

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service
Commission held at its office in
Jefferson City on the 19th day of
June, 2013.

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

ORDER APPROVING STAFF'S PRUDENCE REVIEW

Issue Date: June 19, 2013

Effective Date: July 1, 2013

The Missouri Public Service Commission ("Commission") first authorized a fuel adjustment clause for Aquila, Inc. ("Aquila") in File No. ER-2007-0004. The Commission approved the acquisition of Aquila by Great Plains Energy, Inc. effective July 14, 2007, and Aquila was subsequently renamed KCP&L Greater Missouri Operations Company ("GMO"). The Commission has approved continuation of GMO's fuel adjustment clause with modifications in that company's subsequent general rate cases. Section 386.266.4(4), RSMo Supp. 2012, the statute that authorizes an electric utility to use a fuel adjustment clause, requires the Commission to conduct a prudence review of the utility's fuel costs no less frequently than at 18-month intervals. The 18-month prudence review is also required by Commission Rule 4 CSR 240-20.090(7).

On December 6, 2012, the Commission's Staff filed a notice stating that it started its prudence audit on December 3, 2012. Commission Rule 4 CSR 240-20.090(7)(B) establishes a timeline that requires Staff to file a recommendation regarding the results of its audit no later than 180 days after it initiates its audit. The rule then directs the Commis-

sion to issue an order regarding Staff's audit no later than 210 days after Staff initiates its audit, unless within 190 days some party to the proceeding requests a hearing. On January 11, 2013, the Commission granted applications to intervene filed by Dogwood Energy, LLC and the Midwest Energy Users' Association.

Staff filed its report and recommendation regarding its prudence audit on May 29, 2013. On June 10, 2013, Dogwood Energy, LLC filed comments regarding Staff's report, providing additional information concerning a statement made in that report. No party requested a hearing by the 190th day after Staff initiated its audit. Therefore, the Commission may now consider Staff's report and recommendation.

Staff's report and recommendation regarding its prudence review states that Staff has conducted a review of all aspects of GMO's fuel costs as they are passed through to customers under the fuel adjustment clause. Staff does not identify any imprudence by GMO that would result in harm to the utility's ratepayers.

The Commission finds Staff's report and recommendation regarding its prudence review of GMO's fuel costs to be reasonable. No party has requested a hearing, or in any other way opposed or objected to Staff's recommendation. Therefore, the Commission will approve Staff's report and make this order effective on July 1, 2013, which is the 210th day after Staff initiated its audit.

THE COMMISSION ORDERS THAT:

1. Staff's report regarding its prudence audit of the costs subject to KCP&L Greater Missouri Operations Company's fuel adjustment clause is approved.

2. This order shall become effective on July 1, 2013.
3. This file shall be closed on July 2, 2013.

BY THE COMMISSION

A handwritten signature in dark ink, appearing to read "Morris L. Woodruff". The signature is fluid and cursive, with the first name "Morris" being the most prominent.

Morris L. Woodruff
Secretary

R. Kenney, Chm., Jarrett
and W. Kenney, CC., concur.
Stoll, C., absent.

Bushmann, Regulatory Law Judge