

**STATE OF MISSOURI  
PUBLIC SERVICE COMMISSION**

At a session of the Public Service  
Commission held at its office  
in Jefferson City on the 3<sup>rd</sup> day  
of August, 2017.

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-2017-0210**

**ORDER APPROVING STAFF'S MEEIA PRUDENCE AUDIT**

Issue Date: August 3, 2017

Effective Date: August 13, 2017

On February 1, 2017, the Staff of the Missouri Public Service Commission submitted notice of the start of its second MEEIA prudence audit of costs associated with the Demand-Side Program Investment Mechanisms ("DSIM") for KCP&L Greater Missouri Operations Company ("GMO" or "the Company"). Upon completion of its audit, Staff filed its report on June 30, 2017.

Staff reviewed GMO's DSIM program costs, throughput disincentive – net shared benefits ("TD-NSB"), TD-NSB Share and Performance Incentive Award, and interest. Staff's second MEEIA prudence review included the period for program year 2015 (January 1, 2015 through December 31, 2015) and the costs for the carry-over period of January 1, 2016, through June 30, 2016, which allowed for the completion of projects in the Cycle 1 C&I Rebate Custom program. In addition, Staff reviewed costs for the period of July 1, 2016 through December 31, 2016 since some costs, related energy and demand savings, and TD-NSB Share were incurred after the end of the January 1, 2016 to June 30, 2016 carry-over period.

For the review period, Staff verified the Company's reported 99,168,410 kWh of energy savings, 43,167 kW of demand savings and \$9,375,869 of actual throughput disincentive for the MEEIA Cycle 1 Programs. During the review period, GMO incurred program costs of \$39,303,915.

Staff's review found no instances of imprudence on the part of GMO's decision-makers. No responses to Staff's report were filed. Pursuant to Commission Rule 4 CSR 240-20.093(10), requests for a hearing regarding Staff's prudence audit must be filed within ten days of Staff's recommendation. No hearing requests were received.

In evaluating prudence, the Commission will determine if GMO's conduct was reasonable at the time, under all circumstances, without reliance on hindsight.<sup>1</sup> The MEEIA statute authorizes the implementation of Commission-approved demand-side programs with a goal of achieving cost-effective demand-side savings. For recovery to be permitted, the program must result in energy or demand savings that are beneficial to all customers in the customer class in which the programs are proposed.

The Commission finds Staff's report and recommendation regarding GMO's second MEEIA prudence review to be reasonable and will approve it. Because no one requested a hearing on Staff's recommendation, and because the regulation sets a deadline for the Commission to issue an order, the Commission will make this order effective in less than thirty days.

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<sup>1</sup> *State ex rel. Associated Natural Gas Co. v. Public Service Com'n of State of Mo.*, 954 S.W.2d 520 (Mo. App. W.D. 1997).

**THE COMMISSION ORDERS THAT:**

1. Staff's *Prudence Review of Cycle 1 Costs Related to the Missouri Energy Efficiency Act for the Electric Operations of Kansas City Power and Light Greater Missouri Operations Company* is approved.
2. This order shall become effective on August 13, 2017.
3. This file shall close on August 30, 2017.



**BY THE COMMISSION**

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

Morris L. Woodruff  
Secretary

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

Burton, Senior Regulatory Law Judge.

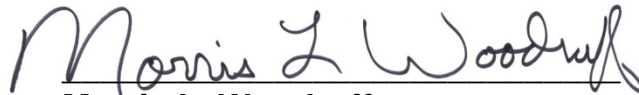
**STATE OF MISSOURI**

**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 3<sup>rd</sup> day of August 2017.**



  
**Morris L. Woodruff**  
**Secretary**

**MISSOURI PUBLIC SERVICE COMMISSION**

**August 3, 2017**

**File/Case No. EO-2017-0210**

**Missouri Public Service  
Commission**

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

**Sincerely,**



**Morris L. Woodruff  
Secretary**

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