

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

In the Matter of the Application of)	
Kansas City Power & Light Company)	
for Approval to Make Certain Changes)	Case No. ER-2009-0089
in Its Charges for Electric Service to)	
Continue the Implementation of Its)	
Regulatory Plan.)	

**STAFF’S REPORT REGARDING CONSTRUCTION AUDIT
AND PRUDENCE REVIEW OF ENVIRONMENTAL
UPGRADES TO IATAN 1 AND IATAN COMMON PLANT**

COMES NOW the Staff of the Missouri Public Service Commission (Staff), by and through counsel, and files its *Report Regarding Construction Audit and Prudence Review Of Environmental Upgrades To Iatan 1 And Iatan Common Plant (Report)*, as ordered by the Commission in its June 10, 2009, *Order Regarding Joint Motion To Extend Filing Date*. In support thereof, the Staff states as follows:

1. The Staff Auditors responsible for the *Report* filed this date are Robert E. Schallenberg, Charles R. Hyneman, and Keith A. Majors. Mr. Schallenberg’s credentials are in his surrebuttal testimony filed on April 7, 2009 in this above-captioned Case No. ER-2009-0089. Messrs. Hyneman’s and Majors’ credentials are in the Appendices to the Staff’s Revenue Requirement Cost Of Service Report filed on February 11, 2009 in this above-captioned Case No. ER-2009-0089.

2. The construction audit and prudence review in this *Report* is subject to change due to as yet unanswered Staff Data Requests pending to KCPL and because the proper levels of costs for the Iatan 1 air quality control system (AQCS), common plant used to operate Iatan 1,

common plant remainder, and Iatan 2 cannot be truly determined until the construction and audit of Iatan 2 is completed.

2. The Staff has designated the entirety of this *Report* to be Highly Confidential since much of the information included in this *Report* is based on or is information Kansas City Power & Light Company, Inc. (KCPL) has designated to be Highly Confidential when KPCL provided the information to the Staff, and the Staff was unable to complete its *Report* sufficiently in advance of filing it to obtain KCPL's review so that KCPL could indicate which portions KCPL would authorize be disclosed as an open public document.

3. Because KCPL has not reviewed the Staff's *Report* before the Staff is filing it, the Staff is requesting the Commission to issue an Order directing KCPL / KCP&L Greater Missouri Operations Company (GMO) to review the Staff's *Report* and to submit to the Staff no later than within 45 days of the Commission's Order a version of the Staff's *Report* that in KCPL's view redacts, or otherwise identifies, all information that it considers to be Highly Confidential or Proprietary.

4. On June 19, 2009, in response to the Commission's June 10, 2009, Orders To Joint Motion To Extend Filing Date in Case Nos. ER-2009-0089, ER-2009-0090, and HR-2009-0092, the Staff filed a preliminary report regarding its construction audit and prudence review of the Iatan 1 environmental upgrades. The Staff filed the entirety of its preliminary report under the Highly Confidential designation since the Staff believed it was likely that KCPL / GMO would want considerable portions of the preliminary report designated as Highly Confidential. There are two attachments to the Staff's preliminary report, the entire contents of which KCPL had designated as Highly Confidential.

5. The Staff related in its June 19, 2009 filing that it was the Staff's hope that once KCPL and GMO had an opportunity to review the Staff's preliminary report, they would indicate what portions could be filed as an open public document. The Staff is aware that certain portions of the preliminary report are not Highly Confidential, but those portions are generally limited to matters such as a discussion of "prudence" and "burden of proof" which are matters of general public interest, i.e., matters not specific to Iatan 1 costs or Iatan common plant / common costs.

6. Before and after filing its preliminary report, the Staff talked with KCPL / GMO regarding KCPL / GMO identifying what portions of the preliminary report could be filed as an open public document. Although the Staff thought, and KCPL / GMO indicated to the Staff, that KCPL / GMO would identify what portions of the Staff's preliminary Report KCPL / GMO believed were not Highly Confidential or Proprietary, and therefore could be filed as an open public document, that event never occurred.

7. The Staff requests that the Commission order KCPL to identify for the Staff what portions of the Staff's preliminary report filed on June 19, 2009, can be refiled as an open public document at the same time KCPL provides similar information regarding the *Report* that the Staff is filing this date.

WHEREFORE, the Staff hereby files its *Report Regarding Construction Audit and Prudence Review Of Environmental Upgrades To Iatan 1 And Iatan Common Plant* and respectfully requests the Commission to order KCPL / GMO to submit to the Staff within 45 days of the filing of the Staff's *Report* an identification of what portions of the Staff's *Report* and the Staff's preliminary report filed on June 19, 2009 that in KCPL / GMO's view is either Highly Confidential or Proprietary consistent with the Commission's designation of those terms in 4 CSR 240-2.135.

Respectfully submitted;

/s/ Steven Dottheim

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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile or electronically mailed to all counsel of record this 31st day of December, 2009.

/s/ Steven Dottheim