

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

In the Matter of the Application of	)	
Vicinity Energy Kansas City, Inc. for	)	<b><u>File No. HO-2025-0153</u></b>
Approval of Deed of Trust Modification	)	

**STAFF RECOMMENDATION**

**COMES NOW** the Staff of the Missouri Public Service Commission (“Staff”), by and through counsel, and for its *Staff Recommendation* states as follows:

1. On November 13, 2024, Vicinity Energy Kansas City, Inc. (“Vicinity”) filed an *Application for Approval of Deed of Trust Modification, Waiver and Motion for Expedited Treatment* (“Application”) with the Missouri Public Service Commission (“Commission”), pursuant to Sections 393.190 and 393.290 RSMo and Commission Rules 20 CSR 4240-2.060, 20 CSR 4240-2.080, and 20 CSR 4240-10.105. The Application also requested a waiver of the 60 day notice requirement required under Commission Rule 20 CSR 4240-4.017(1).<sup>1</sup>

2. The Commission issued its *Order Directing Staff to File Recommendation* on November 14, 2024. Staff requested, and the Commission granted, an extension through January 2, 2025 to file a recommendation regarding Vicinity’s Application.

3. Having concluded its review, and detailed more fully in Staff’s Memorandum, attached and incorporated herein as Appendix A, Staff recommends the Commission approve Vicinity’s Application, including the wavier of Commission Rule 20 CSR 4240-4.017(1), subject to the following conditions:

---

<sup>1</sup> The Application, on pg. 4, requests a waiver of Commission Rule 4 CSR 240-4.017(1), which was the citation when the Commission was under the Department of Economic Development. Since the Commission’s move to the Department of Commerce and Insurance, the updated citation is 20 CSR 4240-4.017(1).

- a. That nothing in the Commission's order shall be considered a finding by the Commission of the value of this transaction for rate-making purposes, and that the Commission reserves the right to consider the rate-making treatment to be afforded the financing transaction and its impact on cost of capital including the cost of the preferred stock, in any future proceeding;
- b. That the Company be authorized to enter into a Modification Agreement, not to exceed an aggregate principal amount of Seven Hundred Seventy-Two Million Dollars (\$772,000,000), by placing a mortgage, lien or encumbrance on certain properties in the State of Missouri; and
- c. That the money, property or labor to be procured or paid for by VEKC through the issuance of the long-term debt is reasonably required and necessary for the purposes set forth and will be used therefore, and such purposes are not, in whole or in part, reasonably chargeable to operating expense or to income, as required by Section 393.200, RSMo.<sup>2</sup>

**WHEREFORE,** Staff respectfully submits its recommendation regarding this matter, and recommends the Commission issue an order approving Vicinity's Application, subject to the conditions requested by Staff.

---

<sup>2</sup> Similar to § 393.190, RSMo, there is no mention of "heating companies" such as Vicinity under § 393.200, RSMo. However, § 393.290 applies all provisions of chapters 386, 387, 390, 392, and 393 to "heating companies" such as Vicinity.

Respectfully submitted,

/s/ Andrea B. Hansen

**Andrea B. Hansen**

Legal Counsel

Missouri Bar No. 73737

**Travis J. Pringle**

Chief Deputy Counsel

Missouri Bar No. 71128

Attorneys for the Staff of the  
Missouri Public Service Commission

200 Madison Street

P.O. Box 360

Jefferson City, Missouri 65102

Phone: (573) 522-1243

Fax: (573) 526-1500

E-mail: [Andrea.Hansen@psc.mo.gov](mailto:Andrea.Hansen@psc.mo.gov)

### **CERTIFICATE OF SERVICE**

I hereby certify that copies of the foregoing have been transmitted by electronic mail to all parties and/or counsel of record this 2<sup>nd</sup> day of January, 2025.

/s/ Andrea B. Hansen