

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 **September 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

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 October 30, 2020, Evergy, Inc. had 226,831,800 shares of common stock outstanding. On October 30, 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.

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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 legislative efforts and regulatory and legal proceedings; future energy demand; future power prices; plans with respect to existing and potential future generation resources; the availability and cost of generation resources and energy storage; target emissions reductions; and other matters relating to expected financial performance or affecting future operations. Forward-looking statements are often accompanied by forward-looking words such as "anticipates," "believes," "expects," "estimates," "forecasts," "should," "could," "may," "seeks," "intends," "proposed," "projects," "planned," "target," "outlook," "remain confident," "goal," "will" or other words of similar meaning. Forward-looking statements involve risks, uncertainties and other factors that could cause actual results to differ materially from the forward-looking information.

In connection with the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, the Evergy Companies are providing a number of risks, uncertainties and other factors that could cause actual results to differ from the forward-looking information. These risks, uncertainties and other factors include, but are not limited to: economic and weather conditions and any impact on sales, prices and costs; changes in business strategy or operations; the impact of federal, state and local political, legislative, judicial and regulatory actions or developments, including deregulation, re-regulation, securitization and restructuring of the electric utility industry; decisions of regulators regarding, among other things, customer rates and the 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 the extent to which counterparties are willing to do business with, finance the operations of or purchase energy from the Evergy Companies due to the fact that the Evergy Companies operate coal-fired generation; prices and availability of electricity 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, and long-term financial plans, may not create the value that they are expected to achieve in a timely manner or at all; difficulties in maintaining relationships with customers, employees, regulators or suppliers; and other risks and uncertainties.

This list of factors is not all-inclusive because it is not possible to predict all factors. 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>
AAO	Accounting authority order
ACE	Affordable Clean Energy
AEP	American Electric Power Company, Inc.
AFUDC	Allowance for funds used during construction
AMT	Alternative Minimum Tax
AROs	Asset retirement obligations
BSER	Best system of emission reduction
CAA	Clean Air Act Amendments of 1990
CCRs	Coal combustion residuals
CO₂	Carbon dioxide
COLI	Corporate-owned life insurance
COVID-19	Coronavirus
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

<u>Abbreviation or Acronym</u>	<u>Definition</u>
kWh	Kilowatt hour
MDNR	Missouri Department of Natural Resources
MECG	Midwest Energy Consumers Group
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
NOL	Net operating loss
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)

	September 30 2020	December 31 2019
ASSETS		
	(millions, except share amounts)	
CURRENT ASSETS:		
Cash and cash equivalents	\$ 361.6	\$ 23.2
Receivables, net of allowance for credit losses of \$15.2 and \$10.5, respectively	318.5	228.5
Accounts receivable pledged as collateral	395.0	339.0
Fuel inventory and supplies	512.1	481.6
Income taxes receivable	53.9	85.5
Regulatory assets	205.9	231.7
Prepaid expenses and other assets	67.7	78.2
Total Current Assets	1,914.7	1,467.7
PROPERTY, PLANT AND EQUIPMENT, NET	19,624.1	19,184.4
PROPERTY, PLANT AND EQUIPMENT OF VARIABLE INTEREST ENTITIES, NET	156.7	162.0
OTHER ASSETS:		
Regulatory assets	1,734.1	1,740.5
Nuclear decommissioning trust fund	587.5	573.2
Goodwill	2,336.6	2,336.6
Other	527.5	511.5
Total Other Assets	5,185.7	5,161.8
TOTAL ASSETS	\$ 26,881.2	\$ 25,975.9

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

EVERGY, INC.
Consolidated Balance Sheets
(Unaudited)

	September 30 2020	December 31 2019
(millions, except share amounts)		
LIABILITIES AND EQUITY		
CURRENT LIABILITIES:		
Current maturities of long-term debt	\$ 353.5	\$ 251.1
Current maturities of long-term debt of variable interest entities	18.8	32.3
Notes payable and commercial paper	200.0	561.9
Collateralized note payable	395.0	339.0
Accounts payable	358.9	528.8
Accrued taxes	305.8	145.1
Accrued interest	118.6	122.3
Regulatory liabilities	35.1	63.3
Asset retirement obligations	66.5	71.3
Accrued compensation and benefits	69.9	59.2
Other	176.1	161.6
Total Current Liabilities	2,098.2	2,335.9
LONG-TERM LIABILITIES:		
Long-term debt, net	9,276.4	8,746.7
Long-term debt of variable interest entities, net	—	18.8
Deferred income taxes	1,682.9	1,744.4
Unamortized investment tax credits	188.3	375.4
Regulatory liabilities	2,589.8	2,248.3
Pension and post-retirement liability	1,047.8	1,017.6
Asset retirement obligations	882.3	602.8
Other	331.3	340.7
Total Long-Term Liabilities	15,998.8	15,094.7
Commitments and Contingencies (Note 11)		
EQUITY:		
Evergy, Inc. Shareholders' Equity:		
Common stock - 600,000,000 shares authorized, without par value 226,832,410 and 226,641,443 shares issued, stated value	7,077.0	7,070.4
Retained earnings	1,773.5	1,551.5
Accumulated other comprehensive loss	(48.4)	(50.0)
Total Evergy, Inc. Shareholders' Equity	8,802.1	8,571.9
Noncontrolling Interests	(17.9)	(26.6)
Total Equity	8,784.2	8,545.3
TOTAL LIABILITIES AND EQUITY	\$ 26,881.2	\$ 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 September 30		Year to Date September 30	
	2020	2019	2020	2019
	(millions, except per share amounts)			
OPERATING REVENUES	\$ 1,517.6	\$ 1,577.6	\$ 3,819.0	\$ 4,016.2
OPERATING EXPENSES:				
Fuel and purchased power	316.2	357.3	832.5	978.9
SPP network transmission costs	66.1	62.4	197.8	188.7
Operating and maintenance	304.6	311.6	865.5	907.1
Depreciation and amortization	218.0	216.1	658.1	645.1
Taxes other than income tax	91.0	91.5	274.2	276.4
Total Operating Expenses	995.9	1,038.9	2,828.1	2,996.2
INCOME FROM OPERATIONS	521.7	538.7	990.9	1,020.0
OTHER INCOME (EXPENSE):				
Investment earnings	1.7	1.8	4.0	7.6
Other income	7.1	2.8	17.0	17.1
Other expense	(20.1)	(19.7)	(57.7)	(57.2)
Total Other Expense, Net	(11.3)	(15.1)	(36.7)	(32.5)
Interest expense	94.8	90.8	290.5	277.3
INCOME BEFORE INCOME TAXES	415.6	432.8	663.7	710.2
Income tax expense	50.0	65.5	93.8	99.2
Equity in earnings of equity method investees, net of income taxes	1.9	3.6	6.1	7.9
NET INCOME	367.5	370.9	576.0	618.9
Less: Net income attributable to noncontrolling interests	3.0	4.1	8.7	12.9
NET INCOME ATTRIBUTABLE TO EVERGY, INC.	\$ 364.5	\$ 366.8	\$ 567.3	\$ 606.0
BASIC AND DILUTED EARNINGS PER AVERAGE COMMON SHARE OUTSTANDING ATTRIBUTABLE TO EVERGY, INC. (see Note 1)				
Basic earnings per common share	\$ 1.60	\$ 1.56	\$ 2.50	\$ 2.49
Diluted earnings per common share	\$ 1.60	\$ 1.56	\$ 2.49	\$ 2.49
AVERAGE COMMON SHARES OUTSTANDING				
Basic	227.3	234.6	227.2	243.5
Diluted	227.5	235.0	227.5	243.8
COMPREHENSIVE INCOME				
NET INCOME	\$ 367.5	\$ 370.9	\$ 576.0	\$ 618.9
Derivative hedging activity				
Loss on derivative hedging instruments	—	(29.4)	—	(64.4)
Income tax benefit	—	7.5	—	16.5
Net loss on derivative hedging instruments	—	(21.9)	—	(47.9)
Reclassification to expenses, net of tax	1.4	0.2	1.7	0.2
Derivative hedging activity, net of tax	1.4	(21.7)	1.7	(47.7)
Defined benefit pension plans				
Amortization of net losses included in net periodic benefit costs, net of tax	—	—	(0.1)	—
Change in unrecognized pension expense, net of tax	—	—	(0.1)	—
Total other comprehensive income (loss)	1.4	(21.7)	1.6	(47.7)
COMPREHENSIVE INCOME	368.9	349.2	577.6	571.2
Less: comprehensive income attributable to noncontrolling interest	3.0	4.1	8.7	12.9
COMPREHENSIVE INCOME ATTRIBUTABLE TO EVERGY, INC.	\$ 365.9	\$ 345.1	\$ 568.9	\$ 558.3

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 September 30	2020	2019
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES:	(millions)	
Net income	\$ 576.0	\$ 618.9
Adjustments to reconcile income to net cash from operating activities:		
Depreciation and amortization	658.1	645.1
Amortization of nuclear fuel	43.8	42.6
Amortization of deferred refueling outage	19.1	19.4
Amortization of corporate-owned life insurance	14.8	16.5
Non-cash compensation	12.1	12.9
Net deferred income taxes and credits	136.5	111.4
Allowance for equity funds used during construction	(9.9)	(0.9)
Payments for asset retirement obligations	(11.0)	(11.6)
Equity in earnings of equity method investees, net of income taxes	(6.1)	(7.9)
Income from corporate-owned life insurance	(6.8)	(19.5)
Other	0.7	(3.6)
Changes in working capital items:		
Accounts receivable	(68.6)	(68.4)
Accounts receivable pledged as collateral	(56.0)	(30.0)
Fuel inventory and supplies	(30.0)	57.0
Prepaid expenses and other current assets	20.9	65.7
Accounts payable	(87.5)	(111.5)
Accrued taxes	192.3	155.3
Other current liabilities	(43.9)	(77.7)
Changes in other assets	88.4	56.1
Changes in other liabilities	(21.2)	(22.5)
Cash Flows from Operating Activities	1,421.7	1,447.3
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES:		
Additions to property, plant and equipment	(1,058.1)	(849.1)
Purchase of securities - trusts	(50.3)	(37.4)
Sale of securities - trusts	44.2	32.3
Investment in corporate-owned life insurance	(16.4)	(17.2)
Proceeds from investment in corporate-owned life insurance	60.6	99.1
Other investing activities	(9.9)	0.2
Cash Flows used in Investing Activities	(1,029.9)	(772.1)
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES:		
Short-term debt, net	(361.9)	(378.0)
Proceeds from term loan facility	—	1,000.0
Repayment of term loan facility	—	(1,000.0)
Collateralized short-term borrowings, net	56.0	30.0
Proceeds from long-term debt	889.3	2,374.0
Retirements of long-term debt	(251.1)	(701.1)
Retirements of long-term debt of variable interest entities	(32.3)	(30.3)
Payment for settlement of interest rate swap accounted for as a cash flow hedge	—	(69.8)
Borrowings against cash surrender value of corporate-owned life insurance	54.5	57.2
Repayment of borrowings against cash surrender value of corporate-owned life insurance	(52.5)	(77.4)
Cash dividends paid	(343.6)	(347.5)
Repurchase of common stock under repurchase plan	—	(1,628.7)
Distributions to shareholders of noncontrolling interests	—	(8.5)
Other financing activities	(11.8)	(5.3)
Cash Flows used in Financing Activities	(53.4)	(785.4)
NET CHANGE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	338.4	(110.2)
CASH, CASH EQUIVALENTS AND RESTRICTED CASH:		
Beginning of period	23.2	160.3
End of period	\$ 361.6	\$ 50.1

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

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

	Evergy, 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
Net income	—	—	366.8	—	4.1	370.9
Issuance of stock compensation and reinvested dividends, net of tax withholding	4,737	—	—	—	—	—
Dividends declared on common stock (\$0.475 per share)	—	—	(111.9)	—	—	(111.9)
Dividend equivalents declared	—	—	(0.9)	—	—	(0.9)
Stock compensation expense	—	3.5	—	—	—	3.5
Repurchase of common stock under repurchase plan	(7,569,029)	(500.0)	—	—	—	(500.0)
Distributions to shareholders of noncontrolling interests	—	—	—	—	(5.1)	(5.1)
Derivative hedging activity, net of tax	—	—	—	(21.7)	—	(21.7)
Other	—	0.4	—	—	—	0.4
Balance as of September 30, 2019	227,901,556	\$ 7,066.9	\$ 1,603.1	\$ (50.7)	\$ (29.4)	\$ 8,589.9

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
Net income	—	—	364.5	—	3.0	367.5
Issuance of stock compensation and reinvested dividends, net of tax withholding	7,305	—	—	—	—	—
Dividends declared on common stock (\$0.505 per share)	—	—	(114.5)	—	—	(114.5)
Dividend equivalents declared	—	—	(0.6)	—	—	(0.6)
Stock compensation expense	—	3.4	—	—	—	3.4
Derivative hedging activity, net of tax	—	—	—	1.4	—	1.4
Other	—	0.1	—	—	—	0.1
Balance as of September 30, 2020	226,832,410	\$ 7,077.0	\$ 1,773.5	\$ (48.4)	\$ (17.9)	\$ 8,784.2

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

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

	September 30 2020	December 31 2019
ASSETS	(millions, except share amounts)	
CURRENT ASSETS:		
Cash and cash equivalents	\$ 68.4	\$ 5.2
Receivables, net of allowance for credit losses of \$5.5 and \$3.8, respectively	256.5	140.4
Related party receivables	39.0	9.9
Accounts receivable pledged as collateral	200.0	171.0
Fuel inventory and supplies	279.8	266.4
Income taxes receivable	29.3	30.4
Regulatory assets	93.3	93.3
Prepaid expenses and other assets	23.3	34.3
Total Current Assets	989.6	750.9
PROPERTY, PLANT AND EQUIPMENT, NET	10,054.8	9,864.9
PROPERTY, PLANT AND EQUIPMENT OF VARIABLE INTEREST ENTITIES, NET	156.7	162.0
OTHER ASSETS:		
Regulatory assets	699.7	730.4
Nuclear decommissioning trust fund	279.1	272.5
Other	267.4	266.0
Total Other Assets	1,246.2	1,268.9
TOTAL ASSETS	\$ 12,447.3	\$ 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)

	September 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	—	249.2
Collateralized note payable	200.0	171.0
Accounts payable	192.2	200.5
Related party payables	50.1	14.8
Accrued taxes	159.5	98.7
Accrued interest	64.4	74.2
Regulatory liabilities	23.6	42.3
Asset retirement obligations	23.3	23.3
Accrued compensation and benefits	21.1	14.2
Other	134.5	116.0
Total Current Liabilities	887.5	1,286.5
LONG-TERM LIABILITIES:		
Long-term debt, net	3,931.1	3,436.1
Long-term debt of variable interest entities, net	—	18.8
Deferred income taxes	853.6	817.7
Unamortized investment tax credits	67.0	253.2
Regulatory liabilities	1,410.9	1,132.5
Pension and post-retirement liability	462.4	495.5
Asset retirement obligations	398.6	249.6
Other	160.5	151.8
Total Long-Term Liabilities	7,284.1	6,555.2
Commitments and Contingencies (Note 11)		
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	1,556.0	1,494.0
Total Evergy Kansas Central, Inc. Shareholder's Equity	4,293.6	4,231.6
Noncontrolling Interests	(17.9)	(26.6)
Total Equity	4,275.7	4,205.0
TOTAL LIABILITIES AND EQUITY	\$ 12,447.3	\$ 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
(Unaudited)

	Three Months Ended September 30		Year to Date September 30	
	2020	2019	2020	2019
	(millions)			
OPERATING REVENUES	\$ 733.6	\$ 749.0	\$ 1,864.5	\$ 1,931.3
OPERATING EXPENSES:				
Fuel and purchased power	128.6	144.9	329.9	375.3
SPP network transmission costs	66.1	62.4	197.8	188.7
Operating and maintenance	137.4	140.4	376.3	396.4
Depreciation and amortization	113.4	110.9	339.0	331.3
Taxes other than income tax	47.4	48.0	145.1	145.3
Total Operating Expenses	492.9	506.6	1,388.1	1,437.0
INCOME FROM OPERATIONS	240.7	242.4	476.4	494.3
OTHER INCOME (EXPENSE):				
Investment earnings	1.0	0.6	3.4	3.0
Other income	2.7	2.3	11.3	13.0
Other expense	(9.7)	(10.8)	(26.9)	(29.9)
Total Other Expense, Net	(6.0)	(7.9)	(12.2)	(13.9)
Interest expense	40.3	41.7	127.7	134.1
INCOME BEFORE INCOME TAXES	194.4	192.8	336.5	346.3
Income tax expense	22.5	25.8	149.2	46.2
Equity in earnings of equity method investees, net of income taxes	1.2	1.2	3.4	3.6
NET INCOME	173.1	168.2	190.7	303.7
Less: Net income attributable to noncontrolling interests	3.0	4.1	8.7	12.9
NET INCOME ATTRIBUTABLE TO EVERGY KANSAS CENTRAL, INC.	\$ 170.1	\$ 164.1	\$ 182.0	\$ 290.8

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 September 30	2020	2019
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES:	(millions)	
Net income	\$ 190.7	\$ 303.7
Adjustments to reconcile income to net cash from operating activities:		
Depreciation and amortization	339.0	331.3
Amortization of nuclear fuel	21.6	21.2
Amortization of deferred refueling outage	9.5	9.7
Amortization of corporate-owned life insurance	14.8	16.5
Net deferred income taxes and credits	155.0	9.5
Allowance for equity funds used during construction	(5.8)	—
Payments for asset retirement obligations	(2.1)	(9.5)
Equity in earnings of equity method investees, net of income taxes	(3.4)	(3.6)
Income from corporate-owned life insurance	(6.8)	(18.8)
Other	(4.1)	(4.1)
Changes in working capital items:		
Accounts receivable	(124.4)	(55.4)
Accounts receivable pledged as collateral	(29.0)	(15.0)
Fuel inventory and supplies	(12.9)	29.5
Prepaid expenses and other current assets	7.0	12.2
Accounts payable	88.4	(10.4)
Accrued taxes	61.9	92.8
Other current liabilities	(47.1)	(5.8)
Changes in other assets	33.3	23.8
Changes in other liabilities	(35.8)	(31.1)
Cash Flows from Operating Activities	649.8	696.5
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES:		
Additions to property, plant and equipment	(494.2)	(418.4)
Purchase of securities - trusts	(16.7)	(12.6)
Sale of securities - trusts	16.3	13.4
Investment in corporate-owned life insurance	(15.6)	(16.4)
Proceeds from investment in corporate-owned life insurance	60.6	97.4
Other investing activities	(2.3)	(3.2)
Cash Flows used in Investing Activities	(451.9)	(339.8)
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES:		
Short-term debt, net	(249.2)	(229.3)
Collateralized short-term debt, net	29.0	15.0
Proceeds from long-term debt	493.0	294.7
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	51.5	54.2
Repayment of borrowings against cash surrender value of corporate-owned life insurance	(52.5)	(76.3)
Cash dividends paid	(120.0)	(110.0)
Distributions to shareholders of noncontrolling interests	—	(8.5)
Other financing activities	(4.2)	(3.0)
Cash Flows used in Financing Activities	(134.7)	(393.5)
NET CHANGE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	63.2	(36.8)
CASH, CASH EQUIVALENTS AND RESTRICTED CASH:		
Beginning of period	5.2	44.5
End of period	\$ 68.4	\$ 7.7

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 Changes in Equity
(Unaudited)

	Evergy Kansas Central, Inc. Shareholder				Total equity
	Common stock shares	Common stock	Retained earnings	Non- controlling interests	
	(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
Net income	—	—	164.1	4.1	168.2
Distributions to shareholders of noncontrolling interests	—	—	—	(5.1)	(5.1)
Balance as of September 30, 2019	1	\$ 2,737.6	\$ 1,441.4	\$ (29.4)	\$ 4,149.6
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
Net income	—	—	170.1	3.0	173.1
Balance as of September 30, 2020	1	\$ 2,737.6	\$ 1,556.0	\$ (17.9)	\$ 4,275.7

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)

	September 30 2020	December 31 2019
(millions, except share amounts)		
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 224.3	\$ 2.0
Receivables, net of allowance for credit losses of \$6.5 and \$4.6, respectively	80.0	48.1
Related party receivables	225.7	93.9
Accounts receivable pledged as collateral	130.0	118.0
Fuel inventory and supplies	173.2	163.0
Income taxes receivable	—	8.7
Regulatory assets	88.4	95.4
Prepaid expenses	25.4	22.8
Other assets	14.5	15.0
Total Current Assets	961.5	566.9
PROPERTY, PLANT AND EQUIPMENT, NET	7,027.1	6,839.0
OTHER ASSETS:		
Regulatory assets	490.6	464.4
Nuclear decommissioning trust fund	308.4	300.7
Other	137.5	134.1
Total Other Assets	936.5	899.2
TOTAL ASSETS	\$ 8,925.1	\$ 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)

	September 30 2020	December 31 2019
(millions, except share amounts)		
LIABILITIES AND EQUITY		
CURRENT LIABILITIES:		
Notes payable and commercial paper	\$ —	\$ 199.3
Collateralized note payable	130.0	118.0
Accounts payable	163.9	233.6
Related party payables	34.2	4.6
Accrued taxes	104.3	38.8
Accrued interest	38.2	26.7
Regulatory liabilities	7.5	11.4
Asset retirement obligations	33.0	36.1
Accrued compensation and benefits	48.9	45.1
Other	31.3	34.0
Total Current Liabilities	591.3	747.6
LONG-TERM LIABILITIES:		
Long-term debt, net	2,922.7	2,525.0
Deferred income taxes	554.7	642.8
Unamortized investment tax credits	118.7	119.6
Regulatory liabilities	885.6	792.2
Pension and post-retirement liability	561.5	499.7
Asset retirement obligations	348.4	217.5
Other	165.4	180.0
Total Long-Term Liabilities	5,557.0	4,976.8
Commitments and Contingencies (Note 11)		
EQUITY:		
Common stock - 1,000 shares authorized, without par value, 1 share issued, stated value	1,563.1	1,563.1
Retained earnings	1,209.0	1,012.8
Accumulated other comprehensive income	4.7	4.8
Total Equity	2,776.8	2,580.7
TOTAL LIABILITIES AND EQUITY	\$ 8,925.1	\$ 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 September 30		Year to Date September 30	
	2020	2019	2020	2019
	(millions)			
OPERATING REVENUES	\$ 528.5	\$ 568.8	\$ 1,328.3	\$ 1,431.2
OPERATING EXPENSES:				
Fuel and purchased power	112.2	129.3	306.0	380.4
Operating and maintenance	101.3	111.2	305.7	341.2
Depreciation and amortization	79.4	80.2	243.6	239.0
Taxes other than income tax	31.2	32.6	92.4	96.3
Total Operating Expenses	<u>324.1</u>	<u>353.3</u>	<u>947.7</u>	<u>1,056.9</u>
INCOME FROM OPERATIONS	204.4	215.5	380.6	374.3
OTHER INCOME (EXPENSE):				
Investment earnings	0.5	0.5	1.3	1.9
Other income	4.0	1.2	5.1	2.3
Other expense	(6.9)	(4.9)	(20.2)	(15.7)
Total Other Expense, Net	<u>(2.4)</u>	<u>(3.2)</u>	<u>(13.8)</u>	<u>(11.5)</u>
Interest expense	29.2	28.2	85.5	91.6
INCOME BEFORE INCOME TAXES	172.8	184.1	281.3	271.2
Income tax expense	25.1	32.2	5.1	43.9
NET INCOME	\$ 147.7	\$ 151.9	\$ 276.2	\$ 227.3
COMPREHENSIVE INCOME				
NET INCOME	\$ 147.7	\$ 151.9	\$ 276.2	\$ 227.3
OTHER COMPREHENSIVE INCOME:				
Derivative hedging activity				
Reclassification to expenses, net of tax	(0.2)	(0.1)	(0.1)	0.7
Derivative hedging activity, net of tax	(0.2)	(0.1)	(0.1)	0.7
Total other comprehensive income (loss)	<u>(0.2)</u>	<u>(0.1)</u>	<u>(0.1)</u>	<u>0.7</u>
COMPREHENSIVE INCOME	\$ 147.5	\$ 151.8	\$ 276.1	\$ 228.0

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 Cash Flows
(Unaudited)

Year to Date September 30	2020	2019
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES:	(millions)	
Net income	\$ 276.2	\$ 227.3
Adjustments to reconcile income to net cash from operating activities:		
Depreciation and amortization	243.6	239.0
Amortization of nuclear fuel	22.1	21.4
Amortization of deferred refueling outage	9.5	9.7
Net deferred income taxes and credits	3.0	2.5
Allowance for equity funds used during construction	(4.1)	(0.9)
Payments for asset retirement obligations	(2.7)	(1.7)
Other	(0.3)	0.4
Changes in working capital items:		
Accounts receivable	(84.3)	(4.1)
Accounts receivable pledged as collateral	(12.0)	—
Fuel inventory and supplies	(10.2)	20.4
Prepaid expenses and other current assets	(4.7)	36.2
Accounts payable	(20.1)	(66.3)
Accrued taxes	74.2	70.3
Other current liabilities	14.5	(49.0)
Changes in other assets	37.7	32.7
Changes in other liabilities	14.2	18.6
Cash Flows from Operating Activities	556.6	556.5
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES:		
Additions to property, plant and equipment	(384.9)	(313.0)
Purchase of securities - trusts	(33.7)	(24.8)
Sale of securities - trusts	27.9	18.9
Net money pool lending	(78.0)	—
Other investing activities	2.5	5.1
Cash Flows used in Investing Activities	(466.2)	(313.8)
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES:		
Short-term debt, net	(199.3)	(102.0)
Collateralized short-term debt, net	12.0	—
Proceeds from long-term debt	396.4	393.2
Retirements of long-term debt	—	(400.0)
Cash dividends paid	(80.0)	(135.0)
Other financing activities	2.8	1.9
Cash Flows from (used in) Financing Activities	131.9	(241.9)
NET CHANGE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	222.3	0.8
CASH, CASH EQUIVALENTS AND RESTRICTED CASH:		
Beginning of period	2.0	2.6
End of period	\$ 224.3	\$ 3.4

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
Net income	—	—	151.9	—	151.9
Dividends declared on common stock	—	—	(70.0)	—	(70.0)
Balance as of September 30, 2019	1	\$ 1,563.1	\$ 1,024.9	\$ 4.9	\$ 2,592.9
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
Net income	—	—	147.7	—	147.7
Derivative hedging activity, net of tax	—	—	—	(0.2)	(0.2)
Balance as of September 30, 2020	1	\$ 1,563.1	\$ 1,209.0	\$ 4.7	\$ 2,776.8

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.

	September 30 2020	December 31 2019
Evergy	(millions)	
Fuel inventory	\$ 153.7	\$ 146.4
Supplies	358.4	335.2
Fuel inventory and supplies	\$ 512.1	\$ 481.6
Evergy Kansas Central		
Fuel inventory	\$ 84.9	\$ 80.2
Supplies	194.9	186.2
Fuel inventory and supplies	\$ 279.8	\$ 266.4
Evergy Metro		
Fuel inventory	\$ 47.5	\$ 46.1
Supplies	125.7	116.9
Fuel inventory and supplies	\$ 173.2	\$ 163.0

Property, Plant and Equipment

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

September 30, 2020	Evergy	Evergy Kansas Central	Evergy Metro
		(millions)	
Electric plant in service	\$ 28,670.5	\$ 13,947.2	\$ 11,110.9
Electric plant acquisition adjustment	724.3	724.3	—
Accumulated depreciation	(10,849.4)	(5,210.0)	(4,487.3)
Plant in service, net	18,545.4	9,461.5	6,623.6
Construction work in progress	946.6	527.1	337.6
Nuclear fuel, net	131.2	65.3	65.9
Plant to be retired, net ^(a)	0.9	0.9	—
Property, plant and equipment, net	\$ 19,624.1	\$ 10,054.8	\$ 7,027.1

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 September 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 September 30		Year to Date September 30	
	2020	2019	2020	2019
Evergy			(millions)	
Non-service cost component of net benefit cost	\$ (13.7)	\$ (13.7)	\$ (43.7)	\$ (40.9)
Other	(6.4)	(6.0)	(14.0)	(16.3)
Other expense	\$ (20.1)	\$ (19.7)	\$ (57.7)	\$ (57.2)
Evergy Kansas Central				
Non-service cost component of net benefit cost	\$ (4.1)	\$ (4.9)	\$ (14.1)	\$ (14.5)
Other	(5.6)	(5.9)	(12.8)	(15.4)
Other expense	\$ (9.7)	\$ (10.8)	\$ (26.9)	\$ (29.9)
Evergy Metro				
Non-service cost component of net benefit cost	\$ (6.5)	\$ (5.0)	\$ (19.7)	\$ (15.3)
Other	(0.4)	0.1	(0.5)	(0.4)
Other expense	\$ (6.9)	\$ (4.9)	\$ (20.2)	\$ (15.7)

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 September 30		Year to Date September 30	
	2020	2019	2020	2019
Income	(millions, except per share amounts)			
Net income	\$ 367.5	\$ 370.9	\$ 576.0	\$ 618.9
Less: Net income attributable to noncontrolling interests	3.0	4.1	8.7	12.9
Net income attributable to Evergy, Inc.	\$ 364.5	\$ 366.8	\$ 567.3	\$ 606.0
Common Shares Outstanding				
Weighted average number of common shares outstanding - basic	227.3	234.6	227.2	243.5
Add: Effect of dilutive securities	0.2	0.4	0.3	0.3
Weighted average number of common shares outstanding - dilutive	227.5	235.0	227.5	243.8
Basic EPS	\$ 1.60	\$ 1.56	\$ 2.50	\$ 2.49
Diluted EPS	\$ 1.60	\$ 1.56	\$ 2.49	\$ 2.49

Anti-dilutive shares excluded from the computation of diluted EPS for the three months ended and year to date September 30, 2020, were 124,136 RSUs with performance measures. There were no anti-dilutive securities excluded from the computation of diluted EPS for the three months ended and year to date September 30, 2019.

Dividends Declared

In November 2020, Evergy's Board of Directors (Evergy Board) declared a quarterly dividend of \$0.535 per share on Evergy's common stock. The common dividend is payable December 21, 2020, to shareholders of record as of November 20, 2020.

In November 2020, Evergy Kansas Central's Board of Directors declared a cash dividend payable to Evergy of \$40.0 million, payable on December 18, 2020.

In November 2020, Evergy Metro's Board of Directors declared a cash dividend payable to Evergy of \$40.0 million, payable on December 18, 2020.

Supplemental Cash Flow Information

Evergy	2020	2019
Year to Date September 30		
Cash paid for (received from):	(millions)	
Interest, net of amounts capitalized	\$ 267.8	\$ 240.8
Interest of VIEs	0.8	1.6
Income taxes, net of refunds	(73.8)	(13.1)
Right-of-use assets obtained in exchange for new operating lease liabilities	4.1	3.0
Right-of-use assets obtained in exchange for new finance lease liabilities	5.0	2.3
Non-cash investing transactions:		
Property, plant and equipment additions	371.0	99.4
Non-cash financing transactions:		
Issuance of stock for compensation and reinvested dividends	0.9	(0.3)

Evergy Kansas Central

Year to Date September 30	2020	2019
Cash paid for (received from):	(millions)	
Interest, net of amounts capitalized	\$ 114.1	\$ 109.4
Interest of VIEs	0.8	1.6
Income taxes, net of refunds	(6.4)	1.8
Right-of-use assets obtained in exchange for new operating lease liabilities	3.8	0.6
Right-of-use assets obtained in exchange for new finance lease liabilities	3.7	2.3
Non-cash investing transactions:		
Property, plant and equipment additions	183.8	35.3

Evergy Metro

Year to Date September 30	2020	2019
Cash paid for (received from):	(millions)	
Interest, net of amounts capitalized	\$ 73.3	\$ 83.5
Income taxes, net of refunds	(7.3)	32.8
Right-of-use assets obtained in exchange for new operating lease liabilities	0.3	2.4
Right-of-use assets obtained in exchange for new finance lease liabilities	1.3	—
Non-cash investing transactions:		
Property, plant and equipment additions	165.6	60.8

Non-cash property, plant and equipment additions year to date September 30, 2020 for Evergy, Evergy Kansas Central and Evergy Metro include a non-cash addition related to the revision in estimate of the Wolf Creek Generating Station (Wolf Creek) asset retirement obligation (ARO) liability in the third quarter of 2020. See Note 6 for more details.

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 September 30, 2020	Evergy	Evergy Kansas Central	Evergy Metro
Revenues	(millions)		
Residential	\$ 636.4	\$ 262.9	\$ 241.2
Commercial	499.5	205.2	213.3
Industrial	166.8	105.7	36.6
Other retail	9.5	4.4	2.7
Total electric retail	\$ 1,312.2	\$ 578.2	\$ 493.8
Wholesale	85.0	68.7	9.7
Transmission	80.7	72.9	3.5
Industrial steam and other	5.6	0.9	0.8
Total revenue from contracts with customers	\$ 1,483.5	\$ 720.7	\$ 507.8
Other	34.1	12.9	20.7
Operating revenues	\$ 1,517.6	\$ 733.6	\$ 528.5

Year to Date September 30, 2020	Evergy	Evergy Kansas Central	Evergy Metro
Revenues	(millions)		
Residential	\$ 1,515.6	\$ 627.5	\$ 572.2
Commercial	1,272.9	511.0	558.1
Industrial	446.7	284.6	99.6
Other retail	29.2	13.3	8.9
Total electric retail	\$ 3,264.4	\$ 1,436.4	\$ 1,238.8
Wholesale	195.8	168.1	16.7
Transmission	238.5	215.2	10.4
Industrial steam and other	16.8	2.1	2.7
Total revenue from contracts with customers	\$ 3,715.5	\$ 1,821.8	\$ 1,268.6
Other	103.5	42.7	59.7
Operating revenues	\$ 3,819.0	\$ 1,864.5	\$ 1,328.3

Three Months Ended September 30, 2019	Evergy	Evergy Kansas Central	Evergy Metro
Revenues	(millions)		
Residential	\$ 653.0	\$ 268.9	\$ 249.2
Commercial	539.1	219.3	234.1
Industrial	175.3	111.3	40.8
Other retail	16.0	5.6	7.0
Total electric retail	\$ 1,383.4	\$ 605.1	\$ 531.1
Wholesale	96.3	67.7	23.5
Transmission	80.4	67.7	7.8
Industrial steam and other	6.2	1.7	0.6
Total revenue from contracts with customers	\$ 1,566.3	\$ 742.2	\$ 563.0
Other	11.3	6.8	5.8
Operating revenues	\$ 1,577.6	\$ 749.0	\$ 568.8

Year to Date September 30, 2019	Evergy	Evergy Kansas Central	Evergy Metro
Revenues	(millions)		
Residential	\$ 1,536.3	\$ 640.4	\$ 575.5
Commercial	1,391.2	556.4	613.5
Industrial	478.9	308.5	106.7
Other retail	35.3	15.8	12.3
Total electric retail	\$ 3,441.7	\$ 1,521.1	\$ 1,308.0
Wholesale	251.7	182.5	54.7
Transmission	233.5	205.5	14.0
Industrial steam and other	18.9	4.6	2.3
Total revenue from contracts with customers	\$ 3,945.8	\$ 1,913.7	\$ 1,379.0
Other	70.4	17.6	52.2
Operating revenues	\$ 4,016.2	\$ 1,931.3	\$ 1,431.2

3. RECEIVABLES

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

	September 30 2020	December 31 2019
Evergy	(millions)	
Customer accounts receivable - billed	\$ 8.6	\$ 7.2
Customer accounts receivable - unbilled	143.9	104.0
Other receivables	181.2	127.8
Allowance for credit losses	(15.2)	(10.5)
Total	\$ 318.5	\$ 228.5
Evergy Kansas Central		
Customer accounts receivable - billed	\$ —	\$ —
Customer accounts receivable - unbilled	55.3	49.7
Other receivables	206.7	94.5
Allowance for credit losses	(5.5)	(3.8)
Total	\$ 256.5	\$ 140.4
Evergy Metro		
Customer accounts receivable - billed	\$ 4.9	\$ 3.1
Customer accounts receivable - unbilled	56.9	26.5
Other receivables	24.7	23.1
Allowance for credit losses	(6.5)	(4.6)
Total	\$ 80.0	\$ 48.1

Evergy's, Evergy Kansas Central's and Evergy Metro's other receivables at September 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.

	September 30 2020	December 31 2019
Evergy	(millions)	
Evergy Kansas Central	\$ 58.8	\$ 42.0
Evergy Metro	49.9	37.7
	6.1	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.

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
Evergy	(millions)	
Beginning balance January 1	\$ 10.5	\$ 9.2
Credit loss expense	15.5	22.4
Write-offs	(20.8)	(31.9)
Recoveries of prior write-offs	10.0	9.2
Ending balance September 30	\$ 15.2	\$ 8.9
Evergy Kansas Central		
Beginning balance January 1	\$ 3.8	\$ 3.9
Credit loss expense	6.9	5.6
Write-offs	(7.3)	(8.8)
Recoveries of prior write-offs	2.1	2.7
Ending balance September 30	\$ 5.5	\$ 3.4
Evergy Metro		
Beginning balance January 1	\$ 4.6	\$ 3.8
Credit loss expense	5.5	11.7
Write-offs	(8.9)	(16.2)
Recoveries of prior write-offs	5.3	4.6
Ending balance September 30	\$ 6.5	\$ 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.

	September 30 2020	December 31 2019
	(millions)	
Evergy	\$ 395.0	\$ 339.0
Evergy Kansas Central	200.0	171.0
Evergy Metro	130.0	118.0

Each receivable sale facility expires in September 2021. 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 mid-October. 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 mid-November.

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 when compared to 2019.

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 when compared to 2019.

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 September 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 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 \$18.3 million as of September 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 September 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. In October 2020, Evergy Metro and Evergy Missouri West entered into a non-unanimous stipulation and agreement with the MPSC staff and other intervenors that would allow Evergy Metro and Evergy Missouri West to defer to a regulatory asset certain net incremental costs incurred associated with the COVID-19 pandemic for consideration in their next rate cases. A decision by the MPSC regarding the non-unanimous stipulation and agreement is expected in January 2021.

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 Kansas Central's TFR, effective in January 2021, includes projected 2021 transmission capital expenditures and operating costs and is expected to increase annual transmission revenues by \$32.4 million when compared to 2020. The increase was primarily driven by higher projected capital expenditures and a lower prior year true-up adjustment in 2021. 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.

Evergy Metro's TFR, effective in January 2021, includes projected 2021 transmission capital expenditures and operating costs and is expected to decrease annual transmission revenues by \$3.9 million when compared to 2020. 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. ASSET RETIREMENT OBLIGATIONS

AROs associated with tangible long-lived assets are legal obligations that exist under enacted laws, statutes and written or oral contracts, including obligations arising under the doctrine of promissory estoppel. These liabilities are recognized at estimated fair value as incurred with a corresponding amount capitalized as part of the cost of the related long-lived assets and depreciated over their useful lives. Accretion of the liabilities due to the passage of time is recorded to a regulatory asset and/or liability. Changes in the estimated fair values of the liabilities are recognized when known.

Evergy Kansas Central, Evergy Metro and Evergy Missouri West have AROs related to asbestos abatement and the closure and post-closure care of ponds and landfills containing coal combustion residuals (CCRs). In addition, Evergy Kansas Central and Evergy Metro have AROs related to decommissioning Wolf Creek and the retirement of wind generation facilities.

The MPSC and KCC require the owners of Wolf Creek, including Evergy Kansas South and Evergy Metro with their respective 47% ownership shares, to submit an updated decommissioning cost study every three years. The most recent study was submitted to the MPSC and KCC in September 2020. As a result of changes in estimates related to the study, Evergy, Evergy Kansas Central and Evergy Metro recorded increases to their AROs to decommission Wolf Creek of \$259.1 million, \$140.7 million and \$118.4 million, respectively, in the third quarter of 2020.

The following table summarizes the change in the Evergy Companies' AROs for the periods ending September 30, 2020 and December 31, 2019.

	Evergy		Evergy Kansas Central		Evergy Metro	
	2020	2019	2020	2019	2020	2019
	(millions)					
Beginning balance January 1	\$ 674.1	\$ 687.1	\$ 272.9	\$ 281.1	\$ 253.6	\$ 261.0
Revision in timing and/or estimates	257.0	(22.3)	136.9	(12.4)	118.4	(9.9)
Settlements	(11.0)	(17.8)	(2.1)	(14.8)	(2.7)	(2.5)
Accretion	28.7	27.1	14.2	19.0	12.1	5.0
Ending balance	\$ 948.8	\$ 674.1	\$ 421.9	\$ 272.9	\$ 381.4	\$ 253.6
Less: current portion	(66.5)	(71.3)	(23.3)	(23.3)	(33.0)	(36.1)
Total noncurrent asset retirement obligation	\$ 882.3	\$ 602.8	\$ 398.6	\$ 249.6	\$ 348.4	\$ 217.5

7. 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's 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.

For the three months ended and year to date September 30, 2020, Evergy and Evergy Metro recorded pension settlement charges of \$10.0 million and \$12.7 million, respectively. For the three months ended and year to date September 30, 2019, Evergy and Evergy Metro recorded pension settlement charges of \$14.5 million and \$20.8 million, respectively. These settlement charges were the result of accelerated pension distributions related to voluntary severance programs. Evergy and Evergy Metro deferred substantially all of the charges to a regulatory asset and expect to recover these amounts over future periods pursuant to regulatory agreements.

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 September 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	\$ 20.1	\$ 6.8	\$ 13.3	\$ 0.7	\$ 0.3	\$ 0.4
Interest cost	24.0	11.7	12.1	2.3	1.2	1.1
Expected return on plan assets	(26.3)	(13.3)	(13.5)	(2.4)	(1.7)	(0.7)
Prior service cost	0.4	0.4	0.2	0.1	0.1	—
Recognized net actuarial (gain)/loss	12.1	8.5	11.6	0.1	—	(0.1)
Settlement and special termination benefits	10.0	—	12.7	—	—	—
Net periodic benefit costs before regulatory adjustment and intercompany allocations	40.3	14.1	36.4	0.8	(0.1)	0.7
Regulatory adjustment	(0.4)	0.4	(11.3)	(1.0)	(0.7)	(0.2)
Intercompany allocations	—	1.6	(5.8)	—	0.1	(0.1)
Net periodic benefit costs (income)	\$ 39.9	\$ 16.1	\$ 19.3	\$ (0.2)	\$ (0.7)	\$ 0.4

Year to Date September 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	\$ 59.2	\$ 20.4	\$ 38.8	\$ 2.1	\$ 0.9	\$ 1.2
Interest cost	72.9	35.2	37.1	6.9	3.6	3.3
Expected return on plan assets	(79.7)	(39.9)	(41.5)	(7.0)	(5.0)	(2.0)
Prior service cost	1.3	1.2	0.6	0.3	0.3	—
Recognized net actuarial (gain)/loss	34.8	25.4	34.2	0.2	—	(0.4)
Settlement and special termination benefits	10.0	—	12.7	—	—	—
Net periodic benefit costs before regulatory adjustment and intercompany allocations	98.5	42.3	81.9	2.5	(0.2)	2.1
Regulatory adjustment	18.6	1.1	(9.2)	(2.9)	(2.1)	(0.3)
Intercompany allocations	—	(0.1)	(17.0)	—	0.1	(0.1)
Net periodic benefit costs (income)	\$ 117.1	\$ 43.3	\$ 55.7	\$ (0.4)	\$ (2.2)	\$ 1.7

Three Months Ended September 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	\$ 7.3	\$ 11.8	\$ 0.6	\$ 0.2	\$ 0.4
Interest cost	27.5	13.4	14.1	2.6	1.4	1.2
Expected return on plan assets	(27.0)	(13.7)	(12.3)	(2.5)	(1.7)	(0.8)
Prior service cost	0.5	0.5	0.2	0.1	0.1	—
Recognized net actuarial (gain)/loss	6.9	6.2	12.2	(0.3)	(0.1)	(0.3)
Settlement and special termination benefits	14.5	—	20.8	—	—	—
Net periodic benefit costs before regulatory adjustment and intercompany allocations	41.5	13.7	46.8	0.5	(0.1)	0.5
Regulatory adjustment	4.9	0.5	(14.7)	(0.8)	(0.7)	0.1
Intercompany allocations	—	—	(13.6)	—	—	(0.2)
Net periodic benefit costs (income)	\$ 46.4	\$ 14.2	\$ 18.5	\$ (0.3)	\$ (0.8)	\$ 0.4

Year to Date September 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	\$ 57.3	\$ 21.8	\$ 35.5	\$ 1.9	\$ 0.8	\$ 1.1
Interest cost	82.4	40.3	42.1	7.9	4.2	3.7
Expected return on plan assets	(80.9)	(41.1)	(36.9)	(7.5)	(5.0)	(2.5)
Prior service cost	1.5	1.3	0.7	0.3	0.3	—
Recognized net actuarial (gain)/loss	20.6	19.0	36.7	(0.9)	(0.4)	(1.1)
Settlement and special termination benefits	14.5	—	20.8	—	—	—
Net periodic benefit costs before regulatory adjustment and intercompany allocations	95.4	41.3	98.9	1.7	(0.1)	1.2
Regulatory adjustment	30.4	1.5	(15.9)	(2.5)	(2.2)	0.3
Intercompany allocations	—	—	(27.6)	—	—	(0.3)
Net periodic benefit costs (income)	\$ 125.8	\$ 42.8	\$ 55.4	\$ (0.8)	\$ (2.3)	\$ 1.2

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 September 30, 2020, Evergy, Evergy Kansas Central and Evergy Metro made pension contributions of \$54.3 million, \$45.7 million and \$8.6 million, respectively. Evergy expects to make additional pension contributions of \$78.4 million in 2020 to satisfy the Employee Retirement Income Security Act of 1974, as amended (ERISA) funding requirements and KCC and MPSC rate orders, which is expected to be paid by Evergy Metro.

Year to date September 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.

8. 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 September 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 September 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		
September 30, 2020			(millions)			
Evergy, Inc.	\$ 450.0	n/a	\$ 0.7	\$ 200.0	\$ 249.3	1.42%
Evergy Kansas Central	1,000.0	—	18.6	—	981.4	—%
Evergy Metro	600.0	—	—	—	600.0	—%
Evergy Missouri West	450.0	—	2.0	—	448.0	—%
Evergy	\$ 2,500.0	\$ —	\$ 21.3	\$ 200.0	\$ 2,278.7	
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	

9. 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.

10. 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 September 30, 2020, \$1.8 million and (\$0.4) 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 September 30, 2020, \$5.3 million and (\$3.6) 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 September 30, 2020, Evergy expects to amortize \$5.3 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.

	September 30, 2020		December 31, 2019	
	Book Value	Fair Value	Book Value	Fair Value
Long-term debt^(a)	(millions)			
Evergy ^(b)	\$ 9,629.9	\$ 11,126.4	\$ 8,997.8	\$ 9,750.2
Evergy Kansas Central	3,931.1	4,711.5	3,686.1	4,078.8
Evergy Metro	2,922.7	3,555.6	2,525.0	2,932.2
Long-term debt of variable interest entities^(a)				
Evergy	\$ 18.8	\$ 19.3	\$ 51.1	\$ 51.5
Evergy Kansas Central	18.8	19.3	51.1	51.5

^(a) Includes current maturities.

^(b) Book value as of September 30, 2020 and December 31, 2019, includes \$114.1 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 Energy Companies' balances of financial assets and liabilities measured at fair value on a recurring basis.

Description	September 30, 2020	Level 1	Level 2	Level 3	NAV
Evergy Kansas Central					
(millions)					
Assets					
Nuclear decommissioning trust ^(a)					
Domestic equity funds	\$ 90.9	\$ 83.5	\$ —	\$ —	\$ 7.4
International equity funds	55.2	55.2	—	—	—
Core bond fund	39.6	39.6	—	—	—
High-yield bond fund	23.0	23.0	—	—	—
Emerging markets bond fund	18.8	18.8	—	—	—
Combination debt/equity/other fund	18.2	18.2	—	—	—
Alternative investments fund	20.2	—	—	—	20.2
Real estate securities fund	12.8	—	—	—	12.8
Cash equivalents	0.4	0.4	—	—	—
Total nuclear decommissioning trust	279.1	238.7	—	—	40.4
Rabbi trust					
Core bond fund	25.3	—	—	—	25.3
Combination debt/equity/other fund	6.3	—	—	—	6.3
Cash equivalents	0.2	0.2	—	—	—
Total rabbi trust	31.8	0.2	—	—	31.6
Total	\$ 310.9	\$ 238.9	\$ —	\$ —	\$ 72.0
Evergy Metro					
Assets					
Nuclear decommissioning trust ^(a)					
Equity securities	\$ 208.0	\$ 208.0	\$ —	\$ —	\$ —
Debt securities					
U.S. Treasury	48.1	48.1	—	—	—
U.S. Agency	0.5	—	0.5	—	—
State and local obligations	3.7	—	3.7	—	—
Corporate bonds	40.9	—	40.9	—	—
Foreign governments	0.1	—	0.1	—	—
Cash equivalents	7.1	7.1	—	—	—
Other	—	—	—	—	—
Total nuclear decommissioning trust	308.4	263.2	45.2	—	—
Self-insured health plan trust ^(b)					
Equity securities	1.1	1.1	—	—	—
Debt securities	8.6	3.2	5.4	—	—
Cash and cash equivalents	3.3	3.3	—	—	—
Total self-insured health plan trust	13.0	7.6	5.4	—	—
Total	\$ 321.4	\$ 270.8	\$ 50.6	\$ —	\$ —
Other Evergy					
Assets					
Rabbi trusts					
Fixed income fund	\$ 13.1	\$ —	\$ —	\$ —	\$ 13.1
Cash and cash equivalents	0.6	0.6	—	—	—
Total rabbi trusts	\$ 13.7	\$ 0.6	\$ —	\$ —	\$ 13.1
Evergy					
Assets					
Nuclear decommissioning trust ^(a)	\$ 587.5	\$ 501.9	\$ 45.2	\$ —	\$ 40.4
Rabbi trusts	45.5	0.8	—	—	44.7
Self-insured health plan trust ^(b)	13.0	7.6	5.4	—	—
Total	\$ 646.0	\$ 510.3	\$ 50.6	\$ —	\$ 85.1

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.

	September 30, 2020		December 31, 2019		September 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	\$ 7.4	\$ 2.5	\$ 7.5	\$ 3.3	(a)	(a)
Alternative investments fund ^(b)	20.2	—	23.9	—	Quarterly	65 days
Real estate securities fund ^(b)	12.8	—	12.6	—	Quarterly	65 days
Total	\$ 40.4	\$ 2.5	\$ 44.0	\$ 3.3		
Rabbi trust:						
Core bond fund	\$ 25.3	\$ —	\$ 25.3	\$ —	(c)	(c)
Combination debt/equity/other fund	6.3	—	6.3	—	(c)	(c)
Total	\$ 31.6	\$ —	\$ 31.6	\$ —		
Other Evergy						
Rabbi trust:						
Fixed income fund	\$ 13.1	\$ —	\$ 13.3	\$ —	(c)	(c)
Total Evergy investments at NAV	\$ 85.1	\$ 2.5	\$ 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 is 15 years, 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 September 30		Year to Date September 30	
	2020	2019	2020	2019
Evergy	(millions)			
Nuclear decommissioning trust - equity securities	\$ 27.5	\$ (0.3)	\$ (8.5)	\$ 50.9
Nuclear decommissioning trust - debt securities	0.1	1.5	5.4	5.9
Rabbi trusts - equity securities	0.8	0.9	1.6	2.4
Total	\$ 28.4	\$ 2.1	\$ (1.5)	\$ 59.2
Evergy Kansas Central				
Nuclear decommissioning trust - equity securities	\$ 16.2	\$ 0.2	\$ 0.2	\$ 26.2
Rabbi trust - equity securities	0.6	0.5	1.1	2.7
Total	\$ 16.8	\$ 0.7	\$ 1.3	\$ 28.9
Evergy Metro				
Nuclear decommissioning trust - equity securities	\$ 11.3	\$ (0.5)	\$ (8.7)	\$ 24.7
Nuclear decommissioning trust - debt securities	0.1	1.5	5.4	5.9
Total	\$ 11.4	\$ 1.0	\$ (3.3)	\$ 30.6

11. 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, regulations, interpretations and actions can also change, restrict or otherwise impact the Evergy Companies' operations or financial results. The failure to comply with these laws, regulations, interpretations and actions could result in the assessment of administrative, civil and criminal penalties and 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.

In October 2020, the EPA issued a proposed rule to modify the CSAPR Update Rule. The proposed rule finds that nine of the states subject to the CSAPR Update Rule, including Kansas and Missouri, do not significantly contribute to downwind states' ability to achieve attainment during the ozone season. Evergy will continue to monitor this proposed rule as any changes to NO_x ozone season allowances in the future could have a material impact on the Evergy Companies' operations and consolidated financial results.

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 October 2020, the EPA published the final ELG reconsideration rule. This rule adjusts numeric limits for flue gas desulfurization (FGD) wastewater and adds a 10% volumetric purge limit for bottom ash transport water. The timeline for final FGD wastewater compliance is now as soon as possible on or after one year following publication of the final rule in the Federal Register but no later than December 31, 2025. The Evergy Companies are in the process of reviewing the 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 August 2020, the EPA published the Part A CCR Rule. This rule 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 un-lined impoundments to initiate closure. In October 2020, the EPA released a pre-publication version of the final Part B CCR Rule. This rule includes a process to allow un-lined impoundments to continue to operate if a demonstration is made to prove that the un-lined impoundments are not adversely impacting groundwater, human health or the environment. 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 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 in 2021. The Evergy Companies expect that the DOE will reimburse 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. 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.

12. 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

Employees of Evergy Kansas Central and Evergy Metro 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. Employees of Evergy Kansas Central manage Jeffrey Energy Center (JEC) and operate its facilities at cost, including Evergy Missouri West's 8% ownership interest in JEC. Employees of Evergy Metro manage La Cygne Station and operate its facilities at cost, including Evergy Kansas Central's 50% interest in La Cygne Station. Employees of Evergy Metro and Evergy Kansas Central 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 September 30		Year to Date September 30	
	2020	2019	2020	2019
	(millions)			
Evergy Kansas Central billings to Evergy Missouri West	\$ 13.1	\$ 4.5	\$ 27.4	\$ 17.2
Evergy Metro billings to Evergy Missouri West	46.5	41.6	121.8	125.8
Evergy Kansas Central billings to Evergy Metro	5.4	9.7	24.9	26.0
Evergy Metro billings to Evergy Kansas Central	26.9	33.0	94.5	108.8

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 September 30, 2020, Evergy Metro had a \$78.0 million outstanding receivable from Evergy Missouri West and no outstanding payables under the money pool. At 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.

	September 30 2020	December 31 2019
Evergy Kansas Central	(millions)	
Net receivable from (payable to) Evergy	\$ (0.2)	\$ 6.9
Net payable to Evergy Metro	(15.4)	(14.9)
Net receivable from Evergy Missouri West	4.5	3.1
Evergy Metro		
Net receivable from (payable to) Evergy	\$ 16.1	\$ (4.3)
Net receivable from Evergy Kansas Central	15.4	14.9
Net receivable from Evergy Missouri West	160.0	78.7

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 September 30, 2020 and December 31, 2019, Evergy Kansas Central had income taxes receivable from Evergy of \$29.3 million and \$37.9 million, respectively. As of September 30, 2020 and December 31, 2019, Evergy Metro had income taxes payable to Evergy of \$0.6 million and \$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 September 30, 2020, Evergy Metro had a right-of-use asset of \$29.1 million, a current lease liability of \$0.7 million and a long-term lease liability of \$28.4 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.

13. TAXES

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

Evergy

	Three Months Ended September 30		Year to Date September 30	
	2020	2019	2020	2019
Current income taxes	(millions)			
Federal	\$ (16.4)	\$ (31.2)	\$ (35.0)	\$ (10.6)
State	(0.4)	(0.8)	(7.7)	(1.6)
Total	(16.8)	(32.0)	(42.7)	(12.2)
Deferred income taxes				
Federal	46.6	75.5	83.4	78.0
State	21.5	23.0	57.7	36.5
Total	68.1	98.5	141.1	114.5
Investment tax credit amortization	(1.3)	(1.0)	(4.6)	(3.1)
Income tax expense	\$ 50.0	\$ 65.5	\$ 93.8	\$ 99.2

Evergy Kansas Central

	Three Months Ended September 30		Year to Date September 30	
	2020	2019	2020	2019
Current income taxes	(millions)			
Federal	\$ (4.6)	\$ 11.2	\$ 7.5	\$ 39.1
State	(6.4)	(1.2)	(13.3)	(2.4)
Total	(11.0)	10.0	(5.8)	36.7
Deferred income taxes				
Federal	17.9	4.6	(10.7)	(9.3)
State	16.6	12.0	169.4	21.1
Total	34.5	16.6	158.7	11.8
Investment tax credit amortization	(1.0)	(0.8)	(3.7)	(2.3)
Income tax expense	\$ 22.5	\$ 25.8	\$ 149.2	\$ 46.2

Evergy Metro

	Three Months Ended September 30		Year to Date September 30	
	2020	2019	2020	2019
Current income taxes	(millions)			
Federal	\$ (8.9)	\$ (2.2)	\$ (8.4)	\$ 32.1
State	9.5	3.9	10.5	9.3
Total	0.6	1.7	2.1	41.4
Deferred income taxes				
Federal	22.2	26.3	38.9	1.4
State	2.6	4.5	(35.1)	1.9
Total	24.8	30.8	3.8	3.3
Investment tax credit amortization	(0.3)	(0.3)	(0.8)	(0.8)
Income tax expense	\$ 25.1	\$ 32.2	\$ 5.1	\$ 43.9

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 September 30		Year to Date September 30	
	2020	2019	2020	2019
Federal statutory income tax rate	21.0 %	21.0 %	21.0 %	21.0 %
Effect of:				
COLI policies	(1.6)	(1.6)	(1.6)	(1.7)
State income taxes	3.5	4.0	3.4	3.9
Flow through depreciation for plant-related differences	(4.9)	(3.1)	(4.8)	(3.2)
Federal tax credits	(4.6)	(3.9)	(4.6)	(3.9)
Non-controlling interest	(0.3)	(0.4)	(0.3)	(0.4)
AFUDC equity	(0.2)	—	(0.3)	—
Amortization of federal investment tax credits	(0.7)	(0.5)	(0.7)	(0.5)
Changes in uncertain tax positions, net	—	(0.4)	—	(0.3)
State tax rate change	—	—	2.0	—
Valuation allowance	(0.4)	—	(0.2)	(1.1)
Stock compensation	—	0.3	(0.1)	0.2
Officer compensation limitation	0.2	0.1	0.2	0.1
Other	—	(0.5)	—	(0.3)
Effective income tax rate	12.0 %	15.0 %	14.0 %	13.8 %

Evergy Kansas Central

	Three Months Ended September 30		Year to Date September 30	
	2020	2019	2020	2019
Federal statutory income tax rate	21.0 %	21.0 %	21.0 %	21.0 %
Effect of:				
COLI policies	(2.9)	(2.8)	(2.9)	(3.0)
State income taxes	2.3	4.4	2.9	4.2
Flow through depreciation for plant-related differences	(0.4)	0.8	(0.2)	0.5
Federal tax credits	(6.8)	(6.2)	(6.8)	(6.1)
Non-controlling interest	(0.7)	(0.8)	(0.6)	(0.8)
AFUDC equity	0.1	(0.1)	(0.4)	(0.1)
Amortization of federal investment tax credits	(1.1)	(0.7)	(1.0)	(0.7)
Changes in uncertain tax positions, net	—	(0.9)	—	(0.5)
State tax rate change	—	—	32.0	—
Valuation allowance	—	—	—	(0.5)
Stock compensation	—	—	(0.1)	(0.1)
Other	—	(1.4)	—	(0.7)
Effective income tax rate	11.5 %	13.3 %	43.9 %	13.2 %

Evergy Metro

	Three Months Ended September 30		Year to Date September 30	
	2020	2019	2020	2019
Federal statutory income tax rate	21.0 %	21.0 %	21.0 %	21.0 %
Effect of:				
COLI policies	(0.2)	(0.1)	(0.2)	(0.1)
State income taxes	5.5	3.6	4.5	3.2
Flow through depreciation for plant-related differences	(9.1)	(6.1)	(9.1)	(6.1)
Federal tax credits	(2.4)	(1.3)	(2.4)	(1.4)
AFUDC equity	(0.5)	—	(0.3)	—
Amortization of federal investment tax credits	(0.4)	(0.3)	(0.4)	(0.3)
State tax rate change	—	—	(11.4)	—
Stock compensation	—	—	(0.4)	—
Officer compensation limitation	0.5	0.3	0.5	0.3
Other	0.1	0.4	—	(0.4)
Effective income tax rate	14.5 %	17.5 %	1.8 %	16.2 %

Tax Reform

In May 2020, the state of Kansas exempted certain public utilities, including Evergy Kansas Central and Evergy Metro, from Kansas corporate income tax beginning in 2021 and authorized 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 the state of Kansas takes effect. In accordance with the provisions of the income tax exemption, 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 remainder 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 2020, Evergy has 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. Year to date September 30, 2020, approximately 40% of Evergy's total revenues came from residential customers and approximately 45% came from commercial and industrial customers, compared with approximately 37% from residential customers and 47% from commercial and industrial customers in 2019. 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 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.

In October 2020, Evergy Metro and Evergy Missouri West entered into a non-unanimous stipulation and agreement with the MPSC staff and other intervenors that would allow Evergy Metro and Evergy Missouri West to defer to a regulatory asset certain net incremental costs incurred associated with the COVID-19 pandemic for consideration in their next rate cases. A decision by the MPSC regarding the non-unanimous stipulation and agreement is expected in January 2021.

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 September 30			Year to Date September 30		
	2020	Change	2019	2020	Change	2019
	(millions, except per share amounts)					
Net income attributable to Evergy, Inc.	\$ 364.5	\$ (2.3)	\$ 366.8	\$ 567.3	\$ (38.7)	\$ 606.0
Earnings per common share, diluted	1.60	0.04	1.56	2.49	—	2.49

Net income attributable to Evergy, Inc. decreased for the three months ended September 30, 2020, compared to the same period in 2019, primarily due to lower retail sales driven by unfavorable weather that were partially offset by an increase in weather-normalized residential demand; partially offset by lower operating and maintenance expenses in 2020; and lower income tax expense primarily due to lower pre-tax income and lower deferred income tax expense on temporary differences due to the change in the Kansas corporate income tax rate.

Diluted EPS increased for the three months ended September 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 \$0.05 for the three months ended September 30, 2020.

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

Diluted EPS was impacted year to date September 30, 2020, compared to the same period in 2019, by a lower number of diluted weighted average common shares outstanding in 2020, which increased EPS by \$0.16 year to date September 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 September 30, 2020, were \$393.3 million or \$1.73 per share and \$641.7 million or \$2.82 per share, respectively. For the three months ended and year to date September 30, 2019, Evergy's adjusted earnings (non-GAAP) and adjusted EPS (non-GAAP) were \$369.8 million or \$1.57 per share and \$621.2 million or \$2.55 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 September 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.	\$ 364.5	\$ 1.60	\$ 366.8	\$ 1.56
Non-GAAP reconciling items:				
Rebranding costs, pre-tax ^(a)	—	—	3.6	0.01
Voluntary severance costs, pre-tax ^(b)	28.7	0.13	0.4	—
Advisor expenses, pre-tax ^(c)	9.7	0.04	—	—
Income tax benefit ^(d)	(9.6)	(0.04)	(1.0)	—
Adjusted earnings (non-GAAP)	\$ 393.3	\$ 1.73	\$ 369.8	\$ 1.57

Year to Date September 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.	\$ 567.3	\$ 2.49	\$ 606.0	\$ 2.49
Non-GAAP reconciling items:				
Rebranding costs, pre-tax ^(a)	—	—	4.7	0.02
Voluntary severance costs, pre-tax ^(b)	55.3	0.24	15.1	0.06
Advisor expenses, pre-tax ^(c)	26.1	0.12	—	—
Income tax benefit ^(d)	(20.8)	(0.09)	(4.6)	(0.02)
Kansas corporate income tax change ^(e)	13.8	0.06	—	—
Adjusted earnings (non-GAAP)	\$ 641.7	\$ 2.82	\$ 621.2	\$ 2.55

^(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.

ENVIRONMENTAL MATTERS

See Note 11 to the consolidated financial statements for information regarding environmental matters.

RELATED PARTY TRANSACTIONS

See Note 12 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 September 30			Year to Date September 30		
	2020	Change	2019	2020	Change	2019
	(millions)					
Operating revenues	\$ 1,517.6	\$ (60.0)	\$ 1,577.6	\$ 3,819.0	\$ (197.2)	\$ 4,016.2
Fuel and purchased power	316.2	(41.1)	357.3	832.5	(146.4)	978.9
SPP network transmission costs	66.1	3.7	62.4	197.8	9.1	188.7
Operating and maintenance	304.6	(7.0)	311.6	865.5	(41.6)	907.1
Depreciation and amortization	218.0	1.9	216.1	658.1	13.0	645.1
Taxes other than income tax	91.0	(0.5)	91.5	274.2	(2.2)	276.4
Income from operations	521.7	(17.0)	538.7	990.9	(29.1)	1,020.0
Other expense, net	(11.3)	3.8	(15.1)	(36.7)	(4.2)	(32.5)
Interest expense	94.8	4.0	90.8	290.5	13.2	277.3
Income tax expense	50.0	(15.5)	65.5	93.8	(5.4)	99.2
Equity in earnings of equity method investees, net of income taxes	1.9	(1.7)	3.6	6.1	(1.8)	7.9
Net income	367.5	(3.4)	370.9	576.0	(42.9)	618.9
Less: Net income attributable to noncontrolling interests	3.0	(1.1)	4.1	8.7	(4.2)	12.9
Net income attributable to Evergy, Inc.	\$ 364.5	\$ (2.3)	\$ 366.8	\$ 567.3	\$ (38.7)	\$ 606.0

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 September 30	Revenues and Expenses			MWhs Sold		
	2020	Change	2019	2020	Change	2019
Retail revenues	(millions)			(thousands)		
Residential	\$ 636.4	\$ (16.6)	\$ 653.0	4,813	(124)	4,937
Commercial	499.5	(39.6)	539.1	4,914	(337)	5,251
Industrial	166.8	(8.5)	175.3	2,273	(99)	2,372
Other retail revenues	9.5	(6.5)	16.0	34	—	34
Total electric retail	1,312.2	(71.2)	1,383.4	12,034	(560)	12,594
Wholesale revenues	85.0	(11.3)	96.3	3,507	(177)	3,684
Transmission revenues	80.7	0.3	80.4	N/A	N/A	N/A
Other revenues	39.7	22.2	17.5	N/A	N/A	N/A
Operating revenues	1,517.6	(60.0)	1,577.6	15,541	(737)	16,278
Fuel and purchased power	(316.2)	41.1	(357.3)			
SPP network transmission costs	(66.1)	(3.7)	(62.4)			
Utility gross margin^(a)	1,135.3	(22.6)	1,157.9			
Operating and maintenance	(304.6)	7.0	(311.6)			
Depreciation and amortization	(218.0)	(1.9)	(216.1)			
Taxes other than income tax	(91.0)	0.5	(91.5)			
Income from operations	\$ 521.7	\$ (17.0)	\$ 538.7			

Year to Date September 30	Revenues and Expenses			MWhs Sold		
	2020	Change	2019	2020	Change	2019
Retail revenues	(millions)			(thousands)		
Residential	\$ 1,515.6	\$ (20.7)	\$ 1,536.3	12,114	(49)	12,163
Commercial	1,272.9	(118.3)	1,391.2	12,974	(1,035)	14,009
Industrial	446.7	(32.2)	478.9	6,171	(357)	6,528
Other retail revenues	29.2	(6.1)	35.3	99	(6)	105
Total electric retail	3,264.4	(177.3)	3,441.7	31,358	(1,447)	32,805
Wholesale revenues	195.8	(55.9)	251.7	10,242	(630)	10,872
Transmission revenues	238.5	5.0	233.5	N/A	N/A	N/A
Other revenues	120.3	31.0	89.3	N/A	N/A	N/A
Operating revenues	3,819.0	(197.2)	4,016.2	41,600	(2,077)	43,677
Fuel and purchased power	(832.5)	146.4	(978.9)			
SPP network transmission costs	(197.8)	(9.1)	(188.7)			
Utility gross margin^(a)	2,788.7	(59.9)	2,848.6			
Operating and maintenance	(865.5)	41.6	(907.1)			
Depreciation and amortization	(658.1)	(13.0)	(645.1)			
Taxes other than income tax	(274.2)	2.2	(276.4)			
Income from operations	\$ 990.9	\$ (29.1)	\$ 1,020.0			

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

Evergy's utility gross margin decreased \$22.6 million for the three months ended September 30, 2020, compared to the same period in 2019, driven by:

- a \$33.3 million decrease primarily due to lower retail sales driven by unfavorable weather (cooling degree days decreased 17%), partially offset by an increase in weather-normalized residential demand; partially offset by

- a \$3.9 million increase in revenue recognized for the Missouri Energy Efficiency Investment Act (MEEIA) earnings opportunity in 2020 related to the achievement of certain customer energy savings levels in the second cycle of Evergy Metro's and Evergy Missouri West's MEEIA programs;
- a \$3.8 million decrease in the amount of revenue deferred in the third quarter of 2020 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 as the amount of revenues deferred in the third quarter of 2019 included revenues collected for costs related to Sibley Station since its retirement from November 2018 to September 2019; and
- a \$3.0 million increase in Evergy Metro's and Evergy Missouri West's MEEIA throughput disincentive in 2020 primarily driven by the cumulative amount of customer energy savings achieved in the second and third cycles of Evergy Metro's and Evergy Missouri West's MEEIA programs.

Evergy's utility gross margin decreased \$59.9 million year to date September 30, 2020, compared to the same period in 2019, driven by:

- a \$64.9 million decrease primarily due to lower retail sales driven by unfavorable weather (cooling degree days decreased 7% and heating degree days decreased 11%) and 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 \$2.3 million decrease related to Evergy Kansas Central's and Evergy Metro's TDC riders in 2020; and
- a \$5.7 million decrease in revenue recognized for the MEEIA earnings opportunity in 2020 related to the achievement of certain customer energy savings levels in the second cycle of Evergy Metro's and Evergy Missouri West's MEEIA programs; partially offset by
- a \$7.0 million increase for recovery of programs costs for energy efficiency programs under MEEIA in 2020, which have a direct offset in operating and maintenance expense; and
- a \$6.0 million increase in Evergy Metro's and Evergy Missouri West's MEEIA throughput disincentive in 2020 primarily driven by the cumulative amount of customer energy savings achieved in the second and third cycles of Evergy Metro's and Evergy Missouri West's MEEIA programs.

Operating and Maintenance

Evergy's operating and maintenance expense decreased \$7.0 million for the three months ended September 30, 2020, compared to the same period in 2019, primarily driven by:

- a \$19.7 million decrease in various administrative and general operating and maintenance expenses primarily driven by a \$7.9 million decrease in credit loss expense primarily due to lower levels of customer disconnections in 2020 at Evergy Metro and a \$7.8 million decrease in labor and employee benefits expense that included lower employee headcount in 2020;
- a \$10.2 million decrease in plant operating and maintenance expense at fossil-fuel generating units primarily due to an \$8.4 million write-off of a regulatory asset for costs incurred during the JEC lease extension in the third quarter of 2019 and lower employee headcount in 2020;
- an \$8.1 million decrease in transmission and distribution operating and maintenance expense primarily due to lower labor expense in 2020 and a \$2.6 million decrease primarily due to the timing of vegetation management projects at Evergy Kansas Central and Evergy Metro in 2020; and
- \$4.7 million of external costs incurred to rebrand the legacy Westar and KCP&L utility brands to Evergy in the third quarter of 2019; partially offset by
- a \$28.0 million increase in voluntary severance expenses at Evergy Kansas Central, Evergy Metro and Evergy Missouri West primarily related to Evergy voluntary exit programs in 2020; and

- \$9.7 million of advisor expenses incurred in the third quarter of 2020 by Evergy associated with strategic planning.

Evergy's operating and maintenance expense decreased \$41.6 million year to date September 30, 2020, compared to the same period in 2019, primarily driven by:

- a \$38.2 million decrease in plant operating and maintenance expense at fossil-fuel generating units primarily due to:
 - a \$23.4 million decrease at Evergy Kansas Central primarily driven by an \$11.2 million decrease from maintenance outages at JEC Unit 2 and La Cygne Unit 2 in the first half of 2019, an \$8.4 million write-off of a regulatory asset for costs incurred during the JEC lease extension in the third quarter of 2019 and lower employee headcount in 2020; and
 - a \$10.8 million decrease at Evergy Metro primarily driven by a \$10.6 million decrease from outages at Hawthorn Station, Iatan Station and La Cygne Unit 2 and lower employee headcount in 2020;
- a \$33.9 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, a \$2.7 million decrease due to the timing of vegetation management projects at Evergy Kansas Central and Evergy Metro in 2020 and lower labor expense in 2020;
- a \$28.9 million decrease in various administrative and general operating and maintenance expenses primarily driven by:
 - a \$12.0 million decrease in labor and employee benefits expense that included lower employee headcount in 2020;
 - a \$6.9 million decrease in credit loss expense primarily due to lower levels of customer disconnections in 2020 at Evergy Metro; 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; and
- \$4.7 million of external costs incurred to rebrand the legacy Westar and KCP&L utility brands to Evergy in 2019; partially offset by
- a \$39.4 million increase in voluntary severance expenses due to a \$32.6 million increase at Evergy Kansas Central, Evergy Metro and Evergy Missouri West related to Evergy voluntary exit programs in 2020 and \$6.8 million of voluntary severance expenses incurred in 2020 by Evergy Kansas Central and Evergy Metro related to Wolf Creek voluntary exit programs;
- \$26.1 million of advisor expenses incurred in 2020 by Evergy associated with strategic planning; and
- a \$7.0 million increase in program costs for energy efficiency programs under MEEIA in 2020, which have a direct offset in revenue.

Depreciation and Amortization

Evergy's depreciation and amortization increased \$1.9 million for the three months ended September 30, 2020, compared to the same period in 2019, primarily driven by capital additions at Evergy Kansas Central.

Evergy's depreciation and amortization increased \$13.0 million year to date September 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 \$3.8 million for the three months ended September 30, 2020, compared to the same period in 2019, primarily driven by a \$4.8 million decrease due to higher Evergy Kansas Central and Evergy Metro equity AFUDC in 2020 primarily due to lower short-term borrowings; partially offset by a \$1.5 million increase due to recording lower Evergy Kansas Central COLI benefits in the third quarter of 2020.

Evergy's other expense, net increased \$4.2 million year to date September 30, 2020, compared to the same period in 2019, primarily driven by:

- a \$7.0 million increase due to recording lower Evergy Kansas Central COLI benefits in 2020;
- a \$3.6 million increase due to lower investment earnings primarily due to a loss from equity investments in 2020; and
- a \$2.8 million increase due to higher Evergy Metro pension non-service costs in 2020; partially offset by
- a \$9.0 million decrease due to higher Evergy Kansas Central and Evergy Metro equity AFUDC in 2020.

Interest Expense

Evergy's interest expense increased \$4.0 million for the three months ended September 30, 2020, compared to the same period in 2019, primarily driven by:

- a \$10.4 million increase due to the issuance of Evergy's \$1.6 billion of senior notes in September 2019;
- a \$4.3 million increase due to the issuance of Evergy Kansas Central's \$500.0 million of 3.45% FMBs in April 2020; and
- a \$3.1 million increase due to the issuance of Evergy Metro's \$400.0 million of 2.25% Mortgage Bonds in May 2020; partially offset by
- a \$13.0 million decrease primarily due to Evergy's borrowings under its \$1.0 billion term loan credit agreement in 2019 and lower commercial paper balances and weighted-average interest rates on short-term borrowings at Evergy Kansas Central and Evergy Metro in 2020.

Evergy's interest expense increased \$13.2 million year to date September 30, 2020, compared to the same period in 2019, primarily driven by:

- a \$35.3 million increase due to the issuance of Evergy's \$1.6 billion of senior notes in September 2019;
- an \$8.2 million increase due to the issuance of Evergy Kansas Central's \$500.0 million of 3.45% FMBs in April 2020;
- a \$6.1 million increase due to the issuance of Evergy Kansas Central's \$300.0 million of 3.25% FMBs in August 2019; and
- a \$3.1 million increase due to the issuance of Evergy Metro's \$400.0 million of 2.25% Mortgage Bonds in May 2020; partially offset by
- a \$26.5 million decrease primarily due to Evergy's borrowings under its \$1.0 billion term loan credit agreement in 2019 and lower commercial paper balances and weighted-average interest rates on short-term borrowings at Evergy Kansas Central and Evergy Metro in 2020;
- a \$9.2 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 \$4.6 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 \$8.5 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 decreased \$15.5 million for the three months ended September 30, 2020, compared to the same period in 2019, primarily driven by a \$5.0 million decrease due to lower Evergy Kansas Central, Evergy Metro and Evergy Missouri West pre-tax income in 2020, a \$3.7 million decrease due to lower deferred income tax expense on temporary differences due to the decrease in the Kansas corporate income tax rate in 2021, a \$3.3 million decrease due to flow-through items primarily driven by higher amortization of excess deferred income taxes and a \$2.6 million decrease due to higher wind and other income tax credits in 2020.

Evergy's income tax expense decreased \$5.4 million year to date September 30, 2020, compared to the same period in 2019, primarily driven by a \$12.7 million decrease due to lower Evergy Kansas Central, Evergy Metro and Evergy Missouri West pre-tax income in 2020, a \$5.4 million decrease due to lower deferred income tax expense on temporary differences due to the decrease in the Kansas corporate income tax rate in 2021, a \$3.8 million decrease due to flow-through items primarily driven by higher amortization of excess deferred income taxes and a \$3.3 million decrease due to higher wind and other income tax credits in 2020; partially offset 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 and a \$7.9 million valuation allowance reversal in 2019 primarily related to alternative minimum tax (AMT) credits and the expiration of certain state net operating loss (NOL) carryforwards.

See Note 13 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 September 30, 2020, Evergy had \$361.6 million of cash and cash equivalents on hand and \$2.3 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 September 30, 2020, Evergy had \$2.3 billion of available borrowing capacity under its master credit facility. The available borrowing capacity under the master credit facility consisted of \$249.3 million for Evergy, Inc., \$981.4 million for Evergy Kansas Central, \$600.0 million for Evergy Metro and \$448.0 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 8 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.

Significant Debt Issuances

See Note 9 to the consolidated financial statements for information regarding significant debt issuances.

Regulatory Authorizations

The following table summarizes the regulatory short-term debt financing authorizations for Evergy Kansas Central, Evergy Kansas South, Evergy Metro and Evergy Missouri West and the remaining amount available under these authorizations as of September 30, 2020.

Type of Authorization	Commission	Expiration Date	Authorization Amount	Available Under Authorization
Evergy Kansas Central & Evergy Kansas South				(in millions)
Short-Term Debt	FERC	December 2020	\$1,250.0	\$1,250.0
Evergy Metro				
Short-Term Debt	FERC	December 2020	\$1,250.0	\$1,250.0
Evergy Missouri West				
Short-Term Debt	FERC	December 2020	\$750.0	\$672.0

In October 2020, Evergy Kansas Central, Evergy Kansas South, Evergy Metro and Evergy Missouri West filed requests with FERC to have outstanding at any one time up to \$1,250.0 million (combined for both Evergy Kansas Central and Evergy Kansas South), \$1,250.0 million and \$750.0 million in short-term debt instruments, respectively, through December 2022. FERC is expected to issue an order regarding this request by November 30, 2020.

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 September 30, 2020, Evergy made pension contributions of \$54.3 million. Evergy expects to make additional pension contributions of \$78.4 million in 2020 to satisfy ERISA funding requirements and KCC and MPSC rate orders, which 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 September 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 8 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 September 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 September 30	2020	2019
	(millions)	
Cash Flows from Operating Activities	\$ 1,421.7	\$ 1,447.3
Cash Flows used in Investing Activities	(1,029.9)	(772.1)
Cash Flows used in Financing Activities	(53.4)	(785.4)

Cash Flows from Operating Activities

Evergy's cash flows from operating activities decreased \$25.6 million year to date September 30, 2020, compared to the same period in 2019, primarily driven by:

- a \$102.0 million decrease in cash receipts for retail electric sales in 2020 primarily driven by lower sales as a result of unfavorable weather and 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 \$27.0 million increase in interest payments in 2020 primarily due to payments made in March and September of 2020 on Evergy's \$1.6 billion of senior notes issued in September 2019; and
- \$19.9 million in cash payments to advisors associated with strategic planning; partially offset by
- a \$64.3 million one-time refund made to certain Evergy Metro and Evergy Missouri West customers in 2019 reflecting customer benefits associated with the Tax Cuts and Jobs Act; and
- a \$60.7 million increase in cash receipts for net tax refunds in 2020 primarily driven by a \$57.2 million increase in refunds related to federal AMT credits.

Cash Flows used in Investing Activities

Evergy's cash flows used in investing activities increased \$257.8 million year to date September 30, 2020, compared to the same period in 2019, primarily driven by:

- a \$209.0 million increase in additions to property, plant and equipment due to increases at Evergy Kansas Central, Evergy Metro and Evergy Missouri West of \$75.8 million, \$71.9 million and \$61.3 million, respectively, primarily due to increased spending for a variety of capital projects including transmission infrastructure additions, customer meters and a customer billing system; and
- a decrease of \$38.5 million in proceeds from COLI investments, primarily from Evergy Kansas Central due to a higher number of policy settlements in 2019.

Cash Flows used in Financing Activities

Evergy's cash flows used in financing activities decreased \$732.0 million year to date September 30, 2020, compared to the same period in 2019, primarily driven by:

- \$1,628.7 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;
- a \$69.8 million payment for the settlement of an interest rate swap accounted for as a cash flow hedge of Evergy's \$800.0 million of 2.90% Senior Notes issued in September 2019; and
- a \$24.9 million decrease in the repayment of borrowings against cash surrender value of corporate-owned life insurance primarily due to a higher number of policy settlements in 2019; partially offset by
- a \$1,484.7 million decrease in proceeds from long-term debt, net primarily due to Evergy's issuance of \$800.0 million of 2.45% Senior Notes and \$800.0 million of 2.90% Senior Notes in September 2019.

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 September 30	2020	Change	2019
		(millions)	
Operating revenues	\$ 1,864.5	\$ (66.8)	\$ 1,931.3
Fuel and purchased power	329.9	(45.4)	375.3
SPP network transmission costs	197.8	9.1	188.7
Operating and maintenance	376.3	(20.1)	396.4
Depreciation and amortization	339.0	7.7	331.3
Taxes other than income tax	145.1	(0.2)	145.3
Income from operations	476.4	(17.9)	494.3
Other expense, net	(12.2)	1.7	(13.9)
Interest expense	127.7	(6.4)	134.1
Income tax expense	149.2	103.0	46.2
Equity in earnings of equity method investees, net of income taxes	3.4	(0.2)	3.6
Net income	190.7	(113.0)	303.7
Less: Net income attributable to noncontrolling interests	8.7	(4.2)	12.9
Net income attributable to Evergy Kansas Central, Inc.	\$ 182.0	\$ (108.8)	\$ 290.8

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 September 30	Revenues and Expenses			MWhs Sold		
	2020	Change	2019	2020	Change	2019
Retail revenues		(millions)			(thousands)	
Residential	\$ 627.5	\$ (12.9)	\$ 640.4	5,110	7	5,103
Commercial	511.0	(45.4)	556.4	5,266	(407)	5,673
Industrial	284.6	(23.9)	308.5	3,911	(375)	4,286
Other retail revenues	13.3	(2.5)	15.8	31	(4)	35
Total electric retail	1,436.4	(84.7)	1,521.1	14,318	(779)	15,097
Wholesale revenues	168.1	(14.4)	182.5	5,775	184	5,591
Transmission revenues	215.2	9.7	205.5	N/A	N/A	N/A
Other revenues	44.8	22.6	22.2	N/A	N/A	N/A
Operating revenues	1,864.5	(66.8)	1,931.3	20,093	(595)	20,688
Fuel and purchased power	(329.9)	45.4	(375.3)			
SPP network transmission costs	(197.8)	(9.1)	(188.7)			
Utility gross margin ^(a)	1,336.8	(30.5)	1,367.3			
Operating and maintenance	(376.3)	20.1	(396.4)			
Depreciation and amortization	(339.0)	(7.7)	(331.3)			
Taxes other than income tax	(145.1)	0.2	(145.3)			
Income from operations	\$ 476.4	\$ (17.9)	\$ 494.3			

^(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 \$30.5 million year to date September 30, 2020, compared to the same period in 2019, driven by:

- a \$24.8 million decrease primarily due to lower retail sales driven by unfavorable weather (cooling degree days decreased 6% and heating degree days decreased 10%) and 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
- a \$5.7 million decrease related to Evergy Kansas Central's TDC rider in 2020.

Evergy Kansas Central Operating and Maintenance

Evergy Kansas Central's operating and maintenance expense decreased \$20.1 million year to date September 30, 2020, compared to the same period in 2019, primarily driven by:

- a \$23.4 million decrease in plant operating and maintenance expense at fossil-fuel generating units primarily due to an \$11.2 million decrease from maintenance outages at JEC Unit 2 and La Cygne Unit 2 in the first half of 2019, an \$8.4 million write-off of a regulatory asset for costs incurred during the JEC lease extension in the third quarter of 2019 and lower employee headcount in 2020;
- an \$11.9 million decrease in various administrative and general operating and maintenance expenses primarily driven by an \$11.6 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; and
- a \$9.1 million decrease in transmission and distribution operating and maintenance expense primarily due to lower labor expense in 2020; partially offset by
- an \$18.9 million increase in voluntary severance expenses due to a \$15.5 million increase related to Evergy voluntary exit programs in 2020 and \$3.4 million of voluntary severance expenses incurred in 2020 related to Wolf Creek voluntary exit programs.

Evergy Kansas Central Depreciation and Amortization

Evergy Kansas Central's depreciation and amortization expense increased \$7.7 million year to date September 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 \$6.4 million year to date September 30, 2020, compared to the same period in 2019, primarily driven by:

- a \$10.1 million decrease due to lower commercial paper balances and weighted-average interest rates on short-term borrowings in 2020; and
- a \$9.2 million decrease due to the repayment of Evergy Kansas South's \$300.0 million of 6.70% FMBs at maturity in June 2019; partially offset by
- an \$8.2 million increase due to the issuance of Evergy Kansas Central's \$500.0 million of 3.45% FMBs in April 2020; and
- a \$6.1 million increase due to the issuance of Evergy Kansas Central's \$300.0 million of 3.25% FMBs in August 2019.

Evergy Kansas Central Income Tax Expense

Evergy Kansas Central's income tax expense increased \$103.0 million year to date September 30, 2020, compared to the same period in 2019, primarily driven by a \$109.0 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, partially offset by a \$3.9 million decrease due to lower deferred income tax expense on temporary differences due to the decrease in the Kansas corporate income tax rate in 2021 and a \$2.7 million decrease due to lower pre-tax income in 2020.

See Note 13 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 September 30	2020	Change	2019
		(millions)	
Operating revenues	\$ 1,328.3	\$ (102.9)	\$ 1,431.2
Fuel and purchased power	306.0	(74.4)	380.4
Operating and maintenance	305.7	(35.5)	341.2
Depreciation and amortization	243.6	4.6	239.0
Taxes other than income tax	92.4	(3.9)	96.3
Income from operations	380.6	6.3	374.3
Other expense, net	(13.8)	(2.3)	(11.5)
Interest expense	85.5	(6.1)	91.6
Income tax expense	5.1	(38.8)	43.9
Net income	\$ 276.2	\$ 48.9	\$ 227.3

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 September 30	Revenues and Expenses			MWhs Sold		
	2020	Change	2019	2020	Change	2019
Retail revenues		(millions)			(thousands)	
Residential	\$ 572.2	\$ (3.3)	\$ 575.5	4,249	(12)	4,261
Commercial	558.1	(55.4)	613.5	5,360	(468)	5,828
Industrial	99.6	(7.1)	106.7	1,279	(24)	1,303
Other retail revenues	8.9	(3.4)	12.3	54	(3)	57
Total electric retail	1,238.8	(69.2)	1,308.0	10,942	(507)	11,449
Wholesale revenues	16.7	(38.0)	54.7	3,690	(995)	4,685
Transmission revenues	10.4	(3.6)	14.0	N/A	N/A	N/A
Other revenues	62.4	7.9	54.5	N/A	N/A	N/A
Operating revenues	1,328.3	(102.9)	1,431.2	14,632	(1,502)	16,134
Fuel and purchased power	(306.0)	74.4	(380.4)			
Utility gross margin ^(a)	1,022.3	(28.5)	1,050.8			
Operating and maintenance	(305.7)	35.5	(341.2)			
Depreciation and amortization	(243.6)	(4.6)	(239.0)			
Taxes other than income tax	(92.4)	3.9	(96.3)			
Income from operations	\$ 380.6	\$ 6.3	\$ 374.3			

^(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 \$28.5 million year to date September 30, 2020, compared to the same period in 2019, driven by:

- a \$31.3 million decrease primarily due to lower retail sales driven by unfavorable weather (cooling degree days decreased 7% and heating degree days decreased 12%) and 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; and
- a \$3.8 million decrease in revenue recognized for the MEEIA earnings opportunity in 2020 related to the achievement of certain customer energy savings levels in the second cycle of Evergy Metro's MEEIA program; partially offset by
- a \$3.4 million increase in MEEIA throughput disincentive in 2020 primarily driven by the cumulative amount of customer energy savings achieved in the second and third cycles of Evergy Metro's MEEIA program; and
- a \$3.2 million increase for recovery of programs costs for energy efficiency programs under MEEIA, which have a direct offset in operating and maintenance expense.

Evergy Metro Operating and Maintenance

Evergy Metro's operating and maintenance expense decreased \$35.5 million year to date September 30, 2020, compared to the same period in 2019, primarily driven by:

- a \$23.1 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, a \$3.1 million decrease due to the timing of vegetation management projects in 2020 and lower labor expense in 2020;
- an \$11.0 million decrease in various administrative and general operating and maintenance expenses primarily due to a \$6.2 million decrease in credit loss expense due to lower levels of customer disconnections in 2020 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; and

- a \$10.8 million decrease in plant operating and maintenance expense at fossil-fuel generating units primarily driven by a \$10.6 million decrease primarily due from outages at Hawthorn Station, Iatan Station and La Cygne Unit 2 and lower employee headcount in 2020; partially offset by
- a \$15.3 million increase in voluntary severance expenses due to an \$11.9 million increase related to Evergy voluntary exit programs in 2020 and \$3.4 million of voluntary severance expenses incurred in 2020 related to Wolf Creek voluntary exit programs; and
- a \$3.2 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 \$4.6 million year to date September 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 \$2.3 million year to date September 30, 2020, compared to the same period in 2019, primarily driven by:

- a \$4.4 million increase in pension non-service costs in 2020; partially offset by
- a \$3.2 million increase in equity AFUDC in 2020 primarily due to lower short-term borrowings.

Evergy Metro Interest Expense

Evergy Metro's interest expense decreased \$6.1 million year to date September 30, 2020, compared to the same period in 2019, primarily driven by:

- a \$4.6 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 \$8.5 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 \$2.9 million decrease due to lower commercial paper balances and weighted-average interest rates on short-term borrowings in 2020; partially offset by
- a \$3.1 million increase due to the issuance of Evergy Metro's \$400.0 million of 2.25% Mortgage Bonds in May 2020.

Evergy Metro Income Tax Expense

Evergy Metro's income tax expense decreased \$38.8 million year to date September 30, 2020, compared to the same period in 2019, primarily driven by a \$32.2 million net decrease 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 and a \$6.2 million decrease due to flow-through items primarily driven by higher amortization of excess deferred income taxes; partially offset by a \$2.6 million increase due to higher pre-tax income in 2020.

See Note 13 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

There has been no change in Evergy's internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act) that occurred during the quarterly period ended September 30, 2020, that has materially affected, or is reasonably likely to materially affect, its internal control over financial reporting.

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

There has been no change in Evergy Kansas Central's internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act) that occurred during the quarterly period ended September 30, 2020, that has materially affected, or is reasonably likely to materially affect, its internal control over financial reporting.

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

There has been no change in Evergy Metro's internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act) that occurred during the quarterly period ended September 30, 2020, that has materially affected, or is reasonably likely to materially affect, its internal control over financial reporting

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 11 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. In October 2020, Evergy Metro and Evergy Missouri West entered into a non-unanimous stipulation and agreement with the MPSC staff and other intervenors that would allow Evergy Metro and Evergy Missouri West to defer to a regulatory asset certain net incremental costs incurred associated with the COVID-19 pandemic for consideration in their next rate cases. A

decision by the MPSC regarding the non-unanimous stipulation and agreement is expected in January 2021. 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 as a result of decreases 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 NOLs, tax credits 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

None.

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>
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

* 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.

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: November 4, 2020

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

EVERGY KANSAS CENTRAL, INC.

Dated: November 4, 2020

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

EVERGY METRO, INC.

Dated: November 4, 2020

By: /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, 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: November 4, 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: November 4, 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: November 4, 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: November 4, 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: November 4, 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: November 4, 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 September 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: November 4, 2020

/s/Anthony D. Somma

Name: Anthony D. Somma
Title: Executive Vice President and Chief Financial Officer
Date: November 4, 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 September 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: November 4, 2020

/s/ Anthony D. Somma

Name: Anthony D. Somma
Title: Executive Vice President and Chief Financial Officer
Date: November 4, 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 September 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: November 4, 2020

/s/ Anthony D. Somma

Name: Anthony D. Somma
Title: Executive Vice President and Chief Financial Officer
Date: November 4, 2020