



May 10, 2018

Secretary of the Commission
Missouri Public Service Commission
Attn: Data Center
P.O. Box 360
Jefferson City, MO 65102

RE: Veolia Energy Kansas City, Inc.
Request for Staff Review of Operating Revenues
MO PSC Small Utility Rate Case Procedure

Dear Secretary:

Pursuant to 4 CSR 240-3.050, the Missouri Public Service Commission's currently effective rule concerning Staff assistance to qualifying small utilities, Veolia Kansas City, Inc. ("Veolia" or the "Company") is hereby requesting Staff review of its district steam operating revenues and results of operations.

The reasons for the filing of this request include multiple elements relating to the Company's last rate case (Case No. HR-2014-0066). First, the Commission approved settlement agreement in the last rate case included a Production Adjustment Cost Clause ("PACC") Tariff. Paragraph 4(b) of the settlement required the Company to file a rate case "no later than every four years." It is envisioned that this case would satisfy that requirement with any tariff changes effective before the 2018-2019 winter heating season.

Second, since implementation of PACC, Veolia has filed PACC revisions (tariff sheets 36-37) that have resulted in continuous credits or refunds to customers due to Company initiated efficiency measures or operational changes. As part of this review, Veolia seeks to rebase the PACC to current cost levels and operating conditions. In addition, the Company desires to retain many existing PACC terms but address certain PACC tariff revisions, which can only be accomplished in a rate case forum. This proceeding would enable such discussions.

Third, on January 3, 2018, the Commission initiated Case No. AW-2018-0174 opening a working proceeding to investigate the effect of the recent federal tax cut legislation on the revenues of Missouri's utilities. In order to efficiently and effectively address the reduction in Federal tax rates due to the Federal Tax Act recently signed by the President, Veolia seeks to address this matter in this rate case and avoid participation in a separate docket involving multiple utilities, or Case No. HR-2018-0232, and unnecessary expenses.

Finally, Veolia desires to constrain utility costs ultimately borne by customers. During discussions in the Company's last rate case, Staff representatives encouraged Veolia to consider the small rate case process for its next rate case in order to minimize the cost of outside legal and consulting services required to prepare and file a formal case. The Company carefully considered and agrees with Staff's recommendation.

Please be advised that the Company is current on the payment of its Commission annual assessments and the submission of its annual reports and other monitoring requirements.

A handwritten signature in black ink that reads "David Jordan".

David Jordan
Vice President of Operations
Municipal & Commercial Business
Veolia North America

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