

Exhibit No.: _____
Issue: Veolia Services to Kansas City
Buildings and Grounds
Witness: Robert G. Rives
Type of Exhibit: Direct Testimony
Sponsoring Party: Kansas City, Missouri
Case No.: HR-2014-0066

MISSOURI PUBLIC SERVICE COMMISSION

CASE NO.: HR-2014-0066

DIRECT TESTIMONY

OF

ROBERT G. RIVES

ON BEHALF OF

KANSAS CITY, MISSOURI

**Kansas City, Missouri
May 15, 2014**

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

In the Matter of Veolia Energy Kansas City, Inc.) File No. HR-2014-0066
for Authority to File Tariffs to Increase Rates) Tracking Nos. YH-2014-0240 and 0242

AFFIDAVIT OF ROBERT G. RIVES

STATE OF MISSOURI)
) ss
COUNTY OF JACKSON)

ROBERT G. RIVES, being first duly sworn on his oath, states:

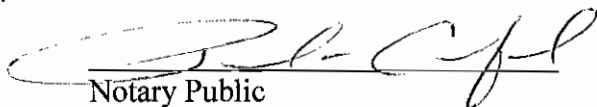
1. My name is Robert G. Rives. I am the Manager of the Facilities Services Division for the City of Kansas City, Missouri.

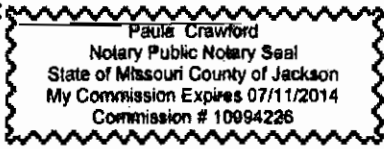
2. Attached hereto and made a part hereof for all purposes is my Direct Testimony on behalf of the City of Kansas City having been prepared in written form for introduction into evidence in the above-captioned docket.

3. I have knowledge of the matters set forth therein. I hereby swear and affirm that my answers contained in the attached testimony to the questions therein propounded, including any attachments thereto, are true and accurate to the best of my knowledge, information and belief.


_____ **ROBERT G. RIVES**

Subscribed and sworn before me this 15th day of May, 2014.


Notary Public

My commission expires: 

DIRECT TESTIMONY

OF

ROBERT G. RIVES

Case No. HR-2014-0066

1 **Q. Please state your name and business address.**

2 A. My name is Robert G. Rives. My business address is City Hall, 17th Floor, 414 East 12th
3 Street, Kansas City, Missouri 64106.

4 **Q. By whom and in what capacity are you employed?**

5 A. I am employed by the City of Kansas City (the City) as Manager of the Facilities Services
6 Division.

7 **Q. What are your responsibilities?**

8 A. I am in overall charge of the corrective maintenance, preventative maintenance, building
9 operations, facilities renewal and renovation, space allocation and energy management
10 for all City owned or leased assets excepting those under the management of the City of
11 Kansas City Parks and Recreation Department, the Water Department and Aviation
12 Department.

13 **Q. Please describe your education, experience and employment history.**

14 A. In 1994, I graduated from the University of Arkansas-Fayetteville with a Bachelor of
15 Science Degree in Public Administration. I am a Certified Facilities Manager. I was
16 certified by the International Facility Managers Association in 2000.

17

18 I have been a facility manager for approximately 18 years. My first position was with
19 the Rogers, Arkansas Public School District where I was in charge of twenty-one school

1 buildings and four million square feet of space. I left the school district in 1998 and
2 accepted a position with the Community of Christ World Headquarters in Independence,
3 Missouri. There I was Director of Facility Services and oversaw approximately three
4 million square feet of space. Following my return from a tour of duty with the National
5 Guard I worked for Aramark, Inc. as Director of Physical Plant at Central Missouri State
6 University at Warrensburg, Missouri where I remained until 2006. At that time I
7 assumed my current position. With the City, I have responsibility for approximately 7.7
8 million square feet of built space.

9 **Q. Have you previously testified in a proceeding at the Missouri Public Service**
10 **Commission?**

11 A. On much of the same subject matter, I submitted written direct testimony on behalf of the
12 City in Case No. HR-2008-0300 and Case No HR-2011-0241 both of which were Veolia
13 rate cases. I have not yet testified in a hearing before the Commission.

14 **Q. What is the purpose of your testimony?**

15 A. I address several subjects in my testimony. I will describe the services provided by
16 Veolia Energy Kansas City, Inc. (Veolia) to various facilities owned or controlled by the
17 City. I will also describe how Veolia service is currently used by the City. In the past,
18 some of the City facilities have been served under Veolia's Interruptible Heating Service
19 (IHS) tariff. Veolia's IHS service is a cost saving alternative and the City would like to
20 preserve the option to return some of its facilities to services provided under this tariff.
21 In this case, Veolia proposes changes to the notice period before service is interrupted
22 and also the duration of interruptions to service. I will address those proposed changes
23 to the IHS tariff. Additionally, the parties in Case No. HR-2014-0241 entered a

1 stipulation by which to resolve the issues in that case and I will advise the Commission
2 on how the stipulation has been implemented in City services. Finally, as I did in the
3 previous Veolia rate case, I will give the Commission an up to date break down of what
4 the City has paid Veolia or its predecessor, Trigen, for services for several years.

5 **Q. What services does Veolia provide to the City?**

6 A. Veolia provides steam and chilled water services to the City. This is done through a
7 central steam and chilled water system that runs primarily in the downtown area; I am
8 also aware that the system has been extended to a point south of the downtown area on
9 the south side of Interstate 70 which was done I believe to extend service to Truman
10 Medical Center and any surrounding facilities.

11 **Q. What City facilities are served by Veolia?**

12 A. To respond to this question I need to explain how my office has grouped the facilities.
13 For our management purposes, the City properties are divided into two “complexes”
14 based upon location. Each complex is under the supervision of a separate building
15 manager.

16
17 The “Municipal Complex” includes City Hall, Municipal Court, the Communications
18 Center and Police Headquarters. These facilities are located on adjacent city blocks
19 bounded by Cherry Street on the east, 11th Street on the north, McGee Street on the west
20 and 12th Street on the south.

21
22 The “Convention Entertainment Facility Complex” includes Sprint Center, Kemper
23 Arena, the American Royal Building, Bartle Hall, Municipal Auditorium, the Conference

1 Center, and the ballroom expansion which is attached to the Conference Center. These
2 facilities are located in an area of the city bounded by Truman Road on the south, 12th
3 Street on the north, Broadway Boulevard on the west and Wyandotte Street on the east.
4 Sprint Center, being the exception to these boundaries, is located at 1100 Walnut Street.
5 I should note at the outset that Kemper and the American Royal Building are not located
6 proximately to Veolia loops and are not served with steam.

7 **Q. What Municipal Complex facilities are receiving steam service from Veolia?**

8 A. The buildings in the Municipal Complex that receive Veolia steam service are City Hall,
9 Municipal Court and Police Headquarters. Veolia steam service is used for heating these
10 structures and for domestic hot water.

11 **Q. Could you explain how service is provided for these buildings?**

12 A. For the East loop Veolia brings steam to a demarcation point which is a meter owned by
13 Veolia located within the City Hall facility. From that meter or demarcation point, the
14 City takes responsibility for distribution of the steam throughout the building as well as to
15 the Police Headquarters and Municipal Courts buildings. There is no joint ownership of
16 the piping or other apparatus used on the City side of the demarcation point. The City
17 owns all the pipes in the building and owns the air handlers, radiators and associated
18 valves and fittings. The City also owns a building automation system that assists the
19 City in efficiently using the steam service. The building automation system helps
20 establish set points for occupant comfort, and establishes set backs in non working hours.
21 It also provides alarms if the system exceeds its operating parameters.

22 **Q. Which Convention Entertainment Facility Complex (CEC) facilities receive steam**
23 **service from Veolia?**

1 A. The CEC facilities served by Veolia steam service are Bartle Hall, Municipal
2 Auditorium, the Conference Center and the ballroom expansion. Each of these buildings
3 is served by a separate service entrance and meter. Veolia also provides steam to this site
4 by way of a separate service entrance and meter, where the steam is used for driving two
5 chillers owned by Veolia. Veolia also rents from the City and maintains three electric
6 driven chillers which are also used to create chilled water. The City purchases both the
7 steam and chilled water from Veolia. I should mention that the Sprint Center also takes
8 steam and chilled water from Veolia but that facility is managed by Anchutz
9 Entertainment Group (AEG) under a development agreement with the City and it is
10 responsible for the procurement of utilities for the building. That building is not under
11 my direct control.

12 **Q. Are any City facilities provided steam service under Veolia's Interruptible Heating**
13 **Service (IHS) tariff.**

14 A. Not at this time. In the past, service was provided to the Convention Center under this
15 tariff. As I mentioned earlier, the Veolia IHS offering represents an optional service to
16 the City and a cost savings.

17 **Q. Is the Company proposing to change the terms under which IHS is offered?**

18 A. Yes. My understanding is that the Company is proposing to reduce from twelve (12)
19 hours to six (6) hours the period of notice it will provide before imposing interrupted
20 service. The Company is also proposing to eliminate entirely the current forty-eight (48)
21 limitation on the duration of an interruption.

22 **Q. Are you in favor of this change in the service.**

23

1 A. No, I am not. I am opposed to shortening the time of notice before the service is
2 interrupted. Additionally, the modification proposed would allow for the Company to
3 indefinitely suspend service to a facility.

4 **Q. Should this modification be approved by the Commission?**

5 A. No, it should not. As far as I can discern from the Company's direct testimony, the
6 Company has not supplied any justification for these alterations to the tariff.
7 Furthermore, the modification will erect a strong disincentive for the City and other
8 similarly situated customers to utilize this rate. The modification is unreasonable and
9 should be rejected.

10 **Q. Since the approval of the stipulation in the previous Veolia rate case, has there been**
11 **any change in the manner in which the City is billed for service.**

12 A. Yes, as agreed in the stipulation, and also because of energy improvements made by the
13 City. Veolia lowered the demand charge for the East Loop. Additionally, the East Loop
14 is billed as a single account through the meter at City Hall as agreed in the stipulation.
15 To the best of my knowledge, Veolia and the City have complied with all the terms,
16 conditions and provisions of the stipulation in Case No. HR-2011-0241 with respect to
17 steam service delivered to the City.

18 **Q. What are the charges for Veolia's service to the City?**

19 A. The charges are part of Veolia's tariff but my understanding is that Veolia charges the
20 City a thermal base charge determined by pounds of steam taken annually, joined by a
21 usage based rate plus applicable taxes.

22 **Q. What are the City's annual usage and costs for steam service to these facilities?**

1 A. The City's approximate steam usage, costs and average rates for calendar year 2013 are
2 described in the table below:

3 **CITY OF KANSAS CITY, MISSOURI**
4 **CY2013 STEAM USAGE & COST**
5

Account	Usage (MMBtu)	Total Cost	Avg. Rate (\$/MMBtu)
Bartle Hall	9514.99	\$171,862.51	\$18.06
Bartle Hall Expansion	5560.46	\$99,278.89	\$17.85
Municipal Auditorium	14018.75	\$187,851.85	\$13.40
City Hall	11168.27	\$148,640.10	\$13.31
Police HQ	5815.46	\$79,445.56	\$13.66
Municipal Court	2118.12	\$28,190.44	\$13.31

6
7 *These totals include estimates, where actual billing information was missing.

8 **Q: Does this conclude your direct testimony?**

9 A: Yes, it does.