

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

In the Matter of KCP&L Greater Missouri)
Operations Company's Request for Authority)
to Implement a General Rate Increase for)
Electric Service)

Case No. ER-2018-0146

STAFF'S NOTICE OF START OF SECOND RESRAM PRUDENCE REVIEW

COMES NOW the Staff of the Missouri Public Service Commission, by and through undersigned counsel, and for its *Notice of Start of Second RESRAM Prudence Review*. ("Notice") and informs the Commission that the Staff has initiated its second RESRAM ("Renewable Energy Standard Rate Adjustment Mechanism") prudence review as required by KCP&L Greater Missouri Operations ("GMO") tariff and Commission Rule 4 CSR 240-20.100(6)11 and 20.100(6)26. Further in support, Staff states:

1. GMO's RESRAM was approved by the Commission in Case No. EO-2014-0151 and became effective December 1, 2014.¹
2. GMO's tariff sheet (P.S.C. MO. No. 1, 1st Revised Sheet No. 137.2, RENEWABLE ENERGY STANDARD RATE ADJUSTMENT MECHANISM – Rider RESRAM (continued) ELECTRIC) states in pertinent part "...A prudence review shall also be conducted concurrent with any general rate case filed by the Company..."

¹ See *Order Approving Tariff Filing In Compliance With Commission Order* (EFIS Item No. 55), issued November 18, 2014, in Case No. EO-2014-0151.

Because GMO filed its above-captioned request for general rate increase case on January 30, 2018, GMO's RESRAM tariff has triggered Staff's initiation of its second RESRAM prudence review.

3. Staff initiates its GMO RESRAM review pursuant to Commission Rule 4 CSR 240-20.100(6)11 which in relevant part states "Commission approval of proposed rate schedules, to establish or modify an RESRAM, shall in no way be binding upon the commission in *determining the ratemaking treatment to be applied to RES compliance costs during a subsequent general rate proceeding when the commission may undertake to review the prudence of such costs...*" (*emphasis added*)

4. Commission Rule 4 CSR 240-20.100(6)20 provides for intervention as follows:

A person or entity granted intervention in a rate proceeding in which an RESRAM is approved by the commission shall be a party to any subsequent related periodic adjustment proceeding or prudence review, without the necessity of applying to the commission for intervention. In any subsequent general rate proceeding, such person or entity must seek and be granted status as an intervenor to be a party to that case...

Because GMO's RESRAM was initially approved by the Commission in a separate proceeding, Case No. EO-2014-0151, and because Staff's second prudence review is being done in the context of GMO's second general rate case proceeding after its RESRAM approval, the Staff's Notice should be served on the parties in EO-2014-0151 to comport with the rule's requirement that "...In any subsequent general rate

proceeding, such person or entity must seek and be granted status as an intervenor to be a party to that case...”

5. Staff is filing its notice to comply with the notice timeline requirement of 4 CSR 240-100.20(6)26.B. requiring “...Staff shall file notice within ten (10) days of starting its prudence audit.” Even so, Staff notes that the Commission’s November 15, 2014 *Order Approving Partial Stipulation And Agreement, Rejecting Tariff, And Establishing Procedural Schedule* in EO-2014-0151 (EFIS Item No. 49) requires that “...the prudence review of RES compliance costs shall be conducted concurrent with any general rate case filed by GMO and at intervals no less frequently than twenty four (24) months outside the context of a general rate proceeding.” (see stipulation paragraph 3. Prudence Review.) Accordingly Staff will conduct its RESRAM prudence review as part of its direct case in GMO’s rate case proceeding and any RESRAM prudence issues may be addressed by the parties in their prefiled testimony and at hearing as to be set forth in an approved procedural schedule.

WHEREFORE, Staff prays the Commission accept its notice of start of its second GMO RESRAM prudence review.

Respectfully submitted,

/s/ Robert S. Berlin

Robert S. Berlin
Deputy Staff Counsel
Missouri Bar No. 51709

Attorney for the Staff of the
Missouri Public Service Commission
P. O. Box 360
Jefferson City, MO 65102
(573) 526-7779 (Telephone)
(573) 751-9285 (Fax)
bob.berlin@psc.mo.gov

CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed with first-class postage, hand-delivered, transmitted by facsimile or electronically mailed to all counsel of record this 1st day of March, 2018.

/s/ Robert S. Berlin