



# Informational Briefing of COVID-19 Pandemic Impacts on Evergy

SPECIAL LEGISLATIVE COMMITTEE ON  
ECONOMIC RECOVERY

*August 13, 2020*

*Eric Ervin*



# Economic Impact & Timing

*COVID-19 had less impact on sales as the quarter progressed*



- Evergy expects a decline in weather normalized sales in 2020 due to COVID-19.
- Evergy expects a slow, steady recovery in the third and fourth quarters.

**Second quarter 2020 weather adjusted total retail sales were ~7% lower compared to second quarter 2019**

- + Residential sales were 5% higher
- Commercial sales were 13% lower
- Industrial sales were 12% lower



## Economic Impact & Timing – Continued

- Commercial industrial sales declined, reached a trough in April and started to improve in May and June, all the while being partially offset by increased residential usage driven by folks staying at home.
- These trends are consistent with what we observed as businesses started to reopen throughout the quarter.
- For the second quarter, residential sales were up about 5%, while commercial and industrial sales declined 13% and 12%, respectively.



# Response to Government Actions

- Employees and contractors are:
  - Self-reporting any travel outside the Evergy service territory through a Pandemic Travel Questionnaire
  - Self-quarantining for 14 days when arriving back in Kansas for those who have traveled to KDHE “high-risk” locations
- Work From Home (WFH)
  - With the immediacy of stay-at-home orders, Evergy adapted quickly to equip those employees whose job functions allowed WFH.
  - Network and security tools are in place to provide the visibility and control necessary to enable secure remote work.
  - Security awareness training was tailored to account for the new WFH model and associated risks.



# Response to Government Actions - Continued

- Evergy adapted cleaning procedures, materials and staffing protocols as guidance evolved from the CDC.
- Evergy's operation's workforce implemented rotational shifts, which proved to be very beneficial considering the potential spread of COVID-19 through our essential personnel.
- In the beginning phases there was a shortage of Personal Protective Equipment (PPE) such as masks, gloves, etc., and critical supplies such as hand sanitizer and cleaning supplies. This was mitigated with the assistance of information sharing for more localized suppliers.
- With the need to perform temperature testing as a mitigation measure before allowing entry into critical facilities and the need for proper medical guidance, the necessary equipment for contactless testing was acquired, new processes were established, and associated training was established.
- The need for case management and contact tracing solutions required HR, Legal, IT, and Safety/Medical to establish processes to perform these functions to slow the spread within the company itself.

# Return to Workplace Dashboard *Internal Factors*<sup>1</sup>

<b>Confirmed Cases</b>		<b>Recovered</b>		<b>Deaths</b>		<b>Quarantined</b>	
Employees	Contractors	Employees	Contractors	Employees	Contractors	Employees	Contractors
26 +5 (24%)	4 +0 (0%)	17 +1 (6%)	2 +0 (0%)	0 +0 (0%)	0 +0 (0%)	43 -9 (-17%)	4 -1 (-17%)
<b>Actively Tracking</b>		<b>Training Completed</b>		<b>Working Remotely<sup>2</sup></b>		<b>Accommodated</b>	
Employees	Contractors	Employees	Contractors	2,089 -48 (-2%)		109 +0 (0%)	
40 -7 (-15%)	4 -1 (-33%)	5,160 +0 (0%)	372 +0 (0%)				

●	<b>Phase 1: June 1-21</b> Rotating Generation Ops and Maintenance
●	<b>Phase 2: June 15-28</b> Service Centers and Wolf Creek
●	<b>Phase 3: Early 2021</b> Service Centers, Evergy Connect, Wolf Creek
●	<b>Phase 4: Early 2021</b> HQ, Customer Service, Large Energy Centers

**News and Updates**

- 5 new confirmed employee cases since last week; just one of those in Kansas
- Partnering with Facilities and IT to enable business necessity in-person meetings between now and Phase 4

●	Completed	●	In Progress	●	Not Started
---	-----------	---	-------------	---	-------------

<sup>6</sup>  
 1. Contractor figures indicate contingent labor only.  
 2. Figure comes from previous 10 business days of employee remote login data.



# Tax and Regulatory Implications

- Evergy just supported legislation that allowed us to reduce customer bills through the tax policy changes in HB2585. Any changes to tax policy can have a dramatic and direct impact on our company and our customers.
- HB2585 exempted Kansas utilities from Kansas state income taxes. Evergy is working with the KCC to pass those savings on to our customers starting in January 2021.
- Any new taxes or increases in existing taxes would impact utilities in the short term and would ultimately be passed on to our customers, many of whom are already struggling to pay their bills.
- Evergy would be concerned with any policy implementing new taxes on our customers while we are working through the process required to pass on to consumers the savings from current tax relief legislation.



# Customer Bill Assistance

- Evergy is working closely and collaboratively with regulators to ensure we are representing all stakeholders as we adapt to dealing with the impacts of COVID-19.
  - Evergy **suspended disconnects** through mid-July and will continue to waive late fees for our customers in both Kansas and Missouri.
  - Evergy is advocating for additional **LIHEAP funds** and an application period that would open before December. Customers are struggling now to meet bill payments.
  - Evergy pledged \$2.2 million to COVID-19 relief efforts, including:
    - **Emergency grants** to help non-profit agencies
    - A Hometown Economic Recovery Program, offering **grants to non-profits** ranging in amounts from \$5,000 to \$25,000. Applications for phase two begin August 15 until October 1.
    - A total of **\$1 million to assist customers with energy payments**. We've expanded flexible pay arrangements for residential and small business customers and other programs that assist customers with energy payments.





# Questions