

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

FORM 10-K

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

For the fiscal year ended **December 31, 2022**

or

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

For the transition period from _____ to _____



**Exact name of registrant as specified in its charter,
 state of incorporation, address of principal
 executive offices and telephone number**

**Commission
 File 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:**

Title of each class

Trading Symbol(s)

**Name of each exchange on
 which registered**

Evergy, Inc. common stock

EVRG

The Nasdaq Stock Market LLC

Securities registered pursuant to Section 12(g) of the Act: Evergy Kansas Central, Inc. Common Stock \$0.01 par value and Evergy Metro, Inc. Common Stock without par value.

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Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

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

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the 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"/>

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"/>

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

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

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 provided 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"/>

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

Evergy, Inc. Yes No

Evergy Kansas Central, Inc. Yes No

Evergy Metro, Inc. Yes No

The aggregate market value of the voting and non-voting common equity held by non-affiliates of Evergy, Inc. (based on the closing price of its common stock on the New York Stock Exchange on June 30, 2022) was approximately \$14,786,156,340. All of the common equity of Evergy Kansas Central, Inc. and Evergy Metro, Inc. is held by Evergy, Inc.

On February 17, 2023, Evergy, Inc. had 229,568,060 shares of common stock outstanding.

On February 17, 2023, Evergy Kansas Central, Inc. and Evergy Metro, 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 (I)(1)(a) and (b) of Form 10-K and are therefore filing this Form 10-K with the reduced disclosure format.

Documents Incorporated by Reference

Portions of the 2023 annual meeting proxy statement of Evergy, Inc. to be filed with the Securities and Exchange Commission are incorporated by reference in Part III of this report.

This combined annual report on Form 10-K 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.

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CAUTIONARY STATEMENTS REGARDING CERTAIN FORWARD-LOOKING INFORMATION

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

In connection with the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, 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 and natural gas in wholesale markets; market perception of the energy industry and the Evergy Companies; the impact of the Coronavirus (COVID-19) pandemic on, among other things, sales, results of operations, financial condition, liquidity and cash flows, and also on operational issues, such as supply chain issues and the availability and ability of the Evergy Companies' employees and suppliers to perform the functions that are necessary to operate the Evergy Companies; changes in the energy trading markets in which the Evergy Companies participate, including retroactive repricing of transactions by regional transmission organizations (RTO) and independent system operators; financial market conditions and performance, including changes in interest rates and credit spreads and in availability and cost of capital and the effects on derivatives and hedges, nuclear decommissioning trust and pension plan assets and costs; impairments of long-lived assets or goodwill; credit ratings; inflation rates; the transition to a replacement for the London Interbank Offered Rate (LIBOR) benchmark interest rate; effectiveness of risk management policies and procedures and the ability of counterparties to satisfy their contractual commitments; impact of physical and cybersecurity breaches, criminal activity, terrorist attacks, acts of war and other disruptions to the Evergy Companies' facilities or information technology infrastructure or the facilities and infrastructure of third-party service providers on which the Evergy Companies rely; impact of the Russian, Ukrainian conflict on the global energy market, ability to carry out marketing and sales plans; cost, availability, quality and timely provision of equipment, supplies, labor and fuel; ability to achieve generation goals and the occurrence and duration of planned and unplanned generation outages; delays and cost increases of generation, transmission, distribution or other projects; the Evergy Companies' ability to manage their transmission and distribution development plans and transmission joint ventures; the inherent risks associated with the ownership and operation of a nuclear facility, including environmental, health, safety, regulatory and financial risks; workforce risks, including those related to the Evergy Companies' ability to attract and retain qualified personnel, maintain satisfactory relationships with their labor unions and manage costs of, or changes in, wages, retirement, health care and other benefits; disruption, costs and uncertainties caused by or related to the actions of individuals or entities, such as activist shareholders or special interest groups, that seek to influence Evergy's strategic plan, financial results or operations; the impact of changing expectations and demands of the Evergy Companies' customers, regulators, investors and stakeholders, including heightened emphasis on environmental, social and governance concerns; the possibility that strategic initiatives, including mergers, acquisitions and divestitures, and long-term financial plans, may not create the value that they are expected to achieve in a timely manner or at all; difficulties in maintaining relationships with customers, employees, regulators or suppliers; and other risks and uncertainties.

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

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, <http://investors.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 section of their website, <http://investors.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 the Evergy Companies' 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
AOCI	Accumulated other comprehensive income
AROs	Asset retirement obligations
BSER	Best system of emission reduction
CAA	Clean Air Act
CCRs	Coal combustion residuals
CO₂	Carbon dioxide
COLI	Corporate-owned life insurance
COVID-19	Coronavirus
CPP	Clean Power Plan
CSAPR	Cross-State Air Pollution
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
February 2021 winter weather event	Significant winter weather event in February 2021 that resulted in extremely cold temperatures over a multi-day period across much of the central and southern United States
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
KDHE	Kansas Department of Health & Environment

<u>Abbreviation or Acronym</u>	<u>Definition</u>
kV	Kilovolt
MDNR	Missouri Department of Natural Resources
MECG	Midwest Energy Consumers Group
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
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
SIP	State implementation plan
SPP	Southwest Power Pool, Inc.
TDC	Transmission delivery charge
Term Loan Facility	Term Loan Credit Agreement
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

ITEM 1. BUSINESS

General

Evergy, Inc., Evergy Kansas Central, Inc. and Evergy Metro, Inc. are separate registrants filing this combined annual report on Form 10-K. 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.

Information in other Items of this report as to which reference is made in this Item 1 is hereby incorporated by reference in this Item 1. The use of terms such as "see" or "refer to" shall be deemed to incorporate into this Item 1 the information to which such reference is made.

EVERGY, INC.

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 kilovolt (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. The Evergy Companies assess financial performance and allocate resources on a consolidated basis (i.e., operate in one segment). Evergy serves approximately 1,652,200 customers located in Kansas and Missouri. Customers include approximately 1,444,900 residences, 199,500 commercial firms and 7,800 industrials, municipalities and other electric utilities. Evergy is significantly impacted by seasonality with approximately one-third of its retail revenues recorded in the third quarter.

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Evergy expects to continue operating its integrated utilities within the currently existing regulatory frameworks and is focused on empowering a better future for its customers, communities, employees and shareholders. The core tenets of Evergy's strategy are as follows:

- **Affordability** – operating the business cost-effectively and investing in technology and infrastructure to keep rates affordable and improve regional rate competitiveness; mitigating fuel and purchased power volatility by investing in a diverse generation fleet;
- **Reliability** – targeting transmission and distribution infrastructure investment to support reliability, flexibility, public safety, and resiliency; deploying new technology to improve preventive maintenance and customer restoration times; and
- **Sustainability** - investing at sustainable capital expenditure levels to maintain reliability and customer affordability for the long-term and balancing clean energy investment to continue fuel diversification and enable a responsible generation portfolio transition.

See Item 7, Management's Discussion and Analysis of Financial Operations (MD&A) - Executive Summary – Strategy, for additional information.

The table below summarizes the percentage of Evergy's revenues by customer classification.

	2022	2021	2020
Residential	37%	34%	39%
Commercial	32%	30%	33%
Industrial	12%	11%	12%
Wholesale	9%	13%	5%
Transmission	6%	6%	6%
Other	4%	6%	5%
Total	100%	100%	100%

The table below summarizes the percentage of Evergy's retail electricity sales by customer class.

	2022	2021	2020
Residential	38%	37%	38%
Commercial	42%	42%	42%
Industrial	20%	21%	20%
Total	100%	100%	100%

Regulation

Evergy Kansas Central's and Evergy Metro's Kansas operations are regulated by the State Corporation Commission of the State of Kansas (KCC) and Evergy Metro's Missouri operations and Evergy Missouri West are regulated by the Public Service Commission of the State of Missouri (MPSC), in each case with respect to retail rates, certain accounting matters, standards of service and, in certain cases, the issuance of securities, certification of facilities and service territories. The Evergy Companies are also subject to regulation by the Federal Energy Regulatory Commission (FERC) with respect to transmission, wholesale sales and rates, the issuance of securities in certain cases and other matters. Evergy has an indirect 94% ownership interest in Wolf Creek Generating Station (Wolf Creek), which is subject to regulation by the Nuclear Regulatory Commission (NRC) with respect to licensing, operations and safety-related requirements.

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The table below summarizes the rate orders in effect for Evergy Kansas Central's, Evergy Metro's and Evergy Missouri West's retail rate jurisdictions.

	Regulator	Allowed Return on Equity	Rate-Making Equity Ratio	Effective Date
Evergy Kansas Central ^(a)	KCC	9.3%	51.46%	September 2018
Evergy Metro - Kansas	KCC	9.3%	49.09%	December 2018
Evergy Metro - Missouri	MPSC	(b)	(b)	January 2023
Evergy Missouri West	MPSC	(b)	(b)	January 2023

^(a) The KCC establishes rates for Evergy Kansas Central and Evergy Kansas South on a consolidated basis.

^(b) Evergy Metro's and Evergy Missouri West's current MPSC rate orders do not contain an allowed return on equity or rate-making equity ratio.

Evergy expects its 2023 Kansas and Missouri jurisdictional retail revenues to be approximately 60% and 40%, respectively, based on historical averages of Evergy Kansas Central's, Evergy Metro's and Evergy Missouri West's total retail revenues.

See Item 7, MD&A, Critical Accounting Policies section, and Note 4 to the consolidated financial statements for additional information concerning regulatory matters.

Competition

Missouri and Kansas continue to operate on the fully integrated and regulated retail utility model. As a result, the Evergy Companies do not compete with others to supply and deliver electricity in their franchised service territories in exchange for agreeing to have their terms of service regulated by state regulatory bodies. If Missouri or Kansas were to pass and implement legislation authorizing or mandating retail choice, Evergy may no longer be able to apply regulated utility accounting principles to deregulated portions of its operations, which may require a surcharge to recover certain costs from legacy customers or could lead to a write-off of certain regulatory assets and liabilities.

Evergy competes in the wholesale market to sell power in circumstances when the power it generates is not required for retail customers in its service territory. This competition primarily occurs within the SPP Integrated Marketplace, in which Evergy Kansas Central, Evergy Metro and Evergy Missouri West are participants. This marketplace determines which generating units among market participants should run, within the operating constraints of a unit, at any given time for maximum regional cost-effectiveness.

The SPP Integrated Marketplace is similar to other RTO or Independent System Operator (ISO) markets currently operating in other regions of the United States.

Power Supply

Evergy has approximately 15,400 megawatts (MWs) of owned generating capacity and renewable power purchase agreements. Evergy's owned generation and power purchases from others, as a percentage of total megawatt hours (MWhs) generated and purchased, was approximately 70% and 30%, respectively, over the last three years. Evergy purchases power to meet its customers' needs, to satisfy firm power commitments or to meet renewable energy standards. Management believes Evergy will be able to meet its future power purchase needs due to the coordination of planning and operations in the SPP region and existing power purchase agreements; however, price and availability of power purchases may be impacted during periods of high demand or reduced supply.

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Evergy's total capacity by fuel type, including both owned generating capacity and power purchase agreements, is detailed in the table below.

Fuel Type	Estimated 2023 MW Capacity	Percent of Total Capacity
Coal	5,916	38 %
Wind ^(a)	4,326	28
Natural gas and oil	3,998	26
Uranium	1,106	7
Solar, landfill gas and hydroelectric ^(b)	78	1
Total capacity	15,424	100 %

^(a) MWs are based on nameplate capacity of the wind facility. Includes owned generating capacity of 579 MWs and long-term power purchase agreements of approximately 3,747 MWs of wind generation that expire from 2028 through 2048. See Item 2, Properties, for additional information.

^(b) Includes a long-term power purchase agreement for approximately 66 MWs of hydroelectric generation that expires in 2023.

Evergy's projected peak summer demand for 2023 is approximately 10,200 MWs. Evergy expects to meet its projected capacity requirements for 2023 with its existing generation assets and power purchases. See "Transitioning Evergy's Generation Fleet" below for further information regarding Evergy's long-term strategy with regards to its generating assets and power purchases.

Evergy Kansas Central, Evergy Metro and Evergy Missouri West are members of the SPP. The SPP is a FERC-approved RTO with the responsibility to ensure reliable power supply, adequate transmission infrastructure and competitive wholesale electricity prices in the region. As SPP members, Evergy Kansas Central, Evergy Metro and Evergy Missouri West are required to maintain a minimum reserve margin of 15%. This net positive supply of capacity is maintained through generation asset ownership, capacity agreements, power purchase agreements and peak demand reduction programs. The reserve margin is designed to support reliability of the region's electric supply.

Environmental Matters

The Evergy Companies are subject to extensive and evolving federal, state and local environmental laws, regulations and permit requirements relating to air and water quality, waste management and hazardous substance disposal, protected natural resources (such as wetlands, endangered species and other protected wildlife) and health and safety. For example, Evergy Kansas Central, Evergy Metro and Evergy Missouri West combust large amounts of fossil fuels in the production of electricity, which results in significant emissions of carbon dioxide (CO₂) and other greenhouse gases (GHG). Federal legislation regulates the emission of GHGs and numerous states and regions have adopted programs to stabilize or reduce GHG emissions. The Environmental Protection Agency (EPA), the Kansas Department of Health and Environment (KDHE) and the Missouri Department of Natural Resources (MDNR) regulate emissions under the Clean Air Act (CAA), water under the Clean Water Act (CWA) and waste management under the Resource Conservation and Recovery Act (RCRA), among other laws and regulations. See Note 15 to the consolidated financial statements for additional information. There have been, and management believes there will continue to be, policy, legal and regulatory efforts to influence climate change, such as efforts to reduce GHG emissions, impose a tax on emissions and create incentives for low-carbon generation and energy efficiency. These efforts, and climate change itself, have the potential to adversely affect the Evergy Companies' results of operations, financial position and cash flows. See Part I, Item 1A, Risk Factors, for additional information.

The Evergy Companies have taken, and will continue to take, proactive measures to mitigate the impact of climate change on its businesses. For example, the Evergy Companies regularly conduct preparedness exercises for a variety of disruptive events, including storms, which may become more frequent or intense due to climate change. In addition, the Evergy Companies have invested, and will continue to invest, in grid resiliency. Much of the Evergy Companies' infrastructure is aged, and grid resiliency efforts include building additional transmission and distribution lines,

replacing aged infrastructure and proactively managing the vegetation that can damage systems

during severe weather. The Evergy Companies also monitor water conditions at their generating facilities and focus on water conservation at these facilities to address resource depletion.

Transitioning Evergy's Generation Fleet

The Evergy Companies are committed to a long-term strategy to reduce CO₂ emissions in a cost-effective and reliable manner. In 2022, Evergy achieved a reduction of CO₂ emissions by nearly half from 2005 levels. Evergy has a goal to achieve net-zero CO₂ emissions by 2045 with an interim goal of a 70% reduction of CO₂ emissions from 2005 levels by 2030. The trajectory and timing of reaching the net-zero goal are dependent on many external factors, including enabling technology developments, the reliability of the power grid, availability of transmission capacity, supportive energy policies and regulations, and other factors. See "Cautionary Statements Regarding Certain Forward-Looking Information" and Part I, Item 1A, Risk Factors, for additional information.

Public attention is currently focused on transitioning to a low carbon future, including reducing GHG emissions and closing coal-fired generating units. Diversity of fuel supply has historically provided cost and reliability benefits. For example, because renewable generation is intermittent, diversity of baseload generation, including a mix of coal and natural gas, has helped to maintain a consistent availability of power. In addition, the Evergy Companies must prudently utilize the generation assets that regulators have allowed the Evergy Companies to include in rates. The Evergy Companies use a triennial integrated resource plan, which is a detailed analysis that estimates factors that influence the future supply and demand for electricity, to inform the manner in which they supply electricity. The integrated resource plan considers forecasts of future electricity demand, fuel prices, transmission improvements, new generating capacity, cost of environmental compliance, integration of renewables, energy storage, energy efficiency and demand response initiatives. Strategies that the Evergy Companies are pursuing to reduce emissions include:

- retiring fossil fuel generation;
- developing renewable energy facilities;
- collaborating with regulators to offer customers the opportunity to procure electricity produced with renewable resources; and
- investing in customer energy efficiency programs.

Since 2005, the Evergy Companies have added over 4,400 MWs of renewable generation, while retiring more than 2,400 MWs of fossil generation. See Item 2, Properties, for additional information regarding the Evergy Companies' renewable generation resources. The Evergy Companies are also committed to transparency. On its website, <http://investors.evergy.com>, Evergy provides quantitative and qualitative data regarding various environmental, social and governance matters, including information related to emissions, waste and water. The contents of the website, including reports and documents contained therein, are not incorporated into this filing.

See Note 15 to the consolidated financial statements for information regarding environmental matters.

Fuel

The fuel sources for Evergy's owned generation and power purchase agreements are coal, wind and other renewable sources, uranium and natural gas and oil. The actual 2022 fuel mix and fuel cost in cents per net kilowatt hour (kWh) delivered are outlined in the following table.

Fuel	Fuel Mix ^(a)	Fuel cost in cents per net kWh delivered
	Actual 2022	Actual 2022
Coal	48 %	2.33¢
Wind, hydroelectric, landfill gas and solar ^(b)	31	2.20
Uranium	16	0.66
Natural gas and oil	5	9.26
Total	100 %	2.36

^(a) Fuel mix based on percent of net MWhs generated by owned resources and delivered under renewable power purchase agreements.

^(b) Fuel cost in cents per net kWh delivered includes costs associated with renewable power purchase agreements.

Coal

During 2023, Evergy's generating units, including jointly-owned units, are projected to use approximately 17 million tons of coal. Evergy Kansas Central, Evergy Metro and Evergy Missouri West have entered into coal-purchase contracts with various suppliers in Wyoming's Powder River Basin (PRB), the nation's principal supply region of low-sulfur coal, and with local suppliers. The coal to be provided under these contracts is expected to satisfy approximately 65%, 15% and 5% of the projected coal requirements for 2023, 2024 and 2025, respectively. The remainder of the coal requirements is expected to be fulfilled through entering into additional contracts or spot market purchases.

Evergy Kansas Central, Evergy Metro and Evergy Missouri West have also entered into rail transportation contracts with various railroads to transport coal from the PRB and local suppliers to their generating units. The transportation services to be provided under these contracts are expected to satisfy almost all of the projected transportation requirements for 2023, 2024 and 2025. The contract rates adjust for changes in railroad costs.

Nuclear Fuel

Evergy Kansas South and Evergy Metro each owns 47% of Wolf Creek, which is Evergy's only nuclear generating unit. Wolf Creek purchases uranium and has it processed for use as fuel in its reactor. This process involves conversion of uranium concentrates to uranium hexafluoride, enrichment of uranium hexafluoride and fabrication of nuclear fuel assemblies. The owners of Wolf Creek have on hand or under contract all the uranium, uranium enrichment and conversion services needed to operate Wolf Creek through the first quarter of 2030. The owners also have under contract all the uranium fabrication services required to operate Wolf Creek through 2045.

Natural Gas

Evergy purchases natural gas for use in its generating units primarily through spot market purchases. From time to time, Evergy also may enter into contracts, including the use of derivatives, in an effort to manage the cost of natural gas. For additional information about Evergy's exposure to commodity price risks, see Item 7A., Quantitative and Qualitative Disclosures About Market Risk.

Evergy Kansas Central, Evergy Metro and Evergy Missouri West maintain natural gas transportation arrangements with Southern Star Central Gas Pipeline, Inc. The Southern Star Central Gas Pipeline, Inc. arrangement expires based on the generating unit being served with expiration dates from 2023 to 2030.

Customer Energy Efficiency Programs

The Evergy Companies have implemented, and continue to offer, energy efficiency programs to help customers with their energy efficiency needs and to help manage energy costs. Both Missouri and Kansas have passed legislation promoting the implementation of cost-effective demand-side management programs and allowing for the recovery of these program costs from customers, along with the potential to earn performance incentives based upon certain criteria.

In Missouri, Evergy Metro and Evergy Missouri West currently offer a suite of energy efficiency programs for customers under the Missouri Energy Efficiency Investment Act (MEEIA). The current portfolio of programs was approved by the MPSC in 2019 for the years 2020 through 2022 and provides for the recovery of program costs, throughput disincentive and the opportunity to earn a performance incentive based upon demand and energy savings achieved. The costs of the programs are recovered from customers through a rider mechanism. Evergy Metro and Evergy Missouri West requested an extension of these programs and in May 2022 the MPSC approved the extension through 2023.

In Kansas, Evergy Kansas Central and Evergy Metro requested KCC authorization in December 2021 for a suite of energy efficiency programs for customers under the Kansas Energy Efficiency Investment Act (KEEIA). The requested portfolio of programs would provide for the recovery of program costs, throughput disincentive and the opportunity to earn a performance incentive based upon demand and energy savings achieved. The costs of the program would be recovered from customers through a rider mechanism. Evergy Kansas Central's and Evergy Metro's proposed programs would be effective in 2023 through 2026. The KCC's decision on Evergy Kansas Central's and Evergy Metro's KEEIA request is expected in the first half of 2023.

Human Capital Resources

At December 31, 2022, the Evergy Companies had 4,512 employees, including 2,406 represented by five local unions of the International Brotherhood of Electrical Workers (IBEW) and one local union of the United Government Security Officers of America (UGSOA). The Evergy Companies currently have labor agreements with each of these unions that expire at varying times in 2024 through 2026. The Evergy Companies employ 1,579 generation employees, 1,388 transmission and distribution employees and 1,545 support employees that work primarily in the states of Kansas and Missouri.

Evergy's mission is to empower a better future and a key component of this mission is maintaining a culture that emphasizes safety, integrity, ownership and adaptability.

Safety is a crucial part of Evergy's values. The components of Evergy's safety program include a strong management commitment to a safety-conscious work environment, hazard recognition and control, worksite analysis, contractor safety management and training. Evergy also conducts regular safety audits and assessments. During the COVID-19 pandemic, Evergy has prioritized the safety of its employees while continuing to serve its customers and community by providing appropriate personal protective equipment, establishing additional training and protocols and allowing employees to work remotely when possible.

Evergy is also working to build a more diverse and inclusive workforce through recruiting and hiring practices, performance management, training and data analysis and reporting initiatives. As of December 31, 2022, Evergy's workforce was 78% male and 22% female, and women represented 25% of Evergy's officer team. The ethnicity of Evergy's workforce was 85% White, 5% Black, 4% Hispanic and 6% other.

Evergy offers a competitive package of compensation and benefits to attract and retain talented employees, including market-competitive pay, healthcare and retirement benefits, paid time off, family leave and tuition reimbursement. Evergy also allows employees to participate in a comprehensive well-being program that includes health and wellness-related activities and incentives, business resource groups, gym membership reimbursement, paid volunteer hours, charitable donation match and free access to an employee assistance program.

Information About Evergy's Executive Officers

Set forth below is information relating to the executive officers of Evergy, Inc. Each executive officer holds the same position with each of Evergy Kansas Central, Inc., Evergy Metro, Inc., Evergy Kansas South, Inc. and Evergy Missouri West, Inc. as the executive officer holds with Evergy, Inc. Executive officers serve at the pleasure of the board of directors. There are no family relationships among any of the executive officers, nor any arrangements or understandings between any executive officer and other persons pursuant to which he or she was appointed as an executive officer.

Name	Age	Current Position(s)	Year First Assumed an Officer Position
David A. Campbell ^(a)	54	President and Chief Executive Officer	2021
Kirkland B. Andrews ^(b)	54	Executive Vice President and Chief Financial Officer	2021
Kevin E. Bryant ^(c)	47	Executive Vice President and Chief Operating Officer	2006
Lesley L. Elwell ^(d)	52	Senior Vice President, Chief Human Resources Officer and Chief Diversity Officer	2021
Charles A. Caisley ^(e)	49	Senior Vice President, Public Affairs and Chief Customer Officer	2011
Heather A. Humphrey ^(f)	52	Senior Vice President, General Counsel and Corporate Secretary	2010
Charles L. King ^(g)	58	Senior Vice President and Chief Technology Officer	2013
Steven P. Busser ^(h)	54	Vice President and Chief Accounting Officer	2014

- (a) Mr. Campbell was appointed President and Chief Executive Officer of Evergy, Inc. in January 2021. Mr. Campbell previously served as Executive Vice President and Chief Financial Officer of Vistra Energy Corp. (2019-2020), as President and Chief Executive Officer of InfraREIT, Inc. and President of Hunt Utility Services (2014-2019) and as President and Chief Executive Officer of Sharyland Utilities, LLC (2016-2019), and in various roles with TXU Corp. and its affiliated entities (2004-2013).
- (b) Mr. Andrews was appointed Executive Vice President and Chief Financial Officer of Evergy, Inc. in February 2021. Mr. Andrews previously served as Executive Vice President and Chief Financial Officer of NRG Energy, Inc. (2011-2021) and as Executive Vice President, Chief Financial Officer of Clearway Energy, Inc. (2012-2016). Mr. Andrews also served as Managing Director and Co-Head Investment Banking, Power and Utilities - Americas at Deutsche Bank Securities, Inc. (2009-2011), and in several capacities at Citigroup Global Markets Inc., including Managing Director, Group Head, North American Power (2007-2009) and Head of Power, Mergers and Acquisitions (2005-2007).
- (c) Mr. Bryant was appointed Executive Vice President and Chief Operating Officer of Evergy, Inc. in June 2018. Mr. Bryant previously served as Senior Vice President - Finance and Strategy and Chief Financial Officer of Great Plains Energy, Evergy Metro and Evergy Missouri West (2015-2018). He previously served as Vice President - Strategic Planning of Great Plains Energy Incorporated (Great Plains Energy), Evergy Metro and Evergy Missouri West (2014). He served as Vice President - Investor Relations and Strategic Planning and Treasurer of Great Plains Energy, Evergy Metro and Evergy Missouri West (2013). He served as Vice President - Investor Relations and Treasurer of Great Plains Energy, Evergy Metro and Evergy Missouri West (2011-2013). He was Vice President - Strategy and Risk Management of Evergy Metro and Evergy Missouri West (2011) and Vice President - Energy Solutions of Evergy Metro (2006-2011) and Evergy Missouri West (2008-2011).
- (d) Ms. Elwell was appointed Senior Vice President, Chief Human Resources Officer and Chief Diversity Officer of Evergy, Inc. in January 2023. Ms. Elwell previously served as Senior Vice President and Chief Human Resources Officer of Evergy, Inc. (2021-2023). Ms. Elwell previously served as Chief People Officer at J.E. Dunn Construction Company (2017-2021), as Vice President People Strategy / HR Business Partner of Walmart Corporation (2016-2017), as Vice President HR Business Partner Operations at DIRECTV, Inc. (2012-2015), and in various roles of increasing responsibility, including as Vice President, with Sprint Corporation (1997-2012; 2015-2016).
- (e) Mr. Caisley was appointed Senior Vice President, Public Affairs and Chief Customer Officer of Evergy, Inc. in August 2021. He previously served as Senior Vice President, Marketing and Public Affairs and Chief Customer Officer of Evergy, Inc.

(2018-2021). Mr. Caisley served as Vice President - Marketing and Public Affairs of Great Plains Energy, Evergy

Metro and Evergy Missouri West (2011-2018). He was Senior Director of Public Affairs (2008-2011) and Director of Governmental Affairs of Evergy Metro (2007-2008).

- (f) Ms. Humphrey was appointed Senior Vice President, General Counsel and Corporate Secretary of Evergy, Inc. in June 2018. Ms. Humphrey previously served as Senior Vice President - Corporate Services and General Counsel of Great Plains Energy, Evergy Metro and Evergy Missouri West (2016-2018). She previously served as General Counsel (2010-2016) and Senior Vice President - Human Resources of Great Plains Energy, Evergy Metro and Evergy Missouri West (2012-2016). She served as Vice President - Human Resources of Great Plains Energy, Evergy Metro and Evergy Missouri West (2010-2012). She was Senior Director of Human Resources and Interim General Counsel of Great Plains Energy, Evergy Metro and Evergy Missouri West (2010) and Managing Attorney of Evergy Metro (2007-2010).
- (g) Mr. King was appointed Senior Vice President and Chief Technology Officer of Evergy, Inc. in February 2020. He previously served as Senior Vice President, Information Technology and Chief Information Officer (2019) and Vice President, Information Technology and Chief Information Officer (2018-2019) of Evergy, Inc. Prior to that, he served as Vice President - Information Technology (2013-2018), as Senior Director of Information Technology Applications and Delivery (2013) and Director of Information Technology Applications (2011-2013) of Evergy Metro and Evergy Missouri West. Mr. King also served in various roles, including leadership roles, with Dish Network, CenturyLink, Sprint and Accenture.
- (h) Mr. Busser was appointed Vice President and Chief Accounting Officer of Evergy, Inc. in February 2022. He previously served as Vice President - Risk Management and Controller of Evergy, Inc. (2018-2022). Mr. Busser was appointed Vice President - Risk Management and Controller of Great Plains Energy, Evergy Metro and Evergy Missouri West in 2016. He previously served as Vice President - Business Planning and Controller of Great Plains Energy, Evergy Metro and Evergy Missouri West (2014-2016). He served as Vice President - Treasurer of El Paso Electric Company (2011-2014). Prior to that, he served as Vice President - Treasurer and Chief Risk Officer (2006-2011) and Vice President - Regulatory Affairs and Treasurer (2004-2006) of El Paso Electric Company.

Evergy Kansas Central, Inc.

Evergy Kansas Central, a Kansas corporation incorporated in 1924 and headquartered in Topeka, Kansas, is an integrated, regulated electric utility that engages in the generation, transmission, distribution and sale of electricity. Evergy Kansas Central serves approximately 734,300 customers located in central and eastern Kansas. Customers include approximately 634,700 residences, 94,200 commercial firms, and 5,400 industrials, municipalities and other electric utilities. Evergy Kansas Central's retail revenues averaged approximately 73% of its total operating revenues over the last three years. Wholesale firm power, bulk power sales, transmission and miscellaneous electric revenues accounted for the remainder of Evergy Kansas Central's revenues. Evergy Kansas Central is significantly impacted by seasonality with approximately one-third of its retail revenues recorded in the third quarter.

Evergy Metro, Inc.

Evergy Metro, a Missouri corporation incorporated in 1922 and headquartered in Kansas City, Missouri, is an integrated, regulated electric utility that engages in the generation, transmission, distribution and sale of electricity. Evergy Metro serves approximately 576,700 customers located in western Missouri and eastern Kansas. Customers include approximately 510,000 residences, 64,800 commercial firms, and 1,900 industrials, municipalities and other electric utilities. Evergy Metro's retail revenues averaged approximately 85% of its total operating revenues over the last three years. Wholesale firm power, bulk power sales and miscellaneous electric revenues accounted for the remainder of Evergy Metro's revenues. Evergy Metro is significantly impacted by seasonality with approximately one-third of its retail revenues recorded in the third quarter. Missouri and Kansas jurisdictional retail revenues for Evergy Metro averaged approximately 55% and 45%, respectively, of total retail revenues over the last three years.



ITEM 1A. RISK FACTORS

Utility Regulatory Risks:

Prices are established by regulators and may not be sufficient to recover costs or provide for a return on investment.

The prices that the FERC, KCC and MPSC authorize the utility subsidiaries of Evergy to charge significantly influence the Evergy Companies' results of operations, financial position and cash flows.

In general, utilities are allowed to recover in customer rates costs that were prudently incurred to provide utility service, plus a reasonable return on invested capital. There can be no assurance, however, that regulators will determine costs to have been prudently incurred. Further, the amounts approved by the regulators may not be sufficient to allow for a recovery of costs or provide for an adequate return on and of capital investments. Also, amounts that were approved by regulators may be appealed, modified, limited or eliminated by subsequent regulatory or legislative actions. A failure to recover costs or earn a reasonable return on invested capital could have a material adverse effect on the results of operations, financial position and cash flows of Evergy and its utility subsidiaries.

The Evergy Companies are also exposed to cost-recovery shortfalls due to the inherent "regulatory lag" in the rate-setting process. This is because utility rates are generally based on historical information and, except for certain situations where regulators allow for recovery of expenses through use of a formula that tracks costs, are not subject to adjustment between rate cases. Evergy Kansas Central and Evergy Metro agreed to a five-year base rate moratorium in Kansas beginning in December 2018. In addition, Evergy Metro and Evergy Missouri West utilize a plant-in service accounting (PISA) legislative mechanism in Missouri, which limits the extent to which prices can increase after a general rate case to approximately 3% on an annualized basis. Evergy Metro and Evergy Missouri West each filed rate cases in 2022 under the PISA constraints described above and new rates became effective in January 2023. These and other factors may result in under-recovery of costs or failure to earn the authorized return on investment, or both.

Furthermore, during 2021 and 2022, the United States' economy experienced a substantial rise in the inflation rate compared to recent historical inflation rates. While the Federal Reserve Bank has announced certain measures to combat rising inflation, there remains uncertainty in the near-term outlook as to whether inflation will continue and whether actions by the Federal Reserve Bank will result in a recession. Increases in inflation raise the Evergy Companies' costs for labor, materials and services. Furthermore, a failure to recover increased capital costs could result in under-recovery of costs.

Failure to timely recover the full investment costs of capital projects, the impact of renewable energy and energy efficiency programs, other utility costs and expenses due to regulatory disallowances, regulatory lag or other factors could lead to lowered credit ratings, reduced access to capital markets, increased financing costs, lower flexibility due to constrained financial resources and increased collateral security requirements or reductions or delays in planned capital expenditures. In response to competitive, economic, political, legislative, public perception and regulatory pressures, Evergy's utility subsidiaries may be subject to rate moratoriums, rate refunds, limits on rate increases, lower allowed returns on investments or rate reductions, including phase-in plans designed to spread the impact of rate increases over an extended period for the benefit of customers. In addition, Transource, which Evergy owns a 13.5% interest, is focused on the development of competitive electric transmission projects across the United States and faces similar risks with respect to projects located in regulatory jurisdictions outside of Kansas and Missouri. Any of these results could have a material adverse effect on the results of operations, financial condition and cash flows of the Evergy Companies.

Legislative and regulatory requirements may increase costs and result in compliance penalties.

FERC, the North American Electric Reliability Corporation (NERC) and SPP have implemented and enforce an extensive set of transmission system reliability, cybersecurity and critical infrastructure protection standards that apply

to public utilities. The MPSC and KCC have the authority to implement utility operational standards and

requirements, such as vegetation management standards, facilities inspection requirements and quality of service standards. In addition, Evergy is also subject to health, safety and other requirements enacted by the Occupational Safety and Health Administration, the Department of Transportation, the Department of Labor and other federal and state agencies. As discussed more fully below, the Evergy Companies are also subject to numerous environmental laws and regulations, as well as laws and regulations related to nuclear power generation. The costs of complying with existing, new or modified regulations, standards and other requirements could have a material adverse effect on the results of operations, financial position and cash flows of the Evergy Companies. Furthermore, regulatory changes could result in operational changes that increase costs or adversely impact the Evergy Companies' prospects. In addition, failure to meet quality of service, reliability, cybersecurity, critical infrastructure protection, operational or other standards and requirements could expose the Evergy Companies to penalties, additional compliance costs or adverse rate consequences, any of which could have a material adverse impact on their results of operations, financial position and cash flows.

Environmental Risks:

Costs to comply with environmental laws and regulations, including those relating to air and water quality, waste management and hazardous substance disposal, protected natural resources and health and safety, are significant and may adversely impact operations and financial results.

The Evergy Companies are subject to extensive and evolving federal, state and local environmental laws, regulations and permit requirements relating to air and water quality, waste management and hazardous substance disposal, protected natural resources (such as wetlands, endangered species and other protected wildlife) and health and safety. See Item 1. Business - Environmental Matters and Note 15 to the consolidated financial statements for additional information. In general, over time these laws and regulations have become and continue to become increasingly stringent and compliance with these laws and regulations require an increasing share of capital and operating resources, which may reduce the amount of resources available for other business objectives, including capital investments.

Compliance with these laws, regulations and requirements requires significant capital and operating resources. Regulators may also disagree with the Evergy Companies' interpretation or application of these laws, regulations and requirements. The failure to comply with these laws, regulations and requirements could result in substantial fines, injunctive relief and other sanctions. For example, Evergy Kansas Central recently decommissioned the Tecumseh Energy Center and removed all coal combustion residuals (CCRs) from a surface impoundment in a manner it believed complied with federal law, but the EPA has reviewed and determined Evergy Kansas Central should have taken additional or alternative actions, even though the facility is closed. A resulting consent order with the EPA has been agreed to by Evergy Kansas Central and additional groundwater monitoring activities have been initiated at the site.

The EPA has begun issuing CCR Part A and Part B rule extension application determinations for companies that applied for approval to operate unlined or clay-lined impoundments past April 2021. The Evergy Companies did not apply for an extension, however, these proposed determinations include extensive CCR rule interpretations and compliance expectations that may impact all owners of CCR units. The new interpretations could require modified compliance plans such as different methods of CCR unit closure. Additionally, more stringent remediation requirements for units that are in corrective action or forced to go into corrective action could result in substantial costs or operational impacts.

In January 2022, the EPA announced changes following a tour by the EPA administrator conducted in the second half of 2021 to address environmental justice issues in communities that are marginalized, underserved and overburdened by pollution. These changes will include additional unannounced inspections of suspected non-compliant facilities, deploying new assets to monitor air pollution and a general increase in overall monitoring and oversight. The EPA's announcement focused on industries in Louisiana, Mississippi and Texas but includes similar agency-wide action in parallel. The Evergy Companies have multiple power plants located in communities that would be considered a higher priority by the EPA based on existing demographics. These sites could be subject to additional monitoring and

unannounced inspections in the future. In September 2022, the EPA and the Missouri

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Department of Natural Resources (MDNR) conducted a CAA environmental justice inspection of the Evergy Companies' Hawthorn Generating Station. No CAA noncompliance issues were found.

Environmental permits are subject to periodic renewal, which may result in more stringent permit conditions and limits. New facilities, or modifications of existing facilities, may require new environmental permits or amendments to existing permits. Delays in the environmental permitting process, public opposition and challenges, denials of permit applications, limits or conditions imposed in permits and the associated uncertainty may materially adversely affect the cost and timing of projects, and thus materially adversely affect the results of operations, financial position and cash flows of the Evergy Companies. In addition, compliance with environmental laws, regulations and requirements could alter the way assets are managed, which in turn could result in retiring assets earlier than expected, recording asset retirement obligations (AROs) or having a regulator disallow recovery of costs that had been prudently incurred in connection with those assets. There is also a risk of lawsuits alleging violations of environmental laws, regulations or requirements, claiming creation of a public nuisance or other matters, and seeking injunctions or monetary damages or other relief.

Costs of compliance with environmental laws, regulations and requirements, or fines, penalties or negative lawsuit outcomes, if not recovered in rates from customers, could have a material adverse effect on the results of operations, financial position and cash flows of the Evergy Companies.

Financial Risks:

Financial market volatility or declines in the Evergy Companies' credit ratings may increase financing costs and limit access to the credit markets, which may adversely affect liquidity and financial results.

The Evergy Companies rely on funds from operations and access to the capital and credit markets to fund capital expenditures and for working capital and liquidity. Volatility in capital or credit markets, increases in interest rates, deterioration in the financial condition of the financial institutions on which the Evergy Companies rely, credit rating downgrades, delays in regulatory approvals for certain refinancings, a decrease in the market price of Evergy's common stock or a decrease or disappearance in the demand for debt securities issued by the Evergy Companies or subsidiaries could have material adverse effects on the Evergy Companies. These effects could include, among others: reduced access to capital and increased cost of borrowed funds and collateral requirements; dilution resulting from equity issuances at reduced prices; increased nuclear decommissioning trust and pension and other post-retirement benefit plan funding requirements; reduced ability to pay dividends; rate case disallowance of costs of capital; reductions in or delays of capital expenditures; delayed access to the capital markets at opportune times; and limitations in the ability of Evergy to provide credit support for its subsidiaries.

The Evergy Companies plan to make significant capital investments in renewable generation and to enhance the customer experience, improve reliability and resiliency and improve efficiency, which are expected to be funded with cash flows from operations and debt. If cash flows from operations are lower than expected or the costs of these capital investments are higher than expected, additional debt will be required to fund the investments, which, in turn, may create pressure on the Evergy Companies' credit ratings or result in a ratings downgrade and increase their cost of capital. In 2021, a credit ratings agency assigned the Evergy Companies a negative outlook, while affirming ratings, due to perceived risk related to increased capital expenditures and the ability to earn a return of and on those investments through upcoming rate cases. Further, Evergy Kansas Central and Evergy Metro have outstanding tax-exempt bonds that may be put back to the respective issuer at the option of the holders, which could adversely impact liquidity. Additionally, the appeal by the Office of the Public Counsel (OPC) of the financing order for Evergy Missouri West to recover costs incurred in connection with the February 2021 winter weather event through the issuance of securitized bonds will result in a delay of such issuance and may increase financing costs. Finally, market disruption and volatility could have an adverse impact on Evergy's lenders, suppliers and other counterparties or customers, causing them to fail to meet their obligations.

Evergy is a holding company and relies on the earnings of its subsidiaries to meet its financial obligations.

Evergy is a holding company with no significant operations of its own. The primary source of funds for payment of dividends to its shareholders and its other financial obligations is dividends paid to it by its direct subsidiaries,

particularly Evergy Kansas Central, Evergy Metro and Evergy Missouri West. Evergy's subsidiaries are separate legal entities and have no obligation to provide Evergy with funds. The ability of Evergy's subsidiaries to pay dividends or make other distributions, and accordingly, Evergy's ability to pay dividends on its common stock and meet its financial obligations, principally depends on the earnings and cash flows, capital requirements and general financial position of its subsidiaries, as well as regulatory factors, financial covenants, general business conditions and other matters.

In addition, the Evergy Companies are subject to certain corporate and regulatory restrictions and financial covenants that could affect their ability to pay dividends. Under the Federal Power Act, Evergy Kansas Central, Evergy Metro and Evergy Missouri West generally can pay dividends only out of retained earnings. Each of Evergy Metro and Evergy Missouri West has committed to Missouri regulators to not pay dividends to Evergy if its credit rating falls below BBB- for S&P Global Ratings or Baa3 for Moody's Investor Services. Each of Evergy Kansas Central and Evergy Metro has committed to Kansas regulators to not pay dividends to Evergy if (i) the payment would result in an increase in the utility's debt level (excluding short-term debt and debt due within one year) above 60 percent of its total capitalization, absent approval from the KCC or (ii) if its credit rating falls below BBB- for S&P Global Ratings or Baa3 for Moody's Investor Services. Under various debt agreements, the Evergy Companies are also required to maintain a consolidated indebtedness to consolidated total capitalization ratio of not more than 0.65 to 1.00, which could restrict the amount of dividends the Evergy Companies are permitted to pay. Evergy cannot guarantee dividends will be paid in the future or that, if paid, dividends will satisfy announced targets or investor expectations or be paid with the same frequency as in the past.

In addition, from time to time Evergy has in the past and may in the future guarantee debt obligations of its subsidiaries. Under the financing agreements to which Evergy is a party, a guarantee of debt may be considered indebtedness for purposes of complying with financial covenants that dictate the extent to which Evergy can borrow money, and any guarantee payments could adversely affect Evergy's liquidity and ability to service its own debt obligations.

Supply chain disruptions and inflation could negatively impact the Evergy Companies' operations and corporate strategy.

The operations and business plans of the Evergy Companies depend on the global supply chain to procure the equipment, materials and other resources necessary to build and provide services in a safe and reliable manner. The delivery of components, materials, equipment and other resources that are critical to the Evergy Companies' business operations and corporate strategy has been restricted by domestic and global supply chain upheaval. This has resulted in the shortage of critical items. International tensions, including the ramifications of regional conflict, could further exacerbate the global supply chain upheaval. These disruptions and shortages could adversely impact business operations and corporate strategy. The constraints in the supply chain could restrict the availability and delay the construction, maintenance or repair of items that are needed to support normal operations or are required to execute on the Evergy Companies' corporate strategy for continued capital investment in utility equipment. These disruptions and constraints could have a material adverse effect on the results of operations, financial position and cash flows of the Evergy Companies.

Supply chain disruptions have contributed to higher prices of components, materials, equipment and other needed commodities and these higher prices may continue in the future. The economy in the United States has encountered a material level of inflation and that has contributed to increased uncertainty in the outlook of near term economic activity, including whether inflation will continue and at what rate. Increases in inflation raise costs for labor, materials and services. The Evergy Companies typically recover increases in costs from customers through rates. Failure to recover increased costs could have a material adverse effect on the results of operations, financial position and cash flows of the Evergy Companies.

Public health crises, epidemics, or pandemics could adversely affect the Evergy Companies' business functions, financial condition, liquidity, and results of operations.

Public health crises, epidemics, or pandemics and any related government responses may adversely impact the economy and financial markets and could have a variety of adverse impacts on the Evergy Companies, including a decrease in revenues, increased credit loss expense; increases in past due accounts receivable balances; and access to the capital markets at unreasonable terms or rates.

Public health crises, epidemics, or pandemics and any related government responses could also impair the Evergy Companies' ability to develop, construct, and operate facilities. Risks include extended disruptions to supply chains and inflation, resulting in increased costs for labor, materials, and services, which could adversely impact the Evergy Companies' ability to implement their corporate strategy. The Evergy Companies may also be adversely impacted by labor disruptions and productivity as a result of infections, employee attrition, and a reduced ability to replace departing employees as a result of employees who leave or forego employment to avoid any required precautionary measures.

Despite the Evergy Companies' efforts to manage the impacts of public health crises, epidemics, or pandemics that may occur in the future, the extent to which they may affect them depends on factors beyond their knowledge or control. As a result, the Evergy Companies are unable to determine the potential impact any such public health crises, epidemics, or pandemics may have on their business plans and operations, liquidity, financial condition, and results of operations.

Increasing costs associated with defined benefit retirement and postretirement plans, health care plans and other employee benefits could adversely affect Evergy's financial position and liquidity.

Evergy maintains defined benefit retirement and other post-retirement employee benefit plans for certain current and former employees. The costs of these plans depend on a number of factors, including the rates of return on plan assets, the level and nature of the provided benefits, discount rates, the interest rates used to measure required minimum funding levels, changes in benefit design, changes in laws or regulations and the amount of any required or voluntary contributions to the plans. The Evergy Companies have substantial unfunded liabilities under these plans. Also, if the rate of retirements exceeds planned levels, these plans experience adverse market returns on investments or interest rates fall, required or voluntary contributions to the plans could be material. In addition, changes in accounting rules and assumptions related to future costs, returns on investments, interest rates and other actuarial assumptions, including projected retirements, could have a significant adverse impact on the results of operations, financial position and cash flows of the Evergy Companies.

The costs of providing health care benefits to employees and retirees have increased in recent years and may continue to rise in the future. Future legislative changes related to health care could also cause significant changes to benefit programs and costs. The increasing costs associated with health care plans could have a significant adverse impact on the results of operations, financial position and cash flows of the Evergy Companies.

The Evergy Companies are subject to commodity and other risks associated with energy markets.

The Evergy Companies are required to maintain generation capacity that satisfies regulatory mandates and are obligated to provide power when required by the SPP or pursuant to contractual obligations. Although the Evergy Companies generally have regulatory mechanisms that allow them to recover the cost of fuel and purchased power necessary to satisfy these requirements, regulatory or legislative actions could limit, eliminate or delay recovery of these expenses after the expenses have been incurred.

The Evergy Companies engage in the wholesale and retail sale of electricity and the wholesale purchase of electricity as part of their regulated electric operations in addition to energy marketing activities and the management of third-party generation facilities. These activities expose the Evergy Companies to risks associated with the price of electricity and other energy-related products, as well as credit exposure to their counterparties. Exposure to these risks is affected by a number of factors, including the availability and cost of fuel and power that the Evergy Companies purchase on the wholesale markets to serve customer load or to satisfy their regulatory or contractual obligations, the ability or effectiveness of strategies utilized by the Evergy Companies to hedge these risks, the extent to which the Evergy

Companies may be required to post collateral for the benefit of third parties

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and the risk that counterparties fail to fulfill their obligations to the Evergy Companies. Market volatility can increase or create unanticipated risks. Regional transmission organizations and independent system operators may also retroactively reprice transactions following execution.

Subject to certain regulatory constraints, the Evergy Companies use derivative instruments, such as transmission congestion rights (TCRs), swaps, options, futures and forwards, to manage commodity and financial risks. Losses could be recognized as a result of volatility in the market values of these contracts, if a counterparty fails to perform or if the underlying transactions, which the derivative instruments are intended to hedge, fail to materialize. The valuation of these financial instruments can involve management's judgment or the use of estimates. As a result, changes in the underlying assumptions or use of alternative valuation methods could affect the reported fair value of these contracts. The Evergy Companies cannot assure that their risk management practices will be effective or will mitigate all risks.

The results of operations, financial position and liquidity of the Evergy Companies could be materially adversely affected if the Evergy Companies fail to recover, or experience a delay in the recovery of, fuel and purchased power expenses; if the Evergy Companies fail to adequately hedge or mitigate commodity or energy market risks; if the Evergy Companies are required to provide collateral in amounts greater than planned; if energy marketing transactions are retroactively repriced; or if counterparties fail to fulfill obligations to the Evergy Companies.

Tax legislation and an inability to utilize tax credits could adversely impact results of operations, financial position and liquidity.

Tax laws and regulations can adversely affect, among other things, financial results, liquidity, credit ratings and the valuation of assets, such as deferred income tax assets. The Evergy Companies regularly assess their ability to utilize tax benefits, including those in the form of net operating loss (NOL), tax credit and other tax carryforwards, that are recorded as deferred income tax assets on their balance sheets to determine whether a valuation allowance is necessary. A reduction in, or disallowance of, these tax benefits could have an adverse impact on the financial results and liquidity of the Evergy Companies.

Additionally, changes in corporate tax rates or policy changes, as well as any inability to generate enough taxable income in the future to utilize all tax benefits before they expire, could have an adverse impact on the results of operations, financial position and liquidity of the Evergy Companies. In addition, the Evergy Companies construct and operate renewable energy facilities that generate tax credits that reduce federal income tax obligations. The amount of tax credits is dependent on several factors, including the amount of electricity produced and the applicable tax credit rate. A variety of factors, including transmission constraints, the ability to timely complete construction of renewable energy facilities, adverse weather conditions and breakdown or failure of equipment, could significantly reduce these tax credits, which could have an adverse impact on the results of operations and financial position of the Evergy Companies.

The anticipated benefits of the Evergy Companies' strategy may not be realized.

The Evergy Companies' strategy includes significant planned reductions in operating and maintenance expense and significant planned increases in capital investments. The Evergy Companies' strategy also includes a different mix of capital investments than has been pursued in the past, including significant capital investments in renewable generation. The Evergy Companies' strategy also includes the planned retirement of coal-fired generation resources. If regulators determine that the retirement of coal generation facilities was not prudent, they could prohibit the Evergy Companies from recovering, or earning a return on, the investments in those facilities that were prudent when the investments were originally made. This concept is known as a "stranded asset," and generation retirements outside of those contemplated in the integrated resource plan increase the risk that regulators will disallow the recovery of otherwise prudent investments. In addition, the Evergy Companies may utilize legislative mechanisms known as securitization to facilitate the retirement of coal-fired generation, which will eliminate future returns on the investment that was originally made by the Evergy Companies in those coal-fired generating facilities and reduce the Evergy's Companies results of operations and financial position.

No assurance can be given that the Evergy Companies will be successful in implementing their strategy in a timely manner or at all, and a failure to do so could have a material adverse effect on the results of operations, financial

position and cash flows of the Evergy Companies and have an adverse impact on the price of Evergy's common stock.

The price of Evergy common stock may experience volatility.

The price of Evergy common stock may be volatile. Some of the factors that could affect the price of Evergy common stock are Evergy's earnings; the ability of the Evergy Companies to implement their strategic plan; the ability of Evergy to deploy capital; actions by regulators; and statements in the press or investment community about the Evergy Companies' strategy, earnings per share or growth prospects, financial condition or results of operations. Negative perceptions or publicity from increasing scrutiny of environmental, social and governance practices could also adversely impact Evergy's stock price. Also, individuals or entities, such as activist shareholders and special interest groups, may seek to influence the Evergy Companies' strategic plan or take other actions that could disrupt the Evergy Companies' business, financial results or operations and could adversely impact Evergy's stock price. In addition, the Evergy Companies operate almost exclusively in Kansas and Missouri and this concentration may increase exposure to risks arising from unique local or regional factors. Furthermore, domestic and international market conditions and economic factors and political events unrelated to the performance of Evergy (including the COVID-19 pandemic and the Russia-Ukraine conflict) may also affect Evergy's stock price. For these reasons, shareholders should not rely on historical trends in the price of Evergy common stock to predict the future price of Evergy's common stock.

Evergy has recorded goodwill that could become impaired and adversely affect financial results.

As required by generally accepted accounting principles (GAAP), Evergy recorded a significant amount of goodwill on its balance sheet in connection with completion of the merger that resulted in the formation of Evergy. Evergy assesses goodwill for impairment on an annual basis or whenever events or circumstances occur that would indicate a potential for impairment. If goodwill is deemed to be impaired, Evergy may be required to incur non-cash charges that could materially adversely affect its results of operations.

Customer and Weather-Related Risks:

Changes in electricity consumption could have a material adverse effect on Evergy's results of operations, financial position and cash flows.

Change in customer behaviors in response to energy efficiency programs, changing conditions and preferences or changes in the adoption of technologies could affect the consumption of energy by customers. Federal and state programs exist to influence the way customers use energy and regulators have mandates to promote energy efficiency. Conservation programs and customers' level of participation in the programs could have a material adverse effect on the results of operations, financial position and cash flows of the Evergy Companies.

Technological advances, energy efficiency and other energy conservation measures have reduced and will continue to reduce customer electricity consumption. The Evergy Companies generate electricity at central station power plants to achieve economies of scale and produce electricity at a competitive cost. Self-generation and distributed generation technologies, including microturbines, wind turbines, fuel cells and solar cells, as well as those related to the storage of energy produced by these systems, have become economically competitive with the manner and price at which the Evergy Companies sell electricity. There is also a perception that generating or storing electricity through these technologies is more environmentally friendly than generating electricity with fossil fuels. Increased adoption of these technologies could reduce electricity demand and the pool of customers from whom fixed costs are recovered, resulting in under recovery of the fixed costs of the Evergy Companies. Increased self-generation and the related use of net energy metering, which allows self-generating customers to receive bill credits for surplus power, could put upward price pressure on remaining customers. If the Evergy Companies are unable to adjust to reduced electricity demand and increased self-generation and net energy metering, their financial condition and results of operations could be adversely affected.

Changes in customer electricity consumption due to sustained financial market disruptions, downturns or sluggishness in the economy or other factors may also adversely affect the results of operations, financial position and cash flows of

Weather is a major driver of the results of operations, financial position and cash flows of the Evergy Companies and the Evergy Companies are subject to risks associated with climate change.

Weather conditions directly influence the demand for and price of electricity. The Evergy Companies are significantly impacted by seasonality, and, due to energy demand created by air conditioning load, highest revenues are typically recorded in the third quarter. Unusually mild winter or summer weather can adversely affect sales. In addition, severe weather and events, including tornados, snow, fire, rain, flooding, drought and ice storms, can be destructive and cause outages and property damage that can result in increased expenses, lower revenues and additional restoration costs. Storm reserves established by the Evergy Companies may be insufficient and rates may not be adjusted in a timely manner, or at all, to recover these costs. Additionally, because many of the Evergy Companies' generating stations utilize water for cooling, low water and flow levels can increase maintenance costs at these stations, result in limited power production and require modifications to plant operations. High water conditions can also impair planned deliveries of fuel to generating stations or otherwise adversely impact the ability of the Evergy Companies to operate these stations. Climate change may produce more frequent or severe weather events, such as storms, droughts or floods. These events could lead to unforeseen changes in water supply quality and create additional costs related to water treatment and complying with environmental discharge requirements. Climate change events could also impact the economic health of the Evergy Companies' service territories. An increase in the frequency or severity of extreme weather events or a deterioration in the economic health of the Evergy Companies' service territories could have a material adverse effect on the results of operations, financial position and cash flows of the Evergy Companies.

In addition, policy, legal and regulatory efforts to influence climate change, such as efforts to reduce GHG emissions, impose a tax on emissions and create incentives for low-carbon generation and energy efficiency, could result in reduced sales and require significant costs to respond to such efforts. These efforts could also result in the early retirement of generation facilities, which could result in stranded costs if regulators disallow recovery of investments that were prudent when originally made and included in rates. Evergy has a goal to achieve net-zero CO₂ emissions by 2045 with an interim goal of a 70% reduction of CO₂ emissions from 2005 levels by 2030. The trajectory and timing of reaching the net-zero goal are dependent on many external factors, including enabling technology developments, the reliability of the power grid, availability of transmission capacity, supportive energy policies and regulations, and other factors. These external factors are outside of Evergy's control, and without these enabling factors Evergy cannot be confident in achieving its net-zero carbon reduction goal. In addition, any of the foregoing could adversely affect the results of operations, financial position and cash flows of the Evergy Companies and the market prices of Evergy's common stock.

New climate disclosure rules proposed by the SEC may increase the Evergy Companies' costs of compliance and adversely impact their business.

On March 21, 2022, the SEC proposed new rules relating to the disclosure of a range of climate-related risks. The Evergy Companies are currently assessing the proposed rule, but at this time they cannot predict the costs of implementation or any potential adverse impacts resulting from the rule. To the extent this rule is finalized as proposed, the Evergy Companies could incur increased costs relating to the assessment and disclosure of climate-related risks. The Evergy Companies may also face increased litigation risks related to disclosures made pursuant to the rule if finalized as proposed. In addition, enhanced climate disclosure requirements could accelerate the trend of certain stakeholders and lenders restricting or seeking more stringent conditions with respect to their investments in certain carbon-intensive sectors.

Operational Risks:

Operational risks may adversely affect the Evergy Companies.

The operation of electric generation, transmission, distribution and information systems involves many risks, including breakdown or failure of equipment; aging infrastructure; employee error or contractor or subcontractor failure; problems that delay or increase the cost of returning facilities to service after outages; limitations that may be imposed by equipment conditions or environmental, safety or other regulatory requirements; fuel supply or fuel transportation

reductions or interruptions; labor disputes; difficulties with the implementation or operation of information systems; transmission scheduling constraints; and catastrophic events such as fires, floods, droughts,

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explosions, terrorism or acts of war, severe weather, pandemics or other similar occurrences. Many of the Evergy Companies' generation, transmission and distribution resources are aged, which increases the risk of unplanned outages, reduced generation output and higher maintenance expense. Any equipment or system outage or constraint can, among other things, reduce sales, increase costs and affect the ability to meet regulatory service metrics, customer expectations and regulatory reliability and security requirements.

The Evergy Companies have general liability and property insurance to cover a portion of their facilities, but such policies do not cover transmission or distribution systems, are subject to certain limits and deductibles and do not include business interruption coverage. Insurance coverage may not be available in the future at reasonable costs or on commercially reasonable terms, and the insurance proceeds received for any loss of, or any damage to, any facilities may not be sufficient to restore the loss or damage. Certain insurers are also choosing to limit their exposure to companies with coal-fired generation, which may result in increased premiums and reduced scope of coverage. These and other operating events may reduce revenues or increase costs, or both, and may materially affect the results of operations, financial position and cash flows of the Evergy Companies.

Physical and cybersecurity breaches, criminal activity, terrorist attacks, acts of war and other disruptions to facilities or information technology infrastructure could interfere with operations, expose the Evergy Companies or their customers or employees to a risk of loss, expose the Evergy Companies to legal or regulatory liability and cause reputational and other harm.

The Evergy Companies rely upon information technology networks and systems to process, transmit and store electronic information, and to manage or support a variety of business processes and activities, including the generation, transmission and distribution of electricity, supply chain functions and the invoicing and collection of payments from customers. The Evergy Companies also use information technology networks and systems to record, process and summarize financial information and results of operations for internal reporting purposes and to comply with financial reporting, legal and tax requirements. These networks and systems are in some cases owned or managed by third-party service providers. In the ordinary course of business, the Evergy Companies collect, store and transmit sensitive data including operating information, proprietary business information and personal information belonging to customers and employees.

The Evergy Companies' information technology networks and infrastructure, as well as the networks and infrastructure belonging to third-party service providers, are vulnerable to damage, disruptions or shutdowns due to attacks or breaches by hackers or other unauthorized third parties; error or malfeasance by employees, contractors or service providers; unintended consequences related to software or hardware upgrades, additions or replacements; malicious software code; vulnerabilities in third-party software code; telecommunication failures; the lack of availability of qualified employees and contractors; natural disasters or other catastrophic events; or criminal activity, terrorist attacks or acts of war. Driven in part by the COVID-19 pandemic, the Evergy Companies have adopted the use of technology to enable remote-working arrangements, which may increase or expose previously unknown vulnerabilities. Public reports have 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 people interact with their information technology infrastructure.

The occurrence of any of these events could, among other things, impact the reliability or safety of the Evergy Companies' generation, transmission and distribution systems and information systems; result in the erasure of data or render the Evergy Companies' equipment, or the equipment of third-party service providers, unusable; impact the Evergy Companies' ability to conduct business in the ordinary course; reduce sales; expose the Evergy Companies and their customers, employees and vendors to a risk of loss or misuse of information; result in legal claims or proceedings, liability or regulatory penalties; damage the Evergy Companies' reputation; or otherwise harm the Evergy Companies' results of operations, financial position and cash flows. The Evergy Companies can provide no assurance that they will be able to identify and remediate all security or system vulnerabilities or that unauthorized access or error will be identified and remediated.

The Evergy Companies are subject to laws and rules issued by multiple government agencies concerning cybersecurity and safeguarding their customer and business information. For example, NERC has issued comprehensive regulations and standards surrounding the security of the bulk power system, including both

physical and cybersecurity, and continually evaluates the necessity for updates and new requirements with which the Evergy Companies must comply. The Evergy Companies are subject to recurring, independent, third-party audits with respect to adherence to these regulations and standards. The NRC also has issued regulations and standards related to the protection of critical digital assets at nuclear power plants. Compliance with NERC and NRC rules and standards, and rules and standards promulgated by other regulatory agencies from time to time or future legislation, will increase the Evergy Companies' compliance costs and their exposure to the potential risk of violations of these rules, standards or future legislation, which includes potential financial penalties. Furthermore, the non-compliance by other utilities subject to similar regulations or the occurrence of a serious security event at other utilities could result in increased regulation or oversight, both of which could increase the Evergy Companies' costs and adversely impact their financial results.

Additionally, the Evergy Companies cannot predict the impact that any future information technology or malicious attack may have on the energy industry in general. The electric utility industry, both within the United States and internationally, has experienced physical and cybersecurity attacks on energy infrastructure such as power plants, substations and related assets in the past, and there will likely be more attacks in the future. Geopolitical matters, including terrorist attacks and acts of war, may increase the likelihood of such attacks. The Evergy Companies have been subject to attempted cyber attacks from time to time, and will likely continue to be subject to such attempted attacks, but these prior attacks have not had a material impact on their operations. However, because technology is increasingly complex and cyber-attacks are increasingly sophisticated and more frequent, there can be no assurance that such incidents will not have a material adverse effect on the Evergy Companies in the future. The Evergy Companies' facilities and systems could be direct targets or indirect casualties of such attacks. The effects of such attacks could include disruption to the Evergy Companies' generation, transmission and distribution, and information systems or to the electrical grid in general, reduced sales and could increase the cost of insurance coverage. Furthermore, although the Evergy Companies maintain information security risk insurance coverage, such insurance may not be adequate to cover any associated losses. Any of the foregoing could have a material adverse impact on the Evergy Companies' results of operations, financial position and cash flows.

The cost and schedule of capital projects may materially change and expected performance may not be achieved.

The Evergy Companies' business is capital intensive and includes significant construction projects. The risks of any capital project include: actual costs may exceed estimated costs; regulators may disallow, limit or delay the recovery of all or part of the cost of, or a return on, a capital project; increased inflation may render previously estimated costs to be inaccurate; risks associated with the capital and credit markets to fund projects; delays in receiving, or failure to receive, necessary permits, approvals and other regulatory authorizations; unforeseen engineering problems or changes in project design or scope; the failure of suppliers and contractors to perform as required under their contracts; inadequate availability or increased cost of labor or materials, including commodities such as steel, copper and aluminum that may be subject to uncertain or increased tariffs; inclement weather; new or changed laws, regulations and requirements, including environmental and health and safety laws, regulations and requirements; and other events beyond the Evergy Companies' control may occur that may materially affect the schedule, cost and performance of these projects.

The Evergy Companies' strategy includes a significant amount of planned capital investments. The Evergy Companies' ability to implement these investments depend, in part, on the availability of adequate internal and external resources, such as employees and qualified contractors and the availability of materials. In this regard, the global COVID-19 pandemic has caused disruptions to the global supply chain and the availability of qualified labor, which, in turn, has increased inflationary pressures.

These and other risks could cause the Evergy Companies to defer or limit capital expenditures, materially increase the costs of capital projects, delay the in-service dates of projects, adversely affect the performance of the projects and require the purchase of electricity on the wholesale market, at potentially more expensive prices, until the projects are completed. These risks may significantly affect the Evergy Companies' results of operations, financial position and

cash flows.

Failure to attract and retain an appropriately qualified workforce or to maintain satisfactory collective bargaining agreements could negatively impact the Evergy Companies' business and operations and adversely impact the Evergy Companies' results of operations, financial position and cash flows.

The Evergy Companies' workforce includes professional, managerial and technical employees. Failure to attract and retain qualified talent, successfully transition retirements with adequate replacements, or source qualified contractors could impede the Evergy Companies' strategy and/or adversely impact the Evergy Companies' ability to execute on their strategy. For example, certain skills, such as those related to construction, maintenance and repair of transmission and distribution systems are in high demand and have a limited supply. Evergy competes for qualified employees with these skills on a national level.

A significant portion of the Evergy Companies' workforce is represented by five local unions of the IBEW and one local union of the UGSOA. The Evergy Companies currently have labor agreements with each of these unions that expire at varying times in 2024 through 2026. A failure to successfully negotiate these collective bargaining agreements could result in a labor disruption and have a significant adverse impact on the Evergy Companies' operations and results of operations.

The Evergy Companies' strategic plan includes enhanced technology and transmission and distribution investments and a reduction in reliance on coal-fired generation. The Evergy Companies will need to attract and retain personnel that are qualified to implement the Evergy Companies' strategy and may need to retrain or reskill certain employees to support the Evergy Companies' long-term objectives. A failure to attract and retain qualified employees, retrain or reskill existing employees and maintain satisfactory collective bargaining agreements could have a significant adverse impact on the results of operations, financial position and cash flows of the Evergy Companies.

The Evergy Companies are exposed to risks associated with the ownership and operation of a nuclear generating unit, which could adversely impact the Evergy Companies' business and financial results.

Evergy indirectly owns 94% of Wolf Creek, with Evergy Kansas South and Evergy Metro each owning 47% of the nuclear plant. Such ownership exposes the Evergy Companies to various risks unique to the nuclear industry. Damages, decommissioning or other costs could exceed the Evergy Companies' ability to recover such costs through rates or other mechanisms such as decommissioning trust assets or through external insurance coverage, including statutorily required nuclear incident insurance. The NRC has broad authority under federal law to impose licensing and safety-related requirements for the operation of nuclear generation facilities, including Wolf Creek. In the event of non-compliance, the NRC has the authority to impose fines, shut down the facilities, or both, depending upon its assessment of the severity of the situation, until compliance is achieved. Additionally, the non-compliance of other nuclear facility operators with applicable regulations or the occurrence of a serious nuclear incident anywhere in the world could result in increased regulation of the nuclear industry. Such events could increase Wolf Creek's costs and impact the financial results of the Evergy Companies or result in a shutdown of Wolf Creek.

An extended outage of Wolf Creek, whether resulting from NRC action, an incident at the plant or otherwise, could have a material adverse effect on the results of operations, financial position and cash flows of the Evergy Companies in the event replacement power, damages, and other costs exceed or are not recovered through rates, insurance or decommissioning trust assets. If a long-term outage occurred, the state regulatory commissions could reduce rates by excluding the Wolf Creek investment from rate base. Wolf Creek commenced operations in 1985 and the age of Wolf Creek may increase the risk of unplanned outages and may result in higher maintenance costs.

On an annual basis, Evergy Kansas South and Evergy Metro are required to contribute money to tax-qualified trusts that were established to pay for decommissioning costs at the end of the unit's life. The amount of contributions varies depending on estimates of decommissioning expenses and projected return on trust assets. If the actual return on trust assets is below the projected level or actual decommissioning costs are higher than estimated, Evergy Kansas South and Evergy Metro could be responsible for the balance of funds required and may not be allowed to recover the balance through rates.

The Evergy Companies are also exposed to other risks associated with the ownership and operation of a nuclear generating unit, including, but not limited to, (i) potential liability associated with the potential harmful effects on

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the environment and human health resulting from the operation of a nuclear generating unit, (ii) the storage, handling, disposal and potential release (by accident, through third-party actions or otherwise) of radioactive materials and (iii) uncertainties with respect to contingencies and assessments if insurance coverage is inadequate. Under the structure for insurance among owners of nuclear generating units, Evergy Kansas South and Evergy Metro are also liable for potential retrospective premium assessments (subject to a cap) per incident at any commercial reactor in the country and losses in excess of insurance coverage.

In addition, Wolf Creek is reliant on a sole supplier for fuel and related services. The supplier has in the past been the subject of Chapter 11 reorganization proceedings, and an extended outage of Wolf Creek could occur if the supplier is not able to perform under its contracts with Wolf Creek. Switching to another supplier could take an extended amount of time and would require NRC approval. An extended outage at Wolf Creek could affect the amount of Wolf Creek investment included in customer rates and could have a material impact on the Evergy Companies' financial results.

The structure of the regional power market in which the Evergy Companies operate could have an adverse effect on their results of operations, financial position and cash flows.

Evergy Kansas Central, Evergy Metro and Evergy Missouri West are members of the SPP regional transmission organization, and each has transferred operational authority (but not ownership) of their transmission facilities to the SPP. The SPP's Integrated Marketplace determines which generating units among market participants should run, within the operating constraints of a unit, at any given time. The SPP's rules are primarily designed to provide for maximum cost-effectiveness, but in certain respects the rules also provide preferential treatment for certain resources based on public policy initiatives, such as increasing the deployment of renewable generation. If Evergy Kansas Central's, Evergy Metro's or Evergy Missouri West's generating resources are not dispatched, each could experience decreased levels of wholesale electricity sales.

The Evergy Companies' strategic plan includes adding a significant amount of renewable generation. Transmission constraints and delays in the transmission planning and construction processes could impair the ability of the Evergy Companies to sell and transmit electricity generated by these renewable generation facilities, which could have an adverse impact on the results of operations and financial position of the Evergy Companies.

In addition, the rules governing the various regional power markets, including the SPP, may change from time to time and such changes could impact the costs and revenues of the Evergy Companies.

Litigation Risks:

The outcome of legal proceedings cannot be predicted. An adverse finding could have a material adverse effect on the Evergy Companies' results of operations, financial position and cash flows.

The Evergy Companies are parties to various lawsuits and regulatory proceedings in the ordinary course of their respective businesses. The outcome of these matters cannot be determined, nor, in many cases, can the liability that could potentially result from each case be reasonably estimated. The liability that the Evergy Companies may incur with respect to any of these cases may be in excess of amounts currently accrued and insured against with respect to such matters and could adversely impact the financial results for the Evergy Companies.

Environmental, Social and Governance Risks:

The Evergy Companies are subject to risks relating to environmental, social and governance (ESG) matters that could adversely affect their reputation, business, financial condition and results of operations.

The Evergy Companies are subject to a variety of risks, including reputational risk, associated with ESG issues. The public holds diverse and often conflicting views on ESG topics. The Evergy Companies have multiple stakeholders, including their shareholders, customers, associates, federal and state regulatory authorities and the communities in which they operate, and these stakeholders will often have differing priorities and expectations regarding ESG issues. If

the Evergy Companies take action in conflict with one or another of those stakeholders' expectations, they could experience an increase in customer complaints, a loss of business or reputational harm. The Evergy Companies could also face negative publicity or reputational harm based on the identity of those with

whom they choose to do business. Any adverse publicity in connection with ESG issues could damage their reputation, ability to attract new customers and retain employees, compete effectively and grow their business.

In addition, proxy advisory firms and certain institutional investors who manage investments in public companies are increasingly integrating ESG factors into their investment analysis. The consideration of ESG factors in making investment and voting decisions is relatively new. Accordingly, the frameworks and methods for assessing ESG policies are not fully developed, vary considerably among the investment community and will likely continue to evolve over time. Moreover, the subjective nature of methods used by various stakeholders to assess a company with respect to ESG criteria could result in erroneous perceptions or a misrepresentation of the Evergy Companies' actual ESG policies and practices. Organizations that provide ratings information to investors on ESG matters may also assign unfavorable ratings to the Evergy Companies. If the Evergy Companies fail to comply with specific ESG-related investor or stakeholder expectations and standards, or to provide the disclosure relating to ESG issues that any third parties may believe is necessary or appropriate (regardless of whether there is a legal requirement to do so), their reputation, business, financial condition and/or results of operations could be negatively impacted.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.