

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

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

**ORDER DIRECTING NOTICE, ADDING PARTIES,
AND SETTING PROCEDURAL DATES**

Issue Date: March 9, 2017

Effective Date: March 9, 2017

On March 8, 2017, the Commission's Staff filed a notice indicating it that started its first prudence audit of Kansas City Power & Light Company's (KCP&L) fuel adjustment clause on March 1, 2017. Section 386.266.4(4), RSMo (Supp. 2013), the statute that authorizes an electric utility to use a fuel adjustment clause, requires the Commission to conduct a prudence review of the utility's fuel costs no less frequently than at 18-month intervals. The 18-month prudence review is also required by Commission Rule 4 CSR 240-20.090(7), which states:

(7) Prudence Reviews Respecting RAMs.¹ A prudence review of the costs subject to the RAM shall be conducted no less frequently than at eighteen (18)-month intervals.

(A) All amounts ordered refunded by the commission shall include interest at the electric utility's short-term borrowing rate.

(B) The staff shall submit a recommendation regarding its examination and analysis to the commission not later than one hundred eighty (180) days after the staff initiates its prudence audit. The timing and frequency of prudence audits for each RAM shall be established in the general rate proceeding in which the RAM is established. The staff

¹ 4 CSR 240.090(1)(G) defines "RAM" as follows: "Rate adjustment mechanism (RAM) refers to either a fuel adjustment clause or interim energy charge."

shall file notice within ten (10) days of starting its prudence audit. The commission shall issue an order not later than two hundred ten (210) days after the staff commences its prudence audit if no party to the proceeding in which the prudence audit is occurring files, within one hundred ninety (190) days of the staff's commencement of its prudence audit, a request for a hearing.

1. If the staff, OPC or other party auditing the RAM believes that insufficient information has been supplied to make a recommendation regarding the prudence of the electric utility's RAM, it may utilize discovery to obtain the information it seeks. If the electric utility does not timely supply the information, the party asserting the failure to provide the required information must timely file a motion to compel with the commission. While the commission is considering the motion to compel, the processing timeline shall be suspended. If the commission then issues an order requiring the information to be provided, the time necessary for the information to be provided shall further extend the processing timeline. For good cause shown the commission may further suspend this timeline.

2. If the timeline is extended due to an electric utility's failure to timely provide sufficient responses to discovery and a refund is due to the customers, the electric utility shall refund all imprudently incurred costs plus interest at the electric utility's short-term borrowing rate.

Because the rule requires Staff to file its recommendation regarding the audit no later than 180 days after it initiates the audit, Staff's audit will be due no later than August 28, 2017. Additionally, the deadline for requesting a hearing will be September 7, 2017. The Commission will give notice of the commencement of Staff's audit to potentially interested parties, and will set a date for the filing of requests to intervene.

Commission Rule 4 CSR 240-3.161(10) provides that parties to the rate case in which the Commission approved KCP&L's fuel adjustment clause are automatically parties to this prudence audit, without the necessity of having to apply for intervention. KCP&L's fuel adjustment clause was approved in the report and order issued by the

Commission in File No. ER-2014-0370. The Commission acknowledges that the parties to File No. ER-2014-0370 are parties to this case and are not required to file applications to intervene. The Commission will direct its Data Center to add those persons and entities to the service list.

THE COMMISSION ORDERS THAT:

1. The Commission's Data Center shall add all parties in File Number ER-2014-0370 to the certified service list for this file. In addition to providing electronic notice of this order through the Commission's Electronic Information and Filing System, the Data Center shall send a copy of this order to those parties by regular mail.

2. Any entity wishing to intervene in this matter shall file an application to intervene no later than March 29, 2017. Such applications shall be filed by delivery to:

Secretary
Missouri Public Service Commission
P.O. Box 360
Jefferson City, Missouri 65102

or by using the Commission's electronic filing and information system (EFIS).

3. Any request for a hearing shall be filed no later than September 7, 2017.

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

Nancy Dippell, Senior Regulatory Law Judge,
by delegation of authority pursuant
to Section 386.240, RSMo 2000.

Dated at Jefferson City, Missouri,
on this 9th day of March, 2017.

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 9th day of March 2017.




Morris L. Woodruff
Secretary

MISSOURI PUBLIC SERVICE COMMISSION

March 9, 2017

File/Case No. EO-2017-0231

Missouri Public Service Commission

Staff Counsel Department
200 Madison Street, Suite 800
P.O. Box 360
Jefferson City, MO 65102
staffcounsel@psc.mo.gov

Office of the Public Counsel

Hampton Williams
200 Madison Street, Suite 650
P.O. Box 2230
Jefferson City, MO 65102
opcservice@ded.mo.gov

Brightergy, LLC

Legal Department
1712 Main Street, 3rd Floor
Kansas City, MO 64108

City of Kansas City, Missouri

Legal Department
414 E. 12th Street
Kansas City, MO 64106

Consumers Council of Missouri

Legal Department
2510 Sutton Blvd.
St. Louis, MO 63143-2116

Federal Executive Agencies

Legal Department
139 Barnes Drive
Tyndall Air Force Base, FL 32403

IBEW Local Union 1464

Legal Department
P.O. Box 33443
Kansas City, MO 64120

IBEW Local Union 1613

Legal Department
6900 Executive Dr. Ste. 180
Kansas City, MO 64120

IBEW Local Union 412

Legal Department
P.O. Box 33743
Kansas City, MO 64120

Kansas City Power & Light Company

Legal Department
One Kansas City Place, 1200
Main Street
PO Box 418679
Kansas City, MO 64105

Midwest Energy Consumers Group

Legal Department
807 Winston Court
Jefferson City, MO 65101

Missouri Division of Energy

Legal Department
301 W. High St., Room 720
P.O. Box 1766
Jefferson City, MO 65102

Missouri Gas Energy (Laclede)

Legal Department
700 Market Street
St. Louis, MO 63101

Missouri Industrial Energy Consumers (MIEC)

Legal Department
211 N. Broadway, Suite 3600
St. Louis, MO 63102

Sierra Club

Legal Department
2101 Webster St., Ste. 1300
Oakland, CA 94612

Union Electric Company

Legal Department
1901 Chouteau Avenue
P.O. Box 66149, Mail Code 1310
St. Louis, MO 63166-6149
AmerenMOService@ameren.com

United States Department of Energy

Legal Department
1000 Independence Ave., SW
Washington, DC 20585

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

Sincerely,

A handwritten signature in black ink that reads "Morris L. Woodruff". The signature is written in a cursive, flowing style.

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.