

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

In the Matter of the Second Prudence Review)
of KCP&L Greater Missouri Operations)
Company's Implementation of Energy)
Efficiency Programs in Furtherance of the)
Missouri Energy Efficiency Investment Act)
(MEEIA).

File No. EO-2017-_____

STAFF'S NOTICE OF START OF SECOND MEEIA PRUDENCE AUDIT

COMES NOW the Staff of the Missouri Public Service Commission, by and through counsel, and for its Notice of Start of Second MEEIA Prudence Audit, respectfully states to the Missouri Public Service Commission ("Commission"):

1. KCP&L Greater Missouri Operations Company's ("GMO") tariff provides that "Commission staff shall perform prudence reviews no less frequently than at twenty-four (24) month intervals in accordance with 4CSR 240-20.093(10)..."¹ This tracks the language of Commission Rule 4 CSR 240-20.093(10) as authorized under § 393.1075.3 and § 393.1075.11 RSMo Supp. 2013.

2. The Staff's prudence audit also complies with the *Non-Unanimous Stipulation And Agreement Resolving KCP&L Greater Missouri Operations Company's MEEIA Filing* approved by the Commission in File No. EO-2012-0009, which states in part (paragraph) "22. Prudence Review. A prudence review in accordance with 4 CSR 240-20.093(10) shall be conducted..."²

¹ KCP&L Greater Missouri Operations Company, MO.P.S.C. , Original Sheet No. R-63.01.2, "E. Prudency Review."

² "The Non-Unanimous Stipulation and Agreement Resolving KCP&L Greater Missouri Operations Company's MEEIA Filing is approved." p. 3, *Order Approving Non-Unanimous Stipulation And Agreement Resolving KCP&L Greater Missouri Operations Company's MEEIA Filing*, effective November 25, 2012.

3. Rule 4 CSR 240-20.093(10), in part, requires: “The Staff shall file notice within ten (10) days of starting its prudence audit.” It also establishes the following schedule by which certain events are to take place based on the date the Staff starts its prudence audit:

Time from start of Staff prudence audit to event	Event
Within 150 days (Friday, 6/30/17)	Submission of Staff Recommendation to Commission regarding Staff’s examination and analysis
Within 160 days (Monday, 7/10/17)	Request for hearing
Within 210 days (Wednesday, 8/30/17)	Commission Order, if no hearing requested

4. Staff initiated its second prudence review³ of the costs associated with GMO’s Demand-Side Programs Investment Mechanisms (DSIM) on February 1, 2017. The second prudence review covers the period of January 1, 2015 through December 31, 2015 and includes the related C&I Rebate program costs for the carry-over period of January 1, 2016 through July 31, 2016. In accordance with the rule, Staff plans to file its recommendation to the Commission regarding its examination and analysis in this case no later than June 30, 2017.

5. The Staff’s Energy Resources Department is primarily responsible for conducting the prudence audit and may change its audit approach during this audit, and in future prudence audits as well, based on the particular circumstances existing at the time of the audit.

³ Staff conducted its first prudence review of GMO’s MEEIA costs for the period January 26, 2013 through December 31, 2014 and filed *Staff’s Report of First MEEIA Prudence Audit* on July 6, 2015 in File No. EO-2015-0180.

WHEREFORE, the Staff of the Missouri Public Service Commission hereby provides notice that it started its second MEEIA prudence audit of the costs associated with GMO's DSIM on February 1, 2017 and that it plans to file its recommendation regarding the Staff's examination and analysis in this case no later than June 30, 2017.

Respectfully submitted,

/s/ Robert S. Berlin

Robert S. Berlin
Deputy Staff Counsel
Missouri Bar No. 51709
Attorney for the Staff of the
Missouri Public Service Commission
P. O. Box 360
Jefferson City, MO 65102
(573) 526-7779 (Telephone)
(573) 751-9285 (Fax)
bob.berlin@psc.mo.gov (e-mail)

CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile or electronically mailed to all counsel of record this 1st day of February, 2017.

/s/ Robert S. Berlin