



# Investor Update

*October 2018*





# Important Information

## **Forward Looking Statements**

Statements made in this presentation 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 the merger of Westar Energy, Inc. (Westar Energy) and Great Plains Energy Incorporated (Great Plains Energy) that resulted in the creation of Evergy, Inc. (Evergy), including those that relate to the expected financial and operational benefits of the merger to the companies and their shareholders (including cost savings, operational efficiencies and the impact of the anticipated merger on earnings per share), cost estimates of capital projects, dividend growth, share repurchases, balance sheet and credit ratings, rebates to customers, employee issues and other matters affecting future operations.

In connection with the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, Evergy, KCP&L, and Westar Energy are providing a number of important factors that could cause actual results to differ materially from the provided forward-looking information. These important factors include: future economic conditions in regional, national and international markets and their effects on sales, prices and costs; prices and availability of electricity in regional and national wholesale markets; market perception of the energy industry, Evergy, Kansas City Power & Light Company (KCP&L) and Westar Energy; changes in business strategy, operations or development plans; the outcome of contract negotiations for goods and services; effects of current or proposed state and federal legislative and regulatory actions or developments, including, but not limited to, deregulation, re-regulation and restructuring of the electric utility industry; decisions of regulators regarding rates that KCP&L and Westar Energy can charge for electricity; adverse changes in applicable laws, regulations, rules, principles or practices governing tax, accounting and environmental matters including, but not limited to, air and water quality; financial market conditions and performance including, but not limited to, 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; effectiveness of risk management policies and procedures and the ability of counterparties to satisfy their contractual commitments; impact of terrorist acts, including, but not limited to, cyber terrorism; ability to carry out marketing and sales plans; weather conditions including, but not limited to, weather-related damage and their effects on sales, prices and costs; cost, availability, quality and deliverability of fuel; the inherent uncertainties in estimating the effects of weather, economic conditions and other factors on customer consumption and financial results; ability to achieve generation goals and the occurrence and duration of planned and unplanned generation outages; delays in the anticipated in-service dates and cost increases of generation, transmission, distribution or other projects; Evergy's ability to successfully manage and integrate their respective transmission joint ventures; the inherent risks associated with the ownership and operation of a nuclear facility including, but not limited to, environmental, health, safety, regulatory and financial risks; workforce risks, including, but not limited to, increased costs of retirement, health care and other benefits; the possibility that the expected value creation from the merger will not be realized, or will not be realized within the expected time period; difficulties related to the integration of the two companies; disruption from the merger making it more difficult to maintain relationships with customers, employees, regulators or suppliers; the diversion of management time; 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 in annual reports on Form 10-K filed by Great Plains Energy and Westar, and from time to time in quarterly reports on Form 10-Q and annual reports on Form 10-K filed by Evergy with the SEC. Each forward-looking statement speaks only as of the date of the particular statement. Evergy undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

## **Unaudited Pro Forma Financial Information**

The unaudited pro forma financial information included in this presentation has been presented for informational purposes only and is not necessarily indicative of Evergy's consolidated results of operations that would have been achieved or the future consolidated results of operations of Evergy. The unaudited pro forma financial information should be read in conjunction with Evergy's quarterly report on Form 10-Q for the period ended June 30, 2018.

## Recent News

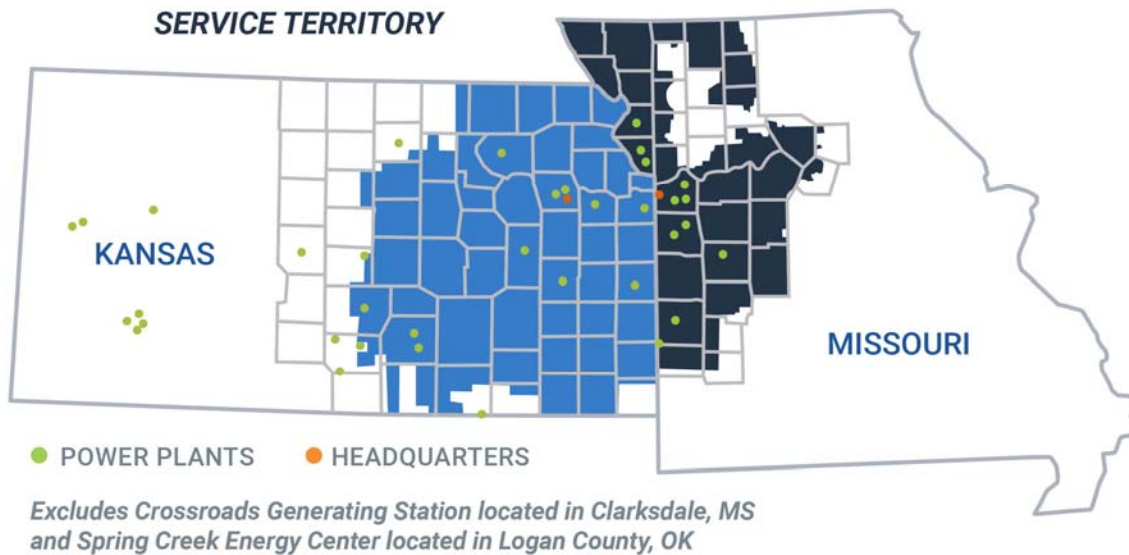
- Continued momentum of constructive regulatory treatment
  - Westar rate review settlement approved by KCC
  - Reached settlement with key intervenors in KCP&L-MO and GMO rate review, expect MPSC order in late November
- Board approved share repurchase program
  - ~60 million shares by mid-year 2020
  - Began executing in August 2018
- Executed \$2.5B credit facility
- Issued dividend of \$0.46/sh in September



# Profile



# Pure Play, Vertically Integrated, Regulated Electric Utilities



1. Operating metrics combined Westar Energy and Great Plains Energy pro forma as of 12/31/17.
2. Market cap as of 9/30/18.
3. Estimated rate base based on ordered and settled rate cases.
4. Renewables include both owned and purchase power agreements as of 12/31/17. Additionally, we expect total renewables will be over 3,800MW by 2020.

## *Energy Statistics<sup>1</sup>*

**\$15B** Market Cap<sup>2</sup>

**\$13.1B** of rate base<sup>3</sup>

**1.6M** electric customers

**13,083 MW** of owned generation

**3,116 MW** of renewables<sup>4</sup>

**10,000 miles** of transmission

**52,000 miles** of distribution



## Clear Focus

Empowering a better future. . .



- Providing safe, reliable, and cost effective operations
- Being a trusted energy partner to our customers
- Collaborative, open and transparent regulatory relationships



- Focused on delivering consistent and superior total shareholder return
- Allocating capital to drive sustainable and diverse energy solutions



- Building a culture that fosters engagement and excellence
- Dedication to diversity and inclusion
- Focused on being good stewards of our resources

. . . focusing on People First.

## Compelling Investment Thesis



Earnings growth driven by merger savings, cost management and share repurchases; not predicated on raising customer prices



Stable base rates allow for on-going, constructive dialogue with customers, regulators, policy makers and is good for economic development



Strong balance sheet combined with expected earnings and dividend growth provides an attractive total shareholder return profile



# Investment Outlook

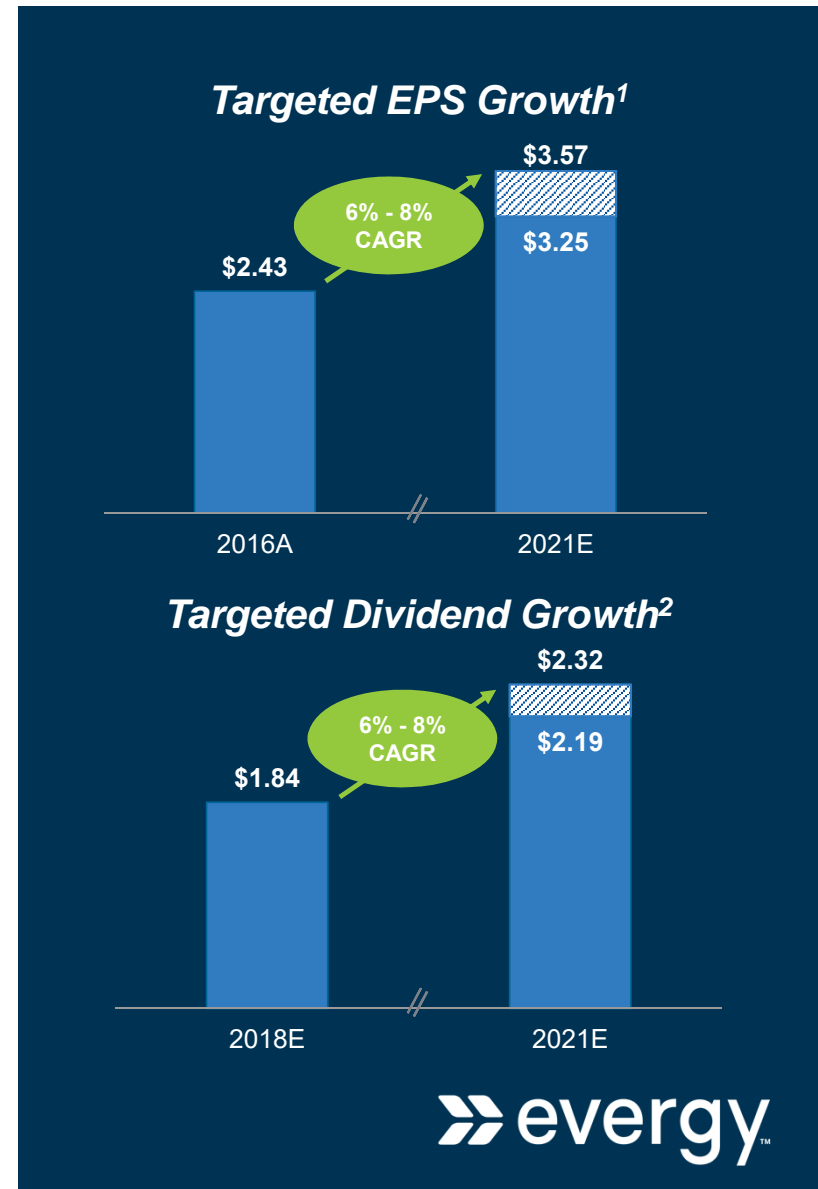
## Earnings Growth

- Net merger savings of ~\$600M 2018-2022
- Share repurchases of ~60 million shares by mid-year 2020
- On-going 2018 general rate reviews to reduce regulatory lag
- FERC regulated transmission growth

## Dividend

- Annual indicated dividend of \$1.84 per share
- Targeted annual dividend growth in line with EPS growth
- Target payout ratio of 60% to 70% over time

1. EPS growth based on Westar Energy 2016 actual EPS of \$2.43.  
2. 2018E based on most recent Great Plains Energy annualized indicated dividend of \$1.10 per share divided by the 0.5981





## Financial Focus

### ***Remain confident in merger savings***

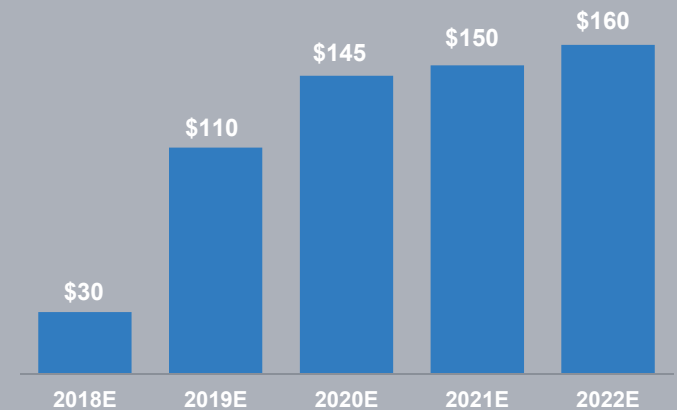
- Merger provides maximum opportunities for efficiencies, cost savings for customers, and better ability to earn allowed returns
- Opportunities above targeted merger savings
  - Over \$200 million of potential cost savings in first five years related to legacy Great Plains Energy plant retirements
  - Back-office centralization of Wolf Creek
- Cost management expected to drive total O&M cost reductions of approximately 15% from 2016 to 2021

### ***Continuing capital investment***

- Target rate base growth of 3% to 4% through 2022<sup>1</sup>
- ~\$6 billion in investment from 2018 through 2022
  - Including over \$1 billion in FERC regulated transmission investment

1. Based on 2016 pro forma rate base currently reflected in rates of \$13.1 billion.  
2. Excludes Great Plains Energy plant retirements announced June 2017 and potential capital expenditure savings. Planned merger savings include non-fuel O&M and Other shown net of transition costs.

### ***Targeted Net Merger Savings*** (\$mm)<sup>2</sup>



# Regulatory and Legislative Priorities



# Regulatory Matters



## ***Kansas Corporation Commission***

- Westar General Rate Review - Docket #18-WSEE-328-RTS
  - KCC approved settlement with effective date: 9/27/2018
- KCP&L-KS General Rate Review – Docket #18-KCPE-480-RTS
  - Anticipated effective date: 12/27/2018



## ***Missouri Public Service Commission***

- KCP&L-MO and GMP General Rate Review – Docket #ER-2018-0145
  - Anticipated MPSC order date: late November
  - Anticipated effective date: 12/29/2018



## ***Federal Energy Regulatory Commission***

- FERC tariff updated annually, effective January 1
- Based on formula rates to reflect changes in cost of service



# Rate Review Update

## KCC approves settlement in Westar rate review

- \$66M base rate revenue reduction includes 9.3% ROE and 51.46% equity ratio

## Key intervenor settlement in KCP&L-MO and GMO rate review

- Includes MPSC Staff, MCEG and others; subject to MPSC approval
- Black box settlement – no stated ROE or Capital Structure
- KCP&L-MO: \$21M annual revenue reduction
  - Reflects annual tax reform benefits to customers
- GMO: \$24M annual revenue reduction
  - Reflects annual tax reform benefits to customers
  - Goodwill adjustment of \$169M lowers equity portion of capital structure
- Introduces a renewable energy rider and solar subscription rider

## 3Q18

- 7/17 – Reached non-unanimous settlement in Westar rate review
- 8/20 – Settlement conference for MO rate reviews
- 9/6 – Settlement conference for MO rate reviews
- 9/12 – Staff testimony due for KCP&L-KS
- 9/17 – Evidentiary hearing for MO rate reviews
- 9/27 – Order date for Westar rate review

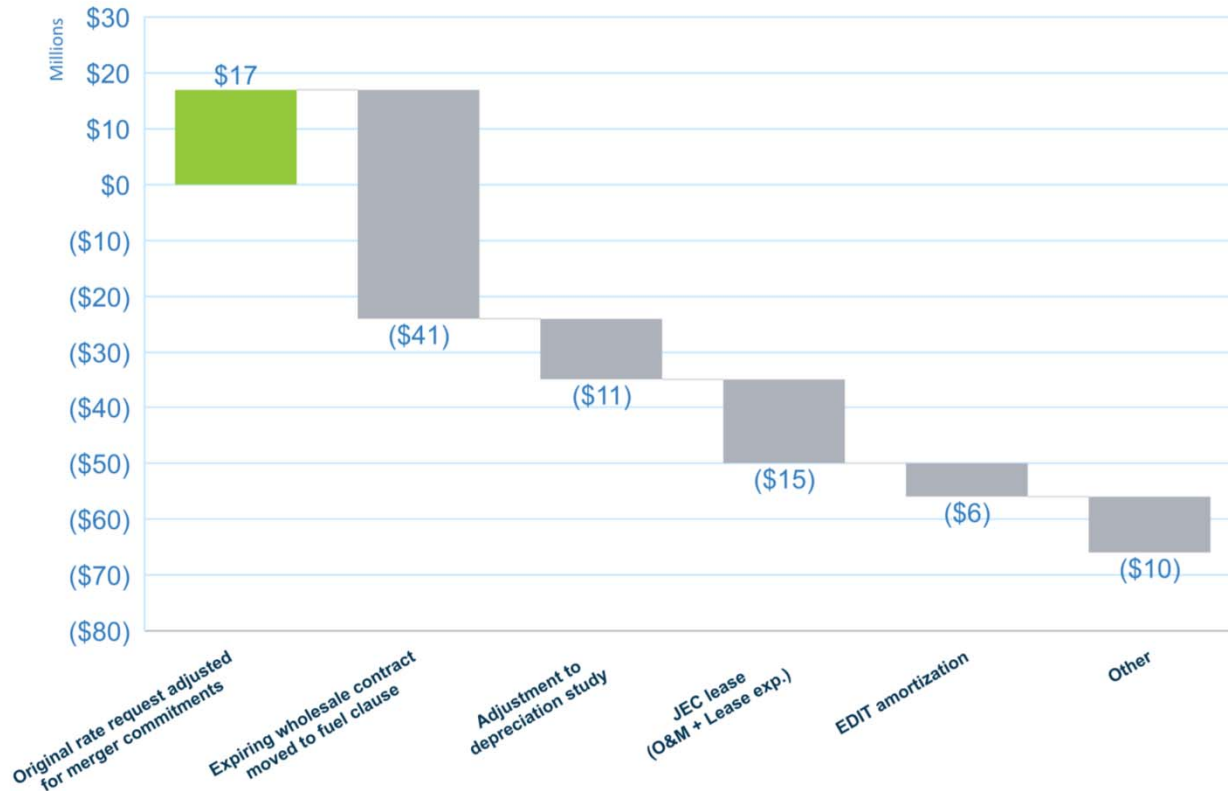
## 4Q18

- 10/9 – Settlement conference for KCP&L-KS
- 10/23 – Evidentiary hearings start for KCP&L-KS
- 11/25-11/30 – Order date for MO rate reviews
- 12/27 – Order date for KCP&L-KS



# Westar Rate Review Settlement

\$66M base rate revenue reduction



- Settlement reiterates constructive regulatory relationship in Kansas and de-risks the rate review process
- Many of the large items don't impact the bottom line
- ~\$74M annual reduced revenue to reflect customer's benefit of Tax Cut and Jobs Act
- \$41M wholesale contract expiration recovered through fuel clause; neutral impact to current revenues
- Western Plains levelized approach results in ~\$24M of annual revenue for recovery of and return on investment

# KCP&L – Kansas General Rate Review

## General Rate Review Drivers:

- Federal corporate tax cut savings resulting from Tax Cuts and Jobs Act of 2017
- New customer information system and infrastructure investments, and cost of service true-up since rates were last set

CASE ATTRIBUTES		\$15.7 MILLION REVENUE INCREASE REQUEST <sup>1,2,3</sup>		
Filed	5/1/2018			
Revenue Increase (in millions) <sup>1,2,3</sup>	\$15.7			
Percent Increase	2.71%			
Rate Base (in millions)	\$2,329			
ROE <sup>1</sup>	9.30 %			
KCP&L Cost of Debt <sup>4</sup>	4.94%			
KCP&L Common Equity Ratio	49.8%			
KCP&L Rate of Return <sup>4</sup>	7.11%			
Test Year	9/30/2017			
Proposed True-Up Period	6/30/2018			
Anticipated Effective Date of New Retail Rates	12/27/2018			
Case Number	18-KCPE-480-RTS			

Category	Amount
Infrastructure Investments	\$49.4
Other	\$0.8
Tax Cut Savings	(\$34.5)
<b>Total Request</b>	<b>\$15.7</b>

1. Includes ROE set at 9.30% agreed to in the merger settlement agreement. Embedded transition costs and merger savings have been adjusted to reflect terms of the merger settlement agreement. In addition, bill credits associated with the Tax Cuts and Jobs Act of 2017 that started Jan. 1, 2018 will be provided to customers without offset under terms of the merger settlement agreement.

2. Case filed with revenue increase of \$26.2M adjusted to est. \$15.7M revenue increase after considering commitments made in merger settlement agreement.

3. Excludes property taxes that flow through the property tax surcharge recovery mechanism.

4. Estimated amount to be updated at June 30, 2018.



# Missouri Legislation Update

- Missouri Senate Bill 564 was signed in to law on June 1, 2018
  - Modernizes the regulatory framework in Missouri
  - Provides rate caps and stability for customers
  - Reduces regulatory lag through Plant in Service Accounting (PISA), making Missouri a more attractive jurisdiction for capital investment
- PISA
  - Authorizes deferral of depreciation expense and return associated with 85% of qualifying rate base additions between rate cases
  - Annual submission of capital plans
    - No more than 6% of total capex in a given year may consist of smart meters
    - At least 25% of annual capex shall consist of grid modernization projects
  - PISA treatment ceases on 12/31/23 unless the Commission grants 5-year extension
- Rate Caps
  - Rate cap of 3% compound annual growth rate (CAGR) starting with the effective dates of rates from the 2018 rate cases
  - Any amount above 3% CAGR during general rate review shall not be recovered

Sustainability





# Lower Carbon Future

- Wind portfolio one of the largest in the United States: 3,116MW<sup>1</sup> currently and expect to be over 3,800MW by 2020
- Focused on growing renewables while retiring 1,500 MW<sup>2</sup> of end-of-life fossil generation by year-end 2018
- Well ahead of renewable portfolio standards in Missouri and voluntary goals in Kansas<sup>3</sup>

## Generation Capacity by Fuel Type



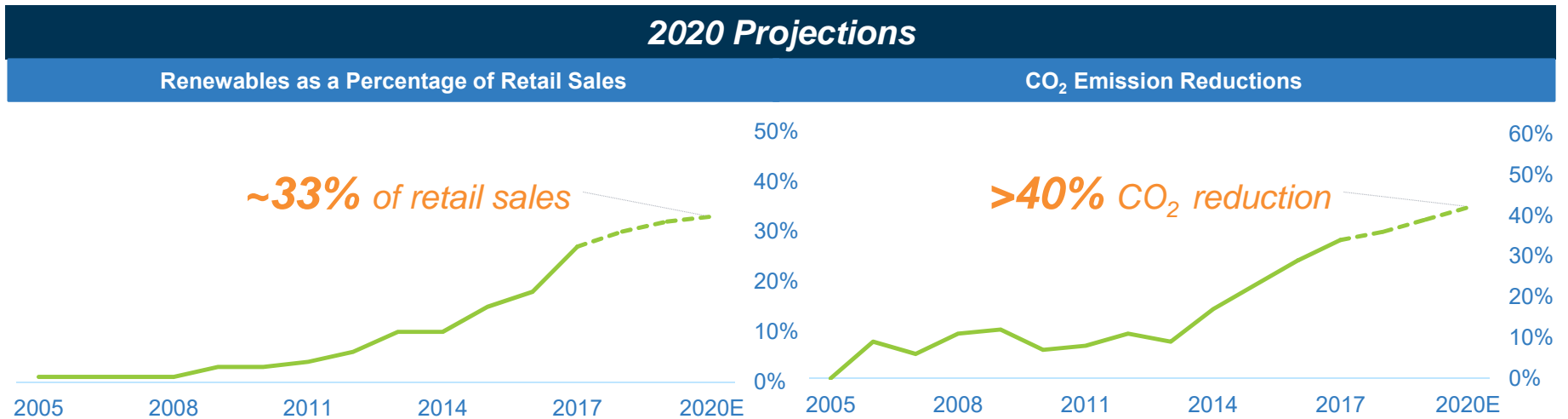
1. Includes owned generation and power purchase agreements based on nameplate capacity of the facility.

2. 800MW of coal and 700MW of natural gas

3. Missouri RPS requires 15% of electricity sales to customers with renewable sources by 2021. Kansas has voluntary goal of 20% of utility's peak by 2020



# Clean Energy Leader



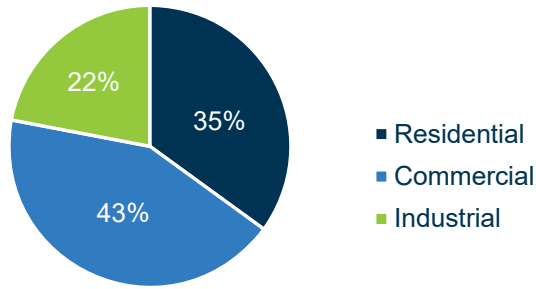
- By 2020, we expect carbon emission reductions of over 40%, from 2005 levels
- Emission-free sources (renewable and nuclear) provide nearly half of retail customers' energy needs

# Appendix

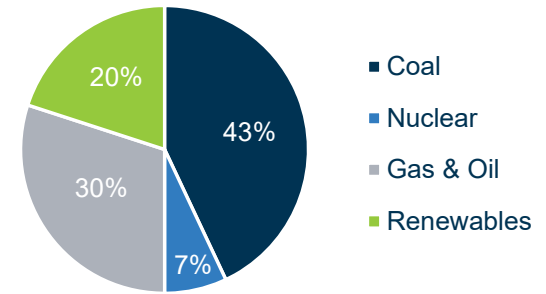


# Diverse Supply and Sales Mix

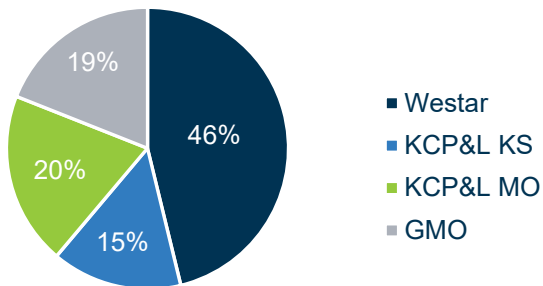
**2017 Pro Forma Retail Sales  
by Customer Type<sup>1</sup>**



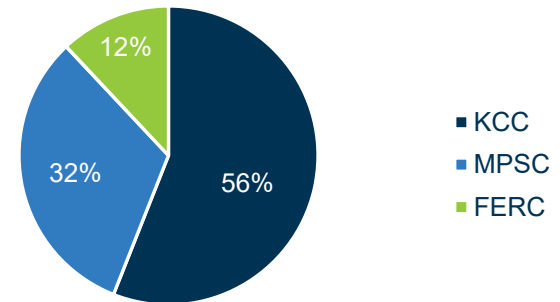
**2017 Pro Forma Capacity  
by Fuel Type<sup>1,2</sup>**



**2017 Pro Forma Retail Sales  
by Jurisdiction<sup>1</sup>**



**2017 Pro Forma Rate Base  
by Jurisdiction<sup>1</sup>**



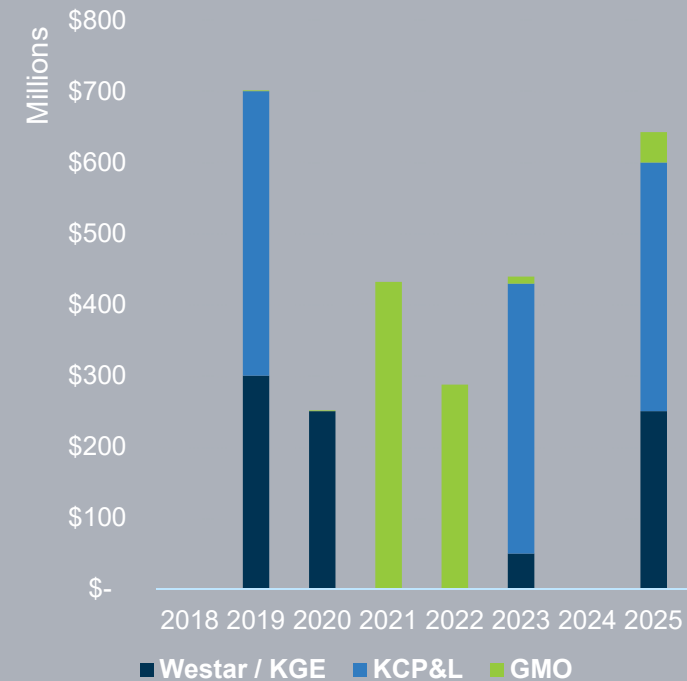
1. Combined Westar Energy and Great Plains Energy Pro Forma.  
2. Renewables include both owned and purchase power agreements as of 12/31/17.

# Strong Credit Profile

Current Credit Ratings <sup>1</sup>	S&P Global	Moody's
<b><u>EVERGY</u></b>		
Outlook	Stable	Stable
Corporate Credit Rating	A-	
Senior Unsecured Debt	BBB+	Baa2
<b><u>WESTAR / KGE</u></b>		
Outlook	Stable	Stable
Senior Secured Debt	A	A2
Senior Unsecured Debt		
Commercial Paper (Westar only)	A-2	P-2
<b><u>KCP&amp;L</u></b>		
Outlook	Stable	Stable
Senior Secured Debt	A	A2
Senior Unsecured Debt	A-	Baa1
Commercial Paper	A-2	P-2
<b><u>GMO</u></b>		
Outlook	Stable	Stable
Senior Unsecured Debt	A-	Baa2
Commercial Paper	A-2	P-2

1. Ratings are not recommendations to buy, sell or hold securities. The ratings are subject to change or withdrawal at any time by the credit rating agencies.  
 2. Includes long-term debt maturities through December 31, 2025.

## Manageable Levels of Long-Term Debt Maturities<sup>2</sup>





# GAAP to Pro Forma

	2Q18 EPS	YTD EPS
<b>GAAP Earnings<sup>1</sup></b>	<b>\$0.56</b>	<b>\$1.00</b>
Non-recurring merger-related costs	0.25	0.25
One-time bill credits	0.16	0.16
GXP GAAP earnings prior to merger	0.22	0.35
GXP shares prior to merger	(0.19)	(0.40)
Interest rate swaps and other	(0.10)	(0.13)
<b>Pro Forma Earnings<sup>2</sup></b>	<b>\$0.90</b>	<b>\$1.23</b>

1. GAAP diluted shares outstanding: 181M

2. Pro forma diluted shares outstanding: 272M



# 2018 Rate Review Schedules

<b>Westar (KCC)</b> <i>Docket: 18-WSEE-328-RTS</i>	
Filing Date	2/1/18
Public Hearing	5/22/18
Staff/Intervenor Direct Testimony	6/11/18
Westar Rebuttal Testimony	7/2/18
Settlement Conference	7/9/18
Deadline to Submit Settlement Agreement	7/16/18
Discovery Cut-off	7/18/18
Evidentiary Hearing Starts	7/23/18
Evidentiary Hearing Ends	7/27/18
Westar Initial Brief	8/15/18
Staff/Intervenor Briefs	8/24/18
Westar Reply Brief	8/31/18
Order Date	9/27/18

<b>KCP&amp;L-KS (KCC)</b> <i>Docket: 18-KCPE-480-RTS</i>	
Filing Date	5/1/18
Public Hearing	8/23/18
Staff/Intervenor Direct Testimony	9/12/18
KCP&L Rebuttal Testimony	10/3/18
Settlement Conference	10/9/18
Deadline to Submit Settlement Agreement	10/15/18
Discovery Cut-off	10/15/18
Evidentiary Hearing Starts	10/23/18
Evidentiary Hearing Ends	10/26/18
KCP&L Initial Brief	11/13/18
Staff/Intervenor Briefs	11/21/18
KCP&L Brief	11/28/18
Order Date	12/27/18

<b>KCP&amp;L-MO &amp; GMO (MPSC)</b> <i>Docket: ER-2018-0145</i>	
Filing Date	1/30/18
Staff/Intervenor Testimony – Cost of Service	6/19/18
Staff/Intervenor Testimony - Rate Design	7/6/18
	After
Public Hearing	7/6/18
Settlement Conference	7/17/18
Rebuttal Testimony - Revenue Requirement	7/27/18
Rebuttal Testimony - Rate Design	8/7/18
Settlement Conference	8/20/18
Surrebuttal/True Up Direct Testimony	9/4/18
Settlement Conference	9/6/18
Evidentiary Hearing	9/24/18
Initial Brief	10/17/18
Reply & True-up Briefs, Updated Recon	10/26/18
	11/25-
Order Date	11/30



## Most Recent Completed Rate Reviews

<b>Rate Case Outcomes (\$ in millions)</b>							
<b>Rate Jurisdiction</b>	<b>Date Filed</b>	<b>Effective Date</b>	<b>Rate Base</b>	<b>Common Equity Ratio</b>	<b>Authorized ROE</b>	<b>Annual Revenue Increase</b>	<b>Percent Increase</b>
Westar – Kansas	2/1/2018	9/27/2018	n/a <sup>1</sup>	51.46%	9.3%	\$(66)	-3.3%
KCP&L – Kansas	11/9/2016	6/28/17	\$2,182 <sup>2</sup>	50.48%	9.3%	\$(3.6)	-0.62%
KCP&L – Missouri	7/1/2016	6/8/2017	\$2,525	49.20%	9.5%	\$32.5	3.88%
GMO – Missouri	2/23/2016	2/22/2017	\$1,889 <sup>3</sup>	n/a <sup>1</sup>	9.5%-9.75% <sup>4</sup> <i>implied range</i>	\$3.0	0.41%
GMO (Steam) – Missouri	9/5/2008	7/1/2009	\$14	n/a <sup>1</sup>	n/a <sup>1</sup>	\$0.4	2.3%

1. Negotiated settlement. Information not available.

2. Includes \$81.1 million of transmission plant in the Transmission Delivery Charge rider.

3. Settled case. Implied Rate Base level.

4. Settled case. Implied ROE range of 9.5% - 9.75%.





# Constructive Ratemaking

Cost Recovery Mechanisms	Westar Kansas	KCP&L Kansas	KCP&L Missouri	GMO Missouri
Fuel Adjustment Clause Rider	✓	✓	✓	✓
Pension and OPEB Tracker	✓	✓	✓	✓
Property Tax Surcharge Rider	✓	✓		
Energy Efficiency Cost Recovery Rider	✓	✓		
Missouri Energy Efficiency Investment Act Program Rider			✓	✓
Renewable Energy Standards Tracker			✓	✓
Renewable Energy Standard Rate Adj. Mechanism Rider				✓
Transmission Delivery Charge Rider	✓	✓		
Critical Infrastructure Protection Standards / Cybersecurity Tracker	✓	✓		
Abbreviated Rate Case	✓	✓		
Missouri Plant in Service Accounting (PISA)			✓	✓



# State Commissioners

## Missouri Public Service Commission (MPSC)



**Mr. Ryan A. Silvey (R)**  
**Chair (since September 2018)**  
 Term began: January 2018  
 Term expires: January 2024



**Mr. Daniel Y. Hall (D)**  
**Commissioner**  
 Term began: September 2013  
 Term expires: September 2019



**Mr. William P. Kenney (R)**  
**Commissioner**  
 Term began: January 2013  
 Term expires: January 2019



**Mr. Scott T. Rupp (R)**  
**Commissioner**  
 Term began: March 2014  
 Term expires: March 2020



**Ms. Maida J. Coleman (D)**  
**Commissioner**  
 Term began: August 2015  
 Term expires: August 2021

MPSC consists of five (5) members, including the Chairman, who are appointed by the Governor and confirmed by the Senate.

- Members serve six-year terms (may continue to serve after term expires until reappointed or replaced)
- Governor appoints one member to serve as Chairman

## Kansas Corporation Commission (KCC)



**Ms. Shari Feist Albrecht (I)**  
**Chair (since January 2018)**  
 Term began: June 2012  
 Reappointed: January 2017  
 Term expires: March 2020



**Mr. Jay S. Emler (R)**  
**Commissioner**  
 Term began: January 2014  
 Reappointed: May 2015  
 Term expires: March 2019



**Mr. Dwight D. Keen (R)**  
**Commissioner**  
 Term began: April 2018  
 Term expires: March 2022

KCC consists of three (3) members, including the Chairman, who are appointed by the Governor and confirmed by the Senate.

- Members serve four-year terms (may continue to serve after term expires until reappointed or replaced)
- Commissioners elect one member to serve as Chairman



# Kansas and Missouri Customer Benefits

## *Equitable merger value provided to customers in both states*

- Separate state regulatory constructs require different methods and timing to deliver similar value to KS and MO customers
- Year-end 2017 retail electric customers
  - KS: 964,200
  - MO: 610,900
- Bill credits based on 2016 FERC Form 1 energy sales
  - KS: 61%
  - MO: 39%

	2018	2019	2020	2021	2022	2023
KS upfront bill credits	\$30M					
KS on-going bill credits		\$45M				
KS ERSP credits		Potential credits from ERSP				
MO upfront bill credits	\$29M					
MO 2023 rate review credits <sup>1</sup>						\$30-\$35M

1. Projected difference between projected 2022 MO jurisdictional merger savings and projected MO jurisdictional merger savings to be reflected in 2018 MO rate reviews, subject to jurisdictional allocation.

# Merger Settlement Commitments in Kansas

## Bill credits to Kansas retail customers

- \$30M upfront bill credits for KS retail customers in 2018
  - Westar: \$23.07M
  - KCP&L-KS: \$7.51M
- \$45M bill credits for KS retail customers paid over four year period - 2019 to 2022
  - Westar: \$8.65M annually
  - KCP&L-KS: \$2.82M annually
- Earnings Review & Sharing Program allows for sharing of additional efficiencies above planned merger savings, after recovery of annual bill credits

## Kansas rate review commitments

- \$30M in annual imputed merger savings in 2018 KS rate reviews
  - Westar: \$22.5M
  - KCP&L-KS: \$7.5M
- ROE recommendation of 9.3%
- \$30 million of transition costs amortized and recovered over 10 year period
  - Westar: \$2.32 million annually
  - KCP&L-KS: \$0.77 million annually

Select Settlement Commitments	2018	2019	2020	2021	2022	2023
Upfront bill credits	█					
On-going bill credits		█	█	█	█	
Earnings Review and Sharing Program		█	█	█	█	
Base rate moratorium for 3 to 5 years <sup>1</sup>		█	█	█	█	█

1. Period starts on the order date of the KCP&L-KS 2018 base rate review; Reduced from 5 years to 3 years if ROE in 2018 rate reviews is set lower than 9.3%.



# Earnings Review and Sharing Program in Kansas

## ERSP 2019-2022

- Earnings above allowed level shared 50/50 between customers and shareholders
  - Sharing level set at 9.3% ROE plus \$11.47 million to account for recovery of annual bill credits
  - ERSP defined utility equity ratio cap
    - 51% - 2019
    - 50.5% - 2020
    - 50% - 2021-2022

Illustrative 2019 Westar ERSP Calculation			
Rate Base (RB)	\$5.75B	ERSP revenue surplus <sup>1</sup>	\$11.97M
Equity Ratio	51%	Annual bill credits	\$(8.65M)
Equity portion of RB	\$2.9B	ERSP revenue surplus after bill credits	\$3.32M
Effective Tax Rate	26.5%	Customer share @ 50%	\$1.66M
ERSP Authorized ROE	9.30%	Earnings impact of ERSP sharing	\$(1.22M)
ERSP Earned ROE	9.60%	Earned ROE	9.56%

1. ERSP revenue surplus: ((ERSP calculated earned ROE – ERSP authorized ROE) \* equity portion of rate base) / (1 - tax rate).



# Merger Settlement Commitments in Missouri

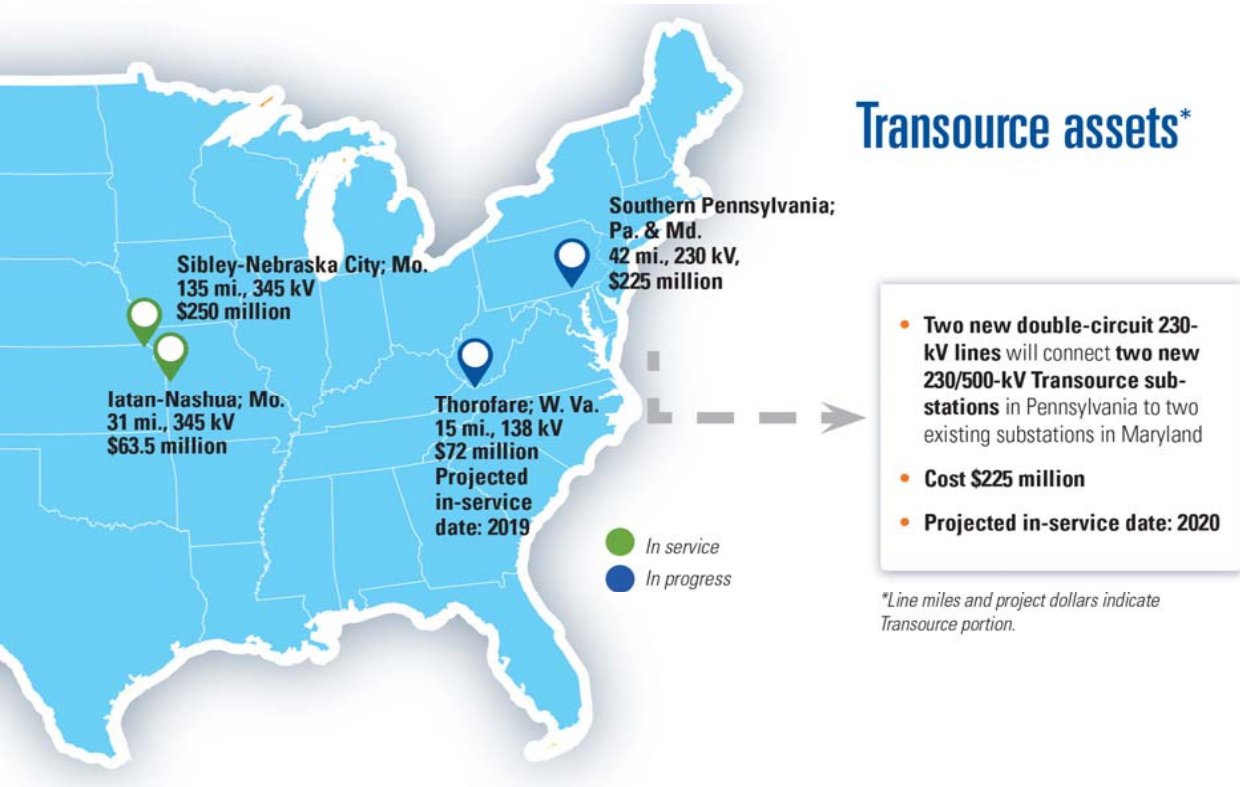
## Bill credits to Missouri retail customers

- \$29 million of upfront bill credits for MO retail customers
  - KCP&L-MO: \$14.9 million
  - GMO: \$14.2 million
- \$10.3 million of estimated merger savings in 2018 MO rate review
  - KCP&L-MO: \$3.4 million<sup>1</sup>
  - GMO: \$6.9 million
- Consistent with MO fuel adjustment clause statute, rate reviews to be filed in 2022 expected to provide customers with growing levels of achieved merger savings of ~\$30-\$35 million in retail rates beginning in 2023
- \$17 million of transition costs amortized and recovered over 10 year period
  - KCP&L-MO: \$9.7 million
  - GMO: \$7.2 million

1. Does not reflect merger-related labor saving included in KCP&L-MO's prior rate review.



# Transource Energy



- Joint venture between Evergy (13.5%) and AEP (86.5%) structured to pursue competitive transmission projects<sup>1</sup>
- Total project portfolio over \$600 million
- Positioned for sustainable, long-term growth in competitive transmission market

1. The venture excludes transmission projects in the Electric Reliability Council of Texas (ERCOT) and AEP's existing transmission project joint ventures.



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