

pounds (“mlb”) of (\$0.2901)² as compared to a negative charge per mlb of (\$0.40858) from the previous rate. The change resulting from this filing causes an increase of \$0.12 per mlb of steam used.

6. Customers’ total monthly PACC bill credit will be \$0.29 for every mlb of steam used. Staff has reviewed the data and calculations provided by Veolia related to its proposed substitute tariff sheets and has determined that such calculations are correct and satisfy the standards set forth in Veolia’s Tariff Sheet Nos. 31 through 37, as well as satisfying the Commission’s Order from March 5, 2020.

7. Staff has verified that Veolia is current on its submissions and filings pursuant to 20 CSR 4240-20.090(5) and (6). Staff is not aware of any other matter pending before the Commission that affects or is affected by this tariff filing. Staff’s recommendation for approval of the PACC change in this case is solely based on the accuracy of Veolia’s calculations.

WHEREFORE, Staff recommends that the Commission issue an order approving the following tariff sheets, as substituted March 6, 2020, to go into effect on and after April 1, 2020:

P.S.C. MO. No. 1

6th Revised Sheet No. 36 Canceling 5th Revised Sheet No. 36

6th Revised Sheet No. 37 Canceling 5th Revised Sheet No. 37

² A “(bracketed amount)” represents a credit to the customer. The credit is also referred to as a “negative charge” as reflected by the brackets. In this instance, the customer will receive a credit in the amount of \$0.29 per mlb.

Respectfully submitted,

/s/ Travis J. Pringle

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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served by electronic mail, or First Class United States Postal Mail, postage prepaid, on this 9th day of March 2020, to all counsel of record.

/s/ Travis J. Pringle

MEMORANDUM

TO: Missouri Public Service Commission Official Case File
Case No. HT-2020-0223, Tariff Tracking No. YH-2020-123
Veolia Energy Kansas City, Inc.

FROM: Nancy Harris, Regulatory Auditor I

/s/Robin Kliethermes 3/09/2020 /s/Travis Pringle 03/09/2020
Tariff/Rate Design Manager/Date Staff Counsel Division/ Date

SUBJECT: Staff Recommendation to Approve the Substitute Tariff Sheets Filed to
Revise the Production Adjustment Cost Clause rates to go into effect on
April 1, 2020.

DATE: March 9, 2020

On January 31, 2020, Veolia Energy Kansas City, Inc. (“Veolia”) filed with the Commission two (2) tariff sheets for steam service to implement the Production Adjustment Cost Clause (“PACC”) for the twelve (12) months starting April 1, 2020 through March 31, 2021. The adjustment is required by Veolia’s PACC, which the Commission approved in Case No. HR-2014-0066, effective August 1, 2014.

Veolia’s filing included the proposed tariff sheets and supporting work papers consisting of electronic worksheets showing Veolia’s calculation of the PACC for inclusion in customers bills’ beginning April 1, 2020 through March 31, 2021.

On February 4, 2020, the Commission directed Staff to file a recommendation on the pending tariff sheets no later than March 5, 2020.

Following Staff’s filing of its recommendation on March 5, 2020, the Commission ordered the parties to confer and fix an error regarding the numbering of 6th Revised Sheet No. 37 Canceling 5th Revised Sheet No. 37. While Veolia’s filed tariff cover letter correctly referenced the tariff sheet’s numbering, the actual tariff sheet was incorrectly numbered 5th Revised Sheet No. 37 Canceling 4th Revised Sheet No. 37. On March 6, 2020, Veolia filed substitute tariff sheets with the correct numbering. That same day, the Commission ordered Staff to file a recommendation regarding the substitute tariff sheets no later than March 9, 2020.

The procedure for the calculation of the PACC for steam service sales is set out in Veolia’s Tariff Sheets Nos. 31 through 37, which are titled “Production Adjustment Cost Clause.” The PACC calculation components as described in Tariff Sheet Nos. 36 and 37 include the Current PACC and the Reconciliation Rate or “R factor” plus any applicable reconciling adjustments.

The PACC Rider for this 6th revision of Tariff Sheet No. 36 reflects a negative charge per million pounds (“mlb”) of (\$0.2901), which is a \$.12 per mlb of steam used increase from the previous rate of (\$0.40858). Customers’ total monthly PACC bill credit will be \$.29 for every mlb of steam used. The PACC Rider negative charge is a reduction to customer bills to reflect the customer share of the variation in fuel cost for the calendar year that ended in 2019.

The PACC Rider rate factor is designed to reflect each customer's share of the variation in production costs for the 2019 accumulation period compared to the actual production costs in Case No. HR-2014-0066. The difference between actual production costs and the amount of production costs covered by base rates (both on a dollar basis) is multiplied by 95% and then divided by the total metered sales during the accumulation period to quantify the PACC adjustment factor. To determine the amount of an individual customer's responsibility, the PACC adjustment factor is multiplied by the actual steam sales to that individual customer during the accumulation period, with the resulting dollar amount charged or credited to the customer in twelve (12) equal installments.

Currently there are no customer Reconciling Adjustments calculated in this PACC adjustment factor. In response to Staff Data Request 0001, Veolia has indicated that no reconciliation adjustments are necessary for this filing since there are no outstanding balances on the PACC adjustment accounts. Veolia does have an option for semi-annual rate adjustments to reflect 95% of the changes to production costs.

Staff reviewed the data and mathematical calculations Veolia provided in its worksheets and found Veolia's calculations related to the filed tariff sheets to be correct, and that the calculations satisfy the standards set forth in Veolia's Tariff Sheet Nos. 31 through 37. The calculations are also consistent with Veolia's PACC filing as contained in Case No. HR- 2014-0066 and HR-2018-0341.

Staff Recommendation

Staff has reviewed the filed tariff sheets and recommends approval of the following tariff sheets, as substituted on March 6, 2020, to go into effect for service on and after April 1, 2020, the requested effective date:

P.S.C. MO. No. 1

6th Revised Sheet No. 36 Cancelling 5th Revised Sheet No. 36

6th Revised Sheet No. 37 Cancelling 5th Revised Sheet No. 37

Staff has verified that Veolia's tariff revisions comply with the Commission's order from March 5, 2020. Staff has verified that Veolia is not delinquent on any assessment and has filed its Annual Report. Veolia is current on its submission of its Surveillance Monitoring reports as required in 20 CSR 4240-20.090(6) and its monthly reports as required by 20 CSR 4240-20.090(5). Staff's recommendation for approval of the PACC change in this case is solely based on the accuracy of Veolia's calculations.

On January 23, 2020, Veolia filed notice (HN-2020-0205) informing the Commission it is changing its name to Vicinity Energy Kansas City, Inc. effective February 29, 2020. On February 10, 2020, the Commission approved and recognized the Adoption Notice allowing all tariffs of Veolia to be adopted by Vicinity Energy Kansas City, Inc.

