

KCPL
Case Name: 2016 KCPL Rate Case
Case Number: ER-2016-0285

FILED²

Response to Mantle Lena Interrogatories - OPC_20161102
Date of Response: 11/18/2016

FEB 21 2017

Missouri Public
Service Commission

Question: 1/1/8013

In response to DR 8013, KCPL stated that certain costs that KCPL does not currently incur "are included in the FAC costs because we do not want the FAC to limit our ability to manage the emission of regulated pollutants." Is it KCPL's position that if there was a more efficient way to manage emissions at its plants but certain costs could not flow through the FAC until the next rate case KCPL would not implement the more efficient management of emissions?

Response:

RSMo 386.266 allows the Commission to include in an FAC incentives to improve the efficiency and cost-effectiveness of the electric utilities' fuel and purchased-power procurement activities. The Company has proposed certain costs be included in the FAC because the benefits or cost savings from purchasing those goods or services are included in the FAC because the benefits or cost savings which justify those purchases are included in the FAC. When the costs to implement efficiency or cost-effectiveness measures in the Company's fuel and purchased-power procurement activities are excluded from base rates and the FAC, it is the Company's view the Commission taken a policy position that the excluded efficiency or cost-effectiveness measures are not justified and are not to be employed.

Answered by: Ed Blunk, Generation Sales & Services

Attachment: Q8013.1_Verification.pdf

OPC Exhibit No. 322
Date 2-8-17 Reporter LB
File No. ER-2016-0285



Verification of Response

**Kansas City Power & Light Company
AND
KCP&L Greater Missouri Operations**

Docket No. ER-2016-0285

The response to Data Request # 8013.1 is true and accurate to the best of my knowledge and belief.

Signed: _____

Tom Rush

Date: November 18, 2016