

Exhibit No.

Issue: Adjustment to PACC Rate

Witness: Scott Stordahl

Type of Exhibit: Direct Testimony

Sponsoring Party: Vicinity Energy
Kansas City Inc.

Case No. HT-2026-____

Date Testimony Prepared: February 1, 2026

BEFORE THE PUBLIC SERVICE COMMISSION

STATE OF MISSOURI

DIRECT TESTIMONY

OF

SCOTT STORDAHL

VICINITY ENERGY KANSAS CITY, INC.

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

**In the Matter of Vicinity Energy
Kansas City Inc's Adjustment to
its PACC Tariff Rate**

)
)
) **Case No. HT-2026-_____**
)
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STATE OF Missouri)
)
COUNTY OF Jackson)

SS

Affidavit of Scott Stordahl

Scott Stordahl, being first duly sworn, on his oath states:

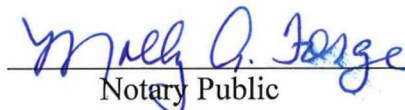
1. My name is Scott Stordahl. I am the General Manager of Vicinity Energy Kansas City, Inc. My business address is 115 Grand Blvd., Kansas City MO 64106.
2. Attached hereto and made a part hereof for all purposes is my direct testimony, which was prepared in written form for introduction into evidence in Missouri Public Service Commission Case No. HT-2026-_____ (In the Matter of Vicinity Energy Kansas City Inc.'s Adjustment to its PACC Tariff Rate).
3. I hereby swear and affirm that the testimony is true and correct.



Scott Stordahl

subscribed and sworn before me this 29th day of January, 2026.

MOLLY A. FORGE
Notary Public - Notary Seal
STATE OF MISSOURI
Jackson County
My Commission Expires: Mar. 16, 2027
Commission # 15451757



Notary Public

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DIRECT TESTIMONY OF
SCOTT STORDAHL

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

**DIRECT TESTIMONY OF SCOTT STORDAHL
ON BEHALF OF VICINITY ENERGY KANSAS CITY, INC.
CASE NO. HT-2026-_____**

SECTION I. OVERVIEW

1 Q. Please state your name and business address.

2 A. My name is Scott Stordahl and my business address is Vicinity Energy Kansas City,
3 Inc., 115 Grand Blvd., Kansas City MO 64106.

4

5 Q. By whom are you employed and in what capacity?

6 A. I am employed by Vicinity Energy, LLC as the General Manager of Vicinity
7 Energy Kansas City, Inc. My duties and responsibilities include the management
8 and oversight of Vicinity Energy Kansas City, Inc. (referred to herein as
9 “Vicinity”).

10

11 Q. Have you ever testified before this Commission or any other regulatory
12 commission?

13 A. Yes, I provided testimony in the last five years’ PACC filings, File Nos. HT-2020-
14 0223, HT-2021-0245, HT-2022-0212, HT-2023-0247, HT-2024-0222 and HT-
15 2025-0234.

16

17 Q. Please summarize the purpose and content of your testimony.

1 A. Vicinity's Production Adjustment Cost Clause (PACC) became effective on
2 January 1, 2015, which includes Vicinity's obligation to file annual rate
3 adjustments, with an option allowing for semi-annual filings, to reflect 95% of the
4 changes to production costs. The purpose of my testimony is to support Vicinity's
5 annual PACC filing (including, but not limited to, revised Tariff Sheet Nos. 36 and
6 37) as required by the Non-unanimous Stipulation and Agreement in Case No. HR-
7 2014-0066 and the PACC tariff, to adjust customer rates for changes in Vicinity's
8 PACC production costs experienced during the accumulation period January 2025
9 through December 2025. Paragraph 7 of the Non-Unanimous Agreement
10 Regarding Disposition of Small Utility Company Revenue Increase Request
11 approved by the Commission in Vicinity's most recent rate cases, Case Nos. HR-
12 2023-0198 and HR-2024-0370, continued the PACC Tariff with approved
13 modifications.¹

14
15 The costs passed through this PACC filing reflect ninety-five percent (95%) of the
16 difference between actual fuel, purchased power, and consumable costs during the
17 2024 Accumulation Period and the comparable costs included in base rates. The
18 base PACC production cost rate was set in Case No. HR-2018-0341 at seven dollars
19 and eighteen cents per thousand pounds of steam (\$7.18/mlb). Base rates were not
20 changed in the recent rate cases (Case Nos. HR-2023-0198 and HR-2024-0370) and

¹ The modifications to the PACC Tariff in Case No. HR-2018-0341 (Tracking No. YH-0219-0076) include the addition of chemical costs (Account 5027), the removal of coal costs (Account 5013) and resetting the PACC base factor from \$7.69/mlb to \$7.18/mlb effective December 1, 2018.

1 the PACC base line remained unchanged at \$7.18/mlb. The history of
2 surcharges/refunds under the PACC tariff are summarized below:

- 3 • On March 16, 2016, the Commission approved a PACC filing decreasing
4 (refunding) rates \$0.17905 per Mlb, effective April 1, 2016.
5
- 6 • On March 29, 2017, the Commission approved a PACC filing decreasing
7 (refunding) rates \$0.44636 per Mlb, effective April 1, 2017.
8
- 9 • On March 21, 2018, the Commission approved a PACC filing decreasing
10 (refunding) rates \$0.16412 per MLB, effective April 1, 2018.
11
- 12 • On March 20, 2019, the Commission approved a PACC filing decreasing
13 (refunding) rates \$0.40858 per MLB, effective April 1, 2019.
14
- 15 • On March 18, 2020, the Commission approved a PACC filing decreasing
16 (refunding) rates \$0.2901 per Mlb, effective April 1, 2020.
17
- 18 • On March 30, 2021, the Commission approved a PACC filing setting the rate
19 at \$0.0 (no refund or surcharge), effective April 1, 2021.
20
- 21 • On June 9, 2022, the Commission approved a PACC filing increasing rates
22 (surcharging) by \$0.38, effective April 1, 2022.
23
- 24 • On March 16, 2023, the Commission approved a PACC filing increasing rates
25 (surcharging) by \$7.53, effective April 1, 2023.
26
- 27 • On March 21, 2024, the Commission approved a PACC filing increasing rates
28 (surcharging) by \$1.16 (representing a decrease of \$6.37 from the 2023 PACC
29 surcharge of \$7.53), effective April 1, 2024.
30
- 31 • On April 21, 2025, the Commission approved a PACC filing decreasing rates
32 (refunding) by \$0.81217 (representing a decrease of \$1.97 from the 2024 PACC
33 surcharge of \$1.16), effective May 1, 2025.
34

35 The PACC production costs included in this filing (including regulatory accounts)
36 are:

37 (a) fuel costs:

38 (i) 5011 Fuel expense – natural gas;

- 1 (ii) 5012 Fuel expense – natural gas transport;
- 2 (iii) 5017 Fuel expense – purchased electricity;
- 3 (b) consumable costs:
- 4 (i) 5021 Consumable expense – water;
- 5 (ii) 5022 Consumable expense – sewer; and
- 6 (iii) 5027 Consumable expense – chemicals.

7 In compliance with the terms of the PACC tariff, no capital costs or internal
8 company labor have been included in actual production costs reported during the
9 Accumulation Period.

10
11 The Recovery Period proposed for this filing will consist of the billing months April
12 2026 – March 2027. Consistent with the general reporting requirements contained
13 in the settlement agreements in the Company’s three most recent rate cases (HR-
14 2018-0341, HR-2023-0198 and HR-2024-0370), the testimony will address: (1)
15 Mlb sales by rate class and by individual customer, separately showing steam sales
16 to Vicinity Missouri and the process steam customers; (2) Fuel, purchased
17 electricity and consumable costs included in base rates, the amount of such costs
18 includable in the PACC and the variance of eligible costs during the Accumulation
19 Period; and (3) calculation of the proposed net change in the annual PACC
20 collection rate, along with supporting work papers.

21
22 Q. What adjustment is being made in this filing?

23 A. This PACC filing will increase customer base rates by \$0.69599 per Mlb driven
24 primarily by changes in the cost of fuel and consumable expenses in 2025 relative
25 to a PACC base of \$7.18/mlb initially effective December 1, 2018. The main

1 driver of the change in costs in 2025 was the cost of natural gas in 2025 versus the
2 cost of natural gas in the base PACC cost.

3
4 The rate increase of \$0.69599 per Mlb under the PACC tariff represents ninety-five
5 percent (95%) of the total company PACC variance from the PACC base cost.
6 Subject to discussion of the matters regarding the PACC tariff referenced above,
7 the PACC will appear as a separate line item on the customer's bills starting with
8 April 2026, when the Recovery Period applicable to the subject Accumulation
9 Period begins. The proposed PACC increase of \$0.69599 represents an increase of
10 \$1.51 from the PACC decrease of \$0.81 implemented in June 2025.

11
12
SECTION II. MLB SALES BY RATE CLASS AND BY INDIVIDUAL CUSTOMER

13 Q. Please detail Mlb sales by rate class and by individual customer, separately showing
14 steam sales to Vicinity Missouri and the process steam customers.

15 A. Please see HC Schedule 1A, lines 8-13, for Mlb sales by rate class and HC Schedule
16 1C for sales by individual tariff customer (detailed by Tariff Customer account
17 code). The tariff steam sales to Vicinity Missouri during the Accumulation Period
18 are included in the Large Commercial sales on HC Schedule 1A and among the
19 tariff customers listed on HC Schedule 1C. Please also refer to HC Schedule 1C
20 for steam sales to process steam customers during the Accumulation Period.

SECTION III. FUEL, PURCHASED ELECTRICITY AND CONSUMABLE COSTS INCLUDED IN BASE RATES AND THE ACCUMULATION PERIOD VARIANCE

1 Q. Please detail fuel, purchased electricity and consumable costs included in base
2 rates, the amount of such costs includable in the PACC, and the variance of eligible
3 costs during the Accumulation Period.

4 A. Please see HC Schedule 1A (lines 1-7, columns B1 and B2) for fuel, purchased
5 electricity and consumable costs included in base rates² and column D for the actual
6 2025 comparable amounts. HC Schedule 1B summarizes the total amount of such
7 costs includable in the 2025 PACC and the calculation of customer responsibility
8 for the variance in eligible costs during the Accumulation Period.

SECTION IV. CALCULATION OF THE PROPOSED PACC COLLECTION RATES

12 Q. Please detail the calculation of the proposed PACC collection rates, along with
13 supporting work papers.

14 A. Please see HC Schedules 1A, 1B and 1C for the calculation of the proposed 2025
15 PACC collection rates proposed to be effective April 1, 2026.

² Base rates and the PACC base line (\$7.18/mlb) were not changed in Case No. HR-2024-0370 from levels set in Case No. HR-2018-0341. Comparable component expense amounts and steam sales are shown on HC Schedule 1A (*see* columns B1 and B2, lines 1-7) from both dockets for illustrative purposes.

1 Q. Does Vicinity seek application of the PACC Rider to the Residential High-Rise
2 class at this time?

3 A. No, however that decision shall not be interpreted as a waiver by Vicinity to seek
4 future application of the PACC Rider to the Residential High-Rise customer class
5 in the future. At this time, the Company does not have any customers receiving
6 steam service under the Residential High-Rise tariff.

7

8 A.

9

10 Q. Does this conclude your direct testimony?

11 A. Yes.