

2. On December 16, 2015, the Staff filed *Staff's Anticipated Final Report Date* in File No. EO-2016-0124 in which the Staff advised that it anticipated filing its final report no later than December 31, 2016. The Staff also proposed to file its audit scope

with the Commission by February 1, 2016, for approval by the Commission and to allow KCPL to review the Staff's audit report once it is complete, but before it is final. It has historically been the Staff's practice to permit the entity that is the subject of an investigation / management audit to review and comment on the complete, but not final audit report before it is filed. On December 30, 2015, the Commission issued an *Order Directing Staff to File a Report, i.e.,* proposed audit scope by February 1, 2016, and final audit report by December 31, 2016, as proposed by the Staff.

3. On February 1, 2016, the Staff filed with the Commission the *Staff's Proposed Audit Scope* and reiterated that it planned to file its final Management Audit Report no later than December 31, 2016. On February 19, 2016, the Public Counsel filed with the Commission the *Public Counsel's Reply to Staff's Proposed Audit Scope*. The Public Counsel requested involvement in the management audit and asked for a broadening of the Staff's proposed audit scope and even suggested audit findings and recommendations for the Staff's audit report. On February 29, 2016, KCPL filed *Response to Public Counsel* and the Staff filed *Staff's Response to Public Counsel's Reply to Staff's Proposed Audit Scope*. The Staff stated in its filing that in addition to submitting a draft Management Audit Report to KCPL for review and comment prior to filing the final Management Audit Report with the Commission, the Staff would also submit the draft Management Audit Report to Public Counsel for review and comment prior to filing the final Management Audit Report with the Commission.

4. On December 9, 2016, the Staff submitted to KCPL for review and comment a copy of the Staff's draft Management Audit Report. Unfortunately, by oversight the Staff did not send to Public Counsel a copy of the Staff's draft

Management Audit Report. The Staff received from KCPL a copy of Staff's draft Management Audit Report with KCPL's comments on December 16, 2016. On December 22, 2016, the Staff realized that it had failed to provide to Public Counsel a copy of the Staff's draft Management Audit Report. Staff counsel contacted counsel for KCPL to ask if counsel for KCPL might be able to indicate whether KCPL would have any objection to Staff providing to Public Counsel a copy of Staff's draft Management Audit Report which also contained KCPL's comments. Counsel for KCPL indicated that KCPL would have no objection so long as KCPL's comments would be treated as confidential. Due to Staff's oversight, and given the holiday season and revenue requirement rebuttal testimony in KCPL's rate increase case, File No. ER-2016-0285, being scheduled to be filed no later than December 30, 2016, the Staff indicated to Public Counsel that it had until January 6, 2017, to review the report and provide its comments to the Staff.¹

5. As a consequence of not having provided Staff's draft Management Audit Report to Public Counsel at the same time as having provided it to KCPL, and to permit Public Counsel a reasonable amount of time to review the report and provide comments to the Staff, and for Staff to review and consider Public Counsel's comments, the Staff asks for leave to late file its Management Audit Report on KCPL A&G expenses no later than January 17, 2017.

¹ The Staff did not mean to be presumptuous in going beyond December 31, 2016 without Commission authorization in indicating to Public Counsel that Public Counsel had until January 6, 2017 to review the Staff's draft Management Audit Report and provide comments to the Staff, but the Staff thought it was the reasonable way to proceed given the circumstances.

6. The Staff apologizes for any inconvenience caused by this extension requested by the Staff to file its Management Audit Report on KCPL's A&G expenses.

WHEREFORE, the Staff files its motion for leave to late-file its Management Audit Report on KCPL's A&G expenses no later than January 17, 2017 instead of by December 31, 2016.

Respectfully submitted,

/s/ Steven Dottheim

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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 30th day of December, 2016.

/s/ Steven Dottheim