

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

In the Matter of the Second Prudence)	
Review of Costs Subject to the)	
Commission-Approved Fuel)	Case No. EO-2019-0068
Adjustment Clause of Kansas City)	
Power and Light Company)	

**RESPONSE TO STAFF’S SECOND PRUDENCE REVIEW REPORT, AND
REQUEST FOR AN EVIDENTIARY HEARING**

COMES NOW the Office of the Public Counsel (“OPC”) and for its *Response to Staff’s Second Prudence Review Report, and Request for an Evidentiary Hearing*, states as follows:

1. The Staff of the Missouri Public Service Commission (“Staff”) initiated its second prudence review of the costs subject to Kansas City Power and Light Company (“KCPL”)’s Fuel Adjustment Clause (“FAC”) on September 4, 2018, and provided notice of same through a filing made on September 7, 2018.

2. Staff subsequently completed its review and filed its *Second Prudence Review Report* on February 28, 2019. According to its *Second Prudence Review Report* Staff found evidence that KCPL had acted imprudently “when KCPL failed to take any action that would have allowed it to generate revenue from the sale of 722,628 renewable energy credits (“RECs”) that were not needed to satisfy its RES compliance and simply allowed them to expire during the Review Period.” However, on other issues Staff determined that there was no evidence that KCPL had acted imprudently.

3. The OPC disagrees with Staff's determination that there was no evidence of imprudence on the other issues Staff examined during its prudence review.

4. Specifically, while the OPC agrees with Staff that KCPL's purchased power agreements ("PPAs") for the Osborne Wind Energy and Rock Creek Wind Projects are both creating significant amounts of costs in excess of the revenues KCPL receives from them, the OPC disagrees with Staff's decisions not to recommend prudence adjustments related to the financial performance of the energy portions of those PPAs and instead wait for a long, yet-to-be determined, period of time to pass before judging their prudence.

5. Unlike the other PPAs that Staff examined, KCPL executed the Osborne Wind Energy and Rock Creek Wind Project PPAs relatively recently.

6. KCPL thus had the benefit of its experiences with the accuracy of its forecasts for entering the prior PPAs at the time it was considering entering into the Osborne Wind Energy and Rock Creek Wind Project PPAs.

7. Based on that experience, it is the OPC's position that it was imprudent for KCPL to enter into the Osborne Wind Energy and Rock Creek Wind Project PPAs.

8. Finally, The OPC requests an evidentiary hearing in this case regarding the matters discussed herein in compliance with 4 CSR 240-20.090(11)(B).

WHEREFORE, the Office of the Public Counsel respectfully submits this *Response to Staff's Second Prudence Review Report* and requests an evidentiary hearing in this case.

Respectfully submitted,
OFFICE OF THE PUBLIC
COUNSEL

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CERTIFICATE OF SERVICE

I hereby certify that copies of the forgoing have been mailed, emailed, or hand-delivered to all counsel of record this eleventh day of March, 2019.

 /s/ John Clizer