

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service
Commission held at its office
in Jefferson City on the 24th
day of March, 2022.

In the Matter of Vicinity Energy Kansas City,) **File No. HT-2022-0212**
Inc's Adjustment to its PACC Tariff) **Tariff No. YH-2022-0218**

ORDER REJECTING TARIFF TO ADJUST PACC ADJUSTMENT RATES

Issue Date: March 24, 2022

Effective Date: March 24, 2022

On February 1, 2022, Vicinity Energy, Kansas City, Inc. (Vicinity) filed tariff sheets (Tariff No. YH-2022-0218) to change Vicinity's production adjustment cost clause (PACC) rates for steam service. On March 11, 2022, Staff filed a recommendation to reject the tariff sheets and to order Vicinity to file substitute PACC tariff sheets returning a regulatory liability to its customers in the amount of \$731,938 between April 1, 2022 and March 31, 2023. Staff also recommended that the Commission suspend the timeline of this filing, set a prehearing conference date, and order the parties to propose a procedural schedule. On March 18, 2022, Vicinity filed its response stating that it does not oppose the Staff's recommendation.

In its Recommendation, Staff states that the regulatory liability was originally proposed as a rate decrease (refund) that would normally flow through the PACC as credits. However, in Case No. HT-2021-0245, the Commission authorized Vicinity to record this regulatory liability to be returned as a credit to customers to help offset gas costs from Winter Storm Uri in February 2021, once those additional costs are known and actually paid. Those gas costs are still not known and will likely not be resolved for some time due to ongoing litigation. Staff states that if it is not refunded to customers in this filing, the regulatory liability may remain on Vicinity's books past its next PACC filing,

based on the possibility of future court proceedings. Staff also states that although deferring this credit may help offset Vicinity's Winter Storm Uri gas costs, it is unreasonable to continue to carry the regulatory liability on its books and hinder customers from receiving credits, some of which are past due.

The Commission will reject Vicinity's tariff sheets, suspend the timeline of this filing, and order the parties to propose a procedural schedule. A prehearing conference will be scheduled in a separate order.

Because the proposed tariff revision bears an effective date of April 1, 2022, the Commission finds it reasonable to make this order effective in less than 30 days.

THE COMMISSION ORDERS THAT:

1. The proposed tariff revision, assigned Tariff No. YH-2022-0218, is rejected.
2. Vicinity shall file substitute tariff sheets that include the \$731,938 regulatory liability, to be returned to customers between April 1, 2022, and March 31, 2023, subject to further reconciliation and prudence review.
3. The timeline of Vicinity's PACC Tariff filing in HT-2022-0212 is suspended.
4. The parties shall file a proposed procedural schedule no later than April 6, 2022.
5. This order shall be effective on March 24, 2022.



BY THE COMMISSION

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

Morris L. Woodruff
Secretary

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

Keeling, 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 24th day of March, 2022.




Morris L. Woodruff
Secretary

MISSOURI PUBLIC SERVICE COMMISSION

March 24, 2022

File/Case No. HT-2022-0212

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Commission**
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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.