

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service
Commission held at its office in
Jefferson City on the 30th day of
November, 2017.

In the Matter of the First Prudence Review)	
of Costs Subject to the Commission-Approved)	<u>File No. EO-2017-0231</u>
Fuel Adjustment Clause of Kansas City)	
Power and Light Company)	

ORDER APPROVING STAFF'S PRUDENCE REVIEW

Issue Date: November 30, 2017

Effective Date: December 10, 2017

Kansas City Power and Light Company (KCPL) has used a fuel adjustment clause (FAC) since the Commission approved the use of that clause in the company's general rate case, File No. ER-2014-0370. The Commission approved continuation of KCPL's FAC with modification in its most recent general rate case, File No. ER-2016-0285. Subsection 386.266.4(4), RSMo 2016, the statute that authorizes an electric utility to use a FAC, requires the Commission to conduct a prudence review of the utility's fuel costs "no less frequently than at eighteen-month intervals." The eighteen-month prudence review is also required by Commission Rule 4 CSR 240-20.090(7).

On March 8, 2017, the Commission's Staff filed a notice stating that it started its first prudence audit of the costs and revenues associated with KCPL's Commission-approved FAC on March 1, 2017. Commission Rule 4 CSR 240-20.090(7)(B)

establishes a timeline that requires Staff to file a recommendation regarding the results of its audit no later than 180 days after it initiates its audit. In this file, the Commission suspended the timeline under 4 CSR 240-20.090(7)(B)(1) at Staff's request allowing additional time for the Staff to complete its review.

Staff filed its report regarding its prudence audit on October 27, 2017. Staff states that it examined and analyzed the costs and revenues associated with KCPL's Commission-approved FAC for the period September 29, 2015 to December 31, 2016. This period corresponds to the first, second, and third sequential FAC accumulation periods. Staff did not identify any imprudence by KCPL.

On November 1, 2017, the Office of the Public Counsel (OPC) filed comments. OPC did not request a hearing and no action with regard to OPC's comments is required by the Commission.

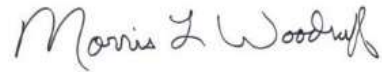
The Commission finds Staff's report and recommendation regarding its prudence review of KCPL's fuel costs to be reasonable. Additionally, no party has requested a hearing. Therefore, the Commission will approve Staff's report.

THE COMMISSION ORDERS THAT:

1. Staff's Report regarding its prudence audit of the costs subject to Kansas City Power and Light Company fuel adjustment clause is approved.
2. This order shall become effective on December 10, 2017.

3. This file shall be closed on December 11, 2017.

BY THE COMMISSION



Morris L. Woodruff
Secretary



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

Dippell, Senior Regulatory Law Judge

STATE OF MISSOURI

OFFICE OF THE PUBLIC SERVICE COMMISSION

I have compared the preceding copy with the original on file in this office and I do hereby certify the same to be a true copy therefrom and the whole thereof.

WITNESS my hand and seal of the Public Service Commission, at Jefferson City, Missouri, this 30th day of November 2017.




Morris L. Woodruff
Secretary

MISSOURI PUBLIC SERVICE COMMISSION

November 30, 2017

File/Case No. EO-2017-0231

**Missouri Public Service
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Enclosed find a certified copy of an Order or Notice issued in the above-referenced matter(s).

Sincerely,

A handwritten signature in dark ink, reading "Morris L. Woodruff". The signature is written in a cursive style with a large, stylized "M" and "W".

**Morris L. Woodruff
Secretary**

Recipients listed above with a valid e-mail address will receive electronic service. Recipients without a valid e-mail address will receive paper service.