BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

COMMERCE TOWER GROUP, LLC)
Complainant,)
Complainaile,)
V.)
VEOLIA ENERGY KANSAS CITY, INC.)
Respondent.))

Case No. HC-2016-0056

<u>COMMERCE TOWER GROUP, LLC'S MOTION FOR EXPEDITED TREATMENT</u> <u>REGARDING THE RELOCATION OF VEOLIA'S STEAM EQUIPMENT</u>

Complainant Commerce Tower Group, LLC ("CTG") files this Motion for Expedited Treatment, pursuant to 4 CSR 240-2.080(14), to obtain the relocation of Veolia's steam service equipment at the Commerce Tower, and states in support:

I. Background

CTG is the owner and redeveloper of the Commerce Tower building located at 911 Main St., Kansas City, Missouri ("Commerce Tower"). CTG purchased the Commerce Tower in October 2013 and now is in the process of completing a \$120 million renovation and improvement of the 30-story landmark building. The Commerce Tower is being renovated into a first class "vertical neighborhood" with housing, offices, child care and education use. The two year project is being funded by a complex combination of financing, tax credits, and developer equity.

The redevelopment project requires a complete and total renovation of the building, including removal and abatement of asbestos, installation of new fire suppression systems, and the replacement or improvement of all mechanical systems, including steam systems.

Prior to April 30, 2015, the Commerce Tower previously received steam services from Veolia Energy Kansas City, Inc. ("Veolia"). Commerce Tower, however, is no longer in need of these steam services and CTG has informed Veolia that it will not be using Veolia's steam heating services in the future at Commerce Tower.

While Commerce Tower no longer needs Veolia's steam service, Veolia has steam service pipes, values, meters, and other equipment located within the Commerce Tower that has and will continue to service other buildings in downtown Kansas City (the "Veolia Steam Equipment"). Unfortunately, the current location of the Veolia Steam Equipment in the Commerce Tower directly interferes with and prevents the completion of the redevelopment project. In fact, CTG cannot complete the \$120 million redevelopment projection without relocating the Veolia Steam Equipment to another location within the Commerce Tower.

CTG has contacted Veolia on multiple occasions requesting that Veolia itself move the Veolia Steam Equipment or, alternatively, that Veolia permit CTG to move the equipment to a workable location within the Commerce Tower. CTG has offered, and continues to offer, to pay for any costs associated with the relocation of the Veolia Steam Equipment. CTG's request is consistent with the tariff sheets dated July 23, 2014, assigned Tracking Nos. YH-2015-0020 and YH-2015-0021 (the "Tariffs"), including its schedule of General Rules and Regulations (PSC Mo. No. 2) ("Regulations"), which became effective on August 1, 2014 – specifically, Regulation Section 4.8 Facility Access.

Despite CTG offering to pay for the cost of the relocation (in compliance with the Tariff), Veolia has and continues to refuse to communicate with CTG regarding the necessary relocation of the Veolia Steam Equipment. In fact, CTG has been told that Veolia has instructed its employees and representatives not to communicate with CTG regarding the requested relocation. As a result, Veolia is intentionally and maliciously impeding the \$120 million redevelopment project in violation of the Tariff and its responsibilities as a public utility. Veolia's refusal to permit (and it out right refusal to communicate with CTG regarding) the relocation of the Veolia Steam Equipment has and continues to cause significant delay to the redevelopment project resulting is significant and ongoing legal and equitable damages.

II. Formal Complaint and Request for Order Allowing Relocation of Steam Equipment

On September 15, 2015, CTG filed its First Amended Formal Complaint against Veolia requesting, among other things, that the Commission "Order Veolia to relocate its steam services lines located in the Commerce Tower Building or, in the alternative, order Veolia to allow CTG to relocate the service lines with Veolia providing all cooperation necessary for such relocation."

As the current location of the Veolia Steam Equipment directly interferes with and prevents the renovation of the building, it is absolutely vital and necessary to the project and the construction schedule that the steam equipment is relocated immediately. In fact, further delay in the relocation of the Veolia Steam Equipment is expected to cause in excess of <u>\$500,000 in</u> <u>damages per month</u> as a result of schedule delays.

CTG filed this Motion for Expedited Treatment immediately after filing its Formal Complaint and as soon as it became evident that Veolia would absolutely not cooperate with CTG regarding the require relocation. CTG is ready and willing to relocate the Veolia Steam Equipment to a suitable location at its cost and expenses. As CTG's request is consistent with the Tariff, there is no just or equitable basis for Veolia to object. Veolia's refusal to communicate or cooperate with CTG is in direct violation of its Tariff and its obligations as a public utility regulated by the Commission.

3

WHEREFORE, CTG respectfully requests that the Commission set a hearing (solely as to the issue of the relocation the Veolia Steam Equipment) at the earliest possible date, but no later than October 2, 2015. CTG further requests that upon completion of the hearing, the Commission immediately enter an order directing Veolia to relocate its steam services lines located in the Commerce Tower Building or, in the alternative, order Veolia to allow CTG to relocate the service lines with Veolia providing all cooperation necessary for such relocation.

Respectfully submitted:

LATHROP & GAGE LLP

By: <u>/s/ Matthew L. Faul</u> Matthew L. Faul MO 57397 James W. Grice MO 41644 2345 Grand Blvd., Suite 2400 Kansas City, MO 64108 Tel: 816.292.2000 Fax: 816.292.2001 mfaul@lathropgage.com jgrice@lathropgage.com

and

Jennifer S. Griffin MO 44406 314 E. High Street Jefferson City, MO 65101 Tel: 573.761.5006 Fax: 573.893.5398 jgriffin@lathropgage.com

Attorneys for Complainant Commerce Tower Group, LLC