
April 1 - 30	—	—	—	14,834,979
May 1 - 31	—	—	—	14,834,979
June 1 - 30	45,879	\$64.28	—	14,834,979
Total	45,879	\$64.28	—	14,834,979

^(a) Represents shares Evergy purchased for withholding taxes related to RSUs.

^(b) In July 2018, the Evergy Board authorized the repurchase of up to 60 million shares of Evergy's common stock with no expiration date. Evergy concluded this share repurchase program in July 2020.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

Available Information

The SEC maintains an internet site that contains reports, proxy and information statements and other information regarding issuers that file electronically with the SEC at sec.gov. Additionally, information about the Evergy Companies, including their combined annual reports on Form 10-K, combined quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports filed with the SEC, is also available through the Evergy Companies' website, www.evergy.com. Such reports are accessible at no charge and are made available as soon as reasonably practical after such material is filed with or furnished to the SEC.

Investors should note that the Evergy Companies announce material financial information in SEC filings, press releases and public conference calls. In accordance with SEC guidelines, the Evergy Companies also use the Investor Relations tab on their website, www.evergy.com, to communicate with investors. It is possible that the financial and other information posted there could be deemed to be material information. The information on Evergy's website is not part of this document.

ITEM 6. EXHIBITS

<u>Exhibit Number</u>		<u>Description of Document</u>	<u>Registrant</u>
4.1	*	Fiftieth Supplemental Indenture, dated as of April 9, 2020 between Evergy Kansas Central, Inc. and The Bank of New York Mellon Trust Company, N.A., as trustee (Exhibit 4.1 to Form 8-K filed on April 9, 2020).	Evergy Evergy Kansas Central
4.2	*	Eighteenth Supplemental Indenture, dated as of May 26, 2020 between Evergy Metro, Inc. and UMB Bank, N.A., as trustee (Exhibit 4.1 to Form 8-K filed on May 26, 2020).	Evergy Evergy Metro
10.1	+	Summary of Evergy, Inc. Non-Employee Director Compensation	Evergy Evergy Kansas Central Evergy Metro
31.1		Rule 13a-14(a)/15d-14(a) Certification of Terry Bassham.	Evergy
31.2		Rule 13a-14(a)/15d-14(a) Certification of Anthony D. Somma.	Evergy
31.3		Rule 13a-14(a)/15d-14(a) Certification of Terry Bassham.	Evergy Metro
31.4		Rule 13a-14(a)/15d-14(a) Certification of Anthony D. Somma.	Evergy Metro
31.5		Rule 13a-14(a)/15d-14(a) Certification of Terry Bassham.	Evergy Kansas Central
31.6		Rule 13a-14(a)/15d-14(a) Certification of Anthony D. Somma.	Evergy Kansas Central
32.1	**	Section 1350 Certifications.	Evergy
32.2	**	Section 1350 Certifications.	Evergy Metro
32.3	**	Section 1350 Certifications.	Evergy Kansas Central
101.INS	***	XBRL Instance Document.	n/a
101.SCH		Inline XBRL Taxonomy Extension Schema Document.	Evergy Evergy Kansas Central Evergy Metro
101.CAL		Inline XBRL Taxonomy Extension Calculation Linkbase Document.	Evergy Evergy Kansas Central Evergy Metro
101.DEF		Inline XBRL Taxonomy Extension Definition Linkbase Document.	Evergy Evergy Kansas Central Evergy Metro
101.LAB		Inline XBRL Taxonomy Extension Labels Linkbase Document.	Evergy Evergy Kansas Central Evergy Metro
101.PRE		Inline XBRL Taxonomy Extension Presentation Linkbase Document.	Evergy Evergy Kansas Central Evergy Metro
104		Cover Page Interactive Data File (embedded within the Inline XBRL document).	Evergy Evergy Kansas Central Evergy Metro

* Filed with the SEC as exhibits to prior SEC filings and are incorporated herein by reference and made a part hereof. The SEC filings and the exhibit number of the documents so filed, and incorporated herein by reference, are stated in parenthesis in the description of such exhibit.

** Furnished and shall not be deemed filed for the purpose of Section 18 of the Exchange Act. Such document shall not be incorporated by reference into any registration statement or other document pursuant to the Exchange Act or the Securities Act of 1933, as amended, unless otherwise indicated in such registration statement or other document.

*** The instance document does not appear in the interactive data file because its XBRL tags are embedded within the inline XBRL document.

+ Indicates management contract or compensatory plan or arrangement.

Copies of any of the exhibits filed with the SEC in connection with this document may be obtained from Evergy, Evergy Kansas Central or Evergy Metro, as applicable, upon written request.

The registrants agree to furnish to the SEC upon request any instrument with respect to long-term debt as to which the total amount of securities authorized does not exceed 10% of total assets of such registrant and its subsidiaries on a consolidated basis.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, Evergy, Inc., Evergy Kansas Central, Inc. and Evergy Metro, Inc. have duly caused this report to be signed on their behalf by the undersigned, thereunto duly authorized.

EVERGY, INC.

Dated: August 5, 2020

By: /s/ Anthony D. Somma
(Anthony D. Somma)
(Executive Vice President and Chief Financial Officer)

EVERGY KANSAS CENTRAL, INC.

Dated: August 5, 2020

By: /s/ Anthony D. Somma
(Anthony D. Somma)
(Executive Vice President and Chief Financial Officer)

EVERGY METRO, INC.

Dated: August 5, 2020

By: /s/ Anthony D. Somma
(Anthony D. Somma)
(Executive Vice President and Chief Financial Officer)

Evergy, Inc.
Summary of
Non-Employee Director Compensation

Effective May 5, 2020

	<u>New</u> <u>Amount</u>
Cash - Retainer (Paid Quarterly)	
Annual Retainer	\$100,000
Non-Executive Chair Retainer	\$55,000
Lead Director Retainer	\$25,000
Audit Committee Chair Retainer	\$20,000
Compensation and Leadership Development Committee Chair Retainer	\$20,000
Nominating, Governance, and Corporate Responsibility Committee Chair Retainer	\$15,000
Finance Committee Chair Retainer	\$15,000
Nuclear and Power Supply Committee Chair Retainer	\$15,000
Power Delivery and Safety Committee Chair Retainer	\$15,000
 Cash - Committee Member Retainers and Meeting Fees	 None
 Strategic Review & Operations Committee (One Time)	
Chair Retainer	\$10,000
Member Retainer	\$10,000
 Company Common Stock (Paid Annually)	
Annual Equity Compensation	\$130,000
Non-Executive Chair	\$55,000

All members of the Board of Directors are entitled to be reimbursed for expenses, as set forth in Evergy, Inc.'s corporate governance guidelines. Evergy, Inc. also provides liability insurance to its directors under its directors and officers insurance policies.

CERTIFICATIONS

I, Terry Bassham, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Evergy, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 5, 2020

/s/ Terry Bassham

Terry Bassham
President and Chief Executive Officer

CERTIFICATIONS

I, Anthony D. Somma, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Evergy, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 5, 2020

/s/Anthony D. Somma

Anthony D. Somma
Executive Vice President and
Chief Financial Officer

CERTIFICATIONS

I, Terry Bassham, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Evergy Metro, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 5, 2020

/s/ Terry Bassham

Terry Bassham
President and Chief Executive Officer

CERTIFICATIONS

I, Anthony D. Somma, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Evergy Metro, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 5, 2020

/s/ Anthony D. Somma

Anthony D. Somma
Executive Vice President and
Chief Financial Officer

CERTIFICATIONS

I, Terry Bassham, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Evergy Kansas Central, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 5, 2020

/s/ Terry Bassham

Terry Bassham
President and Chief Executive Officer

CERTIFICATIONS

I, Anthony D. Somma, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Evergy Kansas Central, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 5, 2020

/s/ Anthony D. Somma

Anthony D. Somma
Executive Vice President and
Chief Financial Officer

**Certification of CEO and CFO Pursuant to
18 U.S.C. Section 1350,
as Adopted Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Quarterly Report on Form 10-Q of Evergy, Inc. (the "Company") for the quarterly period ended June 30, 2020, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Terry Bassham, as President and Chief Executive Officer of the Company, and Anthony D. Somma, as Executive Vice President and Chief Financial Officer of the Company, each hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of his knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Terry Bassham

Name: Terry Bassham
Title: President and Chief Executive Officer
Date: August 5, 2020

/s/Anthony D. Somma

Name: Anthony D. Somma
Title: Executive Vice President and Chief Financial Officer
Date: August 5, 2020

**Certification of CEO and CFO Pursuant to
18 U.S.C. Section 1350,
as Adopted Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Quarterly Report on Form 10-Q of Evergy Metro, Inc. (the "Company") for the quarterly period ended June 30, 2020, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Terry Bassham, as President and Chief Executive Officer of the Company, and Anthony D. Somma, as Executive Vice President and Chief Financial Officer of the Company, each hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of his knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Terry Bassham

Name: Terry Bassham
Title: President and Chief Executive Officer
Date: August 5, 2020

/s/ Anthony D. Somma

Name: Anthony D. Somma
Title: Executive Vice President and Chief Financial Officer
Date: August 5, 2020

**Certification of CEO and CFO Pursuant to
18 U.S.C. Section 1350,
as Adopted Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Quarterly Report on Form 10-Q of Evergy Kansas Central, Inc. (the "Company") for the quarterly period ended June 30, 2020, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Terry Bassham, as President and Chief Executive Officer of the Company, and Anthony D. Somma, as Executive Vice President and Chief Financial Officer of the Company, each hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of his knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Terry Bassham

Name: Terry Bassham
Title: President and Chief Executive Officer
Date: August 5, 2020

/s/ Anthony D. Somma

Name: Anthony D. Somma
Title: Executive Vice President and Chief Financial Officer
Date: August 5, 2020