

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-2011-0241

**MISSOURI PUBLIC SERVICE COMMISSION**

**CASE NO.: HR-2011-0241**

**DIRECT TESTIMONY**

**OF**

**ROBERT G. RIVES**

**ON BEHALF OF**

**KANSAS CITY, MISSOURI**

**Kansas City, Missouri  
September 2, 2011**

In the Matter of Veolia Energy Kansas City, Inc.'s Tariffs to Increase Rates ) File No. HR-2011-0241  
 ) Tracking Nos. YH-2011-0532 and 0533

**STATE OF MISSOURI           )**  
**) ss**  
**COUNTY OF JACKSON         )**

3. I hereby swear and affirm that my answers contained in the attached testimony to the questions therein propounded are true and correct to the best of my personal knowledge, information and belief.

  
ROBERT G. RIVES

Subscribed and sworn before me this 2nd day of September, 2011.

Notary Public Notary Seal  
 State of Missouri County of Clay  
 My Commission Expires 12/26/2014  
 Commission # 10544170

*Jacqueline*  
 Notary Public

Notary Public

My commission expires: 12/26/2014

**DIRECT TESTIMONY**

**OF**

**ROBERT G. RIVES**

**Case No. HR-2011-0241**

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

2   A:   My name is Robert G. Rives. My business address is City Hall, 17<sup>th</sup> Floor, 414 East 12<sup>th</sup>  
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 the same subject matter, I submitted written direct testimony on behalf of the City in  
12 Case No. HR-2008-0300. I have not given testimony at a hearing before the  
13 Commission.

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

15 A: The purpose of my testimony is to describe the services provided by Veolia Energy  
16 Kansas City, Inc. (Veolia) to various facilities owned or controlled by the City. I will  
17 also describe how Veolia service is used by the City. Finally, I will give the Commission  
18 a break down of what the City has paid Veolia or its predecessor, Trigen, for services for  
19 several years.

20 **Q: What services does Veolia provide to the City?**

21 A. Veolia provides steam and chilled water services to the City. This is done through a  
22 central steam and chilled water system that runs primarily in the downtown area;

1           however, I am aware that Trigen, Veolia's predecessor, extended the system to a point  
2           south of the downtown area on the south side of Interstate 70.

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

4   A.    To respond to this question I need to explain how my office has grouped the facilities.  
5           For our management purposes, the City properties are divided into two "complexes"  
6           based upon location. Each complex is under the supervision of a separate building  
7           manager who reports to me.

8  
9           The "Municipal Complex" includes City Hall, Municipal Court, the Communications  
10          Center and Police Headquarters. These facilities are located on adjacent city blocks  
11          bounded by Cherry Street on the east, 11<sup>th</sup> street on the north, McGee Street on the west  
12          and 12<sup>th</sup> street on the south.

13  
14          The "Convention Entertainment Facility Complex" includes Sprint Center, Kemper  
15          Arena, the American Royal Building, Bartle Hall, Municipal Auditorium, the Conference  
16          Center, and the ballroom expansion which is attached to the Conference Center. These  
17          facilities are located in an area of the city bounded by Truman Road on the south, 12<sup>th</sup>  
18          Street on the north, Broadway Boulevard on the west and Wyandotte Street on the east.  
19          Sprint Center, being the exception to these boundaries, is located at 1100 Walnut Street.

20  
21   **Q.    What Municipal Complex facilities are receiving steam service from Veolia?**

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

4  
5 **Q Could you explain how service is provided for these buildings?**

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

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

20 A. The CEC facilities served by Veolia steam service are Bartle Hall, Municipal  
21 Auditorium, the Conference Center and the ballroom expansion. Each of these buildings  
22 is served by a separate service entrance and meter. Veolia also provides steam to this site  
23 by way of a separate service entrance and meter, where the steam is used for driving two

chillers owned by Veolia. Veolia also rents from the City and maintains three electric driven chillers which are also used to create chilled water. The City purchases both the steam and chilled water from Veolia. . I should mention that the Sprint Center also takes steam and chilled water from Veolia but that facility is managed by Anchutz Entertainment Group (AEG) under a development agreement with the City and it is responsible for the procurement of utilities for the building. That building is not under my direct control. Kemper and the American Royal Building are not located proximately to Veolia loops and are not served with steam.

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

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

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

A. The City's approximate steam usage, costs and average rates for calendar year 2010 are described in the table below:

**CITY OF KANSAS CITY, MISSOURI  
CY2010 STEAM USAGE & COST**

<b>Account</b>	<b>Usage* (Mlbs)</b>	<b>Total Cost*</b>	<b>Avg. Rate (\$/Mlbs)</b>
Bartle Hall	8,215	\$187,172	\$22.78
Bartle Hall Exp.	12,980	\$135,424	\$10.43
Muni. Auditorium	12,900	\$182,118	\$14.12
City Hall	10,523	\$206,595	\$19.63
Police HQ	8,008	\$106,069	\$13.25
Municipal Court	2,004	\$35,282	\$17.61
<b>Total / Average</b>	<b>54,630</b>	<b>\$852,660</b>	<b>\$15.61</b>

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

1    **Q.     Have you calculated the effect on the city's budget if Veolia's rate increase request is**  
2       **approved?**

3    A.     No I have not. The effect which Veolia's rate increase will have on the City will depend  
4       on the approved rate design and in that regard the City has retained a consultant to  
5       provide expert advice on the impact this case should have.

6    **Q     Do you anticipate that the City will have other facilities it will connect to Veolia**  
7       **steam service?**

8    A.     Yes. In connection with its development agreement with AEG, the City wants to  
9       purchase and demolish the Kansas City School District Headquarters building located at  
10      1211 McGee Street for a parking garage project. If this transaction goes through, the  
11      City will strongly consider connecting the parking garage to steam service from Veolia.

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

13   A:     Yes, it does.