

**STATE OF MISSOURI  
PUBLIC SERVICE COMMISSION**

At a session of the Public Service  
Commission held at its office in  
Jefferson City on the 2nd day of  
December, 2015.

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

**ORDER REQUIRING A MANAGEMENT AUDIT OF  
KANSAS CITY POWER & LIGHT COMPANY**

Issue Date: December 2, 2015

Effective Date: December 2, 2015

On September 2, 2015, the Missouri Public Service Commission (“Commission”) issued a Report and Order in a rate case for Kansas City Power & Light Company (“KCPL”).<sup>1</sup> One of the disputed issues in that case was whether KCPL should be required to undergo a management audit to identify possible cost savings and efficiencies. The evidence in that case showed that KCPL has higher administrative and general (“A&G”) costs than other utilities in this region and that a management audit of those costs would benefit both customers and shareholders. The Commission concluded that the Commission’s Staff should conduct an audit of KCPL’s A&G costs in a separate proceeding, which should include identifying any potential cost savings related to a merger between KCPL and KCP&L Greater Missouri Operations Company.

The Commission will direct its Staff to conduct the audit and KCPL to cooperate in that audit. The Commission will direct Staff to respond indicating when it will be able to file a final report of the audit findings and recommendations. After Staff has filed its audit

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<sup>1</sup> *In the Matter of Kansas City Power & Light Company’s Request for Authority to Implement a General Rate Increase for Electric Service*, Report and Order, File No. ER-2014-0370 *et al.*, September 2, 2015.

report, KCPL and the Office of the Public Counsel will be given an opportunity to comment on that report.

**THE COMMISSION ORDERS THAT:**

1. The Staff of the Commission shall conduct an audit of the administrative and general costs of Kansas City Power & Light Company and examine a potential merger between Kansas City Power & Light Company and KCP&L Greater Missouri Operations Company to identify possible cost savings and efficiencies and report its audit findings and recommendations to the Commission.
2. Kansas City Power & Light Company shall cooperate fully with the management audit required by this order.
3. No later than December 16, 2015, Staff shall file a pleading stating when it anticipates filing its final report in this matter.
4. This order shall be effective when issued.



**BY THE COMMISSION**

A handwritten signature in cursive script that reads "Morris L. Woodruff".

Morris L. Woodruff  
Secretary

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

Bushmann, Senior Regulatory Law Judge