

**STATE OF MISSOURI  
PUBLIC SERVICE COMMISSION**

At a session of the Public Service  
Commission held at its office in  
Jefferson City on the 18<sup>th</sup> day  
of March, 2020.

In the Matter of Veolia Energy Kansas City ) **File No. HT-2020-0223**  
Inc.'s Adjustment to its PACC Tariff ) Tracking No.: YH-2020-0123

**ORDER APPROVING PRODUCTION ADJUSTMENT COST CLAUSE  
(PACC) TARIFF**

Issue Date: March 18, 2020

Effective Date: April 1, 2020

On January 31, 2020,<sup>1</sup> Veolia Energy Kansas City, Inc. filed tariff sheets (Tracking No. YH-2020-0123) and supporting testimony of Scott Stordahl, General Manager of Veolia, to revise its Production Adjustment Cost Clause (“PACC”) rates for steam service for the twelve months beginning April 1, 2020, through March 31, 2021. The company filed a substitute tariff sheet on March 6, 2020. The tariff sheets have a proposed effective date of April 1, 2020. Effective February 29, 2020, Veolia Energy Kansas City, Inc. has changed its name to Vicinity Energy Kansas City, Inc. The company will be referred to as Vicinity in the rest of this order. The Commission issued notice of the filing, set an intervention deadline, and directed the Commission’s Staff (Staff) to submit a recommendation. Staff submitted its recommendations on March 5 and March 9, advising the Commission to approve Vicinity’s tariff sheets. No party filed a response to Staff’s recommendation.

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<sup>1</sup> All date references are to 2020 unless otherwise indicated.

Vicinity's PACC adjustment is required under the terms of a stipulation and agreement approved by the Commission in File No. HR-2014-0066. The procedure for the calculation of the PACC for steam service sales is set out in Vicinity's Tariff Sheets Nos. 31 through 37, which are titled "Production Adjustment Cost Clause." Staff's recommendation and memorandum states Staff reviewed the data and calculations Vicinity provided and found Vicinity's calculations satisfy the requirements set forth in Vicinity's Tariff Sheet Nos. 31 through 37 and are consistent with Vicinity's PACC filing as contained in Case No. HR-2014-0066.

Staff found the PACC Rider for this 6th revision of Tariff Sheet No. 36 reflects a negative charge per million pounds (mlb) of steam of (\$0.2901),<sup>2</sup> which is a \$.12 per mlb of steam used increase from the previous rate of (\$0.40858). The PACC Rider rate factor is designed to reflect each customer's share of the variation in production costs for the 2019 accumulation period compared to the actual production costs in Case No. HR-2014-0066. The PACC Rider negative charge is a reduction to customer bills to reflect the customer's share of the variation in fuel cost for the calendar year that ended in 2019. The negative charge will result in a monthly PACC bill credit (bill reduction) of \$0.29 per million pounds steam.

Based on the direct testimony of Scott Stordahl and Staff's recommendation, the Commission will approve Vicinity's PACC tariff sheets. Since there are no objections to the proposed tariff sheets and Staff recommends approval for service on and after April 1, 2020, the requested tariff effective date, the Commission will make this order effective in less than thirty days.

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<sup>2</sup> A bracketed amount represents a credit to the customer. The credit is also referred to as a "negative charge"

**THE COMMISSION ORDERS THAT:**

1. Vicinity Energy Kansas City, Inc.'s tariff sheets, assigned Tracking No. YH-2020-0123, are approved to go into effect on April 1, 2020. The specific tariff sheets approved are the following:

**P.S.C. MO. NO 1**

**6<sup>th</sup> Revised Sheet No. 36 Cancelling 5<sup>th</sup> Revised Sheet No. 36  
6<sup>th</sup> Revised Sheet No. 37 Cancelling 5<sup>th</sup> Revised Sheet No. 37**

2. This order shall be effective on April 1, 2020.
3. This file shall be closed on April 2, 2020.



**BY THE COMMISSION**

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

Morris L. Woodruff  
Secretary

Silvey, Chm., Kenney, Rupp, Coleman, and  
Holsman CC., concur.

Graham, Regulatory Law Judge