

Evergy Missouri West, Inc.

**Unaudited Consolidated Financial Statements for the Three Months Ended
and Year to Date September 30, 2024 and 2023 and
Management's Narrative Analysis of the Results of Operations
Year to Date September 30, 2024 and 2023**

EVERGY MISSOURI WEST, INC.

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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>
AROs	Asset retirement obligations
BSER	Best system of emission reduction
CAA	Clean Air Act
CCRs	Coal combustion residuals
CCS	Carbon capture and sequestration
CO₂	Carbon dioxide
Crossroads	Crossroads Energy Center
CSAPR	Cross-State Air Pollution Rule
Dogwood	Dogwood Energy Center
EPA	Environmental Protection Agency
Evergy	Evergy, Inc.
Evergy Kansas Central	Evergy Kansas Central, Inc., a wholly-owned subsidiary of Evergy
Evergy Metro	Evergy Metro, Inc., a wholly-owned subsidiary of Evergy
Evergy Missouri West	Evergy Missouri West, Inc., a wholly-owned subsidiary of Evergy
Evergy Missouri West Storm Funding	Evergy Missouri West Storm Funding I, LLC
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
FIP	Federal implementation plan
GAAP	Generally Accepted Accounting Principles
GHG	Greenhouse gas
ITFIP	Interstate Transport Federal Implementation Plans
ITSIP	Interstate Transport State Implementation Plans
JEC	Jeffrey Energy Center
MATS	Mercury and Air Toxics Standards
MDNR	Missouri Department of Natural Resources
MPSC	Public Service Commission of the State of Missouri
NAAQS	National Ambient Air Quality Standards
OCI	Other comprehensive income
VIE	Variable interest entity

EVERGY MISSOURI WEST, INC.
Consolidated Balance Sheets
(Unaudited)

	September 30	December 31
	2024	2023
ASSETS	(millions, except share amounts)	
CURRENT ASSETS:		
Cash and cash equivalents	\$ 2.8	\$ 2.6
Receivables, net of allowance for credit losses of \$2.7 and \$4.6, respectively	76.3	50.0
Related party receivables	2.1	2.4
Accounts receivable pledged as collateral	50.0	50.0
Fuel inventory and supplies	106.1	99.5
Regulatory assets, includes \$15.6 and \$— related to variable interest entity, respectively	46.1	105.8
Prepaid expenses and other assets	34.5	10.4
Total Current Assets	317.9	320.7
PROPERTY, PLANT AND EQUIPMENT, NET	3,732.7	3,496.2
OTHER ASSETS:		
Regulatory assets, includes \$298.6 and \$— related to variable interest entity, respectively	660.9	707.0
Goodwill	351.6	351.6
Other	31.1	21.0
Total Other Assets	1,043.6	1,079.6
TOTAL ASSETS	\$ 5,094.2	\$ 4,896.5

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

EVERGY MISSOURI WEST, INC.
Consolidated Balance Sheets
(Unaudited)

	September 30	December 31
	2024	2023
LIABILITIES AND EQUITY	(millions, except share amounts)	
CURRENT LIABILITIES:		
Current maturities of long-term debt, includes \$19.5 and \$— related to variable interest entity, respectively	\$ 55.5	\$ —
Commercial paper	176.0	298.1
Collateralized note payable	50.0	50.0
Accounts payable	39.6	118.8
Related party payables	132.8	485.8
Accrued taxes	51.3	11.3
Accrued interest, includes \$10.2 and \$— related to variable interest entity, respectively	28.8	10.4
Regulatory liabilities	37.1	35.9
Asset retirement obligations	2.5	2.1
Other	11.2	6.5
Total Current Liabilities	584.8	1,018.9
LONG-TERM LIABILITIES:		
Long-term debt, net, includes \$303.8 and \$— related to variable interest entity, respectively	1,853.7	1,287.8
Deferred income taxes	477.2	466.0
Unamortized investment tax credits	2.4	2.5
Regulatory liabilities	205.1	251.9
Retirement benefits	17.6	16.9
Asset retirement obligations	25.2	20.6
Other	21.4	19.6
Total Long-Term Liabilities	2,602.6	2,065.3
Commitments and Contingencies (Note 10)		
EQUITY:		
Common shareholder's equity		
Common stock-1,000 shares authorized, \$0.01 par value, 10 shares issued, stated value	1,457.7	1,457.7
Retained earnings	447.5	352.9
Accumulated other comprehensive income	1.6	1.7
Total Shareholder's Equity	1,906.8	1,812.3
TOTAL LIABILITIES AND EQUITY	\$ 5,094.2	\$ 4,896.5

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

EVERGY MISSOURI WEST, INC.
Consolidated Statements of Comprehensive Income
(Unaudited)

	Three Months Ended September 30		Year to Date September 30	
	2024	2023	2024	2023
	(millions)			
OPERATING REVENUES	\$ 289.8	\$ 295.1	\$ 763.4	\$ 750.3
OPERATING EXPENSES:				
Fuel and purchased power	105.7	113.2	307.3	310.9
Operating and maintenance	48.7	45.2	142.4	128.6
Depreciation and amortization	40.0	37.1	116.5	111.7
Taxes other than income tax	13.7	13.6	40.8	40.3
Total Operating Expenses	208.1	209.1	607.0	591.5
INCOME FROM OPERATIONS	81.7	86.0	156.4	158.8
OTHER INCOME (EXPENSE):				
Investment earnings	0.6	5.2	4.7	17.0
Other income	0.2	0.1	0.4	0.4
Other expense	(1.9)	(2.1)	(6.2)	(7.0)
Total Other Income (Expense), Net	(1.1)	3.2	(1.1)	10.4
Interest expense	21.8	22.4	61.6	64.9
INCOME BEFORE INCOME TAXES	58.8	66.8	93.7	104.3
Income tax expense (benefit)	4.7	9.8	(0.9)	8.0
NET INCOME	\$ 54.1	\$ 57.0	\$ 94.6	\$ 96.3
COMPREHENSIVE INCOME				
NET INCOME	\$ 54.1	\$ 57.0	\$ 94.6	\$ 96.3
OTHER COMPREHENSIVE LOSS				
Defined benefit pension plans				
Amortization of net gains included in net periodic benefit costs	—	—	(0.1)	(0.1)
Amortization of net gains included in net periodic benefit costs, net of tax	—	—	(0.1)	(0.1)
Change in unrecognized pension expense, net of tax	—	—	(0.1)	(0.1)
Total other comprehensive loss	—	—	(0.1)	(0.1)
COMPREHENSIVE INCOME	\$ 54.1	\$ 57.0	\$ 94.5	\$ 96.2

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

EVERGY MISSOURI WEST, INC.
Consolidated Statements of Cash Flows
(Unaudited)

Year to Date September 30	2024	2023
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	(millions)	
Net income	\$ 94.6	\$ 96.3
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	116.5	111.7
Net deferred income taxes and credits	(8.1)	0.6
Payments for asset retirement obligations	(0.3)	(1.1)
Changes in working capital items:		
Accounts receivable	(23.9)	(1.4)
Accounts receivable pledged as collateral	—	(15.0)
Fuel inventory and supplies	(5.0)	(14.7)
Prepaid expenses and other current assets	83.2	62.6
Accounts payable	(67.8)	(82.7)
Accrued taxes	40.0	59.7
Other current liabilities	18.9	0.5
Change in other assets	13.5	(4.0)
Changes in other liabilities	(26.1)	(30.5)
Cash Flows from Operating Activities	<u>235.5</u>	<u>182.0</u>
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES:		
Additions to property, plant and equipment	(372.2)	(259.7)
Cash Flows used in Investing Activities	<u>(372.2)</u>	<u>(259.7)</u>
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES:		
Short term debt, net	(122.1)	124.0
Collateralized short-term borrowings, net	—	15.0
Proceeds from long-term debt	624.1	—
Net money pool borrowings	(342.6)	(60.5)
Other financing activities	(0.4)	(0.2)
Cash Flows from Financing Activities	<u>159.0</u>	<u>78.3</u>
NET CHANGE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	22.3	0.6
CASH, CASH EQUIVALENTS AND RESTRICTED CASH:		
Beginning of period	2.6	2.2
End of period	<u>\$ 24.9</u>	<u>\$ 2.8</u>

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

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

	Common stock shares	Common stock	Retained earnings	AOCI - Defined benefit pension plans	Total equity
			(millions, except share amounts)		
Balance as of December 31, 2022	10	\$ 1,457.7	\$ 255.2	\$ 2.2	\$ 1,715.1
Net income	—	—	11.0	—	11.0
Balance as of March 31, 2023	10	1,457.7	266.2	2.2	1,726.1
Net income	—	—	28.3	—	28.3
Change in unrecognized pension expense, net of tax	—	—	—	(0.1)	(0.1)
Balance as of June 30, 2023	10	1,457.7	294.5	2.1	1,754.3
Net income	—	—	57.0	—	57.0
Balance as of September 30, 2023	10	\$ 1,457.7	\$ 351.5	\$ 2.1	\$ 1,811.3
Balance as of December 31, 2023	10	\$ 1,457.7	\$ 352.9	\$ 1.7	\$ 1,812.3
Net income	—	—	5.4	—	5.4
Balance as of March 31, 2024	10	1,457.7	358.3	1.7	1,817.7
Net income	—	—	35.1	—	35.1
Change in unrecognized pension expense, net of tax	—	—	—	(0.1)	(0.1)
Balance as of June 30, 2024	10	1,457.7	393.4	1.6	1,852.7
Net income	—	—	54.1	—	54.1
Balance as of September 30, 2024	10	\$ 1,457.7	\$ 447.5	\$ 1.6	\$ 1,906.8

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

EVERGY MISSOURI WEST, INC.**Notes to Unaudited Consolidated Financial Statements**

The term "Evergy Missouri West" is used throughout this report and refers to Evergy Missouri West, Inc. and its consolidated subsidiaries, unless otherwise indicated. Evergy Missouri West is a wholly-owned subsidiary of Evergy, Inc. (Evergy). Evergy also owns Evergy Metro, Inc. (Evergy Metro) and Evergy Kansas Central, Inc. (Evergy Kansas Central), both integrated, regulated electric utilities.

1. ORGANIZATION AND BASIS OF PRESENTATION**Organization**

Evergy Missouri West is an integrated, regulated electric utility that provides electricity to customers in the state of Missouri. Evergy Missouri West conducts business in its service territory using the name Evergy.

Basis of Presentation

These unaudited consolidated financial statements have been prepared in accordance with generally accepted accounting principles (GAAP) for interim financial information. Accordingly, these unaudited consolidated financial statements do not include all of the information and notes required by GAAP for annual financial statements and should be read in conjunction with Evergy Missouri West's audited consolidated financial statements for the years ended December 31, 2023 and 2022.

These unaudited consolidated financial statements, in the opinion of management, reflect all normal recurring adjustments necessary to fairly present the unaudited consolidated financial statements of Evergy Missouri West for these interim periods. In preparing financial statements that conform to GAAP, management must make estimates and assumptions that affect the reported amounts of assets and liabilities, the reported amounts of revenues and expenses, and the disclosure of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

Principles of Consolidation

Evergy Missouri West's unaudited consolidated financial statements include the accounts of its subsidiaries and a variable interest entity (VIE) of which it is the primary beneficiary. Undivided interests in jointly-owned generation facilities are included on a proportionate basis. Intercompany transactions have been eliminated.

Subsequent events have been evaluated through November 6, 2024, the date the unaudited consolidated financial statements were available to be issued.

Cash, Cash Equivalents and Restricted Cash

Cash equivalents consist of highly liquid investments with original maturities of three months or less at acquisition. Evergy Missouri West has restricted cash included in Other Current Assets and Other Non-current Assets on Evergy's Missouri West's consolidated balance sheet to facilitate the servicing of Evergy Missouri West Storm Funding I, LLC's (Evergy Missouri West Storm Funding) debt and the funding requirements for a jointly-owned generation facility. See Note 12 for additional information on the VIE. The following table summarizes the cash, cash equivalents and restricted cash included on Evergy Missouri West's consolidated balance sheets.

	September 30 2024	December 31 2023
Current assets		(millions)
Cash and cash equivalents	\$ 2.8	\$ 2.6
Other	20.4	—
Other assets		
Other	1.7	—
Total cash, cash equivalents and restricted cash	\$ 24.9	\$ 2.6

Fuel Inventory and Supplies

Evergy Missouri West records fuel inventory and supplies at average cost. The following table separately states the balances for fuel inventory and supplies.

	September 30 2024	December 31 2023
	(millions)	
Fuel inventory	\$ 36.0	\$ 37.3
Supplies	70.1	62.2
Fuel inventory and supplies	\$ 106.1	\$ 99.5

Property, Plant and Equipment

The following table summarizes Evergy Missouri West's property, plant and equipment.

	September 30 2024	December 31 2023
	(millions)	
Electric plant in service	\$ 5,119.2	\$ 4,784.8
Electric plant acquisition adjustment	18.0	—
Accumulated depreciation	(1,563.1)	(1,464.1)
Plant in service, net	3,574.1	3,320.7
Construction work in progress	158.6	175.5
Property, plant and equipment, net	\$ 3,732.7	\$ 3,496.2

Other Expense

The table below shows the detail of other expense for Evergy Missouri West.

	Three Months Ended September 30		Year to Date September 30	
	2024	2023	2024	2023
	(millions)			
Non-service cost component of net benefit cost	\$ (1.7)	\$ (1.9)	\$ (5.8)	\$ (6.5)
Other	(0.2)	(0.2)	(0.4)	(0.5)
Other expense	\$ (1.9)	\$ (2.1)	\$ (6.2)	\$ (7.0)

Supplemental Cash Flow Information

Year to Date September 30	2024	2023
	(millions)	
Cash paid for (received from):		
Interest, net of amounts capitalized	\$ 51.1	\$ 60.2
Income taxes, net of refunds	9.4	(10.8)
Right-of-use assets obtained in exchange for new operating lease liabilities	—	0.6
Right-of-use assets obtained in exchange for new finance lease liabilities	1.5	—
Non-cash investing transactions:		
Property, plant and equipment additions	14.4	20.9

Renewable Plant Investments

In the third quarter of 2024, Evergy Missouri West entered into agreements to own two solar generation facilities currently under development. The first facility, to be called Sunflower Sky, is a solar generation facility to be located in Kansas with an expected generating capacity of approximately 65 MW. The second facility, to be called Foxtrot, is a solar generation facility to be located in Missouri with an expected generating capacity of approximately 100 MW. The solar generation facilities are expected to begin operations by summer of 2027. The agreements are subject to regulatory approvals and closing conditions, including the granting by the Public Service Commission of the State of Missouri (MPSC) of a Certificate of Convenience and Necessity (CCN) with reasonably

acceptable terms. In October 2024, Evergy Missouri West filed an application for a CCN. Evergy Missouri West requested a response from the MPSC by May 2025.

Natural Gas Plant Investments

In October 2024, Evergy announced its plan to construct a combined-cycle natural gas plant located in Kansas. Evergy Kansas Central and Evergy Missouri West will jointly-own the site and expect it to have an initial generating capacity of approximately 705 MW. The plant is expected to begin operations by summer of 2029. In November 2024, Evergy Kansas Central requested predetermination from the Kansas Corporation Commission (KCC). In the fourth quarter of 2024, Evergy Missouri West plans to request a CCN from the MPSC.

In April 2024, Evergy Missouri West purchased a 22% ownership interest representing approximately 145 MW in Dogwood Energy Center (Dogwood), an operational combined-cycle natural gas facility located in Missouri, for approximately \$60 million. The purchase was recorded as an asset acquisition to property, plant and equipment, net, on Evergy Missouri West's consolidated balance sheet. The purchase was subject to terms and conditions listed in a stipulation and agreement approved by the MPSC allowing Evergy Missouri West to recover in rates a return of and return on the original cost, net of accumulated depreciation, of Dogwood. Evergy Missouri West shall also be allowed to recover in rates over two years a return of, but not a return on, the amount of the purchase price paid in excess of the original cost, net of accumulated depreciation, of Dogwood. In addition, net revenues generated from Evergy Missouri West's ownership of Dogwood from the date of closing to the date new rates become effective in Evergy Missouri West's current rate case shall not impact rates and shall be retained by Evergy Missouri West and reduce the amount of the purchase price paid in excess of the original cost, net of accumulated depreciation, of Dogwood to be recovered from customers.

2. REVENUE

Evergy Missouri West's revenues disaggregated by customer class are summarized in the following table.

	Three Months Ended September 30		Year to Date September 30	
	2024	2023	2024	2023
Revenues	(millions)			
Residential	\$ 147.0	\$ 152.3	\$ 373.8	\$ 375.2
Commercial	100.1	99.2	270.5	257.9
Industrial	27.6	28.3	77.8	74.6
Other retail	1.7	2.5	6.2	9.8
Total electric retail	\$ 276.4	\$ 282.3	\$ 728.3	\$ 717.5
Wholesale	6.8	6.0	14.4	10.2
Transmission	2.1	0.6	5.8	2.6
Industrial steam and other	4.3	5.9	14.2	19.2
Total revenue from contracts with customers	\$ 289.6	\$ 294.8	\$ 762.7	\$ 749.5
Other	0.2	0.3	0.7	0.8
Operating revenues	\$ 289.8	\$ 295.1	\$ 763.4	\$ 750.3

3. RECEIVABLES

Evergy Missouri West's receivables are detailed in the following table.

	September 30 2024	December 31 2023
	(millions)	
Customer accounts receivable - billed	\$ 22.2	\$ 2.5
Customer accounts receivable - unbilled	49.5	42.0
Other receivables	7.3	10.1
Allowance for credit losses	(2.7)	(4.6)
Total	\$ 76.3	\$ 50.0

As of September 30, 2024 and December 31, 2023, other receivables for Evergy Missouri West included receivables from contracts with customers of \$1.2 million and \$0.8 million, respectively.

The change in Evergy Missouri West's allowance for credit losses is summarized in the following table.

	2024	2023
	(millions)	
Beginning balance January 1	\$ 4.6	\$ 5.2
Credit loss expense	0.2	1.4
Write-offs	(3.7)	(3.7)
Recoveries of prior write-offs	1.6	1.4
Ending balance September 30	\$ 2.7	\$ 4.3

Sale of Accounts Receivable

Evergy Missouri West sells an undivided percentage ownership interest in its retail electric accounts receivable to an independent outside investor. This sale is accounted for as a secured borrowing with accounts receivable pledged as collateral and a corresponding short-term collateralized note payable recognized on the balance sheets. As of September 30, 2024 and December 31, 2023, Evergy Missouri West's accounts receivable pledged as collateral and the corresponding short-term collateralized note payable were \$50.0 million. In February 2024, Evergy Missouri West amended the terms of its receivable sales facility, including extending the expiration to November 2025. Prior to the amendment, Evergy Missouri West's receivable sales facility allowed for \$50.0 million in aggregate outstanding principal amount of borrowings from mid-November through mid-July and then \$65.0 million from mid-July through mid-November.

Under the amended terms, effective in the first quarter of 2024, Evergy Missouri West's facility allows up to \$50.0 million in aggregate outstanding principal amount to be borrowed at any time. To the extent Evergy Missouri West has qualifying accounts receivable and subject to the lender's discretion, Evergy Missouri West's facility allows for an additional \$65.0 million in aggregate outstanding principal amount to be borrowed at any time.

4. RATE MATTERS AND REGULATION

MPSC Proceedings

Evergy Missouri West's 2024 Rate Case Proceeding

In February 2024, Evergy Missouri West filed an application with the MPSC to request an increase to its retail revenues of approximately \$104 million. Evergy Missouri West's request reflected a return on equity of 10.5% (with a capital structure composed of 52% equity) and increases related to the recovery of infrastructure investments made to improve reliability and enhance customer service and the inclusion of certain costs related to Dogwood and Crossroads Energy Center (Crossroads), two natural gas plants.

In October 2024, Evergy Missouri West, MPSC staff and other intervenors in the case reached a unanimous partial stipulation and agreement to settle certain issues in the case. The partial stipulation and agreement provided for an increase to Evergy Missouri West's retail revenues of approximately \$55 million after lowering base rates for fuel and purchased power expense of approximately \$49 million and rebasing property tax expense. The partial stipulation and agreement excludes one prospective issue related to the proportion of fuel and purchased power costs that are shared with shareholders in Evergy Missouri West's fuel adjustment clause which will be resolved by the MPSC in its final order. The unanimous partial stipulation and agreement is subject to the approval of the MPSC expected in December 2024. If approved, new rates are expected to be effective in January 2025.

February 2021 Winter Weather Event Securitization

In February 2021, much of the central and southern United States, including the service territory of Evergy Missouri West, experienced a significant winter weather event that resulted in extremely cold temperatures over a multi-day period (February 2021 winter weather event).

In November 2022, the MPSC issued a revised financing order authorizing Evergy Missouri West to issue securitized bonds to recover its extraordinary fuel and purchased power costs incurred as part of the February 2021 winter weather event. As part of the order, the MPSC found that Evergy Missouri West's costs were prudently incurred, that it should only be allowed to recover 95% of its extraordinary fuel and purchased power costs consistent with the 5% sharing provision of its fuel recovery mechanism, that it should be allowed to recover carrying costs incurred since February 2021 at Evergy Missouri West's long-term debt rate of 5.06% and approved a 15 year repayment period for the bonds with a 17 year legal maturity. Evergy Missouri West continued to record carrying charges on its February 2021 winter weather event regulatory asset until it issued the securitized bonds in February 2024. See Note 8 for additional information regarding the issuance of the securitized bonds.

5. GOODWILL

GAAP requires goodwill to be tested for impairment annually and when an event occurs indicating the possibility that an impairment exists. The annual impairment test for the \$351.6 million of Evergy Missouri West acquisition goodwill was conducted as of May 1, 2024. The goodwill impairment test consists of comparing the fair value of a reporting unit to its carrying amount, including goodwill, to identify potential impairment. In the event that the carrying amount exceeds the fair value of the reporting unit, an impairment loss is recognized for the difference between the carrying amount of the reporting unit and its fair value. Evergy Missouri West's regulated electric utility operations are considered one reporting unit for assessment of impairment, as they have similar economic characteristics. The determination of fair value of the reporting unit consisted of two valuation techniques: an income approach consisting of a discounted cash flow analysis and a market approach consisting of a determination of reporting unit invested capital using a market multiple derived from the historical earnings before interest, income taxes, depreciation and amortization and market prices of the stock of peer companies. The results of the two techniques were evaluated and weighted to determine a point within the range that management considered representative of fair value for the reporting unit. The fair value of the reporting unit exceeded the carrying amount, including goodwill. As a result, there was no impairment of goodwill in 2024 or 2023.

6. ASSET RETIREMENT OBLIGATIONS

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

Evergy Missouri West has AROs related to asbestos abatement and the closure and post-closure care of ponds and landfills containing coal combustion residuals (CCRs).

The following table summarizes the changes in Evergy Missouri West's AROs for the periods ending September 30, 2024 and December 31, 2023.

	2024	2023
	(millions)	
Beginning balance, January 1	\$ 22.7	\$ 24.6
Additions	3.9	—
Settlements	(0.3)	(3.4)
Accretion	1.4	1.5
Ending balance	\$ 27.7	\$ 22.7
Less: current portion	(2.5)	(2.1)
Total non-current asset retirement obligation	\$ 25.2	\$ 20.6

In the second quarter of 2024, Evergy Missouri West recorded \$3.9 million of ARO liabilities related to the new Environmental Protection Agency (EPA) CCR regulation focused on legacy surface impoundments and historic placements of CCR. This regulation expands applicability of the 2015 CCR regulation to inactive landfills and beneficial use sites not previously regulated. Evergy Missouri West recorded an offsetting balance to property, plant and equipment, net, for the ARO liability. See Note 10 for additional information regarding the regulation of CCRs.

7. SHORT-TERM BORROWINGS AND SHORT-TERM BANK LINES OF CREDIT

In August 2024, Evergy extended the expiration date of its \$2.5 billion master credit facility from 2027 to 2028. As of September 30, 2024 and December 31, 2023, Evergy Missouri West has borrowing capacity under the master credit facility with a sublimit of \$400.0 million and \$700.0 million, respectively. This sublimit can be unilaterally adjusted by Evergy provided the sublimit remains within minimum and maximum sublimits as specified in the facility. The applicable interest rates and commitment fees of the facility are subject to upward or downward adjustments, within certain limitations, if Evergy achieves, or fails to achieve, certain sustainability-linked targets based on two key performance indicator metrics: (i) Non-Emitting Generation Capacity and (ii) Diverse Supplier Spend (as defined in the facility). The applicable interest rates and commitment fees of the facility are also subject to changes in ratings by the credit rating agencies.

A default by Evergy Missouri West or one of its significant subsidiaries on other indebtedness totaling more than \$100.0 million constitutes a default by Evergy Missouri West under the facility. Under the terms of this facility, Evergy Missouri West is required to maintain a total indebtedness to total capitalization ratio, as defined in the facility, of not greater than 0.65 to 1.00. As of September 30, 2024, Evergy Missouri West was in compliance with this covenant.

As of September 30, 2024, Evergy Missouri West had \$176.0 million of commercial paper outstanding at a weighted-average interest rate of 4.94%, had no issued letters of credit and had no outstanding cash borrowings under the master credit facility. As of December 31, 2023, Evergy Missouri West had \$298.1 million of commercial paper outstanding at a weighted-average interest rate of 5.66%, had no issued letters of credit and had no outstanding cash borrowings under the master credit facility.

8. LONG-TERM DEBT

Mortgage Bonds

In May 2024, Evergy Missouri West issued, at a discount, \$300.0 million of 5.65% First Mortgage Bonds, maturing in 2034. Proceeds were used to pay down commercial paper and for general corporate purposes.

Securitized Bonds

In 2022, Evergy Missouri West created a special purpose subsidiary, Evergy Missouri West Storm Funding, a wholly-owned, bankruptcy remote entity solely for the purpose of recovering extraordinary fuel and purchased power costs incurred as part of the February 2021 winter weather event. In February 2024, Evergy Missouri West

Storm Funding issued, at a discount, \$331.1 million of 5.10% Securitized Utility Tariff Bonds (Securitized Bonds) with a final payment scheduled for 2038, maturing in 2040. The obligations of Evergy Missouri West Storm Funding's Securitized Bonds are repaid through charges imposed on customers in Evergy Missouri West's service territory. Creditors of Evergy Missouri West have no recourse to any assets or revenues of Evergy Missouri West Storm Funding, and the bondholders have no recourse to the general credit of Evergy Missouri West. See Note 4 for additional information regarding the February 2021 winter weather event securitization.

9. FAIR VALUE MEASUREMENTS

GAAP establishes a hierarchical framework for disclosing the transparency of the inputs utilized in measuring assets and liabilities at fair value. Management's assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the classification of assets and liabilities within the fair value hierarchy levels. Further explanation of these levels is summarized below.

Level 1 - Quoted prices are available in active markets for identical assets or liabilities. The types of assets and liabilities included in Level 1 are highly liquid and actively traded instruments with quoted prices, such as equities listed on public exchanges.

Level 2 - Pricing inputs are not quoted prices in active markets but are either directly or indirectly observable. The types of assets and liabilities included in Level 2 are certain marketable debt securities or financial instruments traded in less than active markets.

Level 3 - Significant inputs to pricing have little or no transparency. The types of assets and liabilities included in Level 3 are those with inputs requiring significant management judgment or estimation.

Evergy Missouri West records cash and cash equivalents, accounts receivable and short-term borrowings on its consolidated balance sheet at cost, which approximates fair value due to the short-term nature of these instruments.

Fair Value of Long-Term Debt

Evergy Missouri West measures the fair value of long-term debt using Level 2 measurements available as of the measurement date. The book value and fair value of Evergy Missouri West's long-term debt is summarized in the following table.

	September 30, 2024		December 31, 2023	
	Book Value	Fair Value	Book Value	Fair Value
	(millions)			
Long-term debt ^(a)	\$ 1,909.2	\$ 1,873.5	\$ 1,287.8	\$ 1,182.9

^(a)Includes current maturities.

Supplemental Executive Retirement Plan

As of September 30, 2024 and December 31, 2023, Evergy Missouri West's Supplemental Executive Retirement Plan rabbi trusts included \$8.5 million and \$8.8 million of core bond funds, respectively. The core bond funds are Level 1 investments.

10. COMMITMENTS AND CONTINGENCIES

Environmental Matters

Set forth below are descriptions of contingencies related to environmental matters that may impact Evergy Missouri West's operations or its financial results. Management's assessment of these contingencies, which are based on federal and state statutes and regulations, and regulatory agency and judicial interpretations and actions, has evolved over time. These laws, regulations, interpretations and actions can also change, restrict or otherwise impact Evergy Missouri West's operations or financial results. The failure to comply with these laws, regulations, interpretations and actions could result in the assessment of administrative, civil and criminal penalties and the imposition of remedial requirements. Evergy Missouri West believes that all of its operations are in substantial compliance with current federal, state and local environmental standards.

There are a variety of final and proposed laws and regulations that could have a material adverse effect on Evergy Missouri West's operations and consolidated financial results. Due in part to the complex nature of environmental laws and regulations, Evergy Missouri West is unable to assess the impact of potential changes that may develop with respect to the environmental contingencies described below.

Mercury and Air Toxics Standards (MATS)

In April 2024, the EPA finalized a rule to tighten certain aspects of the MATS rule. The EPA is lowering the emission limit for particulate matter (PM), requiring the use of PM continuous emissions monitors (CEMS) and lowering the mercury emission limit for lignite coal-fired electric generating units (EGUs). Evergy Missouri West's cost to comply is not expected to be material.

Ozone Interstate Transport State Implementation Plans (ITSIP)

In 2015, the EPA lowered the Ozone National Ambient Air Quality Standards (NAAQS) from 75 ppb to 70 ppb. Impacted states were required to submit ITSIPs in 2018 to comply with the "Good Neighbor Provision" of the Clean Air Act (CAA). The EPA did not act on these ITSIP submissions by the deadline established in the CAA and entered consent decrees establishing deadlines to take final action on various ITSIPs. In February 2022, the EPA published a proposed rule to disapprove the ITSIPs submitted by nineteen states including Missouri and Oklahoma. In April 2022, the EPA published an approval of the Kansas ITSIP in the Federal Register. The Missouri Department of Natural Resources (MDNR) submitted a supplemental ITSIP to the EPA in November 2022. In February 2023, the EPA published a final rule disapproving the ITSIPs submitted by nineteen states, including the final disapproval of the Missouri and Oklahoma ITSIPs. In April 2023, the Attorneys General of Missouri and Oklahoma filed Petitions for Review in the U.S. Court of Appeals for the Eighth Circuit (Eighth Circuit) and the U.S. Court of Appeals for the Tenth Circuit (Tenth Circuit), respectively, challenging the EPA's disapproval. In May 2023, the Eighth Circuit granted a stay of the EPA's disapproval of the Missouri ITSIP. Similarly, in July 2023, the Tenth Circuit granted a stay of the EPA's disapproval of the Oklahoma ITSIP. In August 2024, the EPA published in the Federal Register a proposed rule to disapprove the supplemental ITSIP that Missouri submitted in November 2022. Due to uncertainty regarding the stays of the EPA's disapprovals of the Missouri and Oklahoma ITSIPs, Evergy Missouri West is unable to accurately assess the impact on its operations or consolidated financial results, but the cost to comply could be material. In January 2024, the EPA proposed to disapprove the ITSIP for Kansas and four other states. The Kansas ITSIP was previously approved in April 2022. The impact of the EPA's disapproval of the Kansas ITSIP could have a material impact on Evergy Missouri West's operations.

Ozone Interstate Transport Federal Implementation Plans (ITFIP)

In April 2022, the EPA published in the Federal Register the proposed ITFIP to resolve outstanding "Good Neighbor" obligations with respect to the 2015 Ozone NAAQS for twenty-six states including Missouri and Oklahoma. This ITFIP would establish a revised Cross-State Air Pollution Rule (CSAPR) ozone season nitrogen oxide (NOx) emissions trading program for EGUs beginning in 2023 and would limit ozone season NOx emissions from certain industrial stationary sources beginning in 2026. The proposed rule would also establish a new daily backstop NOx emissions rate limit for applicable coal-fired units larger than 100 MW, as well as unit-specific NOx emission rate limits for certain industrial emission units and would feature "dynamic" adjustments of emission budgets for EGUs beginning with ozone season 2025. The proposed ITFIP included reductions to the state ozone season NOx budgets for Missouri and Oklahoma beginning in 2023 with additional reductions in future years. Evergy Missouri West provided formal comments as part of the rulemaking process. In March 2023, the EPA issued the final ITFIPs for twenty-three states, including Missouri and Oklahoma, which included reduced ozone season NOx budgets for EGUs in Missouri, Oklahoma and other states, and included other features and requirements that were in the proposed version of the rule. Because the EPA's authority to impose an ITFIP for a state is triggered by the state's failure to submit an ITSIP addressing NAAQS by the statutory deadline or disapproval of an ITSIP, the EPA lacks authority under the Clean Air Act to impose an ITFIP on a state for which state implementation plan (SIP) disapprovals have been stayed by the courts. Accordingly, the EPA issued interim final rules staying the effectiveness of the ITFIP in both Missouri and Oklahoma while the stays issued by the Eighth and Tenth Circuits in the ITSIP disapproval cases remain in place. During this time, both states will continue to operate under the existing CSAPR program. While Kansas was not originally included in the ITFIP, in January 2024, the EPA issued a proposal to include Kansas in the ITFIP. If finalized, the ITFIP for Kansas would become effective for the 2025 ozone season beginning in May 2025. In June 2024, the U.S. Supreme Court issued

an order granting emergency motions for stay filed by state and industry petitioners of the final ITFIP pending further review of the ITFIP by the U.S. Court of Appeals for the D.C. Circuit (D.C. Circuit). If the ITFIP ultimately takes effect for Missouri, Kansas and Oklahoma following the pending litigation, the impact on Evergy Missouri West's operations and the cost to comply could be material.

Particulate Matter National Ambient Air Quality Standards

In March 2024, the EPA published in the Federal Register the final rule which strengthens the primary annual PM_{2.5} (particulate matter less than 2.5 microns in diameter) NAAQS. The EPA is lowering the primary annual PM_{2.5} NAAQS from 12.0 µg/m³ (micrograms per cubic meter) to 9.0 µg/m³. The final rule took effect in May 2024. In August 2024, the EPA released the PM_{2.5} ambient monitor design values for calendar years 2021 through 2023. These design values will be used by each state governor for recommending to the EPA attainment designations for their states. The design values for several monitors in Kansas are currently above the PM_{2.5} NAAQS which could result in areas of Kansas and adjacent portions of Missouri being designated nonattainment. Evergy Missouri West is in the process of reviewing these design values; however, due to the uncertainty of the attainment status of portions of the service territory, Evergy Missouri West is unable to accurately assess the impacts on its operations or consolidated financial results, but the cost to comply with lower PM_{2.5} NAAQS could be material.

Regional Haze Rule

In 1999, the EPA finalized the Regional Haze Rule which aims to restore national parks and wilderness areas to pristine conditions. The rule requires states in coordination with the EPA, the National Park Service, the U.S. Fish and Wildlife Service, the U.S. Forest Service, and other interested parties to develop and implement air quality protection plans to reduce the pollution that causes visibility impairment. There are 156 "Class I" areas across the U.S. that must be restored to pristine conditions by the year 2064. There are no Class I areas in Kansas, whereas Missouri has two: the Hercules-Glades Wilderness Area and the Mingo Wilderness Area. States must submit revisions to their Regional Haze Rule SIPs every ten years and the first round was due in 2007. For the second ten-year implementation period, the EPA issued a final rule revision in 2017 that allowed states to submit their SIP revisions by July 2021.

The Missouri SIP revision does not require any additional reductions from Evergy Missouri West's generating units in the state. MDNR submitted the Missouri SIP revision to the EPA in August 2022, however, they failed to do so by the EPA's revised submittal deadline in August 2022. As a result, in August 2022, the EPA published "finding of failure" with respect to Missouri and fourteen other states for failing to submit their Regional Haze SIP revisions by the applicable deadline. This finding of failure established a two-year deadline for the EPA to issue a Regional Haze federal implementation plan (FIP) for each state unless the state submits and the EPA approves a revised SIP that meets all applicable requirements before the EPA issues the FIP. In July 2024, the EPA published in the Federal Register a proposal to partially approve and partially disapprove Missouri's Regional Haze SIP revision.

The Kansas SIP revision requested no additional emission reductions by electric utilities based on the significant reductions that were achieved during the first implementation period. The Kansas Department of Health and Environment (KDHE) submitted the Kansas SIP revision in July 2021. In August 2024, the EPA issued the final disapproval of the Kansas SIP revision for failing to conduct a four-factor analysis for at least two emission sources in Kansas. If a Kansas generating unit of Evergy Missouri West is selected for analysis, the possibility exists that the state or the EPA, through a revised SIP or a FIP, could determine that additional operational or physical modifications are required on the generating unit to further reduce emissions.

If a Kansas or Missouri revised SIP or FIP is finalized, the overall costs of implementing the proposed rules could be material to Evergy Missouri West.

Greenhouse Gases

Burning coal and other fossil fuels releases carbon dioxide (CO₂) and other gases referred to as greenhouse gases (GHG). Various regulations under the CAA limit CO₂ and other GHG emissions, and in addition, other measures are being imposed or offered by individual states, municipalities and regional agreements with the goal of reducing GHG emissions. In April 2024, the EPA finalized the GHG regulations and GHG guidelines that apply to new and existing fossil fuel fired EGUs. The final GHG regulation establishes CO₂ limitations on emissions from new and

reconstructed stationary combustion turbines. The GHG guidelines set CO₂ emission limitations for; existing coal, oil and gas-fired steam generating units. For new and reconstructed stationary combustion turbines, the emission limitations were developed by applying the Best System of Emission Reduction (BSER) to three distinct subcategories (low load, intermediate load and base load) taking into consideration the annual capacity factor of the stationary combustion turbine. For intermediate and base load stationary combustion turbines, BSER is assumed to be the utilization of highly efficient combustion turbine technology. Base load stationary combustion turbines are also required to consider the emissions reduction associated with the application of carbon capture and sequestration (CCS) beginning in 2032. For existing coal-fired EGUs, the emission limitations were established by applying the BSER to two subcategories (medium and long-term). For medium-term existing coal-fired units, which are units retiring between 2032 and 2038, the BSER established emission limitation is based on co-firing natural gas beginning in 2030. For units operating in 2039 and after, BSER is the application of CCS starting in 2032. In July 2024, the D.C. Circuit denied motions of stay filed by various states, industry and trade organizations; however, the D.C. Circuit has ordered expedited review of the challenges to the final regulations and guidelines. Also, in July 2024, various states, industry and trade organizations filed an application for emergency stay with the U.S. Supreme Court. The U.S. Supreme Court issued an order in October 2024 denying the applications and leaving the rule in place while challenges to the merits of the rule proceed in the D.C. Circuit.

Due to uncertainty regarding the implementation of these final rules and ongoing judicial review, Evergy Missouri West is unable to accurately assess the impacts on its operations or consolidated financial results, but the cost to comply could be material.

Water

Evergy Missouri West discharges some of the water used in generation and other operations containing substances deemed to be pollutants. In April 2024, the EPA finalized an update to the Effluent Limitation Guidelines (ELG) for steam electric power generating facilities to address the vacated limitations and prior reviews of the existing rule by the current administration. Flue Gas Desulfurization (FGD) wastewater, bottom ash transport wastewater (BATW), coal residual leachate (CRL), and legacy wastewater are addressed in the rulemaking. FGD, BATW and CRL at operating facilities are required to achieve zero liquid discharge as soon as feasible and no later than December 2029. Evergy Missouri West has reviewed the modifications to limitations on FGD wastewater and bottom ash transport water and Evergy Missouri West does not believe the impact to be material. Evergy Missouri West is reviewing the limitations on CRL, its impact on its operations and financial results and believes the cost to comply will not be material. In June 2024, multiple legal challenges to the ELG were consolidated in the Eighth Circuit that could impact the timing or cost to comply.

Regulation of CCRs

In the course of operating its coal generation plants, Evergy Missouri West produces CCRs, including fly ash, gypsum and bottom ash. The EPA published a rule to regulate CCRs in April 2015 that requires additional CCR handling, processing and storage equipment and closure of certain ash disposal units. In January 2022, the EPA published proposed determinations for facilities that filed closure extensions for unlined or clay-lined CCR units. These proposed determinations include various interpretations of the CCR regulations and compliance expectations that may impact all owners of CCR units. These 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 are possible. In April 2022, the Utility Solid Waste Activities Group (USWAG) and other interested parties filed similar petitions in the D.C. Circuit challenging the EPA's legal positions regarding the CCR rule determinations proposed in January 2022. In June 2024, the D.C. Circuit dismissed these cases for lack of jurisdiction. Additional legal challenges on issues associated with the January 2022 determinations are expected. The cost to comply with these proposed determinations by the EPA could be material.

In April 2024, the EPA finalized an expansion to the CCR regulations focused on legacy surface impoundments and historic placements of CCR. This regulation expands applicability of the 2015 CCR regulation to inactive landfills and beneficial use sites not previously regulated.

Evergy Missouri West has recorded AROs for its current estimates for the closure of ash disposal ponds and landfills and recorded additional ARO liabilities in the second quarter of 2024 related to the April 2024 CCR regulation. See Note 6 for additional information on AROs. The revision of these AROs may be required in the future due to information collected in the April 2024 CCR regulation's Facility Evaluation Reports (FERs), changes in existing CCR regulations, the results of groundwater monitoring of CCR units or changes in interpretation of existing CCR regulations or changes in the timing or cost to close ash disposal ponds and landfills. The revision of AROs for regulated operations has no income statement impact due to the deferral of the adjustments through a regulatory asset. If revisions to these AROs are necessary, the impact on Evergy Missouri West's operations or consolidated financial results could be material.

11. RELATED PARTY TRANSACTIONS AND RELATIONSHIPS

In the normal course of business, Evergy Missouri West, Evergy Kansas Central and Evergy Metro engage in related party transactions with one another. In addition, Evergy Missouri West, Evergy Kansas Central and Evergy Metro plan to engage in the construction of additional jointly-owned generation facilities. See Note 1 for a discussion of future planned investments. A summary of these related party transactions and the amounts associated with them is provided below.

Jointly-Owned Plants and Shared Services

Evergy Missouri West has no employees of its own. Employees of Evergy Kansas Central and Evergy Metro manage Evergy Missouri West's business and operate its facilities at cost, including Evergy Missouri West's 8% ownership interest in Jeffery Energy Center (JEC), operated by Evergy Kansas Central, and an 18% ownership interest in Iatan Nos. 1 and 2, operated by Evergy Metro. Employees of Evergy Kansas Central and Evergy Metro also provide Evergy Missouri West with shared service support, including costs related to human resources, information technology, accounting and legal services.

The operating expenses and capital costs billed for jointly-owned plants and shared services are detailed in the following table.

	Three Months Ended September 30		Year to Date September 30	
	2024	2023	2024	2023
	(millions)			
Evergy Kansas Central billings to Evergy Missouri West	\$ 7.0	\$ 8.0	\$ 24.5	\$ 24.1
Evergy Metro billings to Evergy Missouri West	24.9	29.7	84.4	86.9

Related Party Net Receivables and Payables

The following table summarizes Evergy Missouri West's related party net payables.

	September 30 2024	December 31 2023
	(millions)	
Net payable to Evergy	\$ 37.4	\$ 380.2
Net payable to Evergy Kansas Central	11.6	11.3
Net payable to Evergy Metro	81.7	91.9

Affiliated Financing

Evergy Missouri West is authorized to participate in the Evergy, Inc. money pool, which is an internal financing arrangement in which funds may be lent on a short-term basis between Evergy Missouri West, Evergy Metro, Evergy Kansas Central and Evergy, Inc. Evergy, Inc. can lend but not borrow under the money pool.

As of September 30, 2024, Evergy Missouri West had no outstanding receivables or payables under the money pool. As of December 31, 2023, Evergy Missouri West had a \$342.6 million outstanding payable to Evergy, Inc. under the money pool.

Evergy Missouri West currently has planned capital expenditures within twelve months from the date of issuance of the financial statements that it currently does not have the cash on hand or liquidity to fund. Evergy Missouri West could reduce its discretionary capital spending, borrow under the money pool arrangement or in the alternative, Evergy has committed to provide Evergy Missouri West with equity financing support for its operating, investing and financing activities for at least one year following the date that the financial statements are issued.

Tax Allocation Agreement

Evergy files a consolidated federal income tax return as well as unitary and combined income tax returns in several state jurisdictions with Kansas and Missouri being the most significant. Income taxes for consolidated or combined subsidiaries are allocated to the subsidiaries based on separate company computations of income or loss. As of September 30, 2024 and December 31, 2023, Evergy Missouri West had income taxes payable to Evergy of \$2.7 million and \$4.5 million, respectively.

12. VARIABLE INTEREST ENTITY

In determining the primary beneficiary of a VIE, Evergy Missouri West assesses the entity's purpose and design, including the nature of the entity's activities and the risks that the entity was designed to create and pass through to its variable interest holders. A reporting enterprise is deemed to be the primary beneficiary of a VIE if it has (a) the power to direct the activities of the VIE that most significantly impact the VIE's economic performance and (b) the obligation to absorb losses or right to receive benefits from the VIE that could potentially be significant to the VIE. The primary beneficiary of a VIE is required to consolidate the VIE.

All involvement with entities by Evergy Missouri West is assessed to determine whether such entities are VIEs and, if so, whether or not Evergy Missouri West is the primary beneficiary of the entities. Evergy Missouri West also continuously assesses whether it is the primary beneficiary of the VIE with which it is involved. Prospective changes in facts and circumstances may cause identification of the primary beneficiary to be reconsidered.

Evergy Missouri West Storm Funding

In 2022, Evergy Missouri West created Evergy Missouri West Storm Funding solely for the purpose of recovering extraordinary fuel and purchased power costs incurred as part of the February 2021 winter weather event. In February 2024, Evergy Missouri West Storm Funding issued, at a discount, \$331.1 million of 5.10% Securitized Bonds with a final payment scheduled for 2038, maturing in 2040. The obligations of Evergy Missouri West Storm Funding's Securitized Bonds are repaid through charges imposed on customers in Evergy Missouri West's service territory and collected by Evergy Missouri West on behalf of Evergy Missouri West Storm Funding. Creditors of Evergy Missouri West have no recourse to any assets or revenues of Evergy Missouri West Storm Funding, and the bondholders have no recourse to the general credit of Evergy Missouri West. See Note 4 for additional information regarding the February 2021 winter weather event securitization.

Evergy Missouri West Storm Funding is considered a VIE. Evergy Missouri West is the primary beneficiary of the VIE primarily because, as described above, Evergy Missouri West has the power to direct the activities of Evergy Missouri West Storm Funding that most significantly impact economic performance and Evergy Missouri West has the obligation to absorb losses or the right to receive benefits from Evergy Missouri West Storm Funding that could potentially be significant. Therefore, Evergy Missouri West consolidates Evergy Missouri West Storm Funding.

The following table summarizes the impact of the VIE on Evergy Missouri West's assets and liabilities as of September 30, 2024. There was no impact on Evergy Missouri West's assets and liabilities as of December 31, 2023.

	September 30 2024
Evergy Missouri West	(millions)
Current assets	
Regulatory assets	\$ 15.6
Other	19.7
Other assets	
Regulatory assets	298.6
Other	1.7
Current liabilities	
Current maturities of long-term debt	19.5
Accrued interest	10.2
Long-term liabilities	
Long-term debt, net	303.8

13. TAXES

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

	Three Months Ended September 30		Year to Date September 30	
	2024	2023	2024	2023
Current income taxes	(millions)			
Federal	\$ 17.0	\$ 7.8	\$ 8.9	\$ 7.2
State	(4.6)	0.6	(1.7)	0.2
Total	12.4	8.4	7.2	7.4
Deferred income taxes				
Federal	(5.6)	3.2	(2.8)	5.6
State	(2.0)	(1.8)	(5.2)	(5.0)
Total	(7.6)	1.4	(8.0)	0.6
Investment tax credit amortization	(0.1)	—	(0.1)	—
Income tax expense (benefit)	\$ 4.7	\$ 9.8	\$ (0.9)	\$ 8.0

Effective Income Tax Rates

Effective income tax rates reflected in the financial statements and the reasons for the differences from the statutory federal rates are detailed in the following table.

	Three Months Ended September 30		Year to Date September 30	
	2024	2023	2024	2023
Federal statutory income tax rate	21.0 %	21.0 %	21.0 %	21.0 %
Effect of:				
State income taxes	(9.0)	(1.4)	(5.9)	(4.1)
Flow through depreciation for plant-related differences	(3.8)	(5.0)	(15.9)	(9.6)
Federal tax credits	(0.3)	(0.1)	(0.2)	(0.2)
Amortization of federal investment tax credits	(0.1)	—	(0.1)	—
Valuation allowance	—	—	—	0.4
Other	0.2	0.1	0.1	0.2
Effective income tax rate	8.0 %	14.6 %	(1.0)%	7.7 %

Eversky Missouri West, Inc. Management's Narrative Analysis of the Results of Operations

Year to Date September 2024 vs. 2023

Earnings Variances

		Change (millions)	
2023 Net income	\$	96.3	
		<i>Favorable/(Unfavorable)</i>	
Utility gross margin ^(a)		16.7	A
Operating and maintenance		(13.8)	B
Depreciation and amortization		(4.8)	C
Taxes other than income tax		(0.5)	
Total other income (expense), net		(11.5)	D
Interest expense		3.3	E
Income tax expense (benefit)		8.9	F
2024 Net income	\$	94.6	

^(a) Utility gross margin is a non-GAAP financial measure. See explanation of utility gross margin in the Utility Gross Margin (Non-GAAP) section below.

Major factors influencing the period to period change in net income -- Favorable/(Unfavorable)

- A Due primarily to the recovery of extraordinary fuel and purchased power costs incurred as part of the February 2021 winter weather event through a securitized utility tariff charge effective in February 2024 - \$14.7M.
- B Due primarily to an increase in administrative and general expense including higher costs billed for common use assets in 2024 from Eversky Metro related to facilities and software assets - (\$6.8M); an increase in transmission and distribution operating and maintenance expense driven by higher non-labor expense including higher costs billed for common use transmission and distribution assets in 2024 from Eversky Metro and higher vegetation management costs - (\$5.4M); and an increase in operating and maintenance expense at generating facilities primarily due to the acquisition of Dogwood in April 2024 - (\$1.6M).
- C Due to higher capital additions - (\$4.8M).
- D Due primarily to a decrease in interest and dividend income primarily driven by a reduction in carrying charges related to deferred Eversky Missouri West's costs associated with the February 2021 winter weather event to be recovered through a securitized utility tariff charge effective in February 2024 - (\$12.3M).
- E Due primarily to a decrease due to increases in carrying costs deferred to a regulatory asset in accordance with PISA - \$11.1M; and a decrease in interest expense on short-term borrowings primarily due to a lower average short-term debt balance in 2024 - \$6.6M; partially offset by a decrease due to issuances of long-term debt - (\$15.9M).
- F Due primarily to the timing of recording the amortization of excess deferred income tax benefits - \$7.0M; and lower pre-tax income in 2024 - \$4.2M.

The Notes to Eversky Missouri West's Unaudited Consolidated Financial Statements for the period ended September 30, 2024 should be read in conjunction with this financial information.

Evergy Missouri West, Inc.
Financial Results, Revenue and Sales

Supplemental Data

Financial Results

Year to Date September 30	2024	2023
	(dollars in millions)	
Operating revenues	\$ 763.4	\$ 750.3
Fuel and purchased power	307.3	310.9
Operating and maintenance	142.4	128.6
Depreciation and amortization	116.5	111.7
Taxes other than income tax	40.8	40.3
Income from operations	156.4	158.8
Other income (expense), net	(1.1)	10.4
Interest expense	61.6	64.9
Income tax expense (benefit)	(0.9)	8.0
Net income	94.6	96.3
Reconciliation of gross margin (GAAP) to utility gross margin (non-GAAP):		
Operating revenues	763.4	750.3
Fuel and purchased power	(307.3)	(310.9)
Operating and maintenance ^(a)	(58.6)	(51.6)
Depreciation and amortization	(116.5)	(111.7)
Taxes other than income tax	(40.8)	(40.3)
Gross margin (GAAP)	240.2	235.8
Operating and maintenance ^(a)	58.6	51.6
Depreciation and amortization	116.5	111.7
Taxes other than income tax	40.8	40.3
Utility gross margin (non-GAAP)	456.1	439.4
Revenues		
	(dollars in millions)	
Residential	373.8	375.2
Commercial	270.5	257.9
Industrial	77.8	74.6
Other retail revenues	6.2	9.8
Total electric retail	728.3	717.5
Wholesale revenues	14.4	10.2
Transmission	5.8	2.6
Other	14.9	20.0
Operating revenues	763.4	750.3
Electricity Sales		
	(MWh in thousands)	
Residential	2,787	2,841
Commercial	2,683	2,631
Industrial	1,048	1,073
Other retail revenues	13	15
Total electric retail	6,531	6,560
Wholesale revenues	187	198
Total electricity sales	6,718	6,758

^(a)Operating and maintenance expenses which are deemed to be directly attributable to revenue-producing activities include plant operating and maintenance expenses at generating units and transmission and distribution operating and maintenance expenses and have been separately presented in order to calculate gross margin as defined under GAAP. These amounts exclude general and administrative expenses not directly attributable to revenue-producing activities of \$83.8 million and \$77.0 million year to date September 30, 2024 and 2023, respectively.

Evergy Missouri West, Inc.
Non-GAAP Measures

Utility Gross Margin (non-GAAP)

Utility gross margin (non-GAAP) is a financial measure that is not calculated in accordance with GAAP. Utility gross margin (non-GAAP), as used by Evergy Missouri West, is defined as operating revenues less fuel and purchased power costs. Expenses for fuel and purchased power costs, offset by wholesale sales margin, are subject to recovery through cost adjustment mechanisms. As a result, changes in fuel and purchased power costs are offset in operating revenues with minimal impact on net income. Evergy Missouri West's definition of utility gross margin (non-GAAP) may differ from similar terms used by other companies.

Utility gross margin (non-GAAP) is intended to aid an investor's overall understanding of results. Management believes that utility gross margin (non-GAAP) provides a meaningful basis for evaluating Evergy Missouri West's operations across periods because utility gross margin (non-GAAP) excludes the revenue effect of fluctuations in fuel and purchased power costs. Utility gross margin (non-GAAP) is used internally to measure performance against budget and in reports for management and the Evergy Missouri West Board of Directors. Utility gross margin (non-GAAP) should be viewed as a supplement to, and not a substitute for, gross margin, which is the most directly comparable financial measure prepared in accordance with GAAP. Gross margin under GAAP is defined as the excess of sales over cost of goods sold.

Utility gross margin (non-GAAP) differs from the GAAP definition of gross margin due to the exclusion of operating and maintenance expenses determined to be directly attributable to revenue-producing activities, depreciation and amortization and taxes other than income tax. See Financial Results, Revenue and Sales above for a reconciliation of utility gross margin (non-GAAP) to gross margin, the most comparable GAAP measure, year to date September 30, 2024 and 2023.