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PRESENTATION

Operator

Good day, ladies and gentlemen, and welcome to the Evergy, Inc. Third Quarter Earnings Conference Call. (Operator Instructions) As a reminder, this conference call is being recorded. I would now like to introduce your host for today's conference, Lori Wright, Vice President of Investor Relations and Treasurer. You may begin.

Lori A. Wright ***Evergy, Inc. - VP of Corporate Planning, IR & Treasurer***

Thank you, Ashley. Good morning, everyone, and welcome to Evergy's Third Quarter Call. Thank you for joining us this morning. Today's discussion will include forward-looking information on Slide 2 and the disclosure in our SEC filings containing list of some of the factors that could cause future results to differ materially from our expectations. We issued our third quarter 2018 earnings release and 10-Q after market close yesterday. These items are available, along with today's webcast slides and supplemental financial information for the quarter on the main page of our website at evergyinc.com. On the call today, we have Terry Bassham, President and Chief Executive Officer; and Tony Somma, Executive Vice President and Chief Financial Officer. Other members of the management team are with us and will be available during the question-and-answer portion of the call. As summarized on Slide 3, Terry will provide a business update, including the latest information on our regulatory and merger priorities. Tony will then offer details on our financial results and provide an update on our share repurchases.

With that, I'll hand the call to Terry.

Terry D. Bassham ***Evergy, Inc. - President, CEO & Director***

Thanks, Lori, and good morning, everybody. I'll start on Page 5. Last night, we reported third quarter GAAP EPS of $1.32 and pro forma EPS of $1.34, which excludes nonrecurring merger-related expenses. Tony will provide you more details in a bit, but I will say the team continues to perform well and deliver solid financial and operational results, while also executing on our integration plans. We continue to focus on the execution of the merger plan, which includes capturing merger savings, delivering on a busy regulatory calendar and rebalancing our capital structure. Last and certainly, not least, is the continued integration of our workforce and cultures. Our team is working well together as we make progress on the successful execution of our plan. We're still targeting net merger savings of $30 million in 2018 and $110 million in 2019. Our achieved merger savings remain on track for the year. We realized savings in several categories, including reduced labor cost and more efficient procurement as we now have a scale of a larger company. We have begun back office IT system consolidation efforts, which includes a series of enterprise large projects, savings associated with combining systems will contribute toward reaching merger savings targets as they wrap up over the next couple of years. Moving on to Slide 6, I'll give you the latest on our regulatory proceedings. At the beginning of the year, we were looking at an active regulatory calendar that included a merger docket and rate reviews in each of our 4 jurisdictions. While a formidable task our teams focus nevertheless, was to reach constructive settlements in each docket. The successful settlement in our merger docket jumpstarted many diligent and constructive conversations with stakeholders and the rate reviews. We used the merger settlement momentum to achieve rate review settlements in each jurisdiction, going 4 for 4 across Kansas and Missouri. Although we still need a commission order in one of the dockets, we are happy we've been able to reach settlements with most parties in these cases. This speaks to the constructive regulatory relationships that currently exist in both Kansas and Missouri. So let me give you a little detail on the rate review settlements. I'll start with Westar. In July, we reached agreement with interveners calling for a $66 million revenue decrease with an ROE of 9.3% and an equity layer of approximately 51.5%. It also included $74 million of annual tax reform benefits for customers and $23 million merger savings benefits. In September, the Kansas Corporation Commission accepted the settlement and rates became effective. Staying in Kansas and moving over to KCP&L, in mid-October, we reached a unanimous settlement that calls for an annual revenue decrease of $11 million. It also includes a 9.3% ROE and an equity ratio of 49.1%. Tax reform benefits were reflected in rates at approximately $37 million annually, along with merger benefits of about $7 million. Unanimous nature of the settlement allowed for a truncated evidence rehearing. We are now waiting on commission approval, which we expect in late December. Once the new KCPL rates become effective, the 5-year base rates payout period will start for both Westar and KCPL customers and fulfills our commitment made as part of the merger settlement agreement. Switching over to Missouri, where our rate reviews for KCPL and GMO are combined into a single docket. Similar to the Kansas cases, we reached agreement with intervenors, allowing us to file the settlement in mid-September. It's a black box settlement, so it doesn't outline an ROE or equity ratio. The KCPL case calls for annual revenue decrease of $21 million, including annual tax reform benefits of $53 million. GMO case calls for a decrease of $24 million and includes annual tax reform benefits of $39 million. Last week, the Missouri Public Service Commission accepted the settlement and rates will be effective no later than December 6. Not only do these settlements create certainty for the next 4 to 5 years, they also modernize rate design and offerings to our customers. We will now have green tariffs of renewable writers in each of our state jurisdictions that will allow us to offer additional renewables to all customers and our largest customers and the passion they prefer. It's important not only to meet customers needs but also continues our momentum in transforming to a cleaner energy mix. Moving to a few legislative topics. As you know, we work with stakeholders in Missouri Legislation to pass Senate Bill 564 earlier this year. This new law modernizes the regulatory framework in the state, allowing for rate stability provisions for customers and improve return potential for shareholders, a true win-win for all involved. We expect to elect the plan in service accounting, our PISA feature of this bill in the near future, and we're still evaluating mechanics and qualifying criteria for investments. So confident this will allow us to continue spending at appropriate levels in the state, yet reduce much of the regulatory lag that we've experienced historically. What you shouldn't expect, however, is for us to announce a large incremental investment plan or for a significant jurisdictional reallocation of capital, which is currently balanced across our jurisdictions. PISA, coupled with merger savings should allow us to more consistently earn our allowed returns in Missouri. We have an improved opportunity to earn allowed returns as we are rebasing property taxes in the current rate reviews and transmission costs have continued to flat. These 2 factors should also help reduce the lag that we've experienced in previous years. Now turning to Slide 7, I'll touch on the latest in our effort to diversify our generation portfolio. As part of our long-term sustainability strategy, we've been focusing on diversifying our generation portfolio, which results in a lower cost fleet and improved emissions profile. A large part of that strategy is retiring traditional fossil plants as they approach the end of their useful life. We've already shut down a few plants this year, and altogether, by the end of the year, we will shut down 800 megawatts of coal, 700 megawatts of natural gas. At our Westar operating company, on October 1, we shut down Tecumseh Energy Center, a small coal plant; and then on November 1, we retired the gas steam units at the Murray Gill and Gordon Evans energy centers. The merger allows us to shut down these plants that otherwise would have continued to run. So we've build the cost savings associated with those into our target merger savings. For the larger combined generation portfolio, we can now meet our capacity obligation without them and given how attractive wind energy is in our part of the country, we can deliver cheaper, cleaner energy from newer wind farms. Moving to KCP&L, coal units at the Sibley and Montréal plants remain on track to be retired by the end of the year. We'll experience cost savings from these plants as well, but since they were scheduled to shut down absent the merger, the cost savings were not included in our targeted merger savings. Nonetheless, the projected O&M reduction from these will be around $200 million cumulatively over the next 5 years. All of the plants have served our customers well for many years. They were 1950s and 1960s vintage units that lasted well past original expectations. These retirements make perfect business sense. And they also enable a lower carbon future. Since 2010, we have dramatically shifted our generation portfolio and over 50% coal now favoring a much more sustainable mix. This paves the way for a lower carbon future. By 2020, we will have shut down over 2,200 megawatts end-of-life fossil generation, grown our wind portfolio to over 3,800 megawatts and reduced our carbon emissions by more than 40%. You can see a full list of our sustainable initiatives in our recently published environmental, social and governance report, which can be found under the Sustainability section of our investor relations website. This is part of our effort to support the broad industry and providing investor with uniform and consistent ESG data, utilizing the EEI template and guidelines. Before turning the call over to Tony, let me point out some additional good news. Last night, we raised the dividend on an indicated annualized rate of $1.90 per share. This increase comes just 5 months after the closing the merger, reflecting our board's confidence in our business plan and their understanding of the importance of dividends and producing an attractive total return. Although dividend is something the Board looks at quarterly, we expect future annual updates to occur each fall. With that, I'll now turn the call over to Tony.

Anthony D. Somma ***Evergy, Inc. - Executive VP & CFO***

Thanks, Terry, and good morning, everyone. Turning to Slide 9 of the presentation, I'll start with the results. Similar to last quarter, I'll focus primarily on pro forma results, which exclude nonrecurring merger-related items and paired results as if Evergy reformed on January 1, 2017. The good news is, as we move further away from the transaction close, we should have less merger-related items and eventually more apples-to-apples comparison for GAAP results. Third quarter pro forma EPS were $1.34 compared to $1.19 for the third quarter last year. Drivers included increased sales, due primarily to warmer weather, which we estimate helped about $0.11; $0.09 related to tax reform, which represents the difference in our refund obligation rates and actual results of operations; $0.03 of increased O&M due to about $16 million of voluntary severance expenses, which costed us about $0.04; and $0.02 of other costs, including increased depreciation expense and ongoing annual bill credits in Kansas, partially offset by lower number of shares outstanding. GAAP earnings were $1.32 a share or $0.02 lower than pro forma due to merger-related expenses. Combined company retail sales were up about 1.5%, primarily due to the favorable weather, which we estimate helped by $0.06 compared to normal. Residential and commercial sales were both up 2% and 1.5%, respectively. Industrial sales were down about 1%, due primarily to a large low-margin chemical manufacturing customer returning to normal production levels after having a banner on 2017. Absent this one customer, the balance of industrial sales were up over 1%. Moving onto year-to-date results on Slide 10. Year-to-date, pro forma EPS were $2.55 compared to $2 last year. Some of the drivers include $0.36 from higher sales due primarily to the favorable weather, $0.19 for Westar's deferred income tax reevaluation based on the new composite tax rate, $0.08 related to the impact from tax reform, $0.05 of higher O&M, which include -- which includes voluntary severance expense already mentioned as well as plant inventory write-offs from earlier in the year, and $0.03 of other costs, including increased depreciation expense and ongoing annual bill credits in Kansas. Year-to-date, GAAP results were $2.61 a share and include merger-related costs that are in the pro forma results and reflect lower average shares outstanding. Also, GAAP includes KCPL and GMO results for the period post-merger close, whereas pro forma includes them for the full period. In the appendix, we've included a reconciliation of GAAP to pro forma to further explain our results. For the combined company, year-to-date residential commercial sales were up 11% and 4%, respectively, compared to the same period last year. The increased sales were driven mostly by favorable weather, which when compared to normal we estimate were a benefit of about $0.29 to year-to-date pro forma results. Industrial sales were down about 1%, again mostly due to a large low-margin customer I referenced earlier. The economy in our service territory is moving along quite nicely. Unemployment rates throughout our service territory decreased to about 3.3%, staying below the national average of 3.7%. We're seeing continued expansion in healthcare and business services, causing office vacancies to continue to fall. Industrials have remained steady and growth is showing up in aircraft and metal fabrication sectors. We've now had 30 consecutive quarters of customer growth and continue to project long-term weather-normalized demand growth of flat to 50 basis points. Moving on to Slide 11, I'll give you an update on our recent financing activities. At merger close, we had $1.25 million of cash on the balance sheet, pushing our equity ratio to 59%. As part of our effort to rebalance the capital structure, we initiated share repurchase programs in August. As we discussed in the past, we're targeting to repurchase roughly 60 million shares by midyear 2020. This will result in a consolidated capital structure, reflecting that of a traditional utility at approximately 50% debt and 50% equity. If you recall on August, I mentioned that we are approaching the buyback at a deliberate and steady pace, focusing on a combination of open market repurchases and accelerated share repurchases. As you can see on the slide, we did just that, retiring almost 7 million shares in the quarter by only being in the market during the second half of the quarter. We expect upon the completion of ASR this month, the total to be around 9.5 million shares or just shy of 16% of the $60 million share repurchase goal. We expect to keep the same measured approach, dollar cost averaging over time, keeping our foot on the gas and telling how far we've driven each quarter. We used $486 million of cash in the quarter to repurchase shares. As we move down the road, we'll burn through the cash and then issue holding company debt to continue repurchase and maintain a balance capital structure. From a timing perspective, we expect this to begin sometime after the first of the year and project around $1.5 billion of holding company debt to be issued throughout the duration of the repurchase programs. The amount and timing could vary and will ultimately be determined by share price and the cadence of repurchases. This financing plan consists of what we showed the rating agencies earlier this year resulted in debt metrics that put us solidly in the range of our current credit ratings. Turning now to other financing activity, we recently executed a new $2.5 billion master credit facility. This aggregate amount is a $0.25 billion more than the stand-alone facilities at which it replace. The larger capacity increases our liquidity and provides more flexibility as we optimize our financing plans. The agreement also includes adjustable supplement features that will allow us to better manage our capital structure at each entity. I will wrap up on Slide 12 before handing it back to Terry. In summary, our growth strategy has 3 major drivers. Our recent successful regulatory outcomes, our execution to achieve promised merger efficiencies and our share repurchases. We made progress on all 3 fronts. Our active 2018 regulatory calendar is in the home stretch, and once we receive our final approval, we should have very little regulatory overhang for the next few years, which provides increased certainty to both customers and shareholders. We've initiated our share repurchases and are executing our merger saving across our businesses. These items plus ongoing organic growth plans support our targeted 6% to 8% EPS growth. As Terry mentioned earlier, we just increased the dividend to an indicated annualized $1.90 a share. We plan to do it along with earnings while targeting a 60% to 70% payout ratio. Consistent with this cadence, we have previously stated that we'll issue 2019 guidance and the updated projections on our year-end call in February.

With that, I'll turn the call back over to Terry.

Terry D. Bassham ***Evergy, Inc. - President, CEO & Director***

Okay, Tony. Thank you. And we'll take questions now from callers.

QUESTIONS AND ANSWERS

Operator

(Operator Instructions) And your first question comes from the line of Ali Agha with SunTrust.

Ali Agha ***SunTrust Robinson Humphrey, Inc., Research Division - MD***

First question, I just wanted to be clear on the buyback that has happened. So as you mentioned that once you close the final piece of the ASR, you would have purchased 9.5 million shares. Acquainted to that, have you spent $486 million to repurchase 9.5 million shares, is that the math?

Anthony D. Somma ***Evergy, Inc. - Executive VP & CFO***

Roughly. There are some ongoing open market purchases, but the ASR that we disclosed in the Q is around $450 million and those shares were done via 2 separate ASRs and there's one remaining yet to be closed.

Ali Agha ***SunTrust Robinson Humphrey, Inc., Research Division - MD***

Right. But the 9.5 million shares, just to be clear, Tony, is the completion of the ASR and the open markets that you disclosed so far or are there other open markets that get you to the 9.5 as well?

Anthony D. Somma ***Evergy, Inc. - Executive VP & CFO***

Well, there may be some ongoing open market activity as well and additionally to what was disclosed in the Q.

Ali Agha ***SunTrust Robinson Humphrey, Inc., Research Division - MD***

Okay. Okay. And then second question, was there any COLI income that was booked in the third quarter, and just, in general, can you remind us what kind of COLI earnings have you booked as part of your longer term 6% to 8% growth guidance?

Anthony D. Somma ***Evergy, Inc. - Executive VP & CFO***

So there were no COLI proceeds received in the quarter. And typically what -- this is our legacy Westar COLI plan, we will take studies from our actuaries and we'll include those in the projections that we put out, and we'll have more clarity on that when we give earnings guidance in 2019.

Ali Agha ***SunTrust Robinson Humphrey, Inc., Research Division - MD***

Okay. Okay. And then lastly, GXP used to provide us weather-normalized electric sales data, which we all found very helpful. Is that something that Evergy plans to provide as well going forward?

Anthony D. Somma ***Evergy, Inc. - Executive VP & CFO***

I'm sorry, what was the question?

Ali Agha ***SunTrust Robinson Humphrey, Inc., Research Division - MD***

Weather-normalized electric sales, you give us electric sales with weather in there, but like GXP used to do, will Evergy provide us weather normalized electric sales data?

Anthony D. Somma ***Evergy, Inc. - Executive VP & CFO***

We can revisit that and look at it. Once we get we'll be more germane to give the kind of the impact on the EPS, but...

Ali Agha ***SunTrust Robinson Humphrey, Inc., Research Division - MD***

That's a number we can track with other companies as well. So it's a useful data point if it can be provided.

Anthony D. Somma ***Evergy, Inc. - Executive VP & CFO***

Okay.

Operator

And our next question comes from the line of Nicholas Campanella with Bank of America Merrill Lynch.

Nicholas Joseph Campanella ***BofA Merrill Lynch, Research Division - Research Analyst***

So I was curious on the CapEx update that I think you said will be getting towards the year-end call here. I mean, just any color on how to think about what's been changing in your service territories premerger to now where you stand today, anything around the grid-mod runway, I know there's a renewable tariff in Kansas and whether that could translate to rate-based opportunities. Could you just talk a little bit about on those items?

Terry D. Bassham ***Evergy, Inc. - President, CEO & Director***

Yes, this is Terry. I wouldn't expect a lot of dramatic changes. The renewable tariff, in particular, relates to specific customer desires, needs, but in terms of grid modernization, those kind of things, we've been along that pathway. PISA provides us with the ability to work through PISA to make sure that we're earning our allowed returns. But I think we've been pretty clear, leading up to the legislation and since that we don't expect to then increase necessarily overall CapEx as a result, but instead utilize it to be able to earn our full return. So all that's going well, going as expected. And I don't think other than having some customer growth and having some folks, we're doing things for when they come to town. We don't expect any dramatic change in what you've seen up to this point.

Nicholas Joseph Campanella ***BofA Merrill Lynch, Research Division - Research Analyst***

Got it. And then just back to the buyback quick. It seems like the ASRs are related to preferred method and how you're approaching things, can you just talk about your preference to do that rather than other forms?

Anthony D. Somma ***Evergy, Inc. - Executive VP & CFO***

Well, certainly in the quarter it was. And what the ASR allows us to do is lock in a discount to the VWAP over whatever period of time the ASRs outstanding. So that's what's attracted to us. The other forms we like the open market purchase, both of those we talked about in our last call and don't see us deviating away from those 2 avenues here.

Operator

And our next question comes from the line of Paul Ridzon with KeyBanc.

Paul Thomas Ridzon ***KeyBanc Capital Markets Inc., Research Division - VP and Equity Research Analyst***

I have a question on the mechanics of the ASRs. This 6.5 million shares in August, have those actually pulled out of the market or is that just an obligation for the agent to purchase those?

Anthony D. Somma ***Evergy, Inc. - Executive VP & CFO***

We're allowed to retire those shares. So the way ASR works, is we'll shake hand with the bank or banks and they will go out and borrow those shares and deliver them to us, and we will retire those shares. Normally, it will be approximately 80% of the notational value of the contract that you get delivered upfront.

Paul Thomas Ridzon ***KeyBanc Capital Markets Inc., Research Division - VP and Equity Research Analyst***

So we can assume that 80% of those shares are no longer in the market, at least 80%?

Anthony D. Somma ***Evergy, Inc. - Executive VP & CFO***

So what we disclosed in the Q, what was delivered up front and then also what was delivered on the closure of the one contract by the end of August, those shares have been retired.

Paul Thomas Ridzon ***KeyBanc Capital Markets Inc., Research Division - VP and Equity Research Analyst***

Just -- sorry, understand -- that means the agent is actually purchased the share on the open market?

Anthony D. Somma ***Evergy, Inc. - Executive VP & CFO***

So upfront, no, but over time, yes.

Paul Thomas Ridzon ***KeyBanc Capital Markets Inc., Research Division - VP and Equity Research Analyst***

Okay. So you have no -- really have no idea how many of those shares could still be out there?

Anthony D. Somma ***Evergy, Inc. - Executive VP & CFO***

Well, on the one contract those shares have been closed -- have been purchased.

Paul Thomas Ridzon ***KeyBanc Capital Markets Inc., Research Division - VP and Equity Research Analyst***

Okay. And then does the agent in an ASR have any blackout periods?

Anthony D. Somma ***Evergy, Inc. - Executive VP & CFO***

No.

Paul Thomas Ridzon ***KeyBanc Capital Markets Inc., Research Division - VP and Equity Research Analyst***

Your purchase is due when you make them on the open market?

Anthony D. Somma ***Evergy, Inc. - Executive VP & CFO***

If we enter into a open market purchase plan in an open window, that transcends future blackout period.

Operator

And our next question comes from the line of Steve Fleishman with Wolfe Research.

Steven Isaac Fleishman ***Wolfe Research, LLC - MD & Senior Utilities Analyst***

So first of all, just on the merger settlement agreements and your synergy plan, et cetera, just -- were those all kind of in line with executing on your 6% to 8% growth plan?

Terry D. Bassham ***Evergy, Inc. - President, CEO & Director***

Yes. Yes, I'd say we're very happy with our settlements. Obviously, the plan was through the merger of the settlement of the merger agreement to be able to continue kind of that pace of working with parties as we head into a period of no rate cases, and we're very pleased where those came out, being able to settle with almost everybody and address lots of folks different needs within the plan that we had out there. So for sure, from a regulatory perspective, we're very pleased with the work that team is able to do and the relationships we have with our jurisdictions. On the synergy side, yes, we continue to work on those plans, and we obviously have a lot of plans already in place and everything is in line with our expectations.

Steven Isaac Fleishman ***Wolfe Research, LLC - MD & Senior Utilities Analyst***

Okay. Just secondly, on the dividend increase and growth rate. So it looks like this dividend increase was 3%, which is like a rebasing from which then to grow this 6% to 8% in line with earnings. How should I think about that aspect?

Anthony D. Somma ***Evergy, Inc. - Executive VP & CFO***

Steve, this is Tony. So as we thought about the dividend, yes, I think the way you characterize it was correct. It's kind of rebasing. Five months after merger close, the Board raised the dividend. And we haven't issued guidance yet for 2019, which is something that we had to consider. And also, as you know, we're buying back a lot of shares at this time and don't know that it makes sense to have a higher dividend today as opposed to seeing how things progress next year.

Steven Isaac Fleishman ***Wolfe Research, LLC - MD & Senior Utilities Analyst***

Okay. But in terms of then, the expectation should be office level, it should be growing 6% to 8% in line with the earnings growth rate?

Anthony D. Somma ***Evergy, Inc. - Executive VP & CFO***

Yes, so we're going to target a 60% to 70% payout ratio, commensurate with the EPS growth rate. It might not be exact every year or match it perfectly. But, yes, the long way to look at that is earnings growth 6% to 8% in the long run, the dividends should grow along with that.

Steven Isaac Fleishman ***Wolfe Research, LLC - MD & Senior Utilities Analyst***

Okay. Is there any kind of lumpiness you expect in your earnings growth?

Anthony D. Somma ***Evergy, Inc. - Executive VP & CFO***

Well, we haven't really issued any forecast period, Steve. So we'd be subject to -- the lumpiness that we'd be subject to is really somewhat ameliorated by the rate case settlements that we reached in the stay-out period over the next 3 to 4, 5 years.

Steven Isaac Fleishman ***Wolfe Research, LLC - MD & Senior Utilities Analyst***

Okay. So you have pretty good visibility?

Anthony D. Somma ***Evergy, Inc. - Executive VP & CFO***

Yes. But it's not perfectly linear obviously as we're going through the process of buying back shares.

Steven Isaac Fleishman ***Wolfe Research, LLC - MD & Senior Utilities Analyst***

Right. Okay. And then, just at a high level, anything -- you did have a change in the Kansas governor, anything to think about in terms of energy policy in the state that could come out of that?

Terry D. Bassham ***Evergy, Inc. - President, CEO & Director***

No. We have a long history of working with our governor office and legislators in both states. Don't see that changing with the governor in Kansas. We did have legislation in Kansas last year that was driven in large part by some of the rate case stuff that was going on. It wouldn't surprise me if we have to continue to deal with some of those, in particular, individual customer issues. But in general, I don't think anything that's occurred concerns us in terms of our ability to work with our legislators and the governor in both states.

Operator

And our next question comes from the line of Ashar Khan with Viridian.

Ashar Khan ***Verition Fund Management, LLC - Analyst***

I was just trying to get a better sense for next year, can you give some kind of guidance as to what kind of average share count should be used for next year, ballpark?

Anthony D. Somma ***Evergy, Inc. - Executive VP & CFO***

Well, we haven't obviously published our EPS guidance next year or drivers, but Ashar, I'd say, although it won't be exact with it, we've done here recently, what we've disclosed and what we said. We basically will have 9.5 million shares in over roughly 100 calendar days, so that translates to about 34 million, 35 million shares in a year's period of time. So I think you can kind of follow that math.

Terry D. Bassham ***Evergy, Inc. - President, CEO & Director***

Yes, Ashar, I would say, I know there's a lot of questions about the buyback, but we're doing exactly what we said we'd do. We'll being measured, we're being patient and we're being opportunistic if it presents itself. So as Tony said, I mean, I think you see can see from our first report out, that's exactly what we did and would anticipate continuing to do that.

Ashar Khan ***Verition Fund Management, LLC - Analyst***

No, that's fine. I was just -- because the guidance is going to be your first thing out of the box, so I thought if we have good expectation of what the average count could be, at least we are -- our expectations on the guidance are -- match what we come, and we are not surprised next year, that's what I was trying to get at?

Terry D. Bassham ***Evergy, Inc. - President, CEO & Director***

Got you.

Anthony D. Somma ***Evergy, Inc. - Executive VP & CFO***

So we can put that as one of our drivers when we come out with our guidance.

Operator

(Operator Instructions) And our next question comes from the line of Paul Patterson with Glenrock.

Paul Patterson ***Glenrock Associates LLC - Analyst***

So just -- I've got a really simple question and I apologize if I missed this. But what's weather-adjusted sales growth, what's the outlook that you guys have now going forward?

Anthony D. Somma ***Evergy, Inc. - Executive VP & CFO***

So it's been pretty consistent, 0 to 50 basis points.

Paul Patterson ***Glenrock Associates LLC - Analyst***

Okay. That hasn't changed?

Anthony D. Somma ***Evergy, Inc. - Executive VP & CFO***

Correct.

Operator

And our next question comes from the line of Shar Pourreza with Guggenheim Partners.

Shahriar Pourreza ***Guggenheim Securities, LLC, Research Division - MD and Head of North American Power***

There's couple of things going on. Just real quick, you plan on issuing guidance at the year-end call, correct?

Anthony D. Somma ***Evergy, Inc. - Executive VP & CFO***

Correct.

Shahriar Pourreza ***Guggenheim Securities, LLC, Research Division - MD and Head of North American Power***

So we should just assume EEIs more -- is a little bit more coming out with the strategy and how we're doing from the integration, but don't expect anything come out of the EEI directly?

Anthony D. Somma ***Evergy, Inc. - Executive VP & CFO***

That's correct.

Shahriar Pourreza ***Guggenheim Securities, LLC, Research Division - MD and Head of North American Power***

Okay. Got it. And then just on the buyback, just want to make sure, I'm confirming this. We should assume that you're going to just dollar cost average between now and sort of the latter part of 2020, just given your viewpoints around growing at a larger base and potentially -- so basically, the buybacks shouldn't be assumed to be done at a more rapid pace, right, just assume dollar cost average to your outlook?

Anthony D. Somma ***Evergy, Inc. - Executive VP & CFO***

Yes. I think that's kind of what we said and -- if there are opportunities to do something different, we'll look at it. But nobody at least that I'm aware of knows what the future is going to bring for evaluations on utilities. And we feel that the best strategy going forward is to kind of dollar cost average of share repurchases through the avenues that we mentioned.

Operator

Thank you. And I'm not showing any further questions at this time. I would now like to turn the call back over to Terry Bassham for closing remarks.

Terry D. Bassham ***Evergy, Inc. - President, CEO & Director***

Thank you, everybody. I know it's a busy time. And we certainly look forward to talking to a lot of you next week in San Francisco. So thank you, much, and have a good weekend.

Shahriar Pourreza ***Guggenheim Securities, LLC, Research Division - MD and Head of North American Power***

Thank you.

Operator

Ladies and gentlemen, thank you for participating in today's conference. This does conclude today's program and you may all disconnect. Everyone, have a wonderful day.