

**Executive Director Monthly Report – October 27, 2010 – November 30, 2010**  
**Wess Henderson**  
**File Nos. ER-2010-0355 and ER-2010-0356**

**EXECUTIVE DIRECTOR’S FOURTH MONTHLY STATUS REPORT**

On July 7, 2010, the Commission issued an Order in File Nos. ER-2010-0355 and ER-2010-0356 titled “Order Regarding Construction and Prudence Audits.” In the ordered portion there are fourteen ordered sections. Among the fourteen ordered sections, ordered section number eleven states: “The Commission’s Executive Director, Wess Henderson, is assigned primary audit oversight and completion. Mr. Henderson shall file monthly status reports with the Commission.”

**Wednesday, October 27, 2010:** The Executive Director filed in File Nos. ER-2010-0355 and ER-2010-0356, the third monthly status report as ordered by the Commission in its Order dated July 7, 2010.

The Executive Director subsequently asked the Case Coordinators for Services Division and Operations Division to provide a brief status report for November 2010 in File Nos. ER-2010-0355 and ER-2010-0356. Attached is the status report provided by the Staff Case Coordinators, Cary Featherstone and Curt Wells.

**Monday, November 1, 2010:** The Staff filed Staff’s Request For A Special Master in File Nos. ER-2010-0355 and ER-2010-0356. KCPL/GMO responded and the Staff and KCPL have made additional filings in File Nos. ER-2010-0355 and ER-2010-0356.

**Thursday, November 4, 2010:** The Staff filed in File Nos. ER-2010-0355 and ER-2010-0356 its *Construction Audit And Prudence Review – Iatan Construction Project For Costs Reported as of June 30, 2010* dated November 3, 2010.

**Thursday, November 4, 2010:** As ordered by the Commission in its Order dated July 7, 2010, a “Monthly Status Hearing” was held on November 4, 2010, at which representatives from KCPL and GMO, Staff, OPC and various Intervenors participated in person or by speakerphone.

**Wednesday, November 10, 2010:** The Staff filed in File No. ER-2010-0355 (Kansas City Power & Light Company (KCPL)) the direct testimony of Charles R. Hyneman to introduce and sponsor the adjustments to Iatan Unit 1 AQCS, Iatan Unit 2, and Iatan Common Plant construction costs that Staff made on the basis of imprudence, unreasonableness, or not of benefit to Missouri ratepayers, as reported in its *Construction Audit and Prudence Review – Iatan Construction Project For Costs Reported as of June 30, 2010*, dated November 3, 2010, in File Nos. ER-2010-0355 and ER-2010-0356, relating to KCPL. He also describes in his testimony the Generally Accepted Auditing Standards (GAAS) which the Commission addressed in its July 7, 2010 Order.

**Wednesday, November 17, 2010:** The Staff filed in File No. ER-2010-0356 (KCP&L Greater Missouri Operations Company (GMO)) the direct testimony of Charles R. Hyneman to introduce

and sponsor the adjustments to Iatan Unit 1 AQCS, Iatan Unit 2, and Iatan Common Plant construction costs that Staff made on the basis of imprudence, unreasonableness, or not of benefit to Missouri ratepayers, as reported in its *Construction Audit and Prudence Review – Iatan Construction Project For Costs Reported as of June 30, 2010*, dated November 3, 2010, in File Nos. ER-2010-0355 and ER-2010-0356, relating to GMO. He also describes in his testimony the Generally Accepted Auditing Standards (GAAS) which the Commission addressed in its July 7, 2010 Order.

**Monday, November 22 – Wednesday, November 23, 2010:** Prehearing/Settlement Conference in File Nos. ER-2010-0355 and ER-2010-0356 occurred.

Staff counsel has continued its weekly calls with KCPL/GMO counsel regarding discovery matters in addition to matters proceeding forward with the Special Master assigned to address discovery matters in File Nos. ER-2010-0355 and ER-2010-0356. The Regulatory Law Judges (RLJs) indicated at the first monthly status hearing that the parties should not wait until the monthly status hearings to raise discovery matters that they would otherwise pursue pursuant to the Commission's rules.

# Missouri Public Service Commission Staff Status Report for November 2010

Kansas City Power & Light Company – File No.  
ER-2010-0355

KCPL Greater Missouri Operations – File No.  
ER-2010-0356

The Executive Director of the Commission has requested monthly information regarding the status of the two rate cases filed June 4, 2010 by Kansas City Power & Light Company (herein referred to as KCPL) and KCP&L Greater Missouri Operations Company (herein referred to as GMO (Missouri Public Service (MPS) and Light & Power (L&P))). These rate cases are designated as File No. ER-2010-0355 for KCPL and File No. ER-2010-356 for GMO.

The information requested is to include the following:

1. Is Staff on site at the Company?
2. Does Staff continue to make plant site visits?
3. Has Staff been meeting with the Company on a regular basis?
4. Is Staff receiving data on a timely basis?
5. Has Staff discovered any new issues not previously listed on the chart filed August 16, with the Executive Director's First Monthly Report?
6. At this time, does Staff see a problem meeting the deadlines set in these cases?
7. List any other information you feel is relevant.

For the period ending November 30, 2010:

## **1. Audit Site Work—**

Services Division Staff Auditors have continued audit activities at Great Plains Energy's corporate headquarters (KCPL/GMO offices) discussing the Staff's revenue requirement rate case filings made on November 10th for KCPL and November 17th for GMO. The

Staff Auditors continue to work out of both the Commission's Kansas City office and GPE (KCPL/GMO) 's headquarters and the Commission's Jefferson City office since the last Staff status report. The Staff Auditors assigned to the construction audit of Iatan 1, Iatan 2 and Iatan Common Plant have continued to work out of both the Commission's Kansas City office and GPE (KCPL/GMO) 's headquarters and the Commission's Jefferson City office since the last Staff status report.

No Staff members in the Operations Division are assigned to on-site activities on a regular basis. Although not situated on-site, Operations Division personnel do, on an as needed and pre-approved basis, visit Iatan and other utility plant sites for meetings, tours of facilities and document reviews.

## **2. Generating Plant Site Visits—**

The Staff Auditors have not visited any of KCPL's or GMO's generating power plants during this reporting period. (The Kansas City office Staff did do a series of plant tours during April and May for both KCPL and GMO generating units.)

Operations Division engineers have not visited Iatan 2 during this reporting period. They scheduled a site visit to Iatan 2 for December 17th to observe plant operations.

## **3. Company Meetings—**

The Staff Auditors continued to meet with KCPL and GMO personnel during this reporting period after the Staff's revenue requirement filings on November 10th and 17th for the KCPL and GMO rate cases, respectively. The focus of the meetings have primarily shifted to discussions concerning the rate case filings of the Staff Auditors made on November 10th for KCPL and November 17th for GMO.

Staff members of the Operations Division also have conducted conferences telephonically with KCPL/GMO and have communicated and obtained information via email throughout November, as questions exist or arise in their activities relating to both the revenue requirement and rate design / class cost of service filings for which they are responsible or for which they have responsibilities. Responses from KCPL/GMO appear to have been timely and informative.

## **4. Data Information –**

The Staff Auditors continue to submit data requests to KCPL/GMO and will continue to do so throughout the course of these cases. The Staff Auditors have generally been given timely responses. At this time non-Iatan discovery is not an issue, while Iatan discovery is an issue.

For this reporting period, all of Operations Division Staff data requests have been received on or prior to the data requests due dates.

As of the direct filings made in the KCPL rate case on November 10th and GMO rate case on November 17th, the time to respond to data requests changed from 20 business days to 10 business days per the procedural schedule approved by the Commission in its August 18, 2010 Order.

## **5. New Issues --**

As previously reported, at the September 14, 2010 Comprehensive Energy Plan (CEP) meeting, KCPL provided a copy of its Cost Report Summation through July 2010. \*\* \_\_\_\_\_

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The Audit Staff has not discovered any additional material issues as of this, the November monthly status report, that are presently not addressed in Staff testimony and schedules or have not been noted and are being monitored.

## **6. Deadlines --**

The Commission issued the procedural schedule August 18, 2010 setting for the Staff a November 10, 2010 filing of its revenue requirement direct testimony for the KCPL case and a November 17th filing of its revenue requirement direct testimony for the GMO (MPS and L&P) case. Both the KCPL and GMO direct filings were made on these dates. In addition, the Iatan Project Construction Audit/Prudence Review Report on Iatan 1, Iatan 2, and Iatan Common Plant was to be filed on November 3rd (and was filed on November 4th).

The rate design and class cost of service Staff direct testimony was filed November 24th for the KCPL case and was scheduled to be filed December 1st for the GMO (MPS and L&P) case.

## **7. Other Information—**

The Staff Auditors completed the Exhibit Modeling System (EMS) – the Staff's computerized revenue requirement modeling system – runs for both KCPL and the two GMO divisions (MPS and L&P) and filed these runs along with the direct testimony and Revenue Requirement Cost of Service Reports on the November 10th and 17th direct filing dates approved by the Commission for procedural schedules for the KCPL and GMO rate cases.

**NP**