

**STATE OF MISSOURI  
PUBLIC SERVICE COMMISSION**

At a session of the Public Service Commission held at its office in Jefferson City on the 8<sup>th</sup> day of January, 2025.

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

**ORDER APPROVING APPLICATION FOR FINANCE AUTHORITY**

Issue Date: January 8, 2025

Effective Date: January 18, 2025

On November 13, 2024, Vicinity Energy Kansas City, Inc. (VEKC) submitted an application (Application) requesting approval of a modification to its current Deed of Trust financing. The Application requested expedited treatment such that the Commission issue an order no later than December 11, 2024. VEKC also requested waiver of the 60-day notice requirement under Commission Rule 20 CSR 4240-4.017.

The Application stated that the current limit of VEKC's future advance Deed of Trust is \$705 million. The proposed modification would increase that limit to \$772 million. The Application stated that no other material changes are involved. The Application further stated that the purpose of the increase is additional security.

On January 2, 2025, the Staff of the Commission (Staff) timely filed its Recommendation and Memorandum regarding VEKC's application. The Memorandum stated that VEKC proposed to use the net proceeds from the modification to provide liquidity to continue its growth and expansion, including capital investments into the VEKC district energy system to maintain reliable service for new and existing customers. Staff

stated in its filing that the Application is not detrimental to the public interest, and recommended approval subject to its proposed conditions. No other party responded to VEKC's Application.

On January 3, 2025, VEKC responded that it did not object to Staff's proposed conditions. No other responses to Staff's Recommendation and Memorandum were filed.

Section 393.200, RSMo (2016),<sup>1</sup> and Commission Rule 20 CSR 4240-10.125 require VEKC to obtain the Commission's authority to issue debt securities. *In Re Laclede Gas Co. v. Public Serv. Comm'n.*,<sup>2</sup> stated that Sections 393.180<sup>3</sup> and 393.200, RSMo (2016)<sup>4</sup>, authorize public utilities to issue long-term financing when necessary for the purposes enumerated in the statute. If VEKC's request falls within the enumerated purposes and is necessary or reasonably required, the Commission may grant the request.<sup>5</sup>

After review of VEKC's Application, Staff's Recommendation and Memorandum, and the relevant statutes and Commission rules, the Commission concludes that granting VEKC's request accords with its stated purposes, and that the financing authorization proposed in the Application is or will be reasonably required for those stated purposes.

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<sup>1</sup> Section 393.290, RSMo (2016) makes all provisions of Chapter 393 RSMo applicable to "heating companies" such as VEKC.

<sup>2</sup> 526 S.W.3d 245 (Mo. App. W.D. 2017).

<sup>3</sup> "The power of ... [heating] corporations... to issue ... notes and other evidences of indebtedness ... is a special privilege, the ... control of which is ... vested in the state, and such power shall be exercised as provided by law and under such rules and regulations as the commission may prescribe." Section 393.180, RSMo (2016).

<sup>4</sup> "A ... [heating] corporation ... may issue ... notes or other evidences of indebtedness ... when necessary for the acquisition of property, the construction, completion, extension or improvement of its plant or system, or for the improvement or maintenance of its service or for the discharge or lawful refunding of its obligations or for the reimbursement of moneys actually expended from income, or from any other moneys in the treasury of the corporation not secured or obtained from the issue of stocks, bonds, notes or other evidence of indebtedness of such corporation ... [and] such purposes are not in whole or in part reasonably chargeable to operating expenses or to income." Section 393.200, RSMo (2016).

<sup>5</sup> *In re: Laclede Gas Co. v. Mo. Pub. Serv. Com'n.* 526 S.W.3d 245 (Mo. App. 2017).

The Commission also finds that approving the Application will not be detrimental to the public interest. The Commission, accordingly, finds that the request satisfies Section 393.200, RSMo (2016). VEKC's unopposed request for financing authorization will be granted, subject to the unopposed proposed conditions of Staff.

The Commission will grant VEKC's request for waiver of the 60-day case filing notice requirement under 20 CSR 4240-4.017. The Commission finds good cause exists for waiver based on the Application's declaration that there were no communications with the office of the Commission regarding substantive issues likely to arise in this file within 150 days before filing of the Application.

Although VEKC's requested date of December 11, 2024, for the Commission to issue an order has passed, the Commission finds it reasonable to make this order effective in less than 30 days.<sup>6</sup>

**THE COMMISSION ORDERS THAT:**

1. The 60-day notice of case filing requirement is waived for good cause found pursuant to 20 CSR 4240-4.017(1)(D).
2. VEKC's request for financing authorization is granted subject to the proposed conditions as stated in Staff's Recommendation, set out as follows:
  - a) 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 therefore the Commission also 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 later rate proceeding;
  - b) VEKC is 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;

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<sup>6</sup> Section 386.490, RSMo (2016).

- c) The money, property, or labor to be procured or paid for by VEKC through the issuance of the long-term debt shall be reasonably required and necessary for the purposes set forth as stated by VEKC 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.
3. This order will become effective on January 18, 2025.
4. This file shall be closed on January 19, 2025.



**BY THE COMMISSION**

*Nancy Dippell*

Nancy Dippell  
Secretary

Hahn, Ch., Coleman, Holsman  
Kolkmeier, and Mitchell CC., concur.

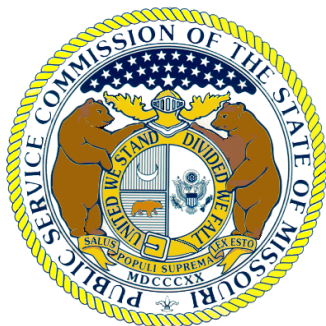
Hatcher, Senior Regulatory Law Judge

**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 8<sup>th</sup> day of January 2025.



*Nancy Dippell*  
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Nancy Dippell  
Secretary

**MISSOURI PUBLIC SERVICE COMMISSION**

**January 8, 2025**

**File/Case No. HO-2025-0153**

**MO PSC Staff**

Staff Counsel Department  
200 Madison Street, Suite 800  
P.O. Box 360  
Jefferson City, MO 65102  
staffcounsel@psc.mo.gov

**Office of the Public Counsel  
(OPC)**

Marc Poston  
200 Madison Street, Suite 650  
P.O. Box 2230  
Jefferson City, MO 65102  
opc@opc.mo.gov

**MO PSC Staff**

Travis Pringle  
200 Madison Street  
Jefferson City, MO 65101  
travis.pringle@psc.mo.gov

**Vicinity Energy Kansas City,  
Inc.**

Carl Lumley  
130 S. Bemiston, Ste. 200  
St. Louis, MO 63105  
clumley@chgolaw.com

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

**Sincerely,**



**Nancy Dippell  
Secretary**

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