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FEB 21 2017

KCPL

Case Name: 2016 KCPL Rate Case

Case Number: ER-2016-0285

Response to Mantle Lena Interrogatories - OPC_20161020

Date of Response: 10/31/2016

Missouri Public
Service Commission

Question:8004

Please provide a complete explanation of "non-internal labor," how it differs from "internal labor," and why KCPL believes non-internal labor costs should be included in its FAC and internal labor costs should not.

Response:

The phrase "non-internal labor" does not refer to labor per se. As Mr. Rush explains at page 7, starting at line 13, of his Direct Testimony, these costs are for goods or services "excluding internal labor."

Q: What are non-internal labor fuel handling expenses?

A: These are expenses for goods or services **excluding internal labor** used by the Company to purchase or acquire fuel or fuel transportation, including forecasts, market analyses or information, strategy development and contract or issue negotiation, to manage fuel purchases, including contract administration, monitoring and analyzing fuel quality, to manage fuel inventories, including measuring and establishing volume levels, to handle or move fuel from shipping facility to first bunker, hopper, bucket, tank, or holder of boiler house structure, or to handle, pump, or move fuel during or after receiving, including scheduling transportation, moving fuel in storage and transferring from one station to another. [emphasis added]

Answered by: Ed Blunk, Generation Planning Manager

Attachment: Q8004_Verification.pdf

OPC Exhibit No. 320
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 # 8004 is true and accurate to the best of my knowledge and belief.

Signed: _____

Date: October 31, 2016