

**STATE OF MISSOURI  
PUBLIC SERVICE COMMISSION**

At a session of the Public Service  
Commission held at its office in  
Jefferson City on the 24<sup>th</sup> day of  
September, 2014.

In the Matter of the Fifth Prudence Review of	)	
Costs Subject to the Commission-Approved Fuel	)	<b><u>File No. EO-2014-0242</u></b>
Adjustment Clause of KCP&L Greater Missouri	)	
Operations Company	)	

**ORDER APPROVING STAFF'S PRUDENCE REVIEW**

Issue Date: September 24, 2014

Effective Date: October 24, 2014

KCP&L Greater Missouri Operations Company ("GMO") has utilized a fuel adjustment clause since the Missouri Public Service Commission approved the use of that clause in GMO's last general rate case, ER-2012-0175. Section 386.266.4(4) RSMo Supp. 2013, 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 March 4, 2014, the Commission's Staff filed a notice indicating it started its fifth prudence audit on March 3, 2014. 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 timeline then directs the Commission 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 August 29, 2014, Staff filed its report on the prudence review, finding no imprudence by GMO in connection with the fuel adjustment clause for the period June 1,

2012 through November 30, 2013. No party requested a hearing by September 9, 2014, which was the filing deadline to request a hearing. Therefore, the Commission may now consider Staff's report and recommendation.


Staff's report and recommendation regarding its prudence review indicates 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. Therefore, Staff does not recommend that GMO be required to make any refunds to its customers.

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.

**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 October 24, 2014.
3. This matter shall be closed on or after October 25, 2014.

**BY THE COMMISSION**



Morris L. Woodruff  
Secretary



R. Kenney, Chm., Stoll, W. Kenney,  
Hall, and Rupp, CC., concur.

Bushmann, Senior Regulatory Law Judge