

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service
Commission held at its office in
Jefferson City on the 9th day of
March, 2016.

In the Matter of a Management Audit of)
Kansas City Power & Light Company) **File No. EO-2016-0124**

ORDER APPROVING AUDIT SCOPE

Issue Date: March 9, 2016

Effective Date: March 9, 2016

On December 30, 2015, the Missouri Public Service Commission ("Commission") issued an order directing its Staff to conduct an audit of the administrative and general ("A&G") costs of Kansas City Power and & Light Company ("KCPL") to identify possible cost savings and efficiencies and report its audit findings and recommendations to the Commission. On February 1, 2016, Staff filed a proposed audit scope, which included a description of Staff's objectives and plans in completing that audit.

On February 19, 2016, the Office of the Public Counsel ("OPC") filed a reply to Staff's proposed audit scope stating that OPC is generally supportive of Staff's proposal. OPC also requested that it be allowed to participate in the management audit and suggested that the audit scope be expanded to include officer expense reports and comparisons with other Midwest utilities. OPC subsequently withdrew its request to participate in the audit.

KCPL opposes OPC's request, and argues that the additional matters OPC requests be included in the audit are premature, untimely, and already resolved in a previous stipulation and agreement. In addition, comparisons of A&G costs for utilities outside of Missouri would be inappropriate because different utilities record such transactions inconsistently.

Staff considers OPC's request to expand the scope of the audit to be unnecessary because Staff is already planning on examining those matters during the audit process. Staff states that it will consider the need for comparing KCPL's A&G expenses to Midwest utilities outside of Missouri as the audit progresses, based on such factors as data availability, usefulness of the information, and resources needed to conduct such comparisons.

The Commission finds the proposed audit scope to be reasonable and will approve it. The Commission concludes that it is not necessary to expand the scope of the audit as OPC requests, as Staff considers the scope to be sufficient to encompass those requested matters and intends on examining those matters in the course of the audit to the extent that such examination would be useful.

THE COMMISSION ORDERS THAT:

1. The proposed audit scope filed by the Staff of the Commission on February 1, 2016, is approved.
2. The request submitted by the Office of the Public Counsel on February 19, 2016, is denied.
3. This order shall be effective when issued.



BY THE COMMISSION

A handwritten signature in dark ink, reading "Morris L. Woodruff".

Morris L. Woodruff
Secretary

Hall, Chm., Stoll, Kenney,
Rupp, and Coleman, CC., concur.

Bushmann, Senior Regulatory Law Judge