HB 2527
Proponent Testimony

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Senate Utilities Committee
March 18, 2024

evergy

Key Takeaways

1) The merger between Westar and KCP&L that created Evergy has significantly benefitted customers and Kansas:

- Significant improvement in regional rate competitiveness since 2017;
- Record economic development;
- Significant reduction in overall operating costs; and
- Improved electrical reliability.

2) Additional generation capacity and grid investment is needed:

- To supply enough electricity and build the electrical system infrastructure necessary to serve a generational opportunity in potential economic development and investment in Kansas—creating thousands of jobs; and
- To maintain electrical grid reliability, particularly in extreme weather conditions.

3) State policy changes are needed to attract capital investment in Kansas

- As a result of depreciation that causes regulatory lag, investing capital in Kansas makes it nearly impossible to earn what the KCC views is a fair and reasonable return—it creates a disincentive to invest

HB2527: Three Key Provisions

1) Plant-in-service Accounting (PISA)

- Similar to a provision in Missouri, it allows better recovery of capital invested in utility infrastructure in KS
- PISA puts Kansas **on equal footing with neighboring states** who incentivize investments in the electrical grid by allowing for recovery of depreciation.
- It only applies to existing generation, distribution, IT and other non-transmission capital investments.
- **Investments made under PISA are limited to a 1.5% rate impact annually.**

2) Construction Work in Progress (CWIP)

- **Lowers the cost of building dispatchable natural gas generation by reducing the financing and interest costs** on building the plant both over the construction period of the plant and over the useful life of the plant. **This saves all customers money.**
- It helps electric utilities **maintain a solid credit rating while building the plant** by allowing it to collect and pay the interest on the investment while the plant is being built. This helps maintain low interest and financing costs on all utility investments, saving money for customers.

3) Economic Development Rate (EDR) Enhancements

- Extends EDR's for large customers to 10 years from 5 years to be **competitive with Missouri** and surrounding states
- **Ends the socialization of economic development discounts**. Currently, discounts given to large customers are tracked and passed onto existing customers. **HB2527 ends the subsidy for economic development rates.**

Evergy worked with stakeholders to address concerns with the original bill. The current draft is compromise legislation that achieves the goals of the legislation while improving its overall effectiveness.

HB2527 Unlocks Opportunity And Value For Kansas

1) **Increases investment in the electrical grid in high-growth areas**
   - Works with the KCC, local and state economic development entities, developers and municipalities to identify areas of high growth and builds additional capacity ahead of demand
   - Reduces the time it takes to extend electrical service to companies considering locating in Kansas
2) **Ensures enough power generation to supply economic development and growth in Kansas**
   - Builds a hydrogen compatible, combined-cycle natural gas plant in Kansas
   - Enables continued investment in Kansas wind and solar
3) **Lowers the overall cost of building large power plants**
   - Reduces the overall amount of interest on large multi-year power plant construction projects
4) **Improves competitive economic development pricing on electricity with neighboring states**
   - Enhances economic development rates to have parity with Missouri for large electrical customers
5) **Enhances electric rate competitiveness and stability in Kansas**
   - The London Economics International 2019 study on retail rates and electric utilities in Kansas noted that economic development and growth is one of the best ways to stabilize and lower rates long-term

HB2527 Has Significant Consumer Protections

- The entire bill **sunsets after six years** with the ability for the KCC to reauthorize it for an additional six years.
- The bill **restricts the use of PISA to existing generation, distribution, IT/Cyber Security** and other non-transmission and non-new generation capital investments.
- Puts a **1.5% annual retail rate impact cap** on investments made under PISA.
- Allows only **90% of deferred depreciation to be recovered** in a subsequent rate case.
- Incorporates HB2597 on predetermination, proposed by Kansans for Lower Electric Rates (KLER), into HB2527, **providing for additional time to review all electric utility proposed generation** additions.
- Provides **additional review time by extending the effective date of CWIP mechanism** from 30 to 60 days.
- Provides that **economic development discounts on electric rates are no longer socialized and recovered from existing customers**—reducing the cost of economic development rates to existing / non-participating customers.
- Parties involved in Evergy capital dockets and integrated resource plan (IRP) dockets will have **full access to data** in those proceedings, subject to standard confidentiality protections.

Signatories In Support Of Legislation (not exhaustive)

KC AREA DEVELOPMENT COUNCIL

Greater Wichita Partnership

Topeka Chamber

BLOCK

MID-AMERICA CARPENTERS REGIONAL COUNCIL

LiUNA! CONSTRUCTION & GENERAL LABORERS' LOCAL UNION 1290 Feel the Power

go topeka

Overland Park Chamber

Liberty

Leawood Chamber Business personalized

KC CHAMBER

NorthPoint DEVELOPMENT

KANSAS CHAMBER UNITED FOR BUSINESS

INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS
IBEW LOCAL UNION 124 & 271

Shawnee Chamber of Commerce

hutchchamber HUTCHINSON/RENO COUNTY CHAMBER OF COMMERCE

SALINA KANSAS Salina Community Economic Development Organization

evergy

Written Testimony of John D. Quackenbush, CFA
President, JQ Resources, LLC
Chairman Emeritus, Michigan Public Service Commission and
Former Senior Investment Analyst, UBS Global Asset Management

HB2527 Has Significant Benefits for Kansas and Consumer Protections

* Creates new jobs

* Puts downward pressure on electric rates

* Helps ready electric infrastructure to serve new customers

* Makes Kansas more competitive to attract new business

* Supports investments needed to maintain a reliable electric grid

Kansas Regulatory Environment and Rate Competitiveness

2018-2023: Promises Made, Promises Kept

- Reducing operating costs by more than 25% since the merger creating Evergy
- Mitigating fuel and purchased power volatility by investing in a diverse generation fleet

- 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

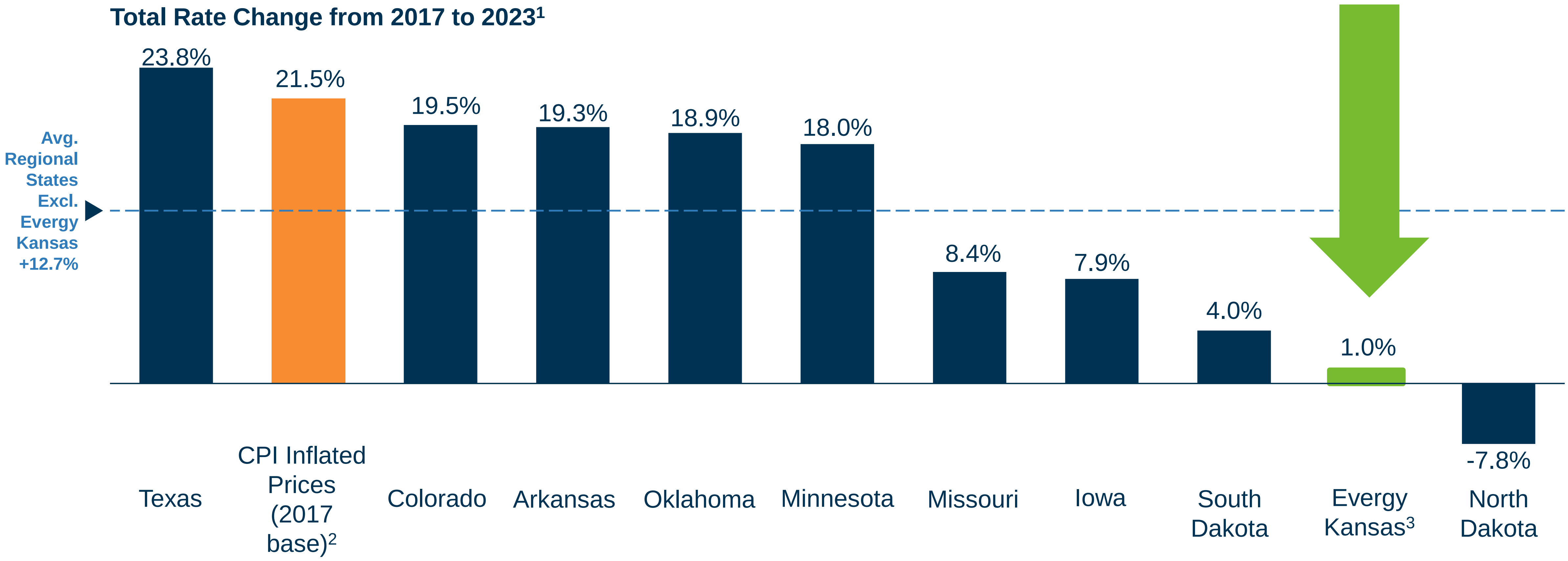
- Maintained headquarters in Missouri and Kansas
- Increased overall support for economic development
- Increased overall community support
- Achieved savings without major employee layoffs

Competitive Rates

Reliable Service

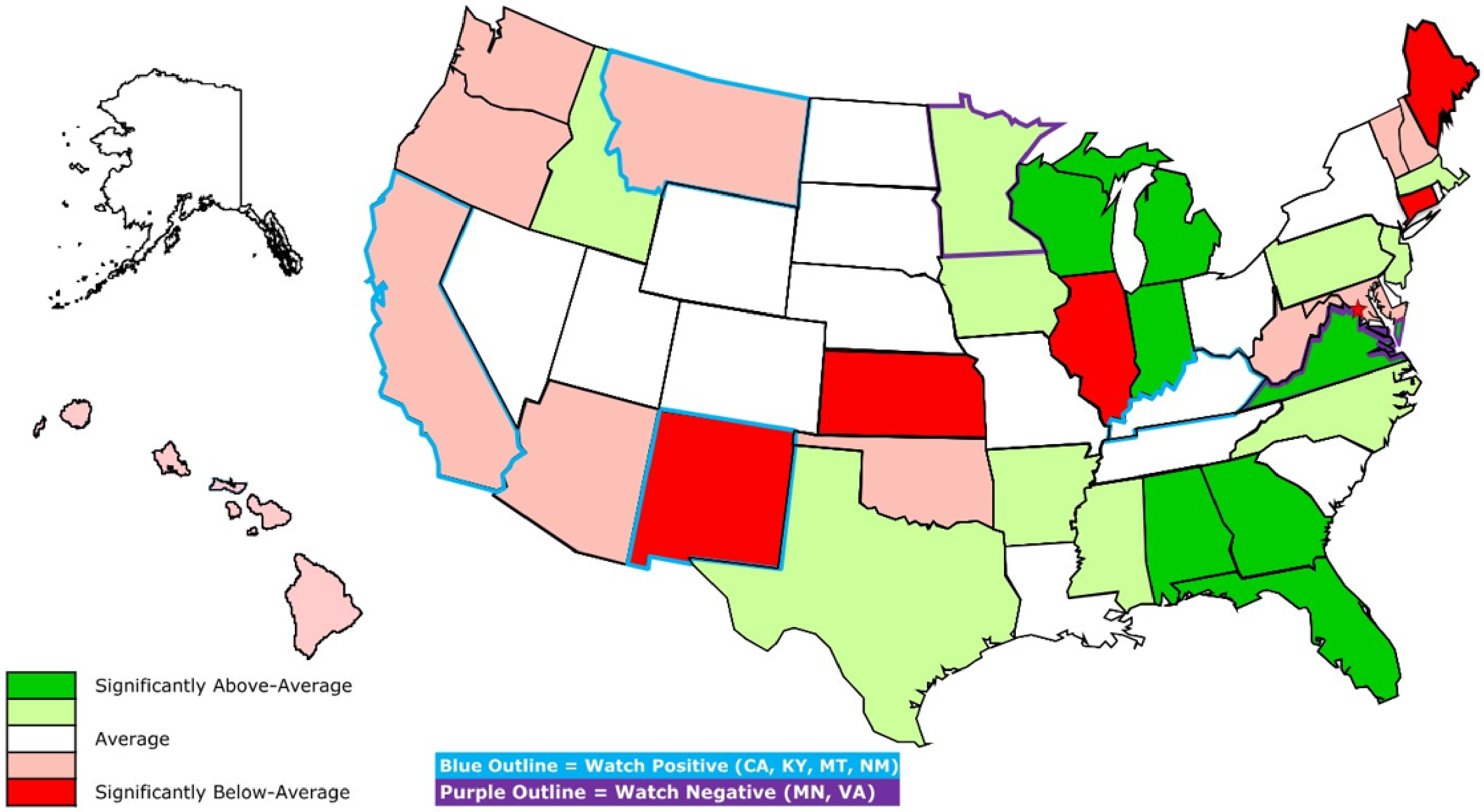
Locally Focused

Since 2017, Evergy Kansas Total Rates Increased About 1% While Regional Rates Rose About 13% And Inflation Was Nearly 22%



1) Regional state data is sourced from EIA and is comprised of revenues and sales for all sectors, with 2023 data uses rolling twelve-month average of total revenues and sales ending July 2023. EIA data is preliminary that is subject to change; full state 2022 annual data expected to be finalized by EIA in October 2023 and 2023 data to be finalized in October 2024. 2) Source: US Bureau of Labor Statistics for historic CPI-U and uses rolling twelve-month average ending July 2023. 3) Evergy pro forma data uses rolling twelve-month average of total revenues and sales ending March 2023 and includes adjustments for the annualized impacts of: ACA/RECA (implemented April 1, 2023). TDC (implemented May 1, 2023); Kansas Income Tax reductions; and Property Tax Surcharge update; outcomes of rate case settlement in docket 23-EKCE-775-RTS. Evergy data is sourced from FERC Form 1 pg. 304 and general ledger and inclusive of customer bill credits. The corresponding change in total rates for Evergy KS Central and Evergy KS Metro were 4.9% and -9.5%, respectively.

January 2024 Wells Fargo Research State Regulatory Ratings



- Ratings are based on the **constructiveness** and **consistency** of regulatory outcomes, particularly for electric utilities

- Kansas now ranks in the **bottom 5 state regulatory jurisdictions in the U.S. for capital investment**—rated the same as Illinois, Maine, Connecticut and Washington, D.C.

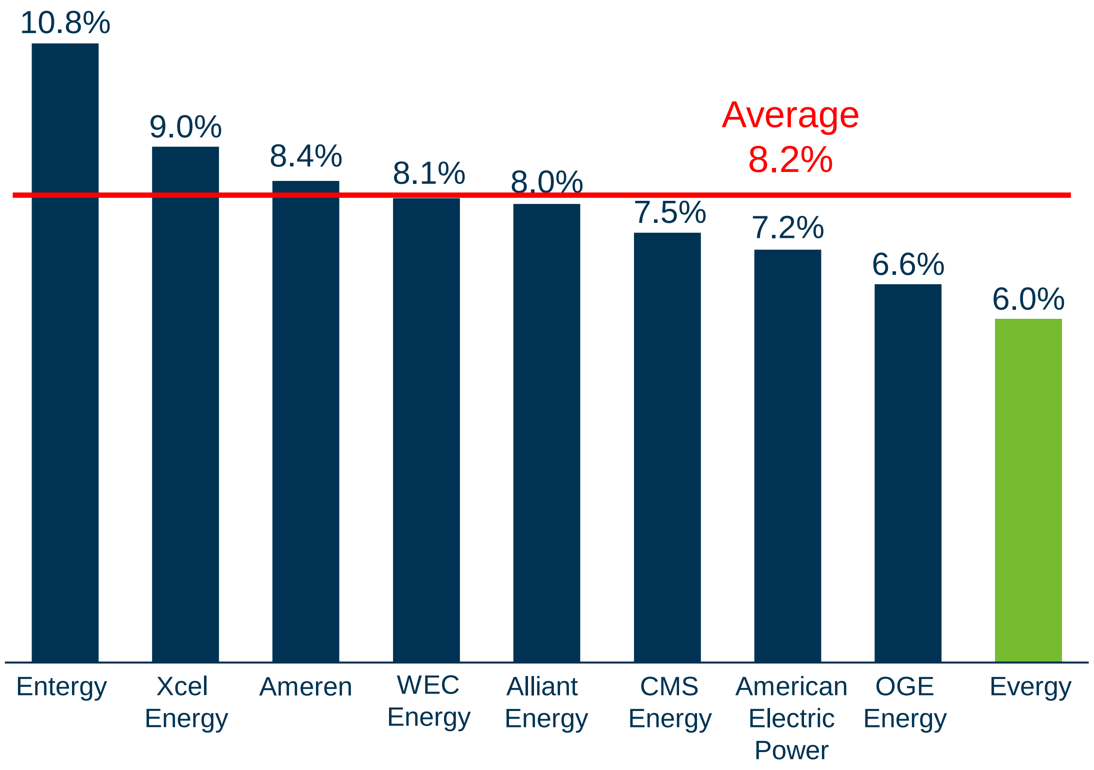
- The states with most economic development growth all have much higher regulatory ratings: Texas, Florida, South Carolina, Arizona and Alabama

- This also rates the constructiveness of the political environment towards utility infrastructure investment

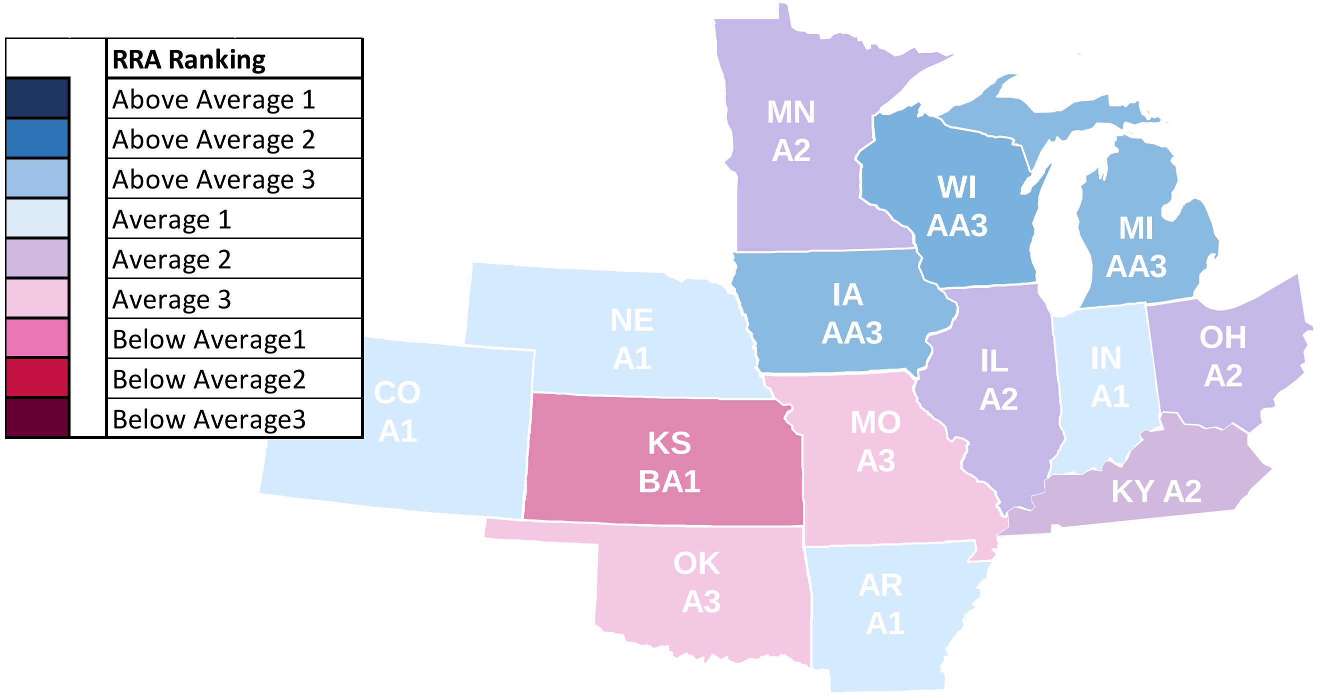
Regulatory environments that encourage capital investment have higher growth rates than Kansas, better economic development success and lower electric rates

Two Challenges vs Neighboring States: Capital Investment And Comparative Regulatory Rankings

Company Rate Base Growth Estimates



State Regulatory Rankings, 2023*



** Source: Regulatory Research Associates ("RRA") State Regulatory Evaluations as of December 2023. RRA is a group within S&P Global Commodity Insights*

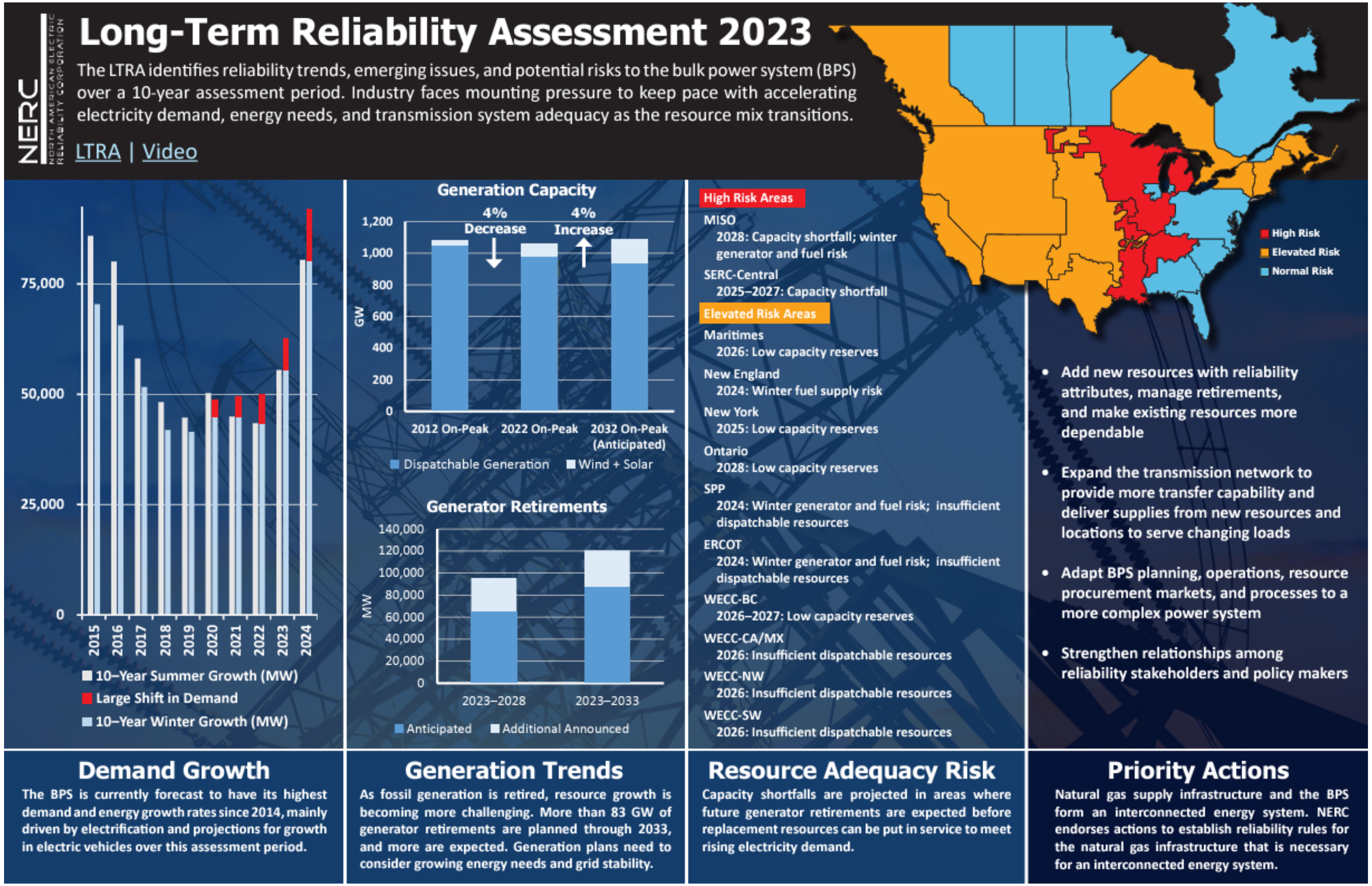
Perceived regulatory risk and lack of competitive regulatory mechanisms, leads to lower projected capital investment (impacting relative reliability and grid performance over time)

Recent Utility Investor Analyst Comments On Kansas

Downgrading to NEUTRAL from Buy: We are downgrading EVRG to NEUTRAL from BUY on the back of the environment in Kansas and the uncertainty regarding pathways forward to improve the jurisdiction despite shares showing a noticeable valuation discount and our constructive stance around management/the EVRG core story which remains a solid regulated utility in both KS and MO – this is a call against Kansas, not EVRG hence why KS is in the negative category in our regulatory analysis section earlier on in this report. In our view, Kansas' actions last year were some of the most draconian in the space, with the prospects for double leverage questions to reappear in the next case, absent a legislative solution this winter which can prolong the issue. Given legislation is such a jump ball for utility policy, we believe it is prudent to step to the sidelines at this time – if the company is not successful legislatively, clarity on double leverage may have to wait until the next case, creating a yearlong structural overhang in the interim (dead money). However, we note that legislative traction in Kansas this winter could be a catalyst to revert our thesis ***– put differently, this could be a short-term call for us given the Committee turnaround deadline is 2/23, and we would potentially look to revisit if the data points heading into floor voting was positive.*** Importantly, we stress that we remain positive on management and Missouri as a jurisdiction. We believe management did a good job last fall ripping the band aid off post-KCC and resetting growth expectations in the NT – we simply remain skeptical in the NT that the state of KS can yield a sensible legislative outcome that would warrant multiple compression… this downgrade is more geared towards the deteriorated backdrop in KS vs. any negative perceptions around EVRG. ***– Guggenheim, January 22, 2024***

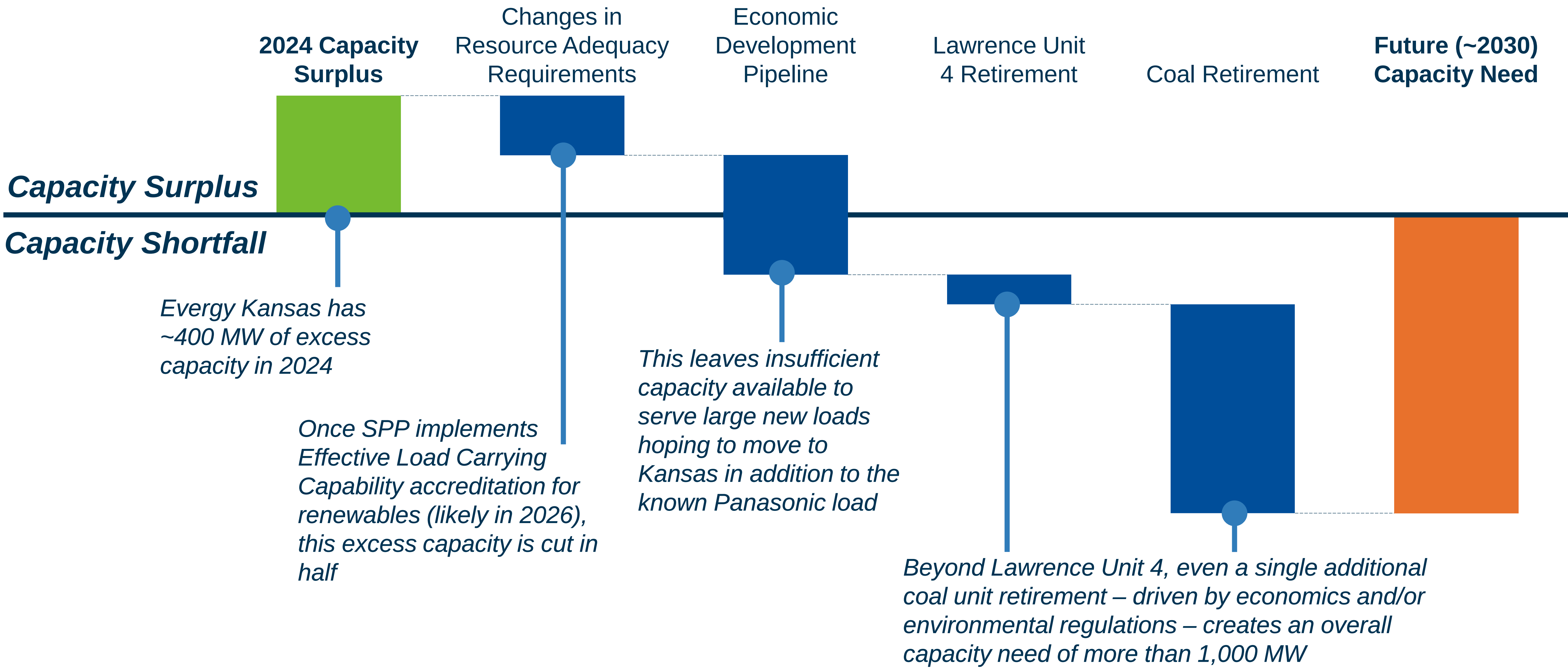
Need for Generation and Grid Investment in Kansas

2023 NERC Long-Term Reliability Assessment



The SPP is identified for lacking sufficient dispatchable generation and fuel risk

Kansas: Future Capacity Needs



Historic Opportunities and Barriers

Opportunity

Evergy's current economic development pipeline exceeds more than **$13.5 billion of capital investment** and more than **1,200 megawatts (MW) of electricity**. The greatest opportunities lie in bio and health science, mobility, aerospace, advanced manufacturing, logistics and technology/data.

Barriers

- Time to serve a project has increased significantly to 3-4 years in some cases.
- The number of circuits with available capacity has significantly decreased.
- We have increasingly less surplus electrical generation and dispatchable generation (capacity).
- State regulatory and energy policies actively disincentivize needed capital investment in the electrical grid:
  - Unlike neighboring states, in Kansas depreciation prevents full recovery of capital investments.
  - Neighboring states actively encourage electrical grid investment for economic development.
  - Kansas policy has the effect of discouraging capital investment in favor of the lowest possible electric rates.
  - More constructive regulatory policies have NOT led to higher rates in neighboring states.

Appendix:
Key Components of House Bill 2527 Explained

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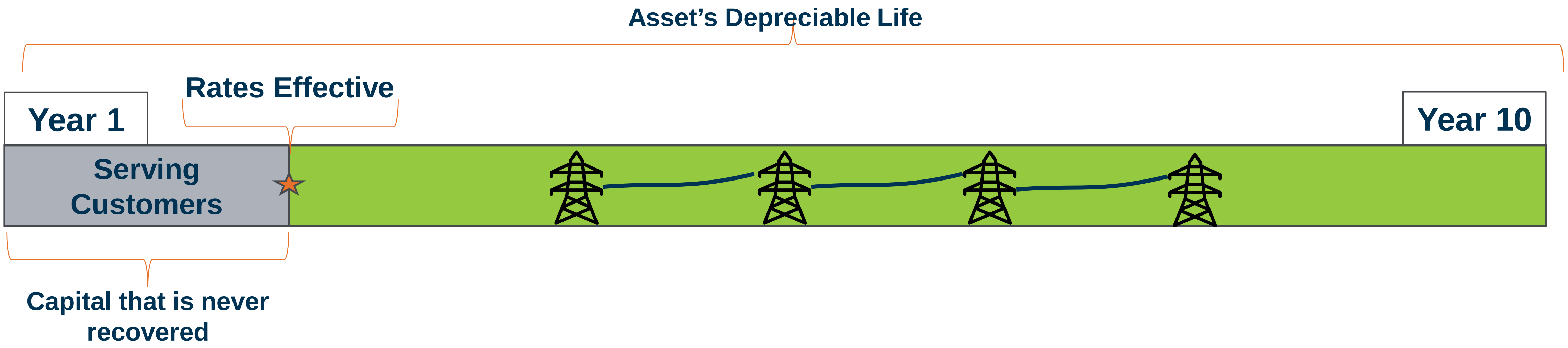
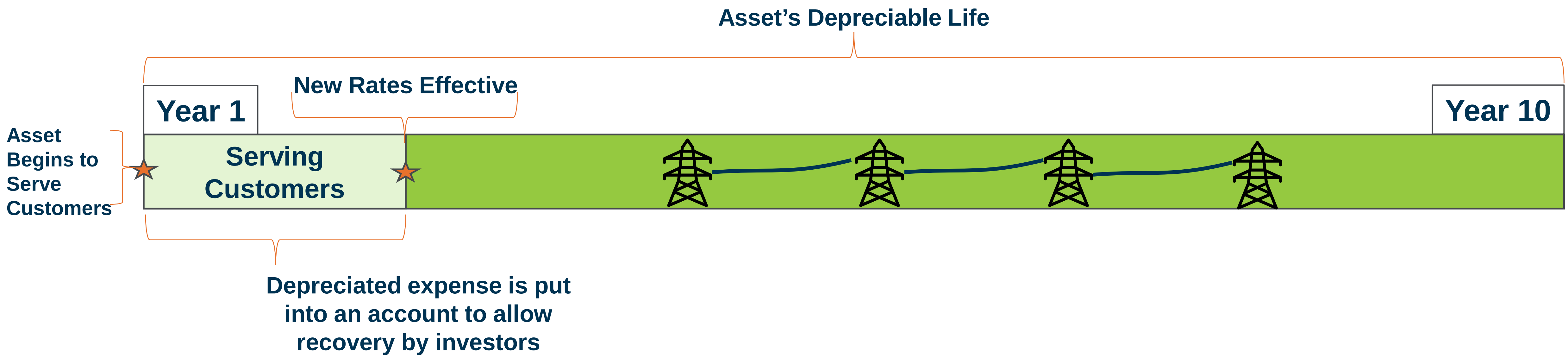
Current Regulatory Law In Kansas



- Assume a $100,000 investment in electrical grid
- Assume a 10-year depreciable life [for IT investments it is closer to five years, technology on grid is 5-10 and wires, poles, etc. are closer to 20-40 years of depreciable life]
- Assume the investment is in-service and used by customers for ten months before the company files a rate case and rate case usually takes around 8-10 months
- So, assume there is 18 months of depreciation that occurs between the time the asset is serving customers and it can begin to be recovered in rates
- **All of the depreciation between in-service date and new rates is lost. In this example, $15,000 of a $100,000 investment is never recovered by investors. 15% of the principal investment is lost**

HB2527: Plant In-Service Accounting

Plant In-Service Accounting (PISA): Accounting procedure to allow full recovery of investments and prevent losing depreciation on electrical grid, generation and IT investments



- $100,000 investment in electrical grid, 10-year depreciation and 18 months between in-service and new rates from a rate case
- **WITHOUT PISA:** All of the depreciation between in-service date and new rates is lost. In this example, $15,000 of a $100,000 investment is never recovered by investors. 15% of the principal investment is lost
- **WITH PISA:** depreciation still occurs (as required by GAAP and to calculate state and federal tax laws). However, all of the depreciation is put into an account on the company books and allowed to be recovered. In this example, investors recover the full amount of their investment

Evergy is not asking for special treatment. These mechanisms are available or in practice in neighboring states. This represents competitive or equitable regulatory treatment and will encourage investment to encourage economic development and generation adequacy

Current Law: Allowance For Funds Used During Construction (AFUDC)

Allowance for Funds Used During Construction (AFUDC): Under **current law** interest or carrying costs to be added to the total investment for recovery in rates once the project is completed, online and determined prudent. Interest / carrying costs build and accumulate over the duration of construction.

Carried Till In Rates	Recovered

Year 1	Year 2	Year 3	Year 4	Year 5: Online	In Rates
$100 Interest $1,000 Invested	$210 Interest $1,000 Invested $1,100 Carried Fwd.	$331 Interest $1,000 Invested $2,310 Carried Fwd.	$464 Interest $1,000 Invested $3,641 Carried Fwd.	$610 Interest $,1000 Invested $5,105 Carried Fwd.	**$6,715 Recovered in Rates**

- Build a combined cycle natural gas plant over five years at a total budgeted cost of $5,000 of invested capital
- Each year interest / carrying costs is added to the principal to be collected when the plant goes into rates (example assumes 10% annual interest / carrying costs)
- Each year the carried cost of the interest adds to the principal and interest accrues on the interest from the previous year—much like how a credit card works
- Once the plant comes online and goes into service the accumulated interest / carrying costs and the undepreciated principal are recovered over the depreciable life of the plant / asset and the utility is allowed to earn its authorized return on the total amount put into rates
- $6,715 put into rates and recovered over time at utility's authorized return; $215 more in interest / carrying costs over 5-year build

AFUDC allows principal and interest to be recovered once the power plant is put into rates. No dollars are recovered prior to a rate case, but the total cost and amount put into rates is increased by accumulated interest over the time to build the plant

HB2527: Construction Work In Progress (CWIP)

Construction Work In Progress (CWIP): Proposal in HB2527 that would allow interest / carrying costs to be recovered through a bill adjustment / rider, reducing overall interest / carrying costs on the project.

Carried Till In Rates	Recovered

Year 1	Year 2	Year 3	Year 4	Year 5: Online	In Rates
$100 Interest Recovered	$200 Interest Recovered	$300 Interest Recovered	$400 Interest Recovered	$500 Interest Recovered	**$5,000 Recovered in Rates**
$1,000 Invested	$1,000 Invested $1,000 Carried Fwd.	$1,000 Invested $2,000 Carried Fwd.	$1,000 Invested $3,000 Carried Fwd.	$1,000 Invested $4,000 Carried Fwd.	

- Build a combined cycle natural gas plant over five years at a total budgeted cost of $5,000 of invested capital (example assumes 10% annual interest / carrying costs)
- Each year interest / carrying costs is recovered through an adjustment or rider to customer bills
- Through CWIP interest / carrying costs do not accumulate on the invested capital
- Once the plant comes online and goes into service the principal is recovered over the depreciable life of the plant / asset and the utility is allowed to earn its authorized return on the undepreciated capital over that time period
- $5,000 put into rates and recovered over time at utility’s authorized return; $1,500 in interest / carrying costs already recovered

CWIP reduces the overall amount put into rates by recovering the interest / carrying costs while the power plant is being built. It also improves the utility’s credit metrics by providing cash while the plant is being built

Compare: AFUDC vs. CWIP

AFUDC	CWIP
Accumulate Interest As You Build	**Pay Interest As You Build**
• $**6,715** Investment and accumulated interest recovered in rates, after a rate case determining prudency	• **$5,000** Investment recovered in rates, after a rate case determining prudency
• Authorized ROE earned on $**6,715** investment and interest over depreciable life of the plant	• Authorized ROE earned on **$5,000** investment over depreciable life of the plant
• $**1,715** Interest accumulated and added to principal the power plant is being built	• **$1,500** Interest recovered through a rider while the power plant is being built
• Higher overall cost for customer and lower credit metrics for utility	• Lower overall cost for customer and better credit metrics for utility

CWIP reduces the overall cost of a project by recovering the interest / carrying costs while the power plant is being built. Additional consumer protections can be added to CWIP, like a claw back provision and limiting CWIP to original budget for the plant

HB 2527: Economic Development Rider Addition

Current KS EDRs

- Must have state and local incentives to qualify.
- **Standard Rider**: 20% discount annually for 5 years. Minimum load- 200kv and 55% load factor.
- **Limited Large**: 40% discount annually for 5 years. Minimum load- 300kv and 55% load factor.
- Defers discount amount to next rate case to be collected.

Proposed

- Keep the Standard and Limited Large for projects that size.
- Adds a new 10-year EDR for projects 25 MW or larger.
- **Changes all 3 EDRs so that the discounted revenue is simply not collected.**
- Matches Missouri which has a 10-year EDR.

The bill would keep the current Kansas EDRs and add a large one to match Missouri. EDRs help attract load and Kansas is currently at a disadvantage to Missouri. It would also match the Missouri language for not reallocating the discount to other customers.

HB 2527: Economic Development Riders Explained

Economic Development Rates Prior to Merger Creating Evergy

Rate $.10 | Discount $.03 → Uncollected Revenue -$.03 — No Customer Impact / Cost

Rate $.07 | SH to Customer $.015

Economic Development Rates Currently

Rate $.10 | Discount $.03 → Uncollected Revenue -$.03 — Deferred and Socialized to Other Customers $.03

Rate $.07

Economic Development Rates Proposed in HB2527

Rate $.10 | Discount $.03 → Uncollected Revenue -$.03 — No Customer Impact / Cost

Rate $.07

Rates after a rate case provide benefit to customers, but no ongoing cost for shareholders

Rate Case

The proposed changes to the economic development riders in Kansas are a benefit for customers, lowering the cost of those tools while creating parity with neighboring states

Appendix:

Peer Company Capital Structures
Evergy Earnings Last 6 Years
Investor Perspective on Kansas
Peer Utility Earnings / Evergy's Relative Performance

Peer Company Capital Structure

		Operating Company				Consolidated		
Holding Company	**Operating Company**	**Rates Authorized***	**Allowed ROE**	**Test Year**	**Equity Capitalization**	**Balance Sheet Date****	**Equity Capitalization*****	**Differential**
Ameren Corp.	Union Electric Co. (Ameren Missouri)	Jun 2023 (S)	n.a.	Mar 2022	n.a.	Mar 2022	43.8%	n.a.
Alliant Energy Corp.	Wisconsin Power & Light Co.	Nov 2021 (S)	10.00%	Dec 2023	52.5%	Jun 2023	44.1%	(8.4%)
WEC Energy Group	Wisconsin Electric Power Co.	Dec 2022 (L)	9.80%	Dec 2023	58.2%	Jun 2023	42.8%	(15.4%)
WEC Energy Group	Wisconsin Public Service Corp.	Dec 2022 (L)	9.80%	Dec 2023	53.4%	Jun 2023	42.8%	(10.6%)
OGE Energy Corp.	Oklahoma Gas & Electric Co.	Sep 2022 (S)	9.50%	Sep 2021	53.4%	Sep 2021	45.9%	(7.5%)
AEP, Inc.	Public Service Co. of Oklahoma	Dec 2021 (S)	9.40%	Dec 2020	n.a.	Dec 2020	41.5%	n.a.
Xcel Energy Inc.	Northern States Power Co.	Jun 2023 (L)	9.25%	Dec 2024	52.5%	Jun 2023	41.3%	(11.2%)
Xcel Energy Inc.	Public Service Co. of Colorado	Mar 2022 (S)	9.30%	Dec 2021	55.7%	Dec 2021	41.8%	(13.9%)
						Average Differential		**(11.2%)**

		Operating Company				Consolidated (Gatewood Direct, pg 24; KCC-372)		
Holding Company	**Operating Company**	**Rates Authorized***	**Requested ROE**	**True-up Date**	**Equity Capitalization**	**True-up Date**	**Equity Capitalization**	**Differential**
Evergy, Inc.	Evergy Kansas Central, Inc.	Dec 2023	10.25%	Jun 2023	52.3%	Jun 2023	48.6%	**(3.7%)**
Evergy, Inc.	Evergy Metro, Inc. (Kansas)	Dec 2023	10.25%	Jun 2023	52.7%	Jun 2023	48.6%	**(4.1%)**

** S = Settled rate case; L = Fully Litigated rate case*

*** Consolidated Balance Sheet Date is closest date to Operating Company Test Year for which financial data is available*

**** Equity Capitalization per Form 10-Q/10-K filings consistent with the corresponding Consolidated Balance Sheet Date calculated based on consolidated long-term debt (excl. current maturities) and common equity*

Evergy has a capital structure consistent with our peer companies in neighboring states. Capital investors in those states are not penalized by consolidating capital structures

Evaluation Of Total Shareholder Return

	Trailing 5 Years (12/6/2018)	Following Announcement of Sustainability Transformation Plan (8/5/2020)	Following New CEO Announcement (12/8/20)	Following Initial Missouri West Rate Order (11/9/2022)	Trailing 1 Year (12/6/2022)
Evergy	2.6%	8.6%	5.1%	-11.1%	-7.1%
UTY	34.1%	15.2%	9.6%	-5.8%	-9.0%
S&P 500	84.5%	43.8%	29.3%	17.6%	17.8%
EEI Peer Average[1]	27.3%	14.3%	9.0%	-5.0%	-8.5%
Quartile Rank vs. EEI Peers	**3rd**	**3rd**	**3rd**	**4th**	**3rd**

As Of 12/6/2023

[1] *Weighted by market capitalization*

UTY: Philadelphia Utility Index
EEI: Edison Electric Institute (membership is U.S. investor-owned utilities

Recent Utility Investor Analyst Comments On Kansas

The data points out of Kansas in [the second half of 2023] were almost universally negative, in our view, with Staff's double leverage/HoldCo look-through in the Kansas cases all but sealing our negative stance on the state.

While our baseline expectation was already skewed towards a tough process in Kansas, KCC Staff took it a step further in their direct testimony, driving a strategic settlement and ultimately helping precipitate EVRG's EPS growth stepdown. While the case was settled, the **question of Staff's leverage look-through remains open for either a legislative fix or full litigation in the next case**. We remain of the view that Staff almost seemed to be solving for a bill impact versus specific disallowances. **Absent legislative changes or direct commentary from the commissioners themselves on some of the most recent case disagreements, we see little reason to lift our negative designation in the NT [near term].**

That said, we note that the legislative session is now open, and we expect there will be an effort in the early days of the session by stakeholders to bring up potential reforms for consideration (e.g., cap structure legislation, test years, etc.).

The KCC ranks alongside PURA [Public Utilities Regulatory Authority in Connecticut] and the ICC [Illinois Commerce Commission as one of the most challenging commissions [in the United States]

– Guggenheim, January 22, 2024

Recent Utility Investor Analyst Comments On Kansas

We continue to share investor concern around the Kansas baseline and the potential for the KCC to remain sympathetic to Staff's surprising leverage arguments. ***– Guggenheim, September 2023***

Loss of confidence in Kansas regulatory environment.

We thought EVRG took all the right steps into the Kansas case – keeping rates flat for 5 years amidst rampant inflation and rising regional peer rates, regularly reviewing the capex plan with the KCC, agreeing to lower transmission ROEs, and even declining to sell the company back when Elliott was involved. But that seemed to go unappreciated with KCC Staff testimony at the end of August. This saw a recommended **rate decrease** and an equity ratio that imputed parent debt unlike most other states (and Kansas itself when EVRG was over-equitized coming out of the GXP/WR merger).

Execution on cost control has been strong and we like the mgmt. team… EVRG has seemingly done all the right things in Kansas – keeping rates flat and aligning with stakeholders on a variety of issues. But if rates can't be raised and ROEs/equity ratios are weaker than peers, we struggle to see investor sponsorship for the jurisdiction. ***– Wolfe Research, September 10, 2023***

The global settlement removes the immediate overhang of a protracted case process that, in our view, could have seen the Commission finishing not far removed from Staff's draconian opening mark. By not fighting Staff's earlier surprise double leverage look-through, the issue seems to remain open for another day, a prospect that we believe will remain an overhang … ***– Guggenheim, October 2023***

Kansas good for customers, bad for shareholders

The state is clearly very sensitive to rates and imputing parent debt into equity ratios remains unresolved. EVRG is talking to a legislative strategy to improve cost of capital and capital structure in KS, with a tie to economic development / infrastructure investment, but it's early days and broad stakeholder support is TBD. ***– Wolfe Research, November 7, 2023***

Evergy Shareholder Returns (TSR) Have Lagged Peers in Neighboring States And The Industry Nationally

EEI Peer Group TSR (1/1/2023 – 12/31/2023)

Tier	Rank	Company	TSR	Rank	Company	TSR	Tier
Tier 1	1	OTTER TAIL CORP	48.1%	21	ENTERGY CORP	-6.1%	Tier 3
	2	EDISON INTERNATIONAL	17.4%	22	WEC ENERGY GROUP INC	-7.0%	
	3	PG&E CORP	10.9%	23	OGE ENERGY CORP	-7.6%	
	4	UNITIL CORP	5.6%	24	PORTLAND GENERAL ELECTRIC	-7.8%	
	5	MGE ENERGY INC	5.1%	25	XCEL ENERGY INC	-8.7%	
	6	PUBLIC SERVICE ENTERPRISE GROUP	3.6%	26	FIRSTENERGY CORP	-8.9%	
	7	SOUTHERN CO	2.2%	27	NORTHWESTERN CORP	-10.1%	
	8	NISOURCE INC	0.4%	28	AMERICAN ELECTRIC POWER CO	-11.0%	
	9	SEMPRA ENERGY	0.0%	29	PNM RESOURCES INC	-12.0%	
	10	ALLETE INC	-0.7%	30	EVERGY INC	-13.3%	
Tier 2	11	CONSOLIDATED EDISON INC	-1.1%	31	EXELON CORP	-14.0%	Tier 4
	12	PINNACLE WEST CAPITAL CORP	-1.2%	32	AVISTA CORP	-15.3%	
	13	DUKE ENERGY CORP	-1.6%	33	AMEREN CORP	-16.1%	
	14	MDU RESOURCES GROUP INC	-1.9%	34	DOMINION ENERGY INC	-19.1%	
	15	CENTERPOINT ENERGY INC	-2.1%	35	BLACK HILLS CORP	-19.9%	
	16	DTE ENERGY CO	-2.8%	36	AVANGRID	-20.8%	
	17	PPL CORP	-3.8%	37	EVERSOURCE ENERGY	-23.4%	
	18	ALLIANT ENERGY CORP	-3.8%	38	NEXTERA ENERGY INC	-25.3%	
	19	CMS ENERGY CORP	-5.2%	39	HAWAIIAN ELECTRIC INDUSTRIES INC	-64.4%	
	20	IDACORP INC	-6.0%				

***Green** *font indicates Proxy Peers*

EEI Peer Group TSR (1/1/21 through 12/31/2023)

Tier	Rank	Company	TSR	Rank	Company	TSR	Tier
Tier 1	1	OTTER TAIL CORP	115.8%	21	MGE ENERGY INC	10.2%	Tier 3
	2	PG&E CORP	44.8%	22	ALLIANT ENERGY CORP	9.2%	
	3	CENTERPOINT ENERGY INC	42.6%	23	PPL CORP	9.0%	
	4	CONSOLIDATED EDISON INC	40.6%	24	AMERICAN ELECTRIC POWER CO	8.8%	
	5	FIRSTENERGY CORP	35.5%	25	EVERGY INC	5.5%	
	6	EXELON CORP	31.8%	26	CMS ENERGY CORP	4.2%	
	7	UNITIL CORP	30.4%	27	PINNACLE WEST CAPITAL CORP	3.0%	
	8	EDISON INTERNATIONAL	29.9%	28	AVISTA CORP	1.6%	
	9	SEMPRA ENERGY	29.1%	29	XCEL ENERGY INC	1.5%	
	10	SOUTHERN CO	28.7%	30	AMEREN CORP	0.8%	
Tier 2	11	NISOURCE INC	28.6%	31	WEC ENERGY GROUP INC	0.5%	Tier 4
	12	OGE ENERGY CORP	25.9%	32	NORTHWESTERN CORP	-0.5%	
	13	MDU RESOURCES GROUP INC	19.7%	33	BLACK HILLS CORP	-1.9%	
	14	DUKE ENERGY CORP	19.6%	34	PNM RESOURCES INC	-6.4%	
	15	DTE ENERGY CO	17.5%	35	NEXTERA ENERGY INC	-15.7%	
	16	PUBLIC SERVICE ENTERPRISE GROUP	16.4%	36	AVANGRID	-19.4%	
	17	ENTERGY CORP	13.9%	37	EVERSOURCE ENERGY	-21.3%	
	18	PORTLAND GENERAL ELECTRIC	13.4%	38	DOMINION ENERGY INC	-29.3%	
	19	ALLETE INC	11.9%	39	HAWAIIAN ELECTRIC INDUSTRIES INC	-55.0%	
	20	IDACORP INC	11.9%				

***Green** *font indicates Proxy Peers*

Evergy ranks Tier 4 in 2023 total shareholder return as of December of 2023 and is in Tier 3 for the period between January of 2021 through the end of 2023