

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service Commission held at its office in Jefferson City on the 7th day of November, 2018.

In the Matter of Veolia Energy Kansas City, Inc.'s Request to Initiate a Small Utility Rate Case)
) **File No. HR-2018-0341**
) Tracking No. YH-2019-0076

ORDER APPROVING STIPULATION AND AGREEMENT

Issue Date: November 7, 2018

Effective Date: November 17, 2018

On May 10, 2018, Veolia Energy Kansas City, Inc. (“Veolia”) filed a letter with the Missouri Public Service Commission (“Commission”) requesting that the Commission approve an increase in its annual operating revenues. This letter initiated a rate case under Commission Rule 4 CSR 240-3.050, the Small Utility Rate Case Procedure, which describes the procedures by which small utilities may request increases in their overall annual operating revenues. This rule, while now rescinded, was effective when Veolia requested an increase.

On October 26, 2018, a Non-Unanimous Stipulation and Agreement (“Agreement”) was filed by Veolia and the Staff of the Missouri Public Service Commission (“Staff”). The Office of the Public Counsel was not a signatory to 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 within seven days. No party filed a timely objection to the Agreement.

The Agreement settles all issues among the parties in this case. It includes a revenue requirement increase of \$463,597 (6.8 percent), a capital structure of 51.78 percent common equity and 48.22 percent long-term debt, a return on equity of 9.7 percent, and cost of debt of 4.49 percent. The after tax rate of return is 7.19 percent. The proposed rates reflect a revenue increase of approximately 2 percent above system average to the Interruptible Heating Service class capacity charge with a residual equal percentage increase across the board to all other rate classes. Meter charges remain unchanged. The parties incorporated the effect of the 2017 Tax Cuts and Jobs Act in calculating the revenue deficiency. Veolia quantified the amount of excess Accumulated Deferred Income Tax and the reserve amount was recognized as an offset to rate base. All excess was transferred to a regulatory liability account and will act as a credit to ratepayers over a 20-year amortization term.

On November 2, 2018, Veolia filed a motion for expedited treatment of compliance tariff revisions and corresponding tariff sheets (YH-2019-0076) bearing an effective date of December 1, 2018. On November 5, 2018, Veolia filed substitute tariff sheets bearing an effective date of December 2, 2018. Staff reviewed the compliance tariff sheets and filed a report on November 6, 2018, indicating that the tariff sheets conformed to the Agreement. No other recommendations regarding the compliance tariff sheets were received.

Based on the Commission's independent review of 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 will incorporate the terms of the Agreement into this order and order all parties to comply with the terms of the Agreement as set forth in Attachment 1.

The Commission finds that Veolia's tariff sheets comply with the Agreement, and will therefore approve them. Furthermore, the Commission will grant the request of Staff and waive the 45 day effective date requirement of Commission Rule 4 CSR 240-10.075(11)(C), and the 30 day effective date requirement of 393.140(11) RSMo, for good cause. Veolia states that making the rates effective after December 1, 2018, would cause problems with the operation of its Production Adjustment Cost Clause and would also cause problems with Veolia's billing cycle. Additionally, the current rates are not just and reasonable, the proposed rates are just and reasonable, and making the proposed rates effective December 1, 2018, complies with the Agreement.

THE COMMISSION ORDERS THAT:

1. The Non-Unanimous Stipulation and Agreement filed on October 26, 2018, 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 following substitute tariff sheets filed by Veolia on November 5, 2018, and assigned Tracking No. YH-2019-0076, are approved to become effective on December 1, 2018:

P.S.C. MO. No. 1

6th Revised Sheet No. 5, Canceling 5th Revised Sheet No. 5
5th Revised Sheet No. 9, Canceling 4rd Revised Sheet No. 9
4rd Revised Sheet No. 10, Canceling 3rd Revised Sheet No. 10
5th Revised Sheet No. 13, Canceling 4th Revised Sheet No. 13
4th Revised Sheet No. 16, Canceling 3rd Revised Sheet No. 16
4th Revised Sheet No. 17, Canceling 3rd Revised Sheet No. 17

- 1st Revised Sheet No. 19, Canceling Original Sheet No. 19
- 1st Revised Sheet No. 23, Canceling Original Sheet No. 23
- 1st Revised Sheet No. 24, Canceling Original Sheet No. 24
- 1st Revised Sheet No. 31, Canceling Original Sheet No. 31
- 1st Revised Sheet No. 32, Canceling Original Sheet No. 32
- 1st Revised Sheet No. 33, Canceling Original Sheet No. 33
- 1st Revised Sheet No. 34, Canceling Original Sheet No. 34
- 1st Revised Sheet No. 35, Canceling Original Sheet No. 35
- 4th Revised Sheet No. 36, Canceling 3rd Revised Sheet No. 36
- 4th Revised Sheet No. 37, Canceling 3rd Revised Sheet No. 37

3. This order shall become effective November 17.

BY THE COMMISSION



A handwritten signature in black ink that reads "Morris L. Woodruff".

Morris L. Woodruff
Secretary

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

Clark, Regulatory Law Judge

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

In the Matter of Veolia Energy Kansas City, Inc.'s)
Request to Initiate a Small Utility Rate Case) **Case No. HR-2018-0341**

NON-UNANIMOUS DISPOSITION AGREEMENT

COMES NOW the Staff of the Missouri Public Service Commission (Staff), by and through counsel, on behalf of itself and Veolia Energy Kansas City, Inc. (Veolia or Company), and for its *Non-Unanimous Disposition Agreement* hereby states:

1. Veolia Energy Kansas City, Inc. filed its *Request to Initiate a Small Utility Rate Case* on May 10, 2018. Through corroboration and compromise the Company, Staff and OPC have reached a unanimous disposition agreement, which they now submit for the Commission's consideration. The Disposition Agreement itself is attached to this pleading as Attachment A.

2. The Agreement includes a revenue requirement increase of \$463,597 or 6.8% and a capital structure of 51.78% common equity, 48.22% long-term debt, a return on equity of 9.7%, and cost of debt of 4.49%. The after tax rate of return is 7.19%. The proposed rates reflect a revenue increase/shift of approximately 2% above system average to the Interruptible Heating Service class capacity charge with a residual equal percentage increase across the board to all other rate classes. Meter charges are to remain unchanged. The agreed to billing determinants are outlined in the Agreement.

3. The parties incorporated the full effect of the 2017 Tax Cuts and Jobs Act in quantifying the calculated revenue deficiency. Veolia quantified the amount of excess Accumulated Deferred Income Tax and the reserve amount was recognized as an offset

to rate base. All excess was transferred to a regulatory liability account and will act as a credit to ratepayers over a 20-year amortization term.

4. Tariff changes are incorporated into the agreement and are outlined specifically in the Agreement document and are reflected in Appendix D. Pursuant to 4 CSR 240-10.075(11)(C) the utility will submit to the commission, concurrent with the filing, the revised tariff sheets bearing an effective date of not fewer than forty-five (45) days after they are filed, to implement the agreement.

5. The parties also agreed to incorporate the Non-Unanimous Stipulation and Agreement entered into in Veolia's prior rate case (Case No. HR-2014-0066) except to the extent outlined in the Disposition Agreement.

6. Counsel for the Office of Public Counsel (OPC), a non-signatory party to this case, has had an opportunity to review this *Non-Unanimous Disposition Agreement* and has indicated OPC will not object to it or request a hearing on the issues resolved.

7. Veolia filed its rate case pursuant to the Small Utility Rate Case Procedure outlined in Commission rule 4 CSR 240-3.050, which was rescinded May 2018 after the proceeding was filed. The parties intend for subpart 14 of that rule, which requires proposed tariff sheets to bear an effective date of no less than 30 days from the date of filing, to govern the specimen tariff sheets filed in conjunction with this Agreement as Appendix D. However, should the Commission determine that this is improper, the parties ask the Commission to waive the provisions of Commission rule 4 CSR 240-10.075(11)(C), which requires tariff sheets filed pursuant to an Agreement that is not executed by all parties to a proceeding to bear an effective date of no later than 45 days from the date of filing.

WHEREFORE, Staff prays that the Commission will approve this *Non-Unanimous Disposition Agreement*; order Veolia Energy Kansas City, Inc. to file tariff sheets consistent with the proposed tariff sheets included as Appendix D to this Disposition Agreement should the Commission approve it without modification; to permit 4 CSR 240-3.050(14) to govern the tariff sheets filed as Appendix D or in the alternative to waive the provisions of 4 CSR 240-10.075(11)(C); and grant such other and further relief as the Commission considers just in the circumstances.

Respectively submitted,

/s/ Whitney Payne

Whitney Payne
Senior Counsel
Missouri Bar No. 64078
Attorney for the Staff of the
Missouri Public Service Commission
P. O. Box 360
Jefferson City, MO 65102
(573) 751-8706 (Telephone)
(573) 751-9285 (Fax)
whitney.payne@psc.mo.gov

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served by electronic mail, or First Class United States Postal Mail, postage prepaid, on this 26th day of October, 2018, to all counsel of record.

/s/Whitney Payne

**NON-UNANIMOUS AGREEMENT REGARDING DISPOSITION OF SMALL
COMPANY REVENUE INCREASE REQUEST**

Veolia Energy Kansas City, Inc.

MO PSC File NO. HR-2018-0341

NON-UNANIMOUS DISPOSITION AGREEMENT

BACKGROUND

Veolia Energy Kansas City, Inc. (“Veolia” or “Company”) initiated the small company revenue increase request ("Request") that is the subject of the above-referenced Missouri Public Service Commission ("Commission") File Number by submitting a letter to the Secretary of the Commission in accordance with the provisions of Commission Rule 4 CSR 240-3.050, Small Utility Rate Case Procedure ("Small Company Procedure"). The Company filed its request letter to initiate this case on May 10, 2018.

Pursuant to the provisions of the Small Company Procedure and related internal operating procedures, Staff initiated an audit of the Company's books and records, a review of the Company's customer service and general business practices, a review of the Company's existing tariff, an inspection of the Company's facilities and a review of the Company's operation of its facilities. (These activities are collectively referred to hereinafter as Staff's "investigation" of the Company's Request.)

Upon completion of its investigation of the Company's Request, Staff provided the Company and the Office of the Public Counsel ("OPC") with information regarding Staff's investigation and the results of the investigation, including Staff's initial recommendations for resolution of the Company's Request.

RESOLUTION OF THE COMPANY'S RATE INCREASE REQUEST

1. The agreed upon revenue requirement increase of \$463,597 (6.8% increase¹) added to the level of previous revenues of \$6,879,807 results in overall annual revenues of \$7,343,404. This revenue requirement is just and reasonable and designed to recover the Company's cost of service.

¹ Approximately after rounding.

2. To allow the Company the opportunity to collect the revenue requirement agreed to in item 1. above, the rates as shown on Appendix A, are just and reasonable rates that the Company will be allowed to charge its customers. These rates reflect a cost recovery shift of approximately two percent above system average increase to the IHS class with a residual equal percentage increase across-the-board to all other rate classes, with the exception of meter charges which will remain unchanged. The resulting changes for each rate class are shown in Appendix A.
3. Staff's Auditing Department conducted a full and complete audit of the Company's books and records using the 12-month period ended December 31, 2017, updated to May 31, 2018, as the basis for the revenue requirement determined above. The audit findings can be found in Appendix B, incorporated by reference herein.
4. The agreed upon Capital Structure consists of 51.78% common equity and 48.22% long term-debt, return on equity is 9.7%, with a cost of debt of 4.49%. This results in an after-tax rate of return of 7.19%.
5. Depreciation Rates are adopted from the Non-Unanimous Stipulation and Agreement approved by the Commission in HR-2014-0066, which is attached as Appendix E. The agreed upon net rate base is \$29,111,278.
6. The disposition of this proceeding incorporates the full effect of the 2017 Tax Cuts And Jobs Act ("2017 Tax Act"). The 21% Federal tax rate was applied in quantifying the calculated revenue deficiency. The Company quantified the amount of excess Accumulated Deferred Income Tax ("ADIT") reserves resulting from the 2017 Tax Act and transferred such excess to a regulatory liability account in early 2018. The excess regulatory liability was recognized as an offset to rate base. The amortization of the regulatory liability as a credit to ratepayers will not commence until the first day of the month in which the rate change in this case becomes effective, based on a 20-year amortization term.

7. The Parties agree to use the following billing determinants (i.e., metered steam sales) in quantifying the tariff rates and charges resulting from this proceeding:

	<u>Sales (mlbs)</u>
SCS	37,683
LCS	343,923
IHS	37,097
Total Tariff Sales	418,703
Process Steam Total	<u>1,253,361</u>
Total Sales	<u><u>1,672,064</u></u>

8. The Production Adjustment Cost Clause Tariff shall be updated with the following:

- a. Recovery of costs associated with FERC Account 5027 (chemicals) will be added;
- b. Recovery of costs associated with FERC Account 5013 (coal) will no longer be included; and
- c. The base factor shall be set at \$7.18/Mlb. The calculation of the base factor is shown in Appendix C.

9. The IHS tariff shall be modified to allow any current customer at an existing location with operable steam boilers installed prior to 2018 to qualify for this rate. The tariff shall also be modified to remove the annual steam consumption limit of 100,000 mlbs.

10. Subparagraphs 5(b)-(e) of the Non-Unanimous Stipulation and Agreement in Case No. HR-2014-0066, which is attached as Appendix E, contain provisions requiring certain feasibility studies and filing requirements with regard to identifiable “new expansion customers” (i.e., a new customer or cluster of customers added in the expansion of Veolia’s service territory approved in that proceeding). Veolia expressed concern that, with the passage of time, the distinction between old and new service territories becomes lost and stated that is no longer necessary or appropriate to single out customers added in that “new expansion” area from the pre-existing service territory. The parties agree that subparagraphs 5(b)-(e) of the Non-Unanimous Stipulation and Agreement approved in Case No. HR-2014-0066 shall not be adopted by this Disposition Agreement. Veolia agrees to conduct and retain feasibility studies documenting customer line extensions in excess of one thousand (1,000) continuous linear feet, regardless of location. Such information will be

available for review and evaluation by Staff or OPC in the next following rate case.

11. Veolia has included with this Disposition Agreement revised tariff sheets reflecting the agreed upon conditions in this Disposition Agreement with an effective date of not less than 30 days after the filing date. The specimen tariff sheets can be found in Appendix D.

12. The parties agree that all terms and conditions of Veolia’s tariff, and the conditions set forth in the Non-Unanimous Stipulation and Agreement approved by the Commission in HR-2014-0066, are adopted except as specifically noted by the terms of this Disposition Agreement. This includes the requirement for Veolia to file a rate case no less than every four years if the PACC is to be retained. The 2014 Non-Unanimous Stipulation is included as Appendix E.

13. Counsel for the Office of Public Counsel (OPC), a non-signatory party to this case, has had an opportunity to review this *Non-Unanimous Disposition Agreement* and has indicated OPC will not object to it or request a hearing on the issues resolved.

14. **General Provisions:**

a. This Disposition Agreement is being entered into solely for the purpose of settling Case No. HR-2018-0341. Unless otherwise explicitly provided herein, none of the Parties to this Agreement shall be deemed to have approved, accepted, agreed, consented or acquiesced to any ratemaking or procedural principle including, without limitation, any method of cost determination or cost allocation or revenue-related methodology, any service or payment standard, cost of capital methodology or capital structure, rate design principle or methodology, or depreciation principle or methodology, and except as explicitly provided herein, none of the Parties shall be prejudiced or bound in any manner by the terms of this Agreement (whether this Agreement is approved or not) in this or any other Commission or judicial review or other proceeding, other than a proceeding limited to enforcing the terms of this Agreement. Nothing in this Agreement shall preclude the Staff in future proceedings from providing recommendations as requested by the Commission nor limit Staff’s access to information in any other proceedings. Nothing in this Agreement shall be deemed a waiver of any statute or

Commission regulation.

b. This Agreement has resulted from extensive negotiations among the Parties and the terms hereof are interdependent. If the Commission does not approve this Agreement unconditionally and without modification, then this Agreement shall be void and no Party shall be bound by any of the agreements or provisions hereof, except as explicitly provided herein.

c. If the Commission does not approve this Agreement without condition or modification, and notwithstanding the provision herein that it shall become void, neither this Agreement nor any matters associated with its consideration by the Commission shall be considered or argued to be a waiver of the rights that any Party has for a decision in accordance with §536.080 RSMo 2000 or Article V, Section 18 of the Missouri Constitution, and the Parties shall retain all procedural and due process rights as fully as though this Agreement had not been presented for approval. The Parties agree that any and all discussions, suggestions, memoranda, testimony or exhibits that have been reviewed, discussed, offered or received in relation to and/or support of this Agreement shall become privileged as reflecting the substantive content of settlement discussions and shall not be subject to discovery, admissible in evidence, shall be stricken from and not be considered as part of the administrative or evidentiary record before the Commission for any purpose whatsoever, or in any way used, described or discussed.

d. In the event the Commission approves the specific terms of this Agreement without condition or modification, the Parties waive their respective rights to call, examine, and cross-examine witnesses pursuant to §536.070(2) RSMo 2000, present oral argument and written briefs pursuant to §536.080.1 RSMo 2000; their respective rights to the reading of the transcript by the Commission pursuant to §536.080.2 RSMo 2000; their respective rights to seek rehearing, pursuant to §386.500 RSMo 2000; and their respective rights to judicial review pursuant to §386.510 RSMo 2000. These waivers apply only to a Commission order approving this Agreement without condition or modification issued in this above-captioned proceeding and only to the issues that are resolved hereby. These waivers do not apply to any matters raised in any prior or subsequent Commission proceeding nor any matters not explicitly addressed by this Agreement.

SIGNATURES

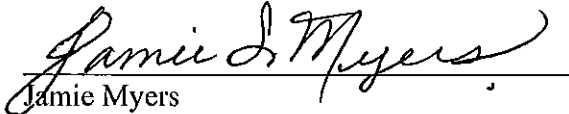
Agreement Signed and Dated:



Keith Oldewurtel
Senior Vice President
Veolia Energy Kansas City, Inc.

26 OCTOBER 2018

Date



Jamie Myers
Deputy Staff Director
Missouri Public Service Commission Staff

10/26/2018

Date

List of Appendixes

Appendix A – Tariffed Rates

Appendix B – Staff Audit Report

Appendix C – PACC Base Factor Calculation

Appendix D – Example Tariff Sheets

Appendix E – Non-Unanimous Stipulation and Agreement, Case No. HR-2014-0066

VEOLIA ENERGY KANSAS CITY
CASE NO. HR-2018-0341
Summary of Proposed Rates

Energy Charge - All Tariff Customers
(LCS, SCS, IHS, CR/ES excluding HRH)

Energy Charge	All Usage	PACC	NON-PACC	\$/mlb
		7.18	\$ 3.82	

Large Commercial Service
(LCS)

				Mlb/Hour	\$/mlb/hr	
Winter Demand	1st Block	first 3.0	\$ 43,806.33	3.0	\$ 14,602.11	
	2nd Block	next 3.0	\$ 81,041.70	6.0	\$ 12,411.79	-15.0%
	3rd Block	next 3.0	\$ 117,346.20	9.0	\$ 12,101.50	-2.5%
	4th Block	next 3.0	\$ 152,743.08	12.0	\$ 11,798.96	-2.5%
	5th Block	next 3.0	\$ 187,255.05	15.0	\$ 11,503.99	-2.5%
	6th Block	over 15.0			\$ 11,216.39	-2.5%

Summer Demand 1/10th

Meter Charge	1st Meter	\$ 100
	Each Additional Meter	\$ 50

Standard Commercial Service
(SCS)

				Monthly Mlbs	Variable	Fixed	\$/mlb	Cumulative Mlbs
Volumetric	1st Block	first 5.0	\$ 129	5	\$ 11.00	\$ 14.90	\$ 25.90	5
	2nd Block	next 20.0	\$ 492	20	\$ 11.00	\$ 13.59	\$ 24.59	25
	3rd Block	next 75.0	\$ 1,629	75	\$ 11.00	\$ 10.72	\$ 21.72	100
	4th Block	over 100.0			\$ 11.00	\$ 8.95	\$ 19.95	

(Note: Stated rate includes Energy Charge.)

Meter Charge	1st Meter	\$ 75
	Each Additional Meter	\$ 50

Interruptible Heating Service
(IHS)

				Peak-Hour Mlb Use	\$/>mlb/hr	
Capacity	1st Block	first 3.0	\$ 27,782.73	3.0	\$ 9,260.91	0.0%
	2nd Block	next 3.0	\$ 52,787.19	6.0	\$ 8,334.82	-10.0%
	3rd Block	next 3.0	\$ 75,291.21	9.0	\$ 7,501.34	-10.0%
	4th Block	next 3.0	\$ 95,544.84	12.0	\$ 6,751.21	-10.0%
	5th Block	next 3.0	\$ 113,773.11	15.0	\$ 6,076.09	-10.0%
	6th Block	over 15.0			\$ 5,468.48	-10.0%

Meter Charge	1st Meter	\$ 100
	Each Additional Meter	\$ 50

VEOLIA ENERGY KANSAS CITY
CASE NO. HR-2018-0341
Summary of Proposed Rates

**Residential High-Rise
(RHR only)**

		PACC	NON-PACC	Subtotal	Fixed Contrib	\$/mlb
<u>Energy Charge</u>	All Usage	7.18	3.82	\$ 11.00	\$ 10.26	\$ 21.26
<u>Meter Charge</u> (per meter)	Meter Cost up to			\$ 500.00	\$ 5.63	
	Meter Cost over	\$ 500.00	up to	\$ 1,000.00	\$ 11.26	
	Meter Cost over	\$ 1,000.00	up to	\$ 1,500.00	\$ 16.89	
	Meter Cost over	\$ 1,500.00	up to	\$ 2,000.00	\$ 22.51	
	Meter Cost over	\$ 2,000.00	up to	\$ 2,500.00	\$ 28.14	

**Capacity Reserve and Emergency Service
(CR/ES)**

		Block Max.	Mlb/Hour	\$/mlb/hr	
<u>Annual Demand</u>	1st Block first 3.0	\$ 26,269.56	3.0	\$ 8,756.52	0.0%
	2nd Block next 3.0	\$ 49,912.17	6.0	\$ 7,880.87	-10.0%
	3rd Block next 3.0	\$ 71,190.51	9.0	\$ 7,092.78	-10.0%
	4th Block next 3.0	\$ 90,341.01	12.0	\$ 6,383.50	-10.0%
	5th Block next 3.0	\$ 107,576.46	15.0	\$ 5,745.15	-10.0%
	6th Block over 15.0			\$ 5,170.64	-10.0%
<u>Meter Charge</u>	1st Meter			\$ 100	
	Each Additional Meter			\$ 50	

Appendix C

Veolia Energy Kansas City, Inc.

Case No. HR-2018-0341

FERC	Description	HR-2014-0066	HR-2018-0341
		Base Level	Updated Base Level
<u>Annualized Fuel & Consumable Expense:</u>			
501.100	Fuel Expense - Natural Gas	\$ 1,440,462	\$ 7,423,915
501.200	Fuel Expense - Gas Transportation	152,100	1,758,122
501.300	Fuel Expense - Coal (excl. coal handling)	7,678,435	-
501.700	Fuel Expense - Purchased Power	458,312	308,997
502.100	Consumable-Water	1,164,631	342,393
502.200	Consumable-Sewer	1,677,705	2,021,868
502.600 & .700	Consumable-Chemicals		150,005
501.000	Contractors: RO System		
	Total	<u>\$ 12,571,645</u>	<u>\$ 12,005,300</u>
<u>PACC Factors:</u>			
	Fuel-related only	\$ 5.672	\$ 5.491
	Purchased Power only	\$ 0.280	\$ 0.185
	Consumables only	\$ 1.739	\$ 1.504
	Contractors: RO System	\$ -	\$ -
	Total	<u>\$ 7.691</u>	<u>\$ 7.180</u>
<u>MLB Sales:</u>			
	LCS Adj Mlbs (incl. VEMO)	409,884	343,923
	SCS Adj Mlbs	26,513	37,683
	IHS Adj Mlbs	75,609	37,097
	Subtotal - Tariff	<u>512,006</u>	<u>418,703</u>
	Add: Special Contract MLBs	1,122,564	1,253,361
	Total	<u>1,634,570</u>	<u>1,672,064</u>

Basis for MLB Estimate:Weather Factors
Process SteamStaff revised
Avg. 2016-2017

VEOLIA ENERGY KANSAS CITY, INC.
Name of Issuing Corporation

For KANSAS CITY, MISSOURI
Community, Town or City

VEOLIA ENERGY KANSAS CITY, INC.
RATES FOR STEAM SERVICE
STANDARD COMMERCIAL SERVICE ("SCS") SCHEDULE

Veolia Energy Kansas City, Inc. (the "Company") shall provide steam service at the rates set forth below under the provisions of Customer service agreements which shall include the provisions of the Company's general rules and regulations in effect and on file and the Commission's applicable general orders.

I. AVAILABILITY.

All Customers using 5,000 mlb or less, of total annual steam usage. This rate is also applicable to those Customers otherwise qualifying for the LCS rate schedule whose demand the Company determines cannot be reasonably or accurately measured using a demand meter. The annual steam usage of existing SCS Customers shall not exceed 5,000 mlb in at least one of the two immediately preceding twelve month periods ending March 31st, unless the Company determines that the Customer's demand usage cannot be reasonably or accurately measured with a demand meter required for service under the LCS rate schedule.

II. STEAM CHARGE.

In addition to any Meter Charge, the Company shall bill Customer a monthly Steam Charge (in thousand pounds of steam or "mlb") based on Customer's actual metered usage in the prior month by reference to the rate table below:

- For the first 5 mlbs per month; (\$11.00 + \$14.90) X mlbs
- For the next 20 mlbs per month; (\$11.00 + \$13.59) X mlbs
- For the next 75 mlbs per month; (\$11.00 + \$10.72) X mlbs
- For all mlbs over 100 per month; (\$11.00 + \$8.95) X mlbs

III. METER CHARGE.

In addition to any steam charge, and irrespective of whether there is steam usage by Customer in a given month, there shall be a meter charge of \$75 per month for the first meter and \$50 per month for each additional meter.

DATE OF ISSUE 10 26 2018
month day year

DATE EFFECTIVE 12 1 2018
month day year

ISSUED BY: Keith Oldewurtel, Senior Vice President, 115 Grand Blvd., Kansas City, MO 64106
name of officer title address

VEOLIA ENERGY KANSAS CITY, INC.

For KANSAS CITY, MISSOURI

Name of Issuing Corporation

Community, Town or City

VEOLIA ENERGY KANSAS CITY, INC
RATES FOR STEAM SERVICE
LARGE COMMERCIAL SERVICE ("LCS") SCEHDULE

C. ANNUAL DEMAND CHARGE SCHEDULE (billed in twelve equal monthly installments in thousand pounds of steam (or "mlb") per hour):

The annual demand charge will be established by the higher of the demand charges resulting from the following rates applied to the billing demand for the winter period beginning November 1 through March 31 specified in Section D below.

First 3 mlb/hour of Billing Demand; \$14,602.11 per mlb/hour.

The next 3 mlb/hour up to a total of 6 mlb/hour of Billing Demand; \$12,411.79 per mlb/hour.

The next 3 mlb/hour up to a total of 9 mlb/hour of Billing Demand, \$12,101.50 per mlb/hour.

The next 3 mlb/hour up to a total of 12 mlb/hour of Billing Demand, \$11,798.96 per mlb/hour.

The next 3 mlb/hour up to a total of 15 mlb/hour of Billing Demand, \$11,503.99 per mlb/hour.

For all pounds/hour over 15 mlb/hour of Billing Demand; \$11,216.39 per mlb/hour.

Or, the billing demand established during the non-winter period of April 1 through October 31 in the immediately preceding calendar year, according to the following schedule:

First 3 mlbs/hour of Billing Demand; \$1,460.21 per mlb/hour.

Next 3 mlbs/hour of Billing Demand; \$1,241.18 per mlb/hour.

The next 3 mlbs/hour of Billing Demand \$1,210.15 per

DATE OF ISSUE 10 26 2018
month day year

DATE EFFECTIVE 12 1 2018
month day year

ISSUED BY: Keith Oldewurtel, Senior Vice President 115 Grand Blvd., Kansas City, MO 64106
name of officer title address

VEOLIA ENERGY KANSAS CITY, INC.
Name of Issuing Corporation

For KANSAS CITY, MISSOURI
Community, Town or City

VEOLIA ENERGY KANSAS CITY, INC
RATES FOR STEAM SERVICE
LARGE COMMERCIAL SERVICE ("LCS") SCEHDULE

mlb/hour.

The next 3 mlbs/hour of Billing Demand \$1,179.90 per
mlb/hour.

The next 3 mlbs/hour of Billing Demand \$1,150.40 per
mlb/hour.

For all mlbs/hour over 15 mlbs/hour of Billing Demand;
\$1,121.64 per mlb/hour.

- D. Billing Demand: For purposes of calculating Demand Charges, the term "Billing Demand" for existing Customers means the Customer's highest hourly peak consumption of steam in any 60-minute interval in the two immediately preceding, completed November 1-March 31 (winter peaking) or April 1-October 31 (summer peaking) time frames.
 - (i) Demand charges will be recalculated each year in April and apply to all billings for services rendered after March 31 of each year.
 - (ii) For new Customers not receiving steam service from Veolia as of the effective date of these tariffs, the initial year's Billing Demand will be determined by mutual agreement between the Company and the Customer.
 - (iii) For existing Customers that have made significant modifications to their buildings that would lower their projected usage, the Company may, at its sole discretion, use good engineering practices to estimate the impact on Billing Demand and reset the Billing Demand to reflect such changes. For subsequent years, Billing Demand will be set as per paragraph II.D.(i).

III. USAGE CHARGE.

- A. In addition to any Demand Charge and Meter Charge the Company shall charge Customer a Usage Charge of \$11.00 per mlb for each one thousand pounds (mlb) of steam consumed.
- B. The Usage Charge shall be computed and billed monthly based on the consumption of steam by the Customer, as measured by the Company's meters, or estimated as set forth in the general rules and regulations.

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month day year

DATE EFFECTIVE 12 1 2018
month day year

ISSUED BY: Keith Oldewurtel Senior Vice President 115 Grand Blvd., Kansas City, MO 64106
name of officer title address

VEOLIA ENERGY KANSAS CITY, INC.
Name of Issuing Corporation

For KANSAS CITY, MISSOURI
Community, Town or City

VEOLIA ENERGY KANSAS CITY, INC.
RATES FOR STEAM SERVICE
INTERRUPTIBLE HEATING SERVICE ("IHS") SCHEDULE

Veolia Energy Kansas City, Inc. (the "Company") shall provide steam service at the rates set forth below under the provisions of Customer service agreements which shall include the provisions of the Company's general rules and regulations in effect and on file and the Commission's applicable general orders.

I. AVAILABILITY.

This rate schedule is available to any Customer meeting the eligibility requirements for Interruptible Heating Service under all of the following conditions:

In order to qualify for the IHS rate, a Customer must already be receiving steam service under any rate schedule, be a new Customer at a location currently receiving steam service or a new location that has not received steam service, or be an existing steam Customer initiating service at a new location.

- A. A qualifying Customer must have on Customer's Premises a permanent, operable steam or hot water space heating source installed prior to 2018 either located on-site sized to provide for the Customer's total space heating requirement or be permanently connected via permanent piping to a Company-approved permanent, operable steam or hot water space heating source located in an adjacent building sized to provide for the Customer's total space heating requirement.
- B. The Customer agrees to use steam delivered by Company to satisfy all the Customer's space heating requirements otherwise supplied by the on-site space heating source.
- C. Notwithstanding any other provisions hereof, Company may decline to enter into any steam service agreement for Interruptible Heating Steam Service when, in Company's sole judgment, Company has insufficient resources to carry out its obligations under the agreement.
- D. There is no limit to a qualifying Customer's annual steam consumption.
- E. As of the effective date of this rate schedule at the request of the Company, a Customer desiring service under this rate schedule must certify to Company's satisfaction (continued on next page)

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For KANSAS CITY, MISSOURI

Name of Issuing Corporation

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VEOLIA ENERGY KANSAS CITY, INC.
 RATES FOR STEAM SERVICE
 INTERRUPTIBLE HEATING SERVICE ("IHS") SCHEDULE

IV. MONTHLY BILL.

The bill for steam delivered each monthly billing period under this rate schedule shall be the sum of the Meter Charge, Usage Charge, one-twelfth of the Annual Demand Charge, and applicable taxes and fees as follows:

- A. Irrespective of whether there is steam usage by Customer in a given month, there shall be a meter charge of \$100 per month for the first meter and \$50 per month for each additional meter. The Company generally will install one meter to measure service to a Customer's premises. In certain circumstances, more than one meter may be necessary in order to properly register steam usage over a Customer's entire load range. In those instances, the Company will install an additional meter(s).
- B. The Company shall charge Customer a Usage Charge of \$11.00 per mlb for each thousand pounds (mlbs) of steam consumed.
- C. Annual Demand Charge
 - (i) Heating Period is defined as a period of steam service from November 1 through March 31.
 - (ii) Peak Usage is the Customer's highest hourly peak consumption of steam in any sixty minute interval during the immediately preceding, completed Heating Period.
 - (iii) Demand Charges will be recalculated each year in April and apply to all billings for services rendered after March 31.

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For KANSAS CITY, MISSOURI

Name of Issuing Corporation

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VEOLIA ENERGY KANSAS CITY, INC.
RATES FOR STEAM SERVICE
INTERRUPTIBLE HEATING SERVICE ("IHS") SCHEDULE

(iv) The Annual Demand Charge shall equal the number of dollars as calculated based on the rate table below and the Customer's Peak Usage as determined above.

Annual Demand Charge is:

First 3.0 mlbs/hour of peak usage:

\$9,260.91 per mlb/hour up to \$27,782.73.

Over 3.0 and less than or equal to 6.0 mlbs/hour of peak usage:

\$27,782.73 plus \$8,334.82 for each 1.0 mlbs/hr over 3.0 mlbs/hr.

Over 6.0 and less than or equal to 9.0 mlbs/hour of peak usage:

\$52,787.19 plus \$7,501.34 for each 1.0 mlb/hr over 6.0 mlbs/hr.

Over 9.0 and less than or equal to 12.0 mlbs/hour of peak usage:

\$75,291.21 plus \$6,751.21 for each 1.0 mlb/hr over 9.0 mlbs/hr.

Over 12.0 and less than or equal to 15.0 mlbs/hour of peak usage:

\$95,544.84 plus \$6,076.09 for each 1.0 mlb/hr over 12.0 mlbs/hr.

Over 15.0 mlbs/hour of peak usage:

\$113,773.11 plus \$5,468.48 for each 1.0 mlb/hr over 15.0 mlbs/hr.

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Name of Issuing Corporation

For KANSAS CITY, MISSOURI
Community, Town or City

VEOLIA ENERGY KANSAS CITY, INC.
RATES FOR STEAM SERVICE
RESIDENTIAL HIGH-RISE ("RHR") SCHEDULE

Veolia Energy Kansas City, Inc. (the "Company") shall provide steam service at the rates set forth below under the provisions of Customer service agreements which shall include the provisions of the Company's general rules and regulations in effect and on file and the Commission's applicable general orders.

I. AVAILABILITY.

All residential Customers located in multi-story buildings, including office building conversions to residential use and/or mixed commercial and residential use, with a minimum of 6,000 square feet of residential living space under contract to purchase district steam. This rate is only applicable to residential Customers, whether renting or owning tenant space.

II. STEAM CHARGE.

In addition to any Meter Charge, the Company shall bill Customer a monthly Steam Charge (in thousand pounds of steam or "mlbs") based on Customer's actual metered usage in the prior month:

- A. The Company shall charge Steam Charge of \$21.26 (\$11.00 + \$10.26) per mlb for all mlbs of steam consumed.
- B. The Steam Charge shall be computed and billed monthly based on the consumption of steam by the Customer, as measured by the Company's meters, or estimated as set forth in the general rules and regulations.

III. METER CHARGE.

In addition to any Usage Charge, and irrespective of whether there is steam usage by Customer in a given month, there shall be a meter charge by reference to the rate table below:

- For each meter cost up to \$500, a per month charge of \$5.63.
- For each meter cost over \$500 and up to \$1,000, a per month charge of \$11.26.
- For each meter cost over \$1,000 and up to \$1,500, a per month charge of \$16.89.
- For each meter cost over \$1,500 and up to \$2,000, a per month charge of \$22.51.
- For each meter cost over \$2,000 and up to \$2,500, a per month charge of \$28.14.

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ISSUED BY: Keith Oldewurtel Senior Vice President 115 Grand Blvd., Kansas City, MO 64106
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Name of Issuing Corporation

For KANSAS CITY, MISSOURI
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VEOLIA ENERGY KANSAS CITY, INC.
RATES FOR STEAM SERVICE
CAPACITY RESERVE AND EMERGENCY SERVICE ("CR/ES") SCHEDULE

III. RATE.

The Customer shall pay for all steam delivered under an executed Steam Service Agreement in accordance with this rate schedule (CR/ES). Any renewals of this agreement shall be at this or any superseding rate schedule(s) applicable to this service as filed with the Missouri Public Service Commission and as may be lawfully revised from time-to-time.

IV. MONTHLY BILL.

The bill for steam delivered each monthly billing period under this rate schedule shall be the sum of the Meter Charge, Usage Charge, one-twelfth of the Annual Demand Charge, and applicable taxes and fees as follows:

A. Irrespective of whether there is steam usage by Customer in a given month, there shall be a meter charge of \$100 per month for the first meter and \$50 per month for each additional meter. The Company generally will install one meter to measure service to a Customer's premises. In certain circumstances, more than one meter may be necessary in order to properly register steam usage over a Customer's entire load range. In those instances, the Company will install an additional meter(s).

B. The Company shall charge Customer a Usage charge of \$11.00 per mlb for each thousand pounds (mlbs) of steam consumed.

C. Annual Demand Charge.

As part of the executed Steam Service Agreement, the Customer shall nominate the peak usage for which it desires to receive service under the CR/ES as emergency back-up supply or to supplement steam produced by Customer-owned equipment. In the event that the actual peak usage exceeds the nominated peak usage, the actual peak usage will apply in the next monthly billing cycle.

(i) Heating Period is defined as a period of steam service from November 1 through March 31.

(ii) Peak Usage is the Customer's highest hourly peak consumption of steam in any sixty minute interval during the current Heating Period or the immediately preceding completed Heating Period.

(iii) Demand Charges will be recalculated whenever a new peak usage is

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RATES FOR STEAM SERVICE
CAPACITY RESERVE AND EMERGENCY SERVICE ("CR/ES") SCHEDULE

achieved that exceeds the nominated peak usage.

- (iv) The Annual Demand Charge shall equal the number of dollars as calculated based on the rate table below and based on the Customer's Peak Usage as determined above.

Annual Demand Charge is:

First 3.0 mlbs/hour of peak usage:

\$8,756.52 per mlb/hour up to \$26,269.56.

Over 3.0 and less than or equal to 6.0 mlbs/hour of peak usage:

\$26,269.56 plus \$7,880.87 for each 1.0 mlbs/hr over 3.0 mlbs/hr.

Over 6.0 and less than or equal to 9.0 mlbs/hour of peak usage:

\$49,912.17 plus \$7,092.78 for each 1.0 mlb/hr over 6.0 mlbs/hr.

Over 9.0 and less than or equal to 12.0 mlbs/hour of peak usage:

\$71,190.51 plus \$6,383.50 for each 1.0 mlb/hr over 9.0 mlbs/hr.

Over 12.0 and less than or equal to 15.0 mlbs/hour of peak usage:

\$90,341.01 plus \$5,745.15 for each 1.0 mlb/hr over 12.0 mlbs/hr.

Over 15.0 mlbs/hour of peak usage:

\$107,576.46 plus \$5,170.64 for each 1.0 mlb/hr over 15.0 mlbs/hr.

V. ADJUSTMENTS, SURCHARGES AND CREDITS.

The rates and charges hereunder are subject to adjustments, surcharges or credits pursuant to the Production Adjustment Cost Clause ("PACC").

VI. TAX ADJUSTMENT.

There shall be added to the monthly bill of the Customer, as separate items, a surcharge equal to the proportionate part of any license, occupation or other similar fee or tax applicable to steam service by the Company to the Customer, which fee or tax is imposed upon the Company by taxing authorities on the basis of the gross receipts, net receipts or revenues from the steam sales by the Company.

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VEOLIA ENERGY KANSAS CITY, INC.
RATES FOR STEAM SERVICE
PRODUCTION ADJUSTMENT COST CLAUSE ("PACC")

All sales to Customers qualifying under the General Rates for Steam Service (PSC Mo. No. 1) offered by Veolia Energy Kansas City, Inc. (the "Company"), except for the Customers receiving service under the Residential High Rise rate schedule, shall be subject to adjustment according to this Production Adjustment Cost Clause ("PACC") Rider.

I. AVAILABILITY.

Costs passed through this PACC Rider reflect ninety-five percent (95%) of the difference between actual fuel, purchased power, and consumable costs and these costs as set in base rates. The base PACC factor developed to reflect qualifying production costs is seven dollars and eighteen cents per thousand pounds of steam (\$7.18/mlb). For the purpose of this PACC rider "production costs" are the fuel and purchased power and consumable costs fully defined in Sections III.A and III.B below.

The Company will file annual, with an option for semi-annual, rate adjustments to reflect 95% of the changes to production costs.

Many Customers purchase reduced or no steam during summer months. To mitigate potential cost shifting between Customers and/or Customer classes due to seasonally unique steam usage patterns, each PACC filing plus any reconciling adjustments, will be billed to each individual Customer in twelve (12) equal installments based on each Customer's actual steam usage during the originating accumulation period. PACC adjustment charges are in addition to all other charges otherwise billable to each Customer under applicable tariff provisions.

II. CALCULATIONS.

A. Current PACC Rate:

The Current PACC rate factor is designed to reflect each Customer's share of the variation in production costs for the most recent accumulation period. The difference between actual production costs and the amount of production costs covered by base rates (both on a dollar basis) is multiplied by 95% and then divided by the total metered steam sales during the accumulation period to quantify the PACC adjustment factor. To determine the amount of an individual Customer's responsibility, the PACC adjustment factor (on a \$/mlb basis) is

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RATES FOR STEAM SERVICE
PRODUCTION ADJUSTMENT COST CLAUSE (“PACC”)

multiplied by the actual steam sales (mlb) to that individual Customer during the accumulation period, with the resulting dollar amount charged or credited to the Customer in twelve equal installments.

PACC_t = PACC adjustment factor developed to reflect ninety-five percent of the variation in production costs for all steam sales during the accumulation period.

$$PACC_t = [95\% \times (FCAP - FCBR)] / BDAP_t$$

PACC_i = Share of the variation in production costs for an individual tariff Customer during the most recent accumulation period, billable in twelve equal installments to each individual Customer during the twelve months recovery period.

$$PACC_i = PACC_t \times BDAP_i$$

Where:

FCAP = Actual production costs expressed as a total dollar amount during the accumulation period. Applicable costs through November 30, 2018 are Accounts 5011, 5012, 5013, 5017, 5021 and 5022. Beginning December 1, 2018, the applicable Accounts are 5011, 5012, 5017, 5021, 5022 and 5027.

FCBR = Production costs covered by the PACC base factor [\$7.69 through November 30, 2018 (and \$7.18/mlb thereafter) x BDAP_i].

BDAP_t = Billing Determinants (mlb of steam sales) for all metered steam sales during the accumulation period, corresponding with the period of production cost variances.

BDAP_i = Billing Determinants (mlb of steam sales) for an individual tariff Customer during the accumulation period, corresponding with the period of production cost variances.

95% = The percentage of the variance in production costs allocable to Customers.

B. Reconciling Adjustments:

At the end of the twelve (12) month recovery period for each accumulation period variance, the sum collected from all tariff Customers will be compared to the revenues intended to be collected from all tariff Customers. Any over-collection of intended revenues will be applied to Customer bills through a Reconciling

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For KANSAS CITY, MISSOURI

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**VEOLIA ENERGY KANSAS CITY, INC.
RATES FOR STEAM SERVICE
PRODUCTION ADJUSTMENT COST CLAUSE ("PACC")**

Adjustment. The Company shall use an amortization period of twelve (12) months to refund/credit or Charge any remaining over-collection or under-collection through the Reconciling Adjustment to Customers. Other fuel and consumable cost refunds or credits that arise through the operation of the PACC may flow through as a Reconciling Adjustment, as approved by the Commission.

The Reconciling Adjustment shall be calculated and applied in a manner similar to the PACC_i and PACC_i.

C. Accumulation and Recovery Periods:

The Company will submit filings to the Commission for the accumulation period pursuant to this PACC Rider by the first day of the month following the end of the accumulation period.

Single Annual Filing		
Accumulation Period	Filing Date	Recovery Period
AP1: Jan - Dec	February 1	RC1: Apr – Mar
Two Semi-Annual Filings		
Accumulation Period	Filing Date	Recovery Period
AP(1a): Jan – Jun	August 1	RC(1a): Oct - Sep
AP(1b): Jul - Dec	February 1	RC(1b): Apr - Mar

III. DEFINITION OF PACC PRODUCTION COSTS.

A. Fuel Costs. The cost of fuel shall be amounts recorded in the following regulatory accounts:

5011 Fuel expense - natural gas: This account includes the cost of natural gas purchased from pipeline suppliers for use in the production of steam for

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RATES FOR STEAM SERVICE
PRODUCTION ADJUSTMENT COST CLAUSE ("PACC")

sale to ultimate customers or for the generation of electricity for station use. The cost of natural gas will include the burner tip cost of physical gas deliveries. No internal Company labor is charged to this account.

5012 Fuel expense - natural gas transport: This account includes the cost of transporting natural gas purchased from pipeline suppliers to delivery to the metering point(s) at Company production facilities, including Local Distribution Company (LDC) transportation charges. No internal Company labor is charged to this account.

5013 Fuel expense - coal (including delivery, handling & testing): This account includes the cost of coal used in the production of steam for sale to ultimate customers and for the generation of electricity for station use. This account will reflect the average cost of coal inventory and expenses for routine coal sampling, testing, delivery, unloading, and management. Subcontractor services are used for coal handling and management up to the point where the coal leaves the fuel yard and enters the plant. No internal Company labor is charged to this account.

5017 Fuel expense - purchased electricity: This account includes the cost at point of receipt by the utility of electricity purchased at retail tariff rates for station use in the production of steam for sale to ultimate customers and the cost of electricity used in the distribution system. The cost of purchased electricity will include all electricity purchases. No internal Company labor is charged to this account.

The amounts expensed in these accounts will be based on the above definitions for inclusion of costs in these accounts.

B. Consumable Costs. The cost of consumables shall be amounts recorded in the following regulatory accounts:

5021 Consumable expense - water: This account includes the cost of boiler

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RATES FOR STEAM SERVICE
PRODUCTION ADJUSTMENT COST CLAUSE (“PACC”)

feed water and pumping supplies primarily purchased from the City of Kansas City and other charges assessed by the water department of the City of Kansas City, including a fire protection inspection charge. No internal Company labor charged to this account should be included in the PACC.

5022 Consumable expense - sewer: This account includes the cost of waste water and storm water service charges from the City of Kansas City for condensate associated with steam delivered to the ultimate customers located within the City. No internal Company labor is charged to this account.

5027 Consumable expense - chemicals: This account includes the cost of the primary chemicals required to cost-effectively treat Missouri River water and significantly reduce water purchases from the City of Kansas City. No internal Company labor is charged to this account.

The amounts expensed in these accounts will be based on the above definitions for inclusion of costs in these accounts, consistent with accrual accounting under the FERC Uniform System of Accounts. The cost of water and sewer, representing the largest consumable cost elements, will encompass all invoiced costs from the City of Kansas City, Missouri.

C. Effective Date and Rate Case Filings. The PACC rate was originally effective on January 1, 2015. From the effective date, as long as the PACC is in place, the Company shall file a general rate case no later than every four (4) years.

D. Prudence Reviews. Reconciling Adjustments may result from periodic prudence reviews and revenue collection true-up calculations. Any adjustments found necessary by the Commission pursuant to a prudence review shall be treated as a Reconciling Adjustment unless the Commission orders a separate refund. The period for any prudence review refund ordered by the Commission treated as a Reconciling Adjustment shall be in equal installments over a period not less than twelve (12) months, provided that a period of twenty-four (24) months may be used, if needed in the Company’s discretion, to minimize the effect of extraordinary costs.

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VEOLIA ENERGY KANSAS CITY, INC.
RATES FOR STEAM SERVICE
PRODUCTION ADJUSTMENT COST CLAUSE ("PACC")

Any Customer or group of Customers may file an application using the existing complaint process to initiate a prudence review.

Whether initiated by normal Staff review or the complaint process, there will be no prudence review rate adjustment unless the rate adjustment exceeds 5% of the total fuel and consumable costs incurred during the period under review.

- E. Interest. The PACC filings and adjustments will not include any interest or carrying costs related to the timing of fuel and consumable cost recovery.
- F. Monthly and Surveillance Reporting: The Company shall file monthly and surveillance reports as fully defined in the Stipulation and Agreement to Case No. HR-2014-0066.

IV. RATES.

A. Current PACC Rate Adjustment Factor Table.

Period	First Effective Date	Last Effective Date	PACC _t
Jan 1, 2017- Dec 31, 2017	April 1, 2018	March 31, 2019	(\$0.16412)

B. Reconciliation Adjustment Table.

Period	First Effective Date	Last Effective Date	PACC _t

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VEOLIA ENERGY KANSAS CITY, INC.
RATES FOR STEAM SERVICE
PRODUCTION ADJUSTMENT COST CLAUSE ("PACC")

Calculation of Current PACC Adjustment Factor

Accumulation Period Beginning	<u>January 1, 2017</u> (Month, Day, Year)	and Ending	<u>December 31, 2017</u> (Month, Day, Year)
1. Actual Production Costs (FCAP)			\$12,323,575.59
2. Base PACC Production Costs (FCBR) [Note 1]	= \$7.69/mlb * BDAP _t = \$7.18/mlb * BDAP _t		\$12,606,752.57
4. Variance (FCAP – FCBR)	Line 1 - Line 2		<u>\$ (283,176.98)</u>
5. Customer Responsibility (95%)	Line 4 * 0.95		\$(269,018.14)
6. Reconciliation Amount			\$0
7. Prudence Adjustment Amount			\$0
8. Total Dollar Amount to Determine Adjustment Factor	Line 5 + Line 6 + Line 7		\$(269,018.14)
9. Accumulation Period Metered Steam Sales	mlb		<u>1,639,135</u>
10. Production Adjustment Factor (PACC _t)	Line 8 / Line 9		\$(0.16412)/mlb

Note 1: Base PACC Production Costs of \$7.69/mlb is effective through November 30, 2018.
Base PACC Production Costs of \$7.18/mlb is effective on and after December 1, 2018.

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

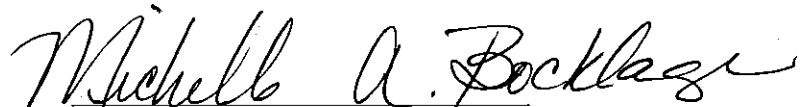
In the Matter Veolia Energy Kansas)
City's Inc.'s Request to Initiate a Small)
Utility Rate Case)
Case No. HR-2018-0341

AFFIDAVIT OF MICHELLE A. BOCKLAGE

STATE OF MISSOURI)
)
) ss.
COUNTY OF COLE)

COMES NOW Michelle A. Bocklage and on her oath declares that she is of sound mind and lawful age; that she contributed to the foregoing Disposition Agreement; and that the same is true and correct according to her best knowledge and belief.

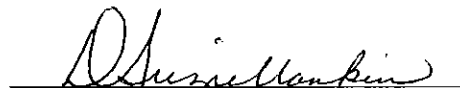
Further the Affiant sayeth not.


Michelle A. Bocklage

JURAT

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 22nd day of October, 2018.




Notary Public

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


In the Matter Veolia Energy Kansas)
City's Inc.'s Request to Initiate a Small)
Utility Rate Case) **Case No. HR-2018-0341**

AFFIDAVIT OF DEBORAH DUNCAN

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

COMES NOW Deborah Duncan and on her oath declares that she is of sound mind and lawful age; that she contributed to the foregoing Disposition Agreement; and that the same is true and correct according to her best knowledge and belief.

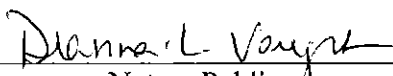
Further the Affiant sayeth not.



Deborah Duncan

JURAT

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 23rd day of October, 2018.



Notary Public

DIANNA L. VAUGHT Notary Public - Notary Seal State of Missouri Commissioned for Cole County My Commission Expires: June 28, 2019 Commission Number: 15207377

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter Veolia Energy Kansas)
City's Inc.'s Request to Initiate a Small) Case No. HR-2018-0341
Utility Rate Case)

AFFIDAVIT OF KEITH D. FOSTER

STATE OF MISSOURI)
COUNTY OF COLE) ss.

COMES NOW Keith D. Foster and on his oath declares that he is of sound mind and lawful age; that he contributed to the foregoing Disposition Agreement; and that the same is true and correct according to his best knowledge and belief.

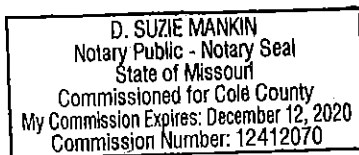
Further the Affiant sayeth not.

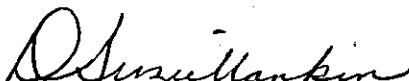


Keith D. Foster

JURAT

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 22nd day of October, 2018.





Notary Public

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

In the Matter Veolia Energy Kansas)
City's Inc.'s Request to Initiate a Small) Case No. HR-2018-0341
Utility Rate Case)

AFFIDAVIT OF ROBIN KLIETHERMES

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

COMES NOW Robin Kliethermes and on her oath declares that she is of sound mind and lawful age; that she contributed to the foregoing Disposition Agreement; and that the same is true and correct according to her best knowledge and belief.

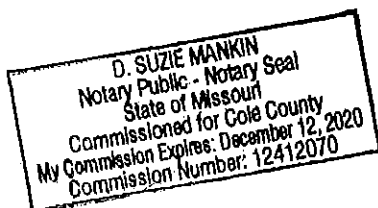
Further the Affiant sayeth not.

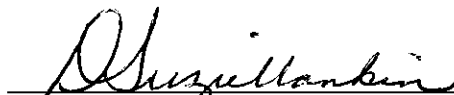


Robin Kliethermes

JURAT

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 22nd day of October, 2018.





Notary Public

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

In the Matter Veolia Energy Kansas)
City's Inc.'s Request to Initiate a Small)
Utility Rate Case)
Case No. HR-2018-0341

AFFIDAVIT OF AMANDA C. MCMELLEN

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

COMES NOW Amanda C. McMellen and on her oath declares that she is of sound mind and lawful age; that she contributed to the foregoing Disposition Agreement; and that the same is true and correct according to her best knowledge and belief.

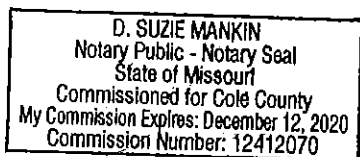
Further the Affiant sayeth not.

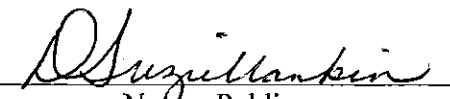


Amanda C. McMellen

JURAT

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 22nd day of October, 2018.





Notary Public

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

In the Matter Veolia Energy Kansas)
City's Inc.'s Request to Initiate a Small) Case No. HR-2018-0341
Utility Rate Case)

AFFIDAVIT OF MICHAEL L. STAHLMAN

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

COMES NOW Michael L. Stahlman and on his oath declares that he is of sound mind and lawful age; that he contributed to the foregoing Disposition Agreement; and that the same is true and correct according to his best knowledge and belief.

Further the Affiant sayeth not.

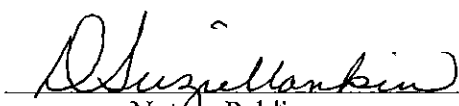


Michael L. Stahlman

JURAT

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 22nd day of October, 2018.

D. SUZIE MANKIN Notary Public - Notary Seal State of Missouri Commissioned for Cole County My Commission Expires: December 12, 2020 Commission Number: 12412070
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Notary Public

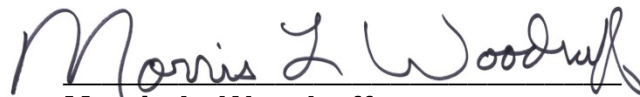
STATE OF MISSOURI

OFFICE OF THE PUBLIC SERVICE COMMISSION

I have compared the preceding copy with the original on file in this office and I do hereby certify the same to be a true copy therefrom and the whole thereof.

WITNESS my hand and seal of the Public Service Commission, at Jefferson City, Missouri, this 7th day of November 2018.




Morris L. Woodruff
Secretary

MISSOURI PUBLIC SERVICE COMMISSION

November 7, 2018

File/Case No. HR-2018-0341

**Missouri Public Service
Commission**

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Veolia Energy Kansas City, Inc

Diana M Vuylsteke
211 N. Broadway, Suite 3600
St. Louis, MO 63102
dmvuylsteke@bcplaw.com

Enclosed find a certified copy of an Order or Notice issued in the above-referenced matter(s).

Sincerely,



**Morris L. Woodruff
Secretary**

Recipients listed above with a valid e-mail address will receive electronic service. Recipients without a valid e-mail address will receive paper service.