

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service Commission held at its office in Jefferson City on the 23rd day of July, 2014.

In the Matter of Veolia Energy
Kansas City, Inc. for Authority
to File Tariffs to Increase Rates

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File No. HR-2014-0066
Tracking Nos.: YH-2014-0240
YH-2014-0242

**ORDER APPROVING NON-UNANIMOUS STIPULATION AND
AGREEMENT**

Issue Date: July 23, 2014

Effective Date: July 23, 2014

On November 27, 2013, Veolia Energy Kansas City, Inc. (“Veolia”) filed tariff sheets (YH-2014-0240 and YH-2014-0242) designed to increase Veolia’s gross annual steam tariff revenues by one million dollars, exclusive of taxes and fees, and authorizing an expanded service area that adjusts for use and scope of downtown Kansas City. On December 3, 2013, the Commission issued an order suspending the tariffs. The Commission granted the applications to intervene filed by Truman Medical Center, the City of Kansas City, Missouri, and Missouri Gas Energy.

On June 25, 2014, a Non-Unanimous Stipulation and Agreement (“Agreement”) was filed by Veolia, Truman Medical Center, the City of Kansas City, Missouri, and the Staff of the Missouri Public Service Commission. The Office of the Public Counsel and Missouri Gas Energy did not sign the Agreement, but did not object to it, and did not request a hearing. Commission Rule 4 CSR 240-2.115(2)(C) allows the Commission to treat a non-unanimous stipulation and agreement as a unanimous stipulation and agreement if no party objects.

The Agreement settles all issues among the parties in this case, including the approval of: a one million dollar revenue increase; rate design and classes; a production adjustment cost clause¹; an expanded service territory; capacity reserve and emergency service tariff; a residential high-rise tariff; and an economic development rider.

The Commission may grant a certificate of convenience and necessity to expand operations into new service areas upon a determination that such a certificate is “necessary or convenient for the public service.”² Due to the Agreement, this case may be decided without convening a hearing.³ The Commission is not required to separately state its findings of fact or conclusions of law.⁴

Based on the Commission’s independent review of the record and the unopposed Agreement, the Commission finds that the Agreement is consistent with the public interest and provides Veolia with a cash flow sufficient for it to provide safe and adequate service. The Commission finds the expanded service territory is necessary and convenient for the public service. Accordingly, the Commission will authorize Veolia to file tariffs in compliance with the Agreement. The Commission will incorporate the terms of the Agreement into this order and order all parties to comply with the terms of the Agreement.

¹ The production Adjustment Cost Clause Tariff permits an annual rate adjustment mechanism for increases in fuel, purchased power and certain production costs, to go into effect on January 1, 2015.

² Section 393.170, RSMo 2000. See also Section 393.290, RSMo 2000, making all provisions of chapters 386 and 393 applicable to heating companies.

³ Section 536.060, RSMo Cum.Supp.2013. *State ex rel. Rex Deffenderfer Enterprises, Inc. v. Public Service Commission*, 776 S.W.2d 494, 496 (Mo. App., W.D. 1989).

⁴ Section 536.090, RSMo Cum.Supp.2013.

THE COMMISSION ORDERS THAT:

1. The Non-Unanimous Stipulation and Agreement filed on June 25, 2014, is approved and incorporated into this order as if fully set forth herein. The Signatories shall comply with the terms of the Agreement. A copy of the Agreement is attached to this order as Attachment 1.

2. The pre-filed testimony, including the attachments and reports of all witnesses are received into evidence, as agreed upon in the Non-Unanimous Stipulation and Agreement.

3. Veolia Energy Kansas City's request for a certificate of public convenience and necessity, authorizing the company to operate in an expanded service area is granted, subject to the conditions identified in the Non-Unanimous Stipulation and Agreement. The expanded service area shall include the area described in the Territorial Description of the specimen tariff in Appendix A of the Agreement. The Commission makes no finding as to the prudence of ratemaking treatment to be given to any costs or expense incurred as the result of the granting of this certificate.

4. The proposed tariff sheets (YH-2014-0240 and YH-2014-0242) submitted on November 27, 2013, by Veolia Energy Kansas City, Inc. are rejected.

5. The specific tariff sheets rejected are:

P.S.C. MO. No. 1

3rd Revised Sheet No. 1, Canceling 2nd Revised Sheet No. 1
3rd Revised Sheet No. 2, Canceling 2nd Revised Sheet No. 2
3rd Revised Sheet No. 3, Canceling 2nd Revised Sheet No. 3
3rd Revised Sheet No. 4, Canceling 2nd Revised Sheet No. 4
5th Revised Sheet No. 5, Canceling 4th Revised Sheet No. 5
5th Revised Sheet No. 6, Canceling 4th Revised Sheet No. 6
4th Revised Sheet No. 7, Canceling 3rd Revised Sheet No. 7
5th Revised Sheet No. 8, Canceling 4th Revised Sheet No. 8

4th Revised Sheet No. 9, Canceling 3rd Revised Sheet No. 9
3rd Revised Sheet No. 10, Canceling 2nd Revised Sheet No. 10
3rd Revised Sheet No. 11, Canceling 2nd Revised Sheet No. 11
3rd Revised Sheet No. 12, Canceling 2nd Revised Sheet No. 12
4th Revised Sheet No. 13, Canceling 3rd Revised Sheet No. 13
3rd Revised Sheet No. 14, Canceling 2nd Revised Sheet No. 14
3rd Revised Sheet No. 15, Canceling 2nd Revised Sheet No. 15
3rd Revised Sheet No. 16, Canceling 2nd Revised Sheet No. 16
3rd Revised Sheet No. 71, Canceling 2nd Revised Sheet No. 17
3rd Revised Sheet No. 18, Canceling 2nd Revised Sheet No. 18
Original Sheet 19
Original Sheet 20
Original Sheet 21
Original Sheet 22
Original Sheet 23
Original Sheet 24
Original Sheet 25
Original Sheet 26
Original Sheet 27
Original Sheet 28
Original Sheet 29
Original Sheet 30
Original Sheet 31
Original Sheet 32
Original Sheet 33
Original Sheet 34
Original Sheet 35
Original Sheet 36
Original Sheet 37
Original Sheet 38

P.S.C. MO. No. 2

3rd Revised Sheet No. 1, Canceling 2nd Revised Sheet No. 1
3rd Revised Sheet No. 2, Canceling 2nd Revised Sheet No. 2
2nd Revised Sheet No. 3; Canceling 1st Revised Sheet No. 3
2nd Revised Sheet No. 4; Canceling 1st Revised Sheet No. 4
3rd Revised Sheet No. 5; Canceling 2nd Revised Sheet No. 5
2nd Revised Sheet No. 6; Canceling 1st Revised Sheet No. 6
2nd Revised Sheet No. 7; Canceling 1st Revised Sheet No. 7
3rd Revised Sheet No. 8; Canceling 2nd Revised Sheet No. 8
4th Revised Sheet No. 9; Canceling 3rd Revised Sheet No. 9

2nd Revised Sheet No. 10; Canceling 1st Revised Sheet No. 10
3rd Revised Sheet No. 11; Canceling 2nd Revised Sheet No. 11
3rd Revised Sheet No. 12; Canceling 2nd Revised Sheet No. 12
2nd Revised Sheet No. 13; Canceling 1st Revised Sheet No. 13
2nd Revised Sheet No. 14; Canceling 1st Revised Sheet No. 14
3rd Revised Sheet No. 15; Canceling 2nd Revised Sheet No. 15
2nd Revised Sheet No. 16; Canceling 1st Revised Sheet No. 16
3rd Revised Sheet No. 17; Canceling 2nd Revised Sheet No. 17
2nd Revised Sheet No. 18; Canceling 1st Revised Sheet No. 18
3rd Revised Sheet No. 19; Canceling 2nd Revised Sheet No. 19
2nd Revised Sheet No. 20; Canceling 1st Revised Sheet No. 20
3rd Revised Sheet No. 21; Canceling 2nd Revised Sheet No. 21
3rd Revised Sheet No. 22; Canceling 2nd Revised Sheet No. 22
3rd Revised Sheet No. 23; Canceling 2nd Revised Sheet No. 23
2nd Revised Sheet No. 23a; Canceling 1st Revised Sheet No. 23a
2nd Revised Sheet No. 24; Canceling 1st Revised Sheet No. 24
3rd Revised Sheet No. 25; Canceling 2nd Revised Sheet No. 25
2nd Revised Sheet No. 26; Canceling 1st Revised Sheet No. 26
3rd Revised Sheet No. 27; Canceling 2nd Revised Sheet No. 27
2nd Revised Sheet No. 28; Canceling 1st Revised Sheet No. 28
3rd Revised Sheet No. 29; Canceling 2nd Revised Sheet No. 29
3rd Revised Sheet No. 30; Canceling 2nd Revised Sheet No. 30

6. Veolia Energy Kansas City, Inc. is authorized to file tariffs in compliance with the terms of the Agreement and the specimen tariff sheets included as Appendix A to the Agreement no later than July 25, 2014.

7. This order shall become effective upon issuance.

BY THE COMMISSION



A handwritten signature in cursive script that reads "Morris L. Woodruff".

Morris L. Woodruff
Secretary

R. Kenney, Chm., Stoll, W. Kenney,
Hall, and Rupp, CC., concur.

Burton, Regulatory Law Judge