

BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

In the Matter of Veolia Energy Kansas City) File No. HT-2020-0223
Inc.'s Adjustment to its PACC Tariff)

ORDER DIRECTING FILING

Issue Date: December 7, 2020

Effective Date: December 7, 2020

On November 4, 2020, the Staff of the Missouri Public Service Commission (Staff) and Vicinity Energy Kansas City, Inc. (Vicinity)¹ filed a Stipulation and Agreement Resolving Issues Arising from the City of Kansas City Change in Sewer Billing (Stipulation). The Stipulation proposes a method for determining sewer charges for the 2020, 2021 and 2022 Production Adjustment Cost Clause (PACC) filings. The Stipulation states that the City of Kansas City has recently changed its sewer billing of certain customers, including Cargill. It states that this billing change requires the adjustments proposed in the Stipulation so that Vicinity's PACC formula, established in File No. HR-2014-0066, properly functions as designed. The Commission has reviewed the proposed stipulation and will direct Vicinity to file responses to the questions set out below. The Commission will also extend the deadline for filing requests to intervene.

THE COMMISSION ORDERS THAT:

1. Vicinity shall file responses to the following questions no later than December 18, 2020:

¹ At the time this matter was filed and the style of the case determined, the Commission had not yet approved the change of name from "Veolia Energy Kansas City, Inc." to "Vicinity Energy Kansas City, Inc." That change was approved in an order issued on February 10, 2020, in File No. HT-2020-0205. Veolia will be referred to as Vicinity in these proceedings.

Question 1.

Tariff Sheet No. 38 at VI, *Contracts*, requires publishing the case number, approval date and approximate expiration date for each Special Contract.

Stipulation, page 2 at 5 states Vicinity's two process steam customers (Ingredion and Cargill) have separately entered into private contract arrangements that include stand-alone provisions for fuel and consumable cost recovery.

Question-Are the Ingredion and Cargill contracts considered Special Contracts per the tariff? If yes, why is the information for each contract not included on Tariff Sheet No. 38? If the answer is no, are the stand-alone provisions of the private contract arrangements for fuel and consumable cost recovery different from the PACC recovery of those costs as stated in Tariff Sheet Nos. 31-37? .

Question 2.

Tariff Sheet No. 35, which includes definitions of PACC production costs at B. *Consumable costs*, recorded in regulatory account 5022 *Consumable expense – sewer* states: This account includes the cost of waste water and storm water service charges from the City of Kansas City for condensate associated with steam delivered to the ultimate customers located within the City.

Stipulation, page 6, III. *Specific Terms and Conditions of the Agreement* at 11, c states that if the sewer expenses billed to Vicinity for Cargill in 2020-2022 PACC periods are \$0, additional sewer expenses will be imputed, as if incurred and recorded by the Company, by multiplying a \$1.49/mlb base unit cost rate to the year's actual Cargill sales.

Question-How does this provision of the stipulation comply with the PACC Tariff Sheet No. 35? If not, does Vicinity/Veolia plan to file a compliance tariff for terms and conditions agreed to in the stipulation?

Question 3.

Were the 2019 Cargill sewer charges billed to Vicinity by the City of Kansas City included in the PACC calculation? If yes, why is it not appropriate to refund all customers that pay the PACC a portion of the City of Kansas City refunds for Cargill sewer charges previously collected from all PACC customers?

Question 4.

Has the Cargill contract been modified since the discovery of the City of Kansas City sewer charge error that was billed to Vicinity/Veolia between August 2019 through April 2020?

2. Any person wishing to intervene in this matter shall file an application to

do so no later than December 22, 2020.

3. This order shall be effective when issued.



BY THE COMMISSION

A handwritten signature in black ink that reads "Morris L. Woodruff".

Morris L. Woodruff
Secretary

Paul T. Graham, Regulatory
Law Judge, by delegation of authority
under Section 386.240, RSMo 2016.

Dated at Jefferson City, Missouri,
on this 7th day of December, 2020.