

**BEFORE THE PUBLIC SERVICE COMMISSION
STATE OF MISSOURI**

In the Matter of the Fourth Prudence Review of)
Costs Subject to the Commission-Approved Fuel) **Case No. EO-2013-0325**
Adjustment Clause of KCP&L Greater Missouri)
Operations Company.)

**STAFF'S FOURTH PRUDENCE REVIEW REPORT
AND RECOMMENDATION ON
KCP&L GREATER MISSOURI OPERATIONS COMPANY'S
FUEL ADJUSTMENT CLAUSE**

COMES NOW the Staff of the Missouri Public Service Commission, by and through counsel, and for its *Fourth Prudence Review Report and Recommendation on KCP&L Greater Missouri Operations Company's Fuel Adjustment Clause*, states as follows:

1. Staff initiated this prudence review on December 3, 2012. It filed notice on December 6, 2012, that it had started its prudence review. That notice filing initiated this File No. EO-2013-0325. In its notice, Staff informed the Commission the review period is June 1, 2011, through November 30, 2012; later corrected to December 1, 2010, through May 31, 2012. This is Staff's fourth prudence review of costs subject to GMO's fuel and purchased power adjustment clause ("FAC"). These prudence reviews are required to take place at least every eighteen months.

2. GMO's FAC tariff sheets numbered 127.1 through 127.5, effective on July 1, 2011, apply to service provided before July 1, 2011, and GMO's FAC tariff sheets numbered 127.6 through 127.10, effective on January 26, 2013 (127.6 – 127.9) and on March 1, 2013 (127.10), apply to service provided from July 1,

2011, to May 31, 2012. These tariff sheets are in effect and govern the prudence review in this filing.

3. As stated in its *Notice*, Staff conducted its audit using the following audit scope:

A. Presently Known Areas To Review

1. GMO's Total Book Costs of Fuel Consumed in GMO's
Generating Units
2. Costs Associated with GMO's Fuel Hedging Program
3. Purchased Power Energy Charges, Including Applicable
Transmission Fees
4. Southwest Power Pool Variable Costs
5. Emission Allowance Costs and Revenues
6. Off System Sales

B. Tests/Investigations to Address/Discover Other Significant Items

Impacting Fuel and Purchased Power Cost Recovery Amount

1. Comparison of Base Fuel Components and Amounts to
Claimed Cost Components and Amounts
2. Plant Outages
3. Fuel, Freight and Transportation / Purchase Power Contracts

4. As explained in its report filed herewith, based on its review, Staff has concluded that GMO was not imprudent.

WHEREFORE, Staff prays that the Commission will accept its attached prudence audit report.

Respectfully submitted,

s/ Kevin A. Thompson

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Certificate of Service

I hereby certify that a true and correct copy of the foregoing was served, either electronically or by hand delivery or by First Class United States Mail, postage prepaid, on this **30th day of May, 2013**, on the parties of record as set out on the official Service List maintained by the Data Center of the Missouri Public Service Commission for this case.

s/ Kevin A. Thompson