

**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 Adjustment Clause of Kansas City Power)
and Light Company)

File No. EO-2019-0068

STAFF’S SECOND PRUDENCE REVIEW REPORT

COMES NOW Staff of the Missouri Public Service Commission and submits Staff’s Second Prudence Review Report (incorporated by reference) of costs related to the Fuel Adjustment Clause (“FAC”) for the electric operations of Kansas City Power and Light Company (“Company” or “KCPL”). In support thereof, Staff states as follows:

1. On September 7, 2018, Staff filed *Staff’s Notice of Start of Second Prudence Review* (“Notice”) informing the Commission that it had begun its review of the costs subject to KCPL’s FAC. On September 11th, 2018, the Commission issued its *Order Directing Notice, Acknowledging Automatic Parties, and Establishing Deadlines for Intervention and Requesting a Hearing* (“Order”).

2. The Notice described Staff’s plan to conduct a prudence review of the costs and revenues associated with KCPL’s FAC for the period January 1, 2017 through June 30, 2018. This Review Period corresponds to the fourth, fifth, and sixth FAC accumulation periods (each accumulation period is 6 months) of KCPL’s FAC.

3. Staff has completed its prudence review and provides a detailed discussion of its findings in Staff’s *Second Prudence Review of Costs Related To The Fuel Adjustment Clause For The Electric Operations Of Kansas City Power & Light Company* (“Prudence Review Report”) submitted concurrently herewith in Confidential and Public formats. As a result of its prudence review, and as more fully explained in the

Prudence Review Report, Staff found evidence of imprudence by KCPL 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. Staff recommends the Commission order an Ordered Adjustment (“OA”) in the amount of \$350,351.

WHEREFORE, Staff requests the Commission accept its Prudence Review Report of KCPL’s FAC, issue an Ordered Adjustment as set forth therein, and issue such further orders as the Commission deems proper.

Respectfully submitted,

/s/ Jeffrey A. Keevil

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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed, hand-delivered, or transmitted by facsimile or electronic mail to counsel of record this 28th day of February, 2019.

/s/ Jeffrey A. Keevil