

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service
Commission held at its office in
Jefferson City on the 26th day
of August, 2015.

In the Matter of the First Prudence Review of)
KCP&L Greater Missouri Operation's Company)
Implementation of Energy Efficiency Programs in)
Furtherance of the Missouri Energy Efficiency)
Investment Act (MEEIA))

File No. EO-2015-0180

ORDER APPROVING STAFF'S PRUDENCE REVIEW

Issue Date: August 26, 2015

Effective Date: September 25, 2015

Under Missouri law¹ the Commission must allow recovery of all reasonable and prudent costs of delivering cost-effective demand-side programs. On November 15, 2012, the Commission issued an *Order Approving Non-Unanimous Stipulation and Agreement Resolving KCP&L Greater Missouri Operations Company's MEEIA Filing*.² The Commission's approval authorized KCP&L Greater Missouri Operations Company (GMO) to implement a three-year plan, which included 15 demand-side programs and a demand-side programs investment mechanism (DSIM).

Commission rule 4 CSR 240-20.093(10) requires the Commission to conduct a prudence review of the utility's DSIM costs no less than every 24 months. On February 3, 2015, the Staff of the Commission filed a notice of its first prudence audit of GMO's MEEIA³ Programs' costs. Rule 4 CSR 240-20.093(10) also requires the Staff of the Commission to file a report of its audit within 150 days of initiating the audit and that the Commission issue an order regarding Staff's audit within 60 days thereafter.

¹ Section 393.1075.3 RSMo.

² Commission File No. EO-2012-0009.

³ Missouri Energy Efficiency Investment Act.

Staff filed its report on July 6, 2015. With the exception of minor corrections to the interest calculations related to GMO's demand-side programs' costs and to its throughput disincentive cost recovery mechanism, Staff found no imprudence by GMO for the period of January 26, 2013, through December 31, 2014. The interest calculations totaled \$707.07, and GMO has corrected its accounting records accordingly.

Upon review of Staff's report, the Commission finds that the costs associated with GMO's demand-side programs were reasonable, prudent and consistent with Section 393.1075 RSMo. The Commission will therefore approve Staff's evaluation of GMO's demand-side programs.

THE COMMISSION ORDERS THAT:

1. The Staff of the Commission's report, reflecting its audit of the costs incurred by KCP&L Greater Missouri Operations Company from January 26, 2013, through December 31, 2014, in compliance with the Missouri Energy Efficiency Investment Act for electric operations, is approved.
2. This order shall become effective on September 25, 2015.
3. This file shall be closed on September 26, 2015.



BY THE COMMISSION

A handwritten signature in cursive script that reads "Morris L. Woodruff".

Morris L. Woodruff
Secretary

Hall, Chm., Stoll, Kenney, and
Rupp, CC., concur;
Coleman, C., absent.

Jones, Senior Regulatory Law Judge