

BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

In the Matter of the Application of Trigen-Kansas City Energy)
Corporation for a Certificate of Public Convenience and)
Necessity Authorizing It to Construct, Install, Own, Operate,) **File No. HA-2006-0294**
Control, Manage and Maintain a Steam Heat Distribution)
System to Provide Steam Heat Service in Kansas City,)
Missouri, as an Expansion of Its Existing Certified Area)

ORDER GRANTING STAFF'S REQUEST TO KEEP FILE OPEN AND DIRECTING STATUS REPORTS FROM TRIGEN-KANSAS CITY ENERGY CORPORATION

Issue Date: December 1, 2009

Effective Date: December 1, 2009

On January 10, 2006, Trigen-Kansas City Energy Corporation ("Trigen") filed an application for a certificate of convenience and necessity seeking authority to expand its service area in Kansas City, Missouri. Trigen wished to expand its service area to serve a prospective customer, Truman Medical Center (TMC), who had requested that Trigen provide TMC's property with steam heating service. The proposed expansion to the service area also contained other potential steam heat customers.

An evidentiary hearing was held in this matter on May 15, 2006, and the Commission issued its final Report and Order on May 25, 2006, bearing an effective date of June 1, 2006. In that Order, the Commission granted Trigen's application subject to the condition that TMC fund the cost of construction for the proposed extension of Trigen's facilities to serve TMC. In ordered paragraph number 4 of the Report and Order, the Commission directed Trigen and TMC to file a written agreement setting forth the details of their construction and funding plans for the project, as well as their agreement regarding the mechanism for any refund to TMC for advancing construction costs.

On May 21, 2007, Trigen filed two highly confidential documents purporting to satisfy

the Commission's order for filing the written agreements as directed in ordered paragraph 4 of the Commission's Report and Order. Trigen requested the Commission to receive these documents to be in full compliance with the Commission's May 25, 2006 Report and Order. The Commission directed its Staff to review the newly filed documents and file a report and recommendation as to whether Trigen was in full compliance with the Commission's Report and Order.

On June 11, 2007, Staff filed its recommendation. Staff recommended that this file remain open until such time as the proposed construction was complete and service was established with TMC. Staff recommended that Trigen be directed to file a report and recommendation at the time the construction and all payments had been completed so that Staff could review all costs, payments and reimbursements associated with the construction. The Commission found Staff's recommendation to be reasonable and ordered Trigen to file the report and recommendation.

On July 31, 2008, Trigen filed what it captioned as its "Final Report and Recommendation." The Commission directed its Staff to review the report and file a recommendation as to whether Trigen was in full compliance with the Commission's May 25, 2006 Report and Order. On August 14, 2008, Staff filed its report and recommendation. Certain construction payments still needed to be finalized, and Staff recommended the Commission keep this case open until such time as all construction payments were made to the contractor for the construction of the Truman pipeline project, all invoices were sent to TMC for reimbursement, and Trigen had been reimbursed in total by TMC.

The Commission found Staff's recommendation to be reasonable, granted it and

directed Trigen to file bi-monthly status reports until such time as all construction payments were complete, all invoices were sent to Truman, and Trigen had received full reimbursement. Trigen was further directed to submit a report to the Commission once these transactions were finalized.

Trigen complied and filed the required bimonthly status reports, and on November 16, 2009, Trigen requested that its report be accepted as its final status report.

Trigen, *inter alia*, stated:

. . . Trigen has submitted all invoices to TMC [i.e., Truman Medical Center] and has received payment. Trigen is no longer holding money for the contractor until work has been completed. Trigen will be using the remaining amount of money paid by TMC to complete the work on the steam line in lieu of paying the contractor to complete the work. We can continue to file but the final work will not be complete until next spring when an outage can be taken to complete the repairs.

On November 30, 2009, Staff responded. Because the construction is still not complete, Staff recommends the Commission keep this file open to receive a final status report within 30 days of Trigen completing the work in Spring of 2010. The Commission finds Staff's request to be reasonable and will grant it, and in addition to the final report, it will require quarterly status reports.

THE COMMISSION ORDERS THAT:

1. Beginning on January 1, 2010, Trigen-Kansas City Energy Corporation shall file with the Commission quarterly status reports as directed in the body of this order.
2. Trigen-Kansas City Energy Corporation shall file a final report within 30 days of completing all work and repairs required to serve Truman Medical Center.

3. This order shall become effective immediately upon issuance.

BY THE COMMISSION

A handwritten signature in black ink, appearing to read 'S. C. Reed', is positioned above the printed name.

Steven C. Reed
Secretary

(S E A L)

Harold Stearley, Senior Regulatory Law Judge,
by delegation of authority pursuant to
Section 386.240, RSMo 2000.

Dated at Jefferson City, Missouri,
on this 1st day of December, 2009.