

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

In the Matter of the Fifth Prudence Review of)
Costs Subject to the Commission-Approved Fuel)
Adjustment Clause of KCP&L Greater Missouri)
Operations Company.)

Case No. EO-2014-0242

**STAFF'S FIFTH PRUDENCE REVIEW REPORT AND RECOMMENDATION ON
KCP&L GREATER MISSOURI OPERATION COMPANY'S
FUEL ADJUSTMENT CLAUSE**

COMES NOW the Staff of the Missouri Public Service Commission, by and through the counsel, and for its *Fifth Prudence Review Report and Recommendation on KCP&L Greater Missouri Operation Company's Fuel Adjustment Clause*, states as follows:

1. Staff initiated this prudence review on March 3, 2014. It filed notice on March 4, 2014, that it had started its prudence review. That notice filing initiated this Case No. EO-2014-0242. In its notice, Staff informed the Commission the review period is June 1, 2012, through November 30, 2013. This is Staff's fifth prudence review of costs subject to GMO's fuel and purchase power adjustment clause ("FAC"). These prudence reviews are required to take place at least every eighteen months.

2. GMO's FAC tariff sheets numbered 127.6 through 127.10, effective on January 26, 2013 (127.6 – 127.9) and on March 1, 2013 (127.10), apply to service provided from July 1, 2011, to January 25, 2013. GMO FAC tariff sheets numbered 124 through 127, effective on January 26, 2013 (124 – 126.2) and on March 1, 2014 (127), apply to service provided after January 25, 2013. These tariff sheets are in effect and govern the prudence review in this filing.

3. As stated in its *Notice*, Staff conducted its audit using the following audit scope:

A. Presently Known Areas to Review:

1. GMO's Total Book Costs of Fuel Consumed in GMO's Generating Units
2. Costs Associated with GMO's Fuel Hedging Program
3. Purchase Power Energy Charges, Including Applicable Transmission Fees
4. Southwest Power Pool Variable Costs
5. Emission Allowance Costs and Revenues
6. Off System Sales

B. Tests/Investigations to Address or Discover Other Significant Items Impacting Fuel and Purchased Power Cost Recovery Amount:

1. Comparison of Base Fuel Components and Amounts to Claimed Cost Components and Amounts
2. Plant Outages
3. Fuel, Freight and Transportation / Purchase Power Contracts.

4. As explained in its report filed herewith, based on its review, Staff has concluded that GMO was not imprudent.

WHEREFORE, Staff prays the Commission will accept its attached prudence audit report.

Respectfully submitted,

/s/ Whitney Hampton

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CERTIFICATE OF SERVICE

I certify that a true and accurate copy of the foregoing was mailed, electronically mailed, or hand-delivered to all parties to this cause on this 29th day of August, 2014.

/s/ Whitney Hampton