

BEFORE THE CORPORATION COMMISSION  
OF THE STATE OF KANSAS

In the Matter of the Annual Filing of )  
Southern Pioneer Electric Company for )  
Approval to Make Certain Changes to Its )  
Charges for Electric Services, Pursuant to the )  
Debt Service Coverage Formula Based ) KCC Docket No. 18-SPEE-477-RTS  
Ratemaking Plan Approved in Docket )  
No. 13-MKEE-452-MIS AND 34.5kV )  
Formula Based Ratemaking Plan Approved )  
in Docket No. 16-MKEE-023-TAR. )

**DIRECT TESTIMONY OF**  
**CARY CATCHPOLE**  
**ON BEHALF OF**  
**THE CITIZENS' UTILITY RATEPAYER BOARD**

**July 6, 2018**

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1 **I. INTRODUCTION**

2 **Q. Please state your name and business address.**

3 A. My name is Cary Catchpole, and my business address is 1500 SW Arrowhead Road,  
4 Topeka, Kansas, 66604.

5

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

7 A. I am employed by the Citizens' Utility Ratepayer Board ("CURB") as a Regulatory  
8 Analyst.

9

10 **Q. Please describe your educational background.**

11 A. I graduated from Washburn University in Topeka, Kansas, in 2001 with a Bachelor of  
12 Business Administration *magna cum laude*, which included an emphasis in Finance. In  
13 May 2017, I earned a Master's Certificate in Public Utility Regulation & Economics from  
14 New Mexico State University.

15

16 **Q. Please summarize your professional experience.**

17 A. I joined CURB as a Regulatory Analyst in May of 2016. Prior to joining CURB, I worked  
18 as an economic developer with the Kansas Department of Commerce for 15 years in  
19 numerous capacities, including research analysis, business development representation,  
20 assistant management of workforce training and education, and incentive program  
21 management.

22

23 **Q. Have you previously testified before the Commission?**

1 A. Yes, I have previously offered testimony before the Commission in KCC Docket Nos.  
2 16-SPEE-497-RTS, 16-GIME-403-GIE, 17-SPEE-476-TAR, and the 18-KCPE-095-  
3 MER.

4

5

6 **II. PURPOSE AND SUMMARY**

7 **Q. Please describe the purpose of your direct testimony.**

8 A. In my testimony I will: 1) provide an overview of the Debt Service Coverage (“DSC”)   
9 Formula Based Ratemaking Pilot Program (“DSC-FBR Plan”) and the 34.5kV Formula   
10 Based Ratemaking Plan (“34.5kV FBR Plan”) filing by Southern Pioneer Electric   
11 Company (“Southern Pioneer” or “Company”) in this proceeding; 2) provide   
12 recommendations for adjustments to advertising, dues, donations and other related   
13 Southern Pioneer expenses for the 2017 Test Year; 3) recognize and support accounting   
14 corrections to the application identified in discovery; and 4) discuss other general concerns   
15 about the Company’s filing.

16

17 **Q. Please summarize your recommendations on these subjects.**

18 A. Based upon my analysis and review of the filing and other documentation in this case, I   
19 recommend the Kansas Corporation Commission (“KCC” or “Commission”):

- 20 • Disallow an amount of \$13,099 for additional advertising, donations, entertainment   
21 and other transactions not previously adjusted in the Company’s Exhibit 9, and   
22 • Allow corrections to the monthly demand of Kansas Electric Power Cooperative,   
23 Inc. (“KEPCo”) that required updates to Southern Pioneer’s filed application.

1 **III. DISCUSSION OF THE ISSUES**

2 **A. Overview**

3 **Q. Please provide a brief background of this proceeding.**

4 A. On April 30, 2018, Southern Pioneer Electric Company filed an Application  
5 (“Application”) combining the DSC-FBR Plan annual updates and the 34.5kV FBR Plan  
6 annual updates for the Commission in accordance with protocols for both plans. The net  
7 retail impact of this combined filing is a rate increase, and residential customers will  
8 experience a net 3.4% increase in their rates. For the 2017 Test Year, Southern Pioneer’s  
9 DSC-FBR Plan results in a revenue increase of \$1,311,929 or an approximate 2.0% rate  
10 increase applying to all of the company’s retail customers. Similarly, Southern Pioneer’s  
11 34.5kV FBR Plan results in a revenue increase of \$110,656, which is split between  
12 Southern Pioneer’s wholesale and retail customers taking service over the company’s  
13 34.5kV sub-transmission facilities.

14 Southern Pioneer’s Application is the final of five-year program filings made by  
15 Southern Pioneer in accordance with the Order Approving Non-Unanimous Settlement  
16 Agreement in Docket No. 13-MKKEE-452-MIS (“452 Docket”),<sup>1</sup> and the final of three-year  
17 program filings provided in accordance with the Order Approving Settlement Agreement  
18 in Docket No. 16-MKKEE-023-TAR (“023 Docket”).<sup>2</sup> The DSC-FBR Plan and the 34.5kW  
19 FBR Plan were initiated as pilot programs and involved the creation of automatic  
20 ratemaking mechanisms. The DSC-FBR Plan allows retail rates to be adjusted annually

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<sup>1</sup> Order Approving Non-Unanimous Settlement Agreement, Docket No. 13-MKKEE-452-MIS, September 26, 2013, DSC-FBR Plan Protocols Attachment 1, Exhibit A (Order Approving Non-Unanimous Settlement Agreement).

<sup>2</sup> Order Approving Settlement Agreement, Docket No. 16-MKKEE-023-TAR, March 10, 2016, 34.5kV Protocols Attachment A, Exhibit A (Order approving Settlement Agreement).

1 based on maintaining a DSC ratio of 1.75, subject to review and approval by the  
2 Commission.<sup>3</sup> The 34.5kV FBR Plan provides for annual recovery of costs associated with  
3 Southern Pioneer's 34.5kV sub-transmission system, which adjust the corresponding  
4 wholesale Local Access Charge ("LAC") and applicable retail rates.<sup>4</sup> With Commission  
5 approval, annual updates establish both the retail rates and the wholesale Local Access  
6 Delivery Service demand rates ("LADS") that applies to its Third-party wholesale  
7 customers.<sup>5</sup>

8  
9 **Q. Please explain how the Company calculated its proposed DSC-FBR Plan rate**  
10 **increase of \$1,311,929 in this docket.**

11 A. As approved in the 452 Docket, the DSC is the ratio of: (1) the difference between (i) net  
12 income (after taxes and after eliminating any gain or loss on sale of assets or other  
13 extraordinary gain or loss), plus depreciation expense, amortization expense, and interest  
14 expense; and (ii) non-cash patronage and non-cash income from joint ventures; to (2) all  
15 principal payments due during the preceding calendar year on all long-term debt plus  
16 interest expense (as calculated for the twelve month period concluding with the end of the  
17 quarter in which the calculation is being made in accordance with Generally Accepted  
18 Accounting Principles, or GAAP, consistently applied).<sup>6</sup>

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<sup>3</sup> Order Approving Non-Unanimous Settlement Agreement, p. 4, ¶ 16-17.

<sup>4</sup> Order Approving Settlement Agreement, 34.5kV Protocols Attachment A, Exhibit A (Order approving Settlement Agreement).

<sup>5</sup> Order Approving Settlement Agreement, pp. 5-6, ¶ 13-16.

<sup>6</sup> Order Approving Non-Unanimous Settlement Agreement, Attachment 1, Exhibit A.

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1 Southern Pioneer's filing shows that it calculated a DSC ratio of 1.53 based upon  
2 the 2017 test year,<sup>7</sup> and that a proposed rate increase of \$1,311,929 would raise the DSC  
3 ratio to the prescribed level of 1.75.<sup>8</sup>

4  
5 **Q. Please explain how the Company calculated its proposed revenue increase of \$110,656**  
6 **and LADS for the 34.5kV FBR Plan.**

7 A. The 34.5kV FBR Plan calculation outlined by protocols established in the 023 Docket  
8 annually recovers costs associated with Southern Pioneer's sub-transmission system. After  
9 removing any costs not associated with those facilities, the total 34.5kV FBR is determined  
10 by: (1) updating the revenue requirement utilizing the same adjustment mechanisms and  
11 similar expenses as the DSC-FBR Plan detailed above, (2) dividing the updated revenue  
12 requirement by the total billing demand for the historical test year to produce the wholesale  
13 LADS demand rate, (3) subtracting the Property Tax Surcharge for the 34.5kV system from  
14 the LADS rate, and (4) converting the final rate into a total dollar figure by multiplying by  
15 the kilowatt of hours of demand.<sup>9</sup> Southern Pioneer's Application presents a calculated  
16 wholesale LADS of \$5.00/kW, and proposes that a revenue increase of \$110,656 is needed  
17 to achieve the required revenue requirement.<sup>10</sup>

18  

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<sup>7</sup> Application for Southern Pioneer Electric Company (April 30, 2018), Attachment B, Exhibit 3-A, page 2.

<sup>8</sup> Application for Southern Pioneer Electric Company, (April 30, 2018), p. 11, ¶ 12.

<sup>9</sup> Order Approving Unanimous Settlement Agreement, Attachment A, Exhibit A.

<sup>10</sup> Application for Southern Pioneer Electric Company, pp. 11 - 12, ¶13.

1        **B. Donations Adjustments**

2        **Q. Did Southern Pioneer provide a detailed accounting of its donations and charitable**  
3        **contributions in its Application?**

4        A. Yes, it did. As part of its filing, Southern Pioneer provided a list of its advertising, dues,  
5        donations, charitable contributions, and related expenditures in Exhibit 9.<sup>11</sup> This exhibit  
6        was provided in accordance with the Commission order in the 452 Docket that required  
7        Southern Pioneer to “include with its filing a complete detailed accounting by account, of  
8        all dues, donations, charitable contributions, promotional advertising, penalties, and fines,  
9        and entertainment expenses incurred during the Test Year.”<sup>12</sup>

10  
11       **Q. Has the Commission previously required a portion of charitable contributions or**  
12       **donations be removed from the utility’s cost of service?**

13       A. In the past, the Commission has commonly required regulated utilities to remove 50% of  
14       charitable contributions and donations from the total annual costs they are allowed to  
15       recover from customers through rates. This Commission policy conforms with K.S.A. 66-  
16       101f(a), which states:

17                    For the purposes of determining just and reasonable rates, the Commission  
18                    may adopt a policy of disallowing a percentage, not to exceed 50% of utility  
19                    dues, donations and contributions to charitable, civic and social  
20                    organizations and entities, in addition to disallowing specific dues,  
21                    donations and contributions which are found unreasonable or inappropriate.  
22

23       **Q. Did Southern Pioneer make any adjustments to eliminate 50% of its charitable**  
24       **contributions from its cost of service?**

---

<sup>11</sup> See Attachment B, Exhibit 9 of the application.

<sup>12</sup> Order Approving Settlement Agreement, Attachment 1, Exhibit A, p. 5.



1 A. Yes. In Exhibit 9 of its Application, Southern Pioneer reports that it eliminated  
2 \$117,719.45 of its charitable contributions and dues for the year.

3

4 **Q. Are these adjustments to donations and charitable contributions sufficient?**

5 A. No. I recommend the Commission reduce Southern Pioneer's donation expense by an  
6 additional \$212.50 for "energy credits" provided to some of its customers.

7

8 **Q. Can you describe the energy credits more specifically?**

9 A. Yes. On two instances, Southern Pioneer provided energy credits to customers either in  
10 exchange for volunteering or for participation in a Christmas lights contest. In the first  
11 instance, Southern Pioneer provided electric bill energy credits to four individuals who  
12 served as judges on behalf of the Company's Youth Tours program.<sup>13</sup> Southern Pioneer  
13 provided four energy credits of \$50 each, for a total donation expense of \$200. In its DSC-  
14 FBR application, Southern Pioneer reduced the expense by 50%, and requested that \$100  
15 be included in donation expense as a result of these energy credits.

16 In the second instance, Southern Pioneer provided energy credits in the amounts of  
17 \$100, \$75, and \$50 for three of its customers who placed first, second, or third in the  
18 Sublette Chamber of Commerce 2017 Christmas Lighting Contest.<sup>14</sup> Southern Pioneer  
19 reduced the total expense of \$225 by 50%, and requested \$112.50 be included in donation  
20 expense as a result of these energy credits.

21

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<sup>13</sup> See Southern Pioneer response to CURB DR-24.

<sup>14</sup> See Exhibit CPC-5.

1 **Q. What is the impact on Southern Pioneer's DSC-FBR if energy credits are included**  
2 **in the Company's cost of service?**

3 A. Including energy credits in Southern Pioneer's cost of service as both a reduction to  
4 revenue and an expense essentially provides the company double recovery. First, the  
5 provision of \$425 in bill credits to customers reduces the Company's reported revenue,  
6 which will in turn reduce the Company's net income. Second, by including 50% of the  
7 energy credits as a donation expense, the Company increases its expense by \$212.50, which  
8 will further reduce the Company's net income by \$212.50. With all other items remaining  
9 equal, the impact of the \$425 energy credits is a \$637.50 reduction in the Company's net  
10 income. Because net income is part of the DSC-FBR formula, the impact of these  
11 transactions will require a rate increase in order to achieve Southern Pioneer's 1.75 DSC  
12 ratio.

13  
14 **Q. Should energy credits be treated as a donation and recovered from ratepayers in this**  
15 **DSC-FBR Application?**

16 A. No. I recommend the Commission reduce Southern Pioneer's donation expense by \$212.50  
17 to reflect the disallowance of these credits.

18  
19 **Q. Has the Commission previously removed electric bill energy credits from Southern**  
20 **Pioneer's cost of Service?**

21 A. Yes. In KCC Docket No. 17-SPEE-476-RTS (476 Docket), the Commission approved an  
22 adjustment that removed energy credits provided to retired employees.

23

1           **C. Entertainment Adjustments**

2           **Q. What costs are included in Company Entertainment costs?**

3           A. Southern Pioneer includes costs for employee socials and other employee events that may  
4           be reimbursed to employees or directly charged to the company itself. Southern Pioneer's  
5           Application reports \$18,425.71 in employee socials and other entertainment expense  
6           during 2017. Southern Pioneer excluded \$8,619.83 of costs related to golf tournaments,  
7           game tickets, and sporting events. After excluding certain costs, Southern Pioneer included  
8           \$9,806 in expenditures dedicated to Company employee activities over the test year 2017.<sup>15</sup>  
9           Among these activities detailed are eight Company entertainment events: two lineman  
10          appreciation events, an employee picnic/party, two employee appreciation events, two  
11          Christmas parties, and one chili feed.<sup>16</sup>

12  
13          **Q. Should these Company entertainment expenses be included in rates?**

14          A. No. Ratepayers should not bear the cost of almost \$10,000 in Company entertainment  
15          expenses.

16  
17          **Q. What are your concerns about Southern Pioneer's employee social and entertainment  
18          expenses?**

19          A. I have two primary concerns about Southern Pioneer's employee social and entertainment  
20          expenses. First, Southern Pioneer's 2017 employee social and entertainment expense  
21          increased 89% from 2016. In 2016, the Company reported \$9,733.45 in employee social

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<sup>15</sup> See Attachment B, Exhibit 9 of the application.

<sup>16</sup> See Southern Pioneer response to CURB DR-6.

1 and entertainment events, and in 2017, Southern Pioneer reported \$18,427.51 in the same  
2 category of expense.<sup>17</sup> While Southern Pioneer has voluntarily excluded certain employee  
3 social and entertainment expenses from its DSC-FBR Application, the overall increased  
4 level of expense is still a concern.

5 Second, some of the included employee social and entertainment expenses appear  
6 to be for individuals who are not Southern Pioneer employees. Southern Pioneer's CFC  
7 Form 7 reports that it has 44 employees, yet the expenses associated with its employee  
8 socials are for more than just 44 employees. For example, Southern Pioneer's application  
9 includes two Christmas parties – one in Medicine Lodge and one in Liberal. These  
10 Christmas parties have a cost of \$2,096.25 and \$1,454.36, respectively. The Medicine  
11 Lodge party includes meals for 70 individuals,<sup>18</sup> while the Liberal Christmas party included  
12 meals for 54 individuals.<sup>19</sup> It is unclear from Southern Pioneer's application whether the  
13 additional 80 meals are for retirees, family of current Southern Pioneer employees, or  
14 Pioneer Electric employees. Regardless of the reason, it is inappropriate to ask ratepayers  
15 to pay for socials and entertainment expenses as they do not relate to the Company's  
16 requirement to provide safe and reliable electricity.

17  
18 **Q. Are there other costs that were excluded in previous DSC-FBR filings that the**  
19 **Company included again in this application?**

20 **A. Yes.** In prior years both Staff and CURB have recommended that certain entertainment  
21 costs be excluded from the Company's revenue requirement. In this application, costs

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<sup>17</sup> See Attachment B, Exhibit 4 of the Application.

<sup>18</sup> See Southern Pioneer response to CURB DR 23, invoice 1170.

<sup>19</sup> See Southern Pioneer response to CURB DR 23, invoice 1315400.

1 previously excluded for a Run Down Cancer participant was included as company social  
2 and entertainment cost that was not adjusted.

3  
4 **Q. Please specify your recommendation regarding employee socials and entertainment**  
5 **costs included in the Application.**

6 A. I recommend the Commission disallow \$9,806 in entertainment expenses as identified in  
7 Schedule CPC-3, as these expenses are not related to the Company's requirement to  
8 provide sufficient and efficient service. The company has classically regarded its employee  
9 entertainment costs to be legitimate parts of their business functions, and have requested  
10 ratepayers to fund the activities. In its response to CURB DR-20, Southern Pioneer  
11 acknowledged that its employee entertainment expenses do not have a direct relationship  
12 to the provision of safe and reliable utility service. Therefore, I recommend the Company's  
13 entertainment costs be removed from the cost of service.

14  
15  
16 **D. Advertising Adjustments**

17 **Q. Does Southern Pioneer include the cost of sponsorships in its application?**

18 A. Yes. As per the protocols, the Company details its sponsorship contributions along with  
19 sponsorship-related costs in Exhibit 9.

20  
21 **Q. Please describe a sponsorship-related cost.**

22 A. In 2017 Southern Pioneer sponsored a number of community and civic events during the  
23 test year. In addition to the sponsorship payment, the Company may have provided

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1 additional merchandise, funding, meals, labor, and other types of contributions in support  
2 of the event. For example, please note Table 2 below that identifies Southern Pioneer's  
3 expenses for the Liberal Chamber Bash.<sup>20</sup>

Item	Reference	Transaction Type	Cost	Exclusion %	Costs Included in Rates
1	Chamber Bash Sponsorship	Direct	\$ 2,000.00	100%	\$ -
2	Twinkle Lights	Credit Card	\$ 40.02	50%	\$ 20.01
3	Glitter Blast	Credit Card	\$ 13.70	50%	\$ 6.85
4	Twine, Beads, Ribbon	Credit Card	\$ 88.00	50%	\$ 44.00
5	Feathers, Lights	Credit Card	\$ 37.95	50%	\$ 18.97
6	Confetti, Doilies	Credit Card	\$ 25.71	50%	\$ 12.85
7	Denim Table Cover	Credit Card	\$ 60.30	50%	\$ 30.15
8	Liberal Chamber Banquet	Credit Card	\$ 189.73	50%	\$ 94.86
9	Twine, Beads, Ribbon	Credit Card	\$ 22.88	50%	\$ 11.44
10	Glitter Blast	Credit Card	\$ 29.58	50%	\$ 14.79
11	Burlap w Lace	Credit Card	\$ 29.82	50%	\$ 14.91
12	1 Set of Barrel Mugs-Speco Chamber	Credit Card	\$ 21.09	50%	\$ 10.54
13	2 Sets of Barrel Drinking Mugs-Speco Chamber	Credit Card	\$ 42.18	50%	\$ 21.09
14	Liberal Chamber Bash Decor	Credit Card	\$ 25.97	50%	\$ 12.98
15	Liberal Chamber Bash Decor	Credit Card	\$ 269.66	50%	\$ 134.83
16	Liberal Chamber Bash Decor	Credit Card	\$ (108.20)	50%	\$ (54.10)
17	Liberal Chamber Bash Decor	Credit Card	\$ 25.97	50%	\$ 12.98
18	Liberal Chamber Banquet-Décor	Credit Card	\$ 22.44	50%	\$ 11.22
19	Lanterns for Décor	Credit Card	\$ 27.02	50%	\$ 13.51
20	Meals - 2@ 44.89 Liberal Chamber Bash	Credit Card	\$ 44.89	50%	\$ 22.44
21	Liberal Chamber Bash - Snack	Credit Card	\$ 11.90	50%	\$ 5.95
22	<b>Total</b>		<b>\$ 2,920.61</b>		<b>\$ 460.27</b>

4

5

6 **Q. Has the Liberal Chamber Sponsorship been excluded in prior dockets?**

7 A. Yes, in Docket No. 17-SPEE-476-TAR ("476 Docket"), the Commission approved an  
8 adjustment excluding the Liberal Chamber sponsorship cost from Southern Pioneer's FBR  
9 rate calculation.

<sup>20</sup> See Southern Pioneer response to CURB DR-09.

1 **Q. If the Liberal Chamber Bash sponsorship was excluded from rates in the 476 Docket,**  
2 **should costs incurred for the Liberal Chamber Bash be included in rates?**

3 A. No. Chamber events like the Liberal Chamber Bash should not be included in rates.  
4 Southern Pioneer correctly excluded the \$2,000 sponsorship fee from rates. However, as  
5 detailed in Table 2 above, Southern Pioneer included \$460.27 for decorations in its rates.  
6 If the Chamber Bash event is excluded from rates, so should the additional expenses that  
7 Southern Pioneer has contributed to the event.

8  
9 **Q. Should sponsorships like the Liberal Chamber Banquet be included in rates?**

10 A. No. Chamber sponsorships normally involve lobbying activities that do not provide a  
11 direct benefit to ratepayers. In addition, chamber or sporting event sponsorships can offer  
12 advertising or promotional opportunities to the utility (such as the imprinting of the  
13 Company's name on baseball jerseys) that are normally not allowed to be included in rates.  
14 In the Liberal Chamber example, sponsorship for the Liberal Chamber Bash was excluded  
15 in the 476 Docket by the Commission. The additional expenses that Southern Pioneer has  
16 contributed to the event should also be excluded from donation claims, as they subsidize  
17 lobbying and advertising activities.

18  
19 **Q. Are all of Southern Pioneer's donations provided to a charitable, civic, or social**  
20 **organization?**

21 A. No. Not all of Southern Pioneer's donations are provided to a charitable, civic, or social  
22 organization.

23

1 **Q. Can you please provide an example of a donation that was not made to a charitable,**  
2 **civic, or social organization?**

3 A. Yes. In June 2017, Southern Pioneer incurred \$873.37 in expenses associated with an  
4 event called the Splash Bash. This event was described during the June 29, 2018, technical  
5 conference as a customer appreciation or community event. Southern Pioneer has reduced  
6 this expense by 50%, thereby including \$435.65 in its DSC-FBR calculation.

7  
8 **Q. Please describe the expenses associated with the Splash Bash.**

9 A. According to Exhibit 9 of the application, Southern Pioneer included the cost of water  
10 toys, meals, cash for quarters, sunscreen, snacks and other concession stand purchases in  
11 the DSC-FBR application. In its response to CURB DR-23, Southern Pioneer provided  
12 receipts for two of the expenses associated with the Splash Bash.<sup>21</sup> These two receipts  
13 identify that an employee purchased from a Dillon's food store two sandwiches and a bottle  
14 of sunscreen. These purchases were clearly not made to benefit a charitable, civic, or social  
15 organization, but rather were made by an employee for the direct benefit of an employee.  
16 The expenses for the Splash Bash are detailed in Table 2 below.

17 I did not request copies of all receipts associated with the Splash Bash. However, it  
18 is my opinion that the two receipts I received in response to CURB DR-23 are  
19 representative of the expenses of the entire event. Exhibit 9 reports that Southern Pioneer  
20 used its credit card at local shopping outlets to purchase fourteen of the eighteen items  
21 associated with the Splash Bash. These credit card transactions include several small  
22 purchases described as meals, sunscreen, refreshments, and snacks.

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<sup>21</sup> See Southern Pioneer response to CURB DR-23, invoice 766484 and 557301.



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**Table 2: Southern Pioneer Electric Company Costs Associated with 2017 Splash Bashes**

Item	Reference	Transaction Type	Cost	Exclusion %	Costs Included in Rates
1	Splash Bash Admission/Concession	Direct	\$ 193.63	50%	\$ 96.81
2	Water Toys for Splash Bash	Credit Card	\$ 78.14	50%	\$ 39.07
3	Water Toys for Splash Bash	Credit Card	\$ 52.09	50%	\$ 26.04
4	Supplies for Splash Bash	Credit Card	\$ 145.20	50%	\$ 72.60
5	Supplies for Splash Bash	Credit Card	\$ 180.32	50%	\$ 90.16
6	8-Spring Snaps-Splash Bash Banner	Direct	\$ 12.11	50%	\$ 6.05
7	Pool Party Advertising	Credit Card	\$ 212.00	100%	\$ -
8	Cash-quarters for Splash Bash	Direct	\$ 40.00	50%	\$ 20.00
9	Cash-quarters for Splash Bash	Credit Card	\$ 40.00	50%	\$ 20.00
10	Concession Stand	Direct	\$ 140.00	50%	\$ 70.00
11	Pool admissions Splash Bash	Credit Card	\$ 77.00	50%	\$ 38.50
12	Meals / 2 for Splash Bash	Credit Card	\$ 7.73	50%	\$ 3.86
13	Snack / 2 for Splash Bash	Credit Card	\$ 3.45	50%	\$ 1.72
14	Meals / 2 for Splash Bash	Credit Card	\$ 28.96	50%	\$ 14.48
15	Snack / 2 for Splash Bash	Credit Card	\$ 2.71	50%	\$ 1.35
16	Splash Bash meal	Credit Card	\$ 42.71	50%	\$ 21.35
17	Splash Bash meal	Credit Card	\$ 6.80	50%	\$ 3.40
18	Splash Bash - refreshments	Credit Card	\$ 3.63	50%	\$ 1.81
19	Splash Bash Ad	Direct	\$ 3.50	100%	\$ -
20	Splash Bash Ad	Direct	\$ 59.50	100%	\$ -
21	Sunscreen Spray - Splash Bash	Credit Card	\$ 9.21	50%	\$ 4.60
22	Snack-Splash Bash	Credit Card	\$ 3.32	50%	\$ 1.66
23	<b>Total</b>		<b>\$ 1,342.01</b>		<b>\$ 533.46</b>

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12

**Q. Why should costs associated with the Splash Bash not be included in rates?**

A. The Splash Bash event is another example of a promotional sponsorship opportunity for the Company that should not be funded by ratepayers. Southern Pioneer provided funds as the patron for this event, which was organized as a customer appreciation party. A number of the items such as the sunscreen and snacks were conceivably purchased for the benefit of employees attending the event rather than donations to the cause. In addition to associated costs, meals and travel reimbursement for employees at the event should be disallowed. Based on the information provided in Exhibit 9, it is my opinion that the expenses associated with the Splash Bash should not be considered donations to a charitable, civic, or social organization and should therefore be excluded from rates. I

1 recommend the Commission reject the company's request to consider these event costs as  
2 donations, and instead exclude all associated Splash Bash costs as sponsorship related.

3  
4 **Q. Are there other sponsorships or sponsorship-related costs you recommend be  
5 excluded?**

6 A. Yes, I recommend the Commission exclude related expenses for the Sublette Chamber  
7 sponsorship, which were previously excluded in the 476 Docket.<sup>22</sup> Additionally, I  
8 recommend the Commission exclude costs for the following events:

- 9 • Medicine Lodge Chamber meeting and banquet sponsorship (\$102.12),
- 10 • Santana Chamber lights sponsorship (\$300),
- 11 • City/County Advisory Council luncheon sponsorship (\$1,100.61),<sup>23</sup>
- 12 • Liberal baseball tournament (\$200),
- 13 • Tailgate sports party sponsorships (\$1,242), and
- 14 • Other sports events sponsorships (\$750).

15  
16 **Q. Can you summarize CURB's adjustments to Southern Pioneer's application?**

17 A. Certainly. Detailed in my testimony above are CURB's recommended adjustments, which  
18 can be summarized as: \$212.50 in customer service energy credit awards, \$9,806 in  
19 Company entertainment expenses, and \$3,080 in sponsorships or related expenditures that  
20 have historically not qualified as dues, donations or charitable contributions. In addition  
21 to the adjustments described in my testimony, CURB witness Ms. Stacey Harden is

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<sup>22</sup> See Southern Pioneer response to CURB DR-9.

<sup>23</sup> See Southern Pioneer response to CURB DR-23, invoices 62140 and 132567.

1 recommending in her direct testimony adjustments to certain expense categories. Ms.  
2 Harden's adjustments are included in Schedule CPC-1-a.

3  
4 **Q. Where are CURB's adjustments to Southern Pioneer's cost of service reflected in**  
5 **the application?**

6 A. The recommended adjustment to the DSC-FBR is applied to the revenue requirement of  
7 Southern Pioneer in Schedule CPC-1-a, and is detailed in the following table<sup>24</sup>:

Adjustment No.	Category	CURB Adjustment
1	Customer Service and Informational Expense	\$100
1	Sales Expense	\$2,471
1	Administrative and General Expense	\$9,806
1	Other Deductions	\$722
2	Gym Membership Expense	\$3,464
2	Customer Records & Collection: meal expense	\$796
2	Cust Sv & Info-Customer Assistance: meal expense	\$505
2	Miscellaneous General Expense	\$3,908
	<b>Total</b>	<b>\$21,771</b>

8  
9  
10 **E. Corrections to KEPCo Monthly Demand**

11 **Q. Did Southern Pioneer's application reflect all monthly kilowatt billing demands for**  
12 **the test year necessary to calculate the retail rates?**

<sup>24</sup> Schedule CPC-1-a and CPC-2-a shows CURB's recommended adjustments to Southern Pioneer's Customer Service and Informational Expense, Sales Expense, Administrative and General Expense, and Other Deductions accounts located in the Company's ledger.

1 A. No. As a part of discovery, Southern Pioneer revealed that errors in calculations in the  
2 34.5kV FBR for the City of Meade generation and incorrect use of transformer loss  
3 compensation meters for KEPCo created variances in the Load Ratio Share (LRS) split  
4 between wholesale and retail customers.<sup>25</sup> As a result, Southern Pioneer provided  
5 corrections to Exhibits 3-A and Exhibits 3-B of the application filings.<sup>26</sup>  
6

7 **Q. Does your testimony provide an analysis of these corrections?**

8 A. No, it does not. However, my failure to offer comments or analysis regarding these issues  
9 does not signal approval or support. I reserve the right to respond to other parties'  
10 statements regarding these issues.  
11

12 **IV. SUMMARY OF ADJUSTMENTS**

13 **Q. What is the total amount of your recommended adjustments?**

14 A. I recommend the Commission approve the adjustments set forth in my testimony, which  
15 will result in a net reduction to the Company's revenue requirement of \$13,099. This  
16 recommended adjustment represents reductions to dues, donations, charitable  
17 contributions, promotional advertising, penalties and fines, and entertainment expenses  
18 incurred during the Test Year.  
19

20 **Q. Does this conclude your testimony?**

21 A. Yes, it does.

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<sup>25</sup> See Southern Pioneer responses to KEPCo DR 2-1 and KEPCo DR 2-2.

<sup>26</sup> See Exhibit CPC-4.

**APPENDIX A - Schedules**

Schedule CPC-1-a

Schedule CPC-2-a

Schedule CPC-2-b

Schedule CPC-3

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Appendix A

Schedule CPC-1-a  
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SOUTHERN PIONEER ELECTRIC COMPANY  
DSC FORMULA BASED RATE - WITH CURB RECOMMENDED ADJUSTMENTS TO ADVERTISING, DUES AND DONATIONS

ITEM	UNADJUSTED	COMPANY	CURB	ADJUSTED	DISTRIBUTION	DSC-FBR	34.5 kV
	HISTORICAL			ADJUSTMENTS			
	TEST YEAR	NO.	NO.	TEST YEAR	FACTOR		
	[2017]	AMOUNT	AMOUNT	[2017]		(\$)	
	(\$)	(\$)	(\$)	(\$)	see Workpaper 1-A		
1. <b>A. STATEMENT OF OPERATIONS</b>							
2. Operating Revenue and Patronage Capital	69,746,389	F7, Pt. A, Col. B [1]	(317,065)	69,429,324	Direct (E.3.a)	64,828,860	4,600,464
3. Power Production Expense	-	F7, Pt. A, Col. B		-	0.0000	-	
4. Cost of Purchased Power	46,935,849	F7, Pt. A, Col. B		46,935,849	1.0000	46,935,849	
5. Transmission Expense	1,293,444	F7, Pt. A, Col. B		1,293,444	0.0000	-	
6. Regional Market Expense	-	F7, Pt. A, Col. B		-	0.0000	-	
7. Distribution Expense - Operation	4,203,913	F7, Pt. A, Col. B [2-a]	(8,820)	4,195,093	1.0000	4,195,093	
8. Distribution Expense - Maintenance	1,705,676	F7, Pt. A, Col. B [2-b]	-	1,705,676	1.0000	1,705,676	
9. Customer Accounts Expense	1,211,640	F7, Pt. A, Col. B [2-c]	(537) (2)	(4,259)	1.0000	1,206,844	
10. Customer Service and Informational Expense	234,008	F7, Pt. A, Col. B [2-d]	(21,751) (1), (2)	(605)	1.0000	211,652	
11. Sales Expense	23,324	F7, Pt. A, Col. B [2-e]	(16,675) (1)	(2,471)	1.0000	4,178	
12. Administrative and General Expense	2,121,868	F7, Pt. A, Col. B [2-f]	(35,792) (1), (2)	(13,714)	0.9504	1,969,547	
13. Total Operation & Maintenance Expense	57,729,722	F7, Pt. A, Col. B	(83,575)	57,625,098		56,228,839	
14. Depreciation and Amortization Expense	3,283,133	F7, Pt. A, Col. B		3,283,133	0.7222	2,370,918	912,215
15. Tax Expense - Property & Gross Receipts	-	F7, Pt. A, Col. B		-	0.7262	-	
16. Tax Expense - Other	(1,281,817)	F7, Pt. A, Col. B [3]	1,229,939	(51,878)	0.7450	(38,651)	(13,227)
17. Interest on Long-Term Debt	5,517,278	F7, Pt. A, Col. B [4]	108,054	5,625,332	0.7262	4,085,268	
18. Interest Charged to Construction - Credit	-	F7, Pt. A, Col. B		-	0.7262	-	
19. Interest Expense - Other	113,020	F7, Pt. A, Col. B [5]	(871)	112,149	0.7262	81,446	
20. Other Deductions	895,163	F7, Pt. A, Col. B [2-g]	(34,144) (1)	(722)	0.7262	624,771	
21. Total Cost of Electric Service	66,256,499	F7, Pt. A, Col. B	1,219,403	(21,771)	0.9392	63,352,591	
22. Patronage Capital & Operating Margins	3,489,890	F7, Pt. A, Col. B	(1,536,468)	1,975,193		1,476,269	
23. Non Operating Margins - Interest	37	F7, Pt. A, Col. B		37	0.7262	27	
24. Allowance for Funds Used During Construction	-	F7, Pt. A, Col. B		-	0.7262	-	
25. Income (Loss) from Equity Investments	1,528,647	F7, Pt. A, Col. B		1,528,647	1.0000	1,528,647	
26. Non Operating Margins - Other	(14,941)	F7, Pt. A, Col. B		(14,941)	1.0000	(14,941)	
27. Generation and Transmission Capital Credits	-	F7, Pt. A, Col. B		-	1.0000	-	
28. Other Capital Credits and Patr. Dividends	1,041,916	F7, Pt. A, Col. B		1,041,916	0.7262	756,668	
29. Extraordinary Items	-	F7, Pt. A, Col. B		-	1.0000	-	
30. Patronage Capital or Margins	6,045,549	F7, Pt. A, Col. B	(1,536,468)	4,530,852	0.8269	3,746,669	

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31.							
32.	<b><u>B. DEBT SERVICE PAYMENTS</u></b>						
33.	Interest Expense	5,630,298	Line 17 + Line 19	107,183	5,737,481	0.7262	4,166,714
34.	Principal Payments	2,329,355	F7, Pt. O, Col. B [6]	144,526	2,473,881	0.7262	1,796,600
35.	Total Debt Service Payments	7,959,653		251,709	8,211,362	0.7262	5,963,314
36.							
37.	<b><u>C. DEBT SERVICE MARGINS</u></b>						
38.	Patronage Capital or Margins	6,045,549	Line 30		4,530,852	0.8263	3,746,669
39.	Plus: Depreciation and Amortization Expense	3,283,133	Line 14		3,283,133	0.7222	2,370,918
40.	Plus: Interest Expense	5,630,298	Line 33	107,183	5,737,481	0.7262	4,166,714
41.	Plus: Non-Cash Other Deductions Amortizations	836,265	Trial Balance		836,265	0.7262	607,318
42.	Plus: Cash Capital Credits Cash Received	737,447	F7, Pt. J, L6, Col. A		737,447	0.7262	535,554
43.	Plus: Non-Cash Income Tax Expense	(1,281,817)	Line 16	1,281,817	-	0.7450	-
44.	Less: Income (Loss) from Equity Investments	(1,528,647)	Line 25		(1,528,647)	1.0000	(1,528,647)
45.	Less: Other Capital Credits and Patr. Dividends	(1,041,916)	Line 28		(1,041,916)	0.7262	(756,668)
46.	Total Debt Service Margins	12,680,312			12,554,615		9,141,859
47.							
48.	<b><u>D. DEBT SERVICE COVERAGE</u></b>	1.59	L46/L35		1.53		1.53
49.							
50.	<b><u>E. DEBT SERVICE COVERAGE TARGET</u></b>						1.75
51.							Adjusted DSC Margins are: <span style="border: 1px solid black; padding: 2px;">Below the Target</span>
52.	<b><u>F. INITIAL OPERATING INCOME ADJUSTMENT</u></b>						
53.	DSC Adjustment Required to Achieve Target				0.22		0.22
54.	Debt Service Payments				8,211,362		5,963,314
55.	After-Tax Operating Income Adjustment				1,815,269		1,311,929
56.							
57.	<b><u>G. EQUITY TEST (Increase will not result in &gt; 15% equity ratio)</u></b>						
58.		<u>Pre-Adjustment</u>		<u>Plus Adjustment</u>		<u>Post-Adjustment</u>	
59.	Total Margins and Equities	17,896,088	F7, Pt. C, L35 + acct 426.6	1,311,929		19,208,017	
60.	Total Assets	139,297,104	F7, Pt. C, L28 [7]	7,590,386		146,887,490	
61.	Equity Ratio	12.85%	L60 / L61			13.08%	
62.							
63.	<b><u>H. FINAL REVENUE ADJUSTMENT PROPOSED</u></b>						
64.	Operating Income Adjustment						1,311,929
65.	Rate Schedule Revenue						64,828,860
66.	Adjustment Percentage						2.0%

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Appendix A

Schedule CPC-2-a

SOUTHERN PIONEERS ELECTRIC COMPANY  
34.5kV FORMULA BASED RATE

REVENUE REQUIREMENT AND RATE - WITH CURB RECOMMENDED ADJUSTMENTS TO ADVERTISING, DUES AND DONATIONS

Line No	(a) Description	(b) Source	(d) Unadjusted Historical Test Year [2017]	(e) Company Adjustments		(f) CURB Adjustments		(g) Adjusted Historical Test Year [2017]	(h) Allocation Factor		(i) FBR Revenue Requirement
				No.	Amount	No.	Amount		Name	Factor	
				Source: WP2-B					Source: WP3-B		
1	<b>Operating Expenses</b>										
2	Power Production Expense	WPI-B, L29, Col (d)	\$ -				\$ -		0.00000	\$ -	
3	Cost of Purchased Power	WPI-B, L30, Col (d)	\$ 46,935,849				\$ 46,935,849		0.00000	\$ -	
4	Transmission O&M	WPI-B, L31, Col (d)	\$ 1,293,444				\$ 1,293,444		1.00000	\$ 1,293,444	
5	Distribution Expense-Operation	WPI-B, L32, Col (d)	\$ 4,203,913	(1)	\$ -		\$ 4,203,913	DOM	0.00000	\$ -	
6	Distribution Expense-Maintenance	WPI-B, L33, Col (d)	\$ 1,705,676	(2)	\$ -		\$ 1,705,676	DOM	0.00000	\$ -	
7	Consumer Accounts Expense	WPI-B, L34, Col (d)	\$ 1,211,640			(2)	\$ (4,259)		0.00000	\$ -	
8	Customer Service and Informational Expense	WPI-B, L35, Col (d)	\$ 234,008			(1), (2)	\$ (605)		0.00000	\$ -	
9	Sales Expense	WPI-B, L36, Col (d)	\$ 23,324			(1)	\$ (2,471)		0.00000	\$ -	
10	Administration & General	WPI-B, L37, Col (d)	\$ 2,121,868	(3)	\$ (35,792)	(1), (2)	\$ (13,714)		0.049612	\$ 102,815	
11	Total O&M Expense	Sum (L21-L10)								\$ 1,396,239	
12	Depreciation and Amortization										
13	Transmission	WPI-B, L40, Col (d)	\$ 677,892				\$ 677,892		1.00000	\$ 677,892	
14	General Plant	WPI-B, L41, Col (d)	\$ 324,198				\$ 324,198	LAB	0.049612	\$ 16,084	
15	Property Tax	WPI-B, L43, Col (d)	\$ -				\$ -	NP	0.273773	\$ -	
16	Other Taxes	WPI-B, L44, Col (d)	\$ (1,281,817)	(4)	\$ 1,229,939		\$ (51,878)		0.254961	\$ (13,227)	
17	L.T. Interest	WPI-B, L45, Col (d)	\$ 5,517,278	(5)	\$ 108,054		\$ 5,625,332	NP	0.273773	\$ 1,540,064	
18	Interest Charged to Construction - Credit	WPI-B, L46, Col (d)	\$ -	(6)	\$ -		\$ -	NP	0.273773	\$ -	
19	Interest-Other	WPI-B, L47, Col (d)	\$ 113,020	(7)	\$ (871)		\$ 112,149	NP	0.273773	\$ 30,703	
20	Other Deductions	WPI-B, L48, Col (d)	\$ 895,163	(8)	\$ (34,144)	(1)	\$ (722)	NP	0.273773	\$ 235,526	
21	Total Cost of Electric Service									\$ 3,883,301	
22											
23	<b>Margin Requirement</b>										
24	Principal Payments	WPI-B, L62, Col (d)	\$ 2,329,355	(9)	\$ 144,526		\$ 2,473,881	NP	0.273773	\$ 677,282	
25	L.T. Interest	L17	\$ 5,517,278		\$ 108,054		\$ 5,625,332	NP	0.273773	\$ 1,540,064	
26	Interest-Other	L18	\$ 113,020		\$ (871)		\$ 112,149	NP	0.273773	\$ 30,703	
27	Subtotal	Sum (L22-24)								\$ 2,248,049	
28	Required Coverage Ratio	WPI-B, L65, Col (d)								1.75	
29	Gross Margin Requirements	L27 x L28								3,934,085	
30	Less: Offsets to Margin Requirements	WP4-B, L7, Col (1)								2,695,383	
31	Net Margin Requirement	L29 - L30								\$ 1,238,502	
32											
33	<b>Total Revenue Requirements</b>										
34	Add: Net Margin Requirement	L21 - L31								\$ 5,121,803	
35	Add: True-Up Amount	per Section I of the Protocols								\$ (12,945)	
36	<b>Total Net Revenue Requirements</b>	L34 + L35								\$ 5,108,858	
37	Divided By Total System Billing Demand	WPS-B, L28								922,136 kW	
38	Umdjusted Unit Rate	L36 / L37								\$5.540/kW-mo.	
39	Less: Property Tax Surcharge	Dkt. No. 18-SPPE-270-TAR								\$0.542/kW-mo.	
40	<b>Resultant Unit Rate</b>	L38- L39								\$5.006/kW-mo.	



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Appendix A  
Schedule CPC-2-b

Southern Pioneer Electric Company  
34.5kV Formula Based Rate  
Allocation of 34.5kV FBR Rate Adjustment to Retail Rate Classes  
For Year 2018 Based on the Historical Test Year Ending December 31, 2017

I. Calculation of the 34.5kV FBR Retail Rate Adjustment

Line No.	Description	Source	Amount
1	Resultant LAC rate	Pg 1, L40	\$ 5.00 /kW/mo
2	Currently Effective LAC rate	17-SPEE-476-RTS	\$ 4.88 /kW/mo
3	Difference	L2 - L3	\$ 0.12 /kW/mo
4			
5	Additional Revenue Needed From Retail:		
6	Retail LAC Demand	WP5-B, L26, Col (Total)	\$ 535,581 kW
7	Additional Per kW LAC	L3	\$ 0.12 /kW/mo
8			\$ 64,270

II. Proportional Allocation of 34.5kV FBR Retail Rate Adjustment to Rate Classes On Base Revenue by Rate Schedule

Line No.	(a) Rate Schedule	(c) Rate Schedule Revenue <sup>1</sup> (\$)	(d) Allocated Power Supply Cost of Service <sup>1</sup> (\$)	(e) Base Revenue <sup>1</sup> (\$)	(f) Percent of Tot Base Rev (%)	(g)-(k) Allocation of Rate Adjustment				
						(g) 34.5kV FBR Adjustment <sup>1</sup> (\$)	(h) Base Revenue (\$)	(i) Check the Spread (%)	(j) Historical Energy Sales (kWh)	(k) 34.5kV FBR Adjustment per kWh (\$)
1	Residential Service (RS)									
2	General Use	\$ 15,586,648	\$ 7,453,989	\$ 8,132,660	39.73%	\$ 25,534	\$ 8,158,194	39.73%	106,883,802	0.0002
3	Space Heating <sup>2</sup>	\$ 782,704	\$ 385,623	\$ 397,082	1.94%	\$ 1,247	\$ 398,329	1.94%	5,790,181	0.0002
4	General Service Small (GSS)	\$ 1,815,474	\$ 791,012	\$ 1,024,462	5.00%	\$ 3,217	\$ 1,027,679	5.00%	11,352,578	0.0003
5	General Service Large (GSL)	\$ 17,173,635	\$ 9,341,258	\$ 7,832,377	38.26%	\$ 24,592	\$ 7,856,969	38.26%	130,420,192	0.0002
6	General Service Space Heating <sup>2</sup>	\$ 560,089	\$ 327,477	\$ 232,612	1.14%	\$ 730	\$ 233,343	1.14%	5,013,974	0.0002
7	Industrial Service (IS)	\$ 3,498,567	\$ 2,034,186	\$ 1,464,382	7.15%	\$ 4,598	\$ 1,468,979	7.15%	30,481,488	0.0002
8	Interruptible Industrial Service (INT)	\$ -	\$ -	\$ -	0.00%	\$ -	\$ -	0.00%	-	N.A.
9	Real -Time Pricing (RTP) <sup>3</sup>	\$ 33,528	\$ 33,528	\$ -	0.00%	\$ -	\$ -	0.00%	390,457	N.A.
10	Sub-transmission Level Service (STR) <sup>4</sup>	\$ 26,223,947	N.A.	N.A.	0.00%	\$ -	\$ -	0.00%	447,734,214	N.A.
11	Municipal Power Service (M-I)	\$ 195,260	\$ 98,947	\$ 96,313	0.47%	\$ 302	\$ 96,615	0.47%	1,411,591	0.0002
12	Water Pumping Service (WP)	\$ 637,115	\$ 351,460	\$ 283,655	1.40%	\$ 897	\$ 286,552	1.40%	5,244,505	0.0002
13	Irrigation Service (IP-J)	\$ 352,506	\$ 182,469	\$ 170,037	0.83%	\$ 534	\$ 170,571	0.83%	2,357,658	0.0002
14	Temporary Service (CS)	\$ 11,969	\$ 4,600	\$ 7,369	0.04%	\$ 23	\$ 7,392	0.04%	50,207	0.0005
15	Lighting	\$ 1,081,690	\$ 254,790	\$ 826,900	4.04%	\$ 2,596	\$ 829,496	4.04%	3,947,867	0.0007
16	Total Retail Rates	\$ 67,953,133	\$ 21,259,338	\$ 20,469,849	100.00%	\$ 64,270	\$ 20,534,118	100.00%	751,078,714	

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Attachment A  
Schedule CPC-3  
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CURB Recommended Adjustments to Southern Pioneer Electric Company Advertising, Dues and Donations for 2017

Line No.	Account	Account Description	Amount (\$)	Reference	SPEC Exclusion (%)	SPEC Excluded (\$)	CURB Exclusion (%)	CURB Excluded (\$)	CURB Correction Notes
CUSTOMER SERVICE & INFORMATION EXPENSE									
1	910.11	Youth Tours	\$ 50.00	YOUTH TOUR JUDGE - ENERGY CREDIT	50%	\$ (25)	100%	\$ (25)	Energy credit use inappropriate
2	910.11	Youth Tours	\$ 50.00	YOUTH TOUR JUDGE - ENERGY CREDIT	50%	\$ (25)	100%	\$ (25)	Energy credit use inappropriate
3	910.12	Scholarship Expense (Other Than Awards)	\$ 50.00	SCHOLARSHIP JUDGE - ENERGY CREDIT	50%	\$ (25)	100%	\$ (25)	Energy credit use inappropriate
4	910.12	Scholarship Expense (Other Than Awards)	\$ 50.00	SCHOLARSHIP JUDGE - ENERGY CREDIT	50%	\$ (25)	100%	\$ (25)	Energy credit use inappropriate
5	C S & I Adjustment - Total		\$ 200.00			\$ (100)		\$ (100)	
SALES EXPENSE									
6	912.0	Cust Sv & Info-Adv, Dues, Promo, Entertn	\$ 60.00	LUNCHEON MTG AD	0%	\$ -	100%	\$ (60)	Traditionally disallowed advertising costs - sponsorship
7	912.0	Demonstration & Selling (Promotion)	\$ 13.00	SPECO-SUBLETTE CHAMBER BANQUET SUPPLIES	50%	\$ (7)	100%	\$ (7)	Traditionally disallowed sponsorship event costs - Sublette
8	912.0	Demonstration & Selling (Promotion)	\$ 6.51	PLACEMATS SUBLETTE CHAMBER BANQUET	50%	\$ (3)	100%	\$ (3)	as above
9	912.0	Demonstration & Selling (Promotion)	\$ 4.33	TAPE-SUBLETTE CHAMBER BANQUET	50%	\$ (2)	100%	\$ (2)	as above
10	912.0	Demonstration & Selling (Promotion)	\$ 13.02	DECOR -SUBLETTE CHAMBER BANQUET	50%	\$ (7)	100%	\$ (7)	as above
11	912.0	Demonstration & Selling (Promotion)	\$ 14.12	SUBLETTE CHAMBER BANQUET SUPPLIES	50%	\$ (7)	100%	\$ (7)	as above
12	912.0	Demonstration & Selling (Promotion)	\$ 62.12	SUBLETTE CHAMBER BANQUET SUPPLIES	50%	\$ (31)	100%	\$ (31)	as above
13	912.0	Demonstration & Selling (Promotion)	\$ 68.82	SUBLETTE CHAMBER BANQUET	50%	\$ (34)	100%	\$ (34)	as above
14	912.0	Demonstration & Selling (Promotion)	\$ 11.26	SUBLETTE CHAMBER BANQUET SUPPLIES	50%	\$ (6)	100%	\$ (6)	as above
15	912.0	Demonstration & Selling (Promotion)	\$ 54.23	TOTES FOR SUBLETTE CHAMBER BNQT	50%	\$ (27)	100%	\$ (27)	as above
16	912.0	Demonstration & Selling (Promotion)	\$ 200.00	ANNUAL CHAMBER BANQUET	50%	\$ (100)	100%	\$ (100)	as above
17	912.0	Demonstration & Selling (Promotion)	\$ 40.02	TWINKLE LIGHTS-LIBERAL CHAMBER BASH	50%	\$ (20)	100%	\$ (20)	Traditionally disallowed sponsorship event costs - Liberal
18	912.0	Demonstration & Selling (Promotion)	\$ 13.70	GLITTER BLAST-LIBERAL CHAMBER BASH	50%	\$ (7)	100%	\$ (7)	as above
19	912.0	Demonstration & Selling (Promotion)	\$ 88.00	TWINE,BEADS,RIBBON-LIBERAL CHAMBER BASH	50%	\$ (44)	100%	\$ (44)	as above
20	912.0	Demonstration & Selling (Promotion)	\$ 37.95	FEATHERS,LIGHTS-LIBERAL CHAMBER BASH	50%	\$ (19)	100%	\$ (19)	as above
21	912.0	Demonstration & Selling (Promotion)	\$ 25.71	CONFETTILDOILIES-LIBERAL CHAMBER BASH	50%	\$ (13)	100%	\$ (13)	as above

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CURB Recommended Adjustments to Southern Pioneer Electric Company Advertising, Dues and Donations for 2017

Line No.	Account	Account Description	Amount (\$)	Reference	SPEC Exclusion (%)	SPEC Excluded (\$)	CURB Exclusion (%)	CURB Excluded (\$)	CURB Correction Notes
22	912.0	Demonstration & Selling (Promotion)	\$ 60.30	DENIM TABLE COVER-LIBERAL CHAMBER BASH	50%	\$ (30)	100%	\$ (30)	Traditionally disallowed sponsorship event costs - Liberal
23	912.0	Demonstration & Selling (Promotion)	\$ 189.73	LIBERAL CHAMBER BANQUET	50%	\$ (95)	100%	\$ (95)	as above
24	912.0	Demonstration & Selling (Promotion)	\$ 22.88	TWINE-LIBERAL CHAMBER BASH	50%	\$ (11)	100%	\$ (11)	as above
25	912.0	Demonstration & Selling (Promotion)	\$ 29.58	GLITTER BLAST-LIBERAL CHAMBER BASH	50%	\$ (15)	100%	\$ (15)	as above
26	912.0	Demonstration & Selling (Promotion)	\$ 29.82	BURLAP W LACE-LIBERAL CHAMBER BASH	50%	\$ (15)	100%	\$ (15)	as above
27	912.0	Demonstration & Selling (Promotion)	\$ 21.09	1 SET OF BARREL MUGS-SPECO CHAMBER-LIBERAL CHAMBER BASH	50%	\$ (11)	100%	\$ (11)	as above
28	912.0	Demonstration & Selling (Promotion)	\$ 42.18	2 SETS BARREL DRINKING MUGS-SPEC CHAMBER-LIBERAL CHAMBER BASH	50%	\$ (21)	100%	\$ (21)	as above
29	912.0	Demonstration & Selling (Promotion)	\$ 25.97	LIBERAL CHAMBER BASH DECOR	50%	\$ (13)	100%	\$ (13)	as above
30	912.0	Demonstration & Selling (Promotion)	\$ 269.66	LIBERAL CHAMBER BASH DECOR	50%	\$ (135)	100%	\$ (135)	as above
31	912.0	Demonstration & Selling (Promotion)	\$ (108.20)	LIBERAL CHAMBER BASH DECOR	50%	\$ 54	100%	\$ 54	as above
32	912.0	Demonstration & Selling (Promotion)	\$ 25.97	LIBERAL CHAMBER BASH DECOR	50%	\$ (13)	100%	\$ (13)	as above
33	912.0	Demonstration & Selling (Promotion)	\$ 22.44	LIBERAL CHAMBER BANQUET -DECOR	50%	\$ (11)	100%	\$ (11)	as above
34	912.0	Demonstration & Selling (Promotion)	\$ 27.02	LANTERNS FOR DÉCOR-LIBERAL CHAMBER BASH	50%	\$ (14)	100%	\$ (14)	as above
35	912.0	Demonstration & Selling (Promotion)	\$ 44.89	MEAL DEMIN- 44.89/2 LIBERAL CHAMBER BASH	50%	\$ (22)	100%	\$ (22)	as above
36	912.0	Demonstration & Selling (Promotion)	\$ 11.90	LIBERAL CHAMBER BASH-SNACK	50%	\$ (6)	100%	\$ (6)	as above
37	912.0	Demonstration & Selling (Promotion)	\$ 78.14	WATER TOYS FOR SPLASH BASH	50%	\$ (39)	100%	\$ (39)	Traditionally disallowed sponsorship event costs - Splash Bash
38	912.0	Demonstration & Selling (Promotion)	\$ 52.09	WATER TOYS FOR SPLASH BASH	50%	\$ (26)	100%	\$ (26)	as above
39	912.0	Demonstration & Selling (Promotion)	\$ 145.20	SUPPLIES FOR SPLASH BASH	50%	\$ (73)	100%	\$ (73)	as above
40	912.0	Demonstration & Selling (Promotion)	\$ 180.32	SUPPLIES FOR SPLASH BASH	50%	\$ (90)	100%	\$ (90)	as above
41	912.0	Demonstration & Selling (Promotion)	\$ 12.11	8-SPRENG SNAPS-SPLASH BASH BANNER	50%	\$ (6)	100%	\$ (6)	as above
42	912.0	Demonstration & Selling (Promotion)	\$ 40.00	CASH - QUARTERS FOR SPLASH BASH	50%	\$ (20)	100%	\$ (20)	as above
43	912.0	Demonstration & Selling (Promotion)	\$ 40.00	SPLASH BASH - QUARTERS	50%	\$ (20)	100%	\$ (20)	as above

Direct Testimony of Cary Catchpole  
18-SPEE-477-RTS

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Schedule CPC-3  
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CURB Recommended Adjustments to Southern Pioneer Electric Company Advertising, Dues and Donations for 2017

Line No.	Account	Account Description	Amount (\$)	Reference	SPEC Exclusion (%)	SPEC Excluded (\$)	CURB Exclusion (%)	CURB Excluded (\$)	CURB Correction Notes
44	912.0	Demonstration & Selling (Promotion)	\$ 140.00	CONCESSION STAND	50%	\$ (70)	100%	\$ (70)	Traditionally disallowed sponsorship event costs - Splash Bash
45	912.0	Demonstration & Selling (Promotion)	\$ 77.00	POOL ADMISSIONS SPLASH BASH	50%	\$ (39)	100%	\$ (39)	as above
46	912.0	Demonstration & Selling (Promotion)	\$ 7.73	MEAL DEMIN- 7.73/1 SPLASH BASH	50%	\$ (4)	100%	\$ (4)	as above
47	912.0	Demonstration & Selling (Promotion)	\$ 3.45	SNACK - 3.45/2 SPLASH BASH	50%	\$ (2)	100%	\$ (2)	as above
48	912.0	Demonstration & Selling (Promotion)	\$ 28.96	MEAL DEMIN- 28.96/2 SPLASH BASH	50%	\$ (14)	100%	\$ (14)	as above
49	912.0	Demonstration & Selling (Promotion)	\$ 2.71	SNACK-2.71/2 SPLASH BASH	50%	\$ (1)	100%	\$ (1)	as above
50	912.0	Demonstration & Selling (Promotion)	\$ 42.71	SPLASH BASH MEAL-42.71/4	50%	\$ (21)	100%	\$ (21)	as above
51	912.0	Demonstration & Selling (Promotion)	\$ 6.80	SPLASH BASH - MEAL 6.8/2	50%	\$ (3)	100%	\$ (3)	as above
52	912.0	Demonstration & Selling (Promotion)	\$ 3.63	SPLASH BASH - REFRESHMENTS	50%	\$ (2)	100%	\$ (2)	as above
53	912.0	Demonstration & Selling (Promotion)	\$ 9.21	SUNSCREEN SPRAY-SPLASH BASH	50%	\$ (5)	100%	\$ (5)	as above
54	912.0	Demonstration & Selling (Promotion)	\$ 3.32	SNACK-SPLASH BASH	50%	\$ (2)	100%	\$ (2)	as above
55	912.0	Demonstration & Selling (Promotion)	\$ 15.00	100 - ADVERTISING/SPONSORSHIP	50%	\$ (8)	100%	\$ (8)	Traditionally disallowed sponsorship event costs - Tailgate
56	912.0	Demonstration & Selling (Promotion)	\$ 60.23	ROASTERS,ETC - MINNEOLA TAILGATE PARTY	50%	\$ (30)	100%	\$ (30)	as above
57	912.0	Demonstration & Selling (Promotion)	\$ 628.34	MINNEOLA TALEGATE PARTY	50%	\$ (314)	100%	\$ (314)	as above
58	912.0	Demonstration & Selling (Promotion)	\$ 9.49	MEAL DEMIN -9.49/4 TAILGATE PARTY	50%	\$ (5)	100%	\$ (5)	as above
59	912.0	Demonstration & Selling (Promotion)	\$ 15.00	TAILGATE MARKET BOOTH SPACE	50%	\$ (8)	100%	\$ (8)	as above
60	912.3	Tailgating Expense	\$ 159.00	CONCESSION STAND-POPCORN TAILGATE 09/8	50%	\$ (80)	100%	\$ (80)	as above
61	912.3	Tailgating Expense	\$ 234.30	LABOR DISTRIBUTION-SPEC EE	50%	\$ (117)	100%	\$ (117)	as above
62	912.3	Tailgating Expense	\$ 150.92	LABOR OVERHEADS (BENEFIT, PTO, TAX)	50%	\$ (75)	100%	\$ (75)	as above
63	912.0	Demonstration & Selling (Promotion)	\$ 102.12	ML CHAMBER MTG AND BANQUET	50%	\$ (51)	100%	\$ (51)	Traditionally disallowed sponsorship event costs - Medicine Lodge
64	912.0	Demonstration & Selling (Promotion)	\$ 1,100.61	GOODWILL CITY/COUNTY/ADVISORY COUNCIL	50%	\$ (550)	100%	\$ (550)	Traditionally disallowed sponsorship event costs - Legislative
64	912.0	Demonstration & Selling (Promotion)	\$ 225.00	SUBLETTE LIGHTING CONTEST	50%	\$ (113)	100%	\$ (113)	Energy credit use inappropriate
65	Sales Expense Adjustment -Total		\$ 4,941.41			\$ (2,471)		\$ (2,471)	

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18-SPEE-477-RTS

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CURB Recommended Adjustments to Southern Pioneer Electric Company Advertising, Dues and Donations for 2017

Line No.	Account	Account Description	Amount (\$)	Reference	SPEC Exclusion (%)	SPEC Excluded (\$)	CURB Exclusion (%)	CURB Excluded (\$)	CURB Correction Notes
ADMINISTRATIVE & GENERAL EXPENSE									
66	930.4	Employee Socials-Xmas/Other	\$ 13.11	REIMBURSE EE FOR CHRISTMAS PARTY CANDY	0%	\$ -	100%	\$ (13)	Recommended entertainment cost exclusion
67	930.4	Employee Socials - Xmas/Other	\$ 161.46	GOURMET STRAWBERRIES	0%	\$ -	100%	\$ (161)	Recommended entertainment cost exclusion
68	930.4	Employee Socials - Xmas/Other	\$ 104.00	BREAKFAST BUTTONS	0%	\$ -	100%	\$ (104)	Recommended entertainment cost exclusion
69	930.4	Employee Socials - Xmas/Other	\$ 20.00	RUN DOWN CANCER PARTICIPANT	0%	\$ -	100%	\$ (20)	Recommended entertainment cost exclusion
70	930.4	Employee Socials - Xmas/Other	\$ 156.20	LABOR DISTRIBUTION-SPEC EE	0%	\$ -	100%	\$ (156)	Recommended entertainment cost exclusion
71	930.4	Employee Socials - Xmas/Other	\$ 69.65	LABOR OVERHEAD	0%	\$ -	100%	\$ (70)	Recommended entertainment cost exclusion
72	930.4	Employee Socials - Xmas/Other	\$ 5.55	SPEC HOURS ONLY PTO SPREAD	0%	\$ -	100%	\$ (6)	Recommended entertainment cost exclusion
73	930.4	Employee Socials - Xmas/Other	\$ 126.21	VEHICLE/FLEET DISTRIBUTION	0%	\$ -	100%	\$ (126)	Recommended entertainment cost exclusion
74	930.4	Employee Socials - Xmas/Other	\$ -	CASH REGISTER	0%	\$ -	100%	\$ -	Recommended entertainment cost exclusion
75	930.4	Employee Socials - Xmas/Other	\$ 32.75	CAKE FOR ANIVERSARY	0%	\$ -	100%	\$ (33)	Recommended entertainment cost exclusion
76	930.4	Employee Socials - Xmas/Other	\$ 37.68	LINEMAN APPRECIATION	0%	\$ -	100%	\$ (38)	Recommended entertainment cost exclusion
77	930.4	Employee Socials - Xmas/Other	\$ 136.67	LABOR DISTRIBUTION-SPEC EE	0%	\$ -	100%	\$ (137)	Recommended entertainment cost exclusion
78	930.4	Employee Socials - Xmas/Other	\$ 101.11	LABOR OVERHEAD	0%	\$ -	100%	\$ (101)	Recommended entertainment cost exclusion
79	930.4	Employee Socials - Xmas/Other	\$ 49.27	VEHICLE/FLEET DISTRIBUTION	0%	\$ -	100%	\$ (49)	Recommended entertainment cost exclusion
80	930.4	Employee Socials - Xmas/Other	\$ 100.00	DEPOSIT FOR SUMMER COMP PICNIC	0%	\$ -	100%	\$ (100)	Recommended entertainment cost exclusion
81	930.4	Employee Socials - Xmas/Other	\$ 600.00	BUS RENTAL FOR SUMMER PICNIC	0%	\$ -	100%	\$ (600)	Recommended entertainment cost exclusion
82	930.4	Employee Socials - Xmas/Other	\$ 11.11	SNACK MIX FOR EE APPRECIATION	0%	\$ -	100%	\$ (11)	Recommended entertainment cost exclusion
83	930.4	Employee Socials - Xmas/Other	\$ 10.86	10-DEEP ROASTER PAN EE APPRECIATION	0%	\$ -	100%	\$ (11)	Recommended entertainment cost exclusion
84	930.4	Employee Socials - Xmas/Other	\$ 32.57	TABLE PAPER-EMPLOYEE APPRECIATION	0%	\$ -	100%	\$ (33)	Recommended entertainment cost exclusion
85	930.4	Employee Socials - Xmas/Other	\$ 52.53	NAPKINS,FOIL,SOLO CUPS-EE APPRECIATION	0%	\$ -	100%	\$ (53)	Recommended entertainment cost exclusion
86	930.4	Employee Socials - Xmas/Other	\$ 13.56	EMPLOYEE APPREC MEAL SUPPLIES	0%	\$ -	100%	\$ (14)	Recommended entertainment cost exclusion

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CURB Recommended Adjustments to Southern Pioneer Electric Company Advertising, Dues and Donations for 2017

Line No.	Account	Account Description	Amount (\$)	Reference	SPEC Exclusion (%)	SPEC Excluded (\$)	CURB Exclusion (%)	CURB Excluded (\$)	CURB Correction Notes
87	930.4	Employee Socials - Xmas/Other	\$ 46.93	EMPLOYEE APPRE SUPPLIES	0%	\$ -	100%	\$ (47)	Recommended entertainment cost exclusion
88	930.4	Employee Socials - Xmas/Other	\$ 13.49	1 MEAL-SPECO SAFETY MEETING/EE APPREC	0%	\$ -	100%	\$ (13)	Recommended entertainment cost exclusion
89	930.4	Employee Socials - Xmas/Other	\$ 3.69	LUNCH-SPEC SAFETY MTG/EE APPREC	0%	\$ -	100%	\$ (4)	Recommended entertainment cost exclusion
90	930.4	Employee Socials - Xmas/Other	\$ 7.82	1 MEAL-SPECO SAFETY MEETING	0%	\$ -	100%	\$ (8)	Recommended entertainment cost exclusion
91	930.4	Employee Socials - Xmas/Other	\$ 99.80	EE APPRECIATION FOOD	0%	\$ -	100%	\$ (100)	Recommended entertainment cost exclusion
92	930.4	Employee Socials - Xmas/Other	\$ 38.84	JUICE/FRUIT FOR EE APPRECIATION BRKFST	0%	\$ -	100%	\$ (39)	Recommended entertainment cost exclusion
93	930.4	Employee Socials - Xmas/Other	\$ 19.32	EMPLOYEE APPRECIATION MEAL	0%	\$ -	100%	\$ (19)	Recommended entertainment cost exclusion
94	930.4	Employee Socials - Xmas/Other	\$ 189.65	EMPLOYEE APPRECIATION MEAL	0%	\$ -	100%	\$ (190)	Recommended entertainment cost exclusion
95	930.4	Employee Socials - Xmas/Other	\$ 21.65	EMPLOYEE APPRECIATION FOOD	0%	\$ -	100%	\$ (22)	Recommended entertainment cost exclusion
96	930.4	Employee Socials - Xmas/Other	\$ 13.98	BREAKFAST SUPPLIES FOR LIBERAL	0%	\$ -	100%	\$ (14)	Recommended entertainment cost exclusion
97	930.4	Employee Socials - Xmas/Other	\$ 1,294.60	LABOR DISTRIBUTION - PEC EE	0%	\$ -	100%	\$ (1,295)	Recommended entertainment cost exclusion
98	930.4	Employee Socials - Xmas/Other	\$ 832.05	LABOR OVERHEADS (Benefit, PTO, Tax)	0%	\$ -	100%	\$ (832)	Recommended entertainment cost exclusion
99	930.4	Employee Socials - Xmas/Other	\$ 159.31	VEHICLE/FLEET DISTRIBUTION	0%	\$ -	100%	\$ (159)	Recommended entertainment cost exclusion
100	930.4	Employee Socials - Xmas/Other	\$ 197.95	370 ML-ML EE APPRECIATION BREAKFAST	0%	\$ -	100%	\$ (198)	Recommended entertainment cost exclusion
101	930.4	Employee Socials - Xmas/Other	\$ 104.13	LODGING-SPEC SAFETY MEETING/CC	0%	\$ -	100%	\$ (104)	Recommended entertainment cost exclusion
102	930.4	Employee Socials - Xmas/Other	\$ 103.79	REIMBURSE MILEAGE TO SPEC EE BREAKFAST	0%	\$ -	100%	\$ (104)	Recommended entertainment cost exclusion
103	930.4	Employee Socials - Xmas/Other	\$ 67.07	REIMBURSE MILEAGE-LIBERAL-EE APPREC	0%	\$ -	100%	\$ (67)	Recommended entertainment cost exclusion
104	930.4	Employee Socials - Xmas/Other	\$ 51.14	2 SKILLETTS EE APPREC	0%	\$ -	100%	\$ (51)	Recommended entertainment cost exclusion
105	930.4	Employee Socials - Xmas/Other	\$ 91.72	SYRUP & TONGS & SPATULA FOR EE APPREC	0%	\$ -	100%	\$ (92)	Recommended entertainment cost exclusion
106	930.4	Employee Socials - Xmas/Other	\$ 108.37	EE APPRECIATION BRKFST	0%	\$ -	100%	\$ (108)	Recommended entertainment cost exclusion
107	930.4	Employee Socials - Xmas/Other	\$ 31.14	CHRISTMAS PARTY SUPPLIES	0%	\$ -	100%	\$ (31)	Recommended entertainment cost exclusion
108	930.4	Employee Socials - Xmas/Other	\$ 39.20	STAMPS FOR CHRISTMAS INVITES	0%	\$ -	100%	\$ (39)	Recommended entertainment cost exclusion

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CURB Recommended Adjustments to Southern Pioneer Electric Company Advertising, Dues and Donations for 2017

Line No.	Account	Account Description	Amount (\$)	Reference	SPEC Exclusion (%)	SPEC Excluded (\$)	CURB Exclusion (%)	CURB Excluded (\$)	CURB Correction Notes	
109	930.4	Employee Socials - Xmas/Other	\$ 1.64	CHRISTMAS PARTY SUPPLIES	0%	\$ -	100%	\$ (2)	Recommended entertainment cost exclusion	
110	930.4	Employee Socials - Xmas/Other	\$ 47.35	CANDY FOR CHRISTMAS PARTY	0%	\$ -	100%	\$ (47)	Recommended entertainment cost exclusion	
111	930.4	Employee Socials - Xmas/Other	\$ 6.37	CHILI FEED SUPPLIES NON GROCERY	0%	\$ -	100%	\$ (6)	Recommended entertainment cost exclusion	
112	930.4	Employee Socials - Xmas/Other	\$ 2,096.25	CHRISTMAS PARTY FOOD AND FACILITY-ML	0%	\$ -	100%	\$ (2,096)	Recommended entertainment cost exclusion	
113	930.4	Employee Socials - Xmas/Other	\$ 1,454.36	CHRISTMAS PARTY CATERING LIB	0%	\$ -	100%	\$ (1,454)	Recommended entertainment cost exclusion	
114	930.4	Employee Socials - Xmas/Other	\$ 63.93	CHILI FEED SUPPLIES	0%	\$ -	100%	\$ (64)	Recommended entertainment cost exclusion	
115	930.4	Employee Socials - Xmas/Other	\$ 30.22	CHILI FEED ROLLS	0%	\$ -	100%	\$ (30)	Recommended entertainment cost exclusion	
116	930.4	Employee Socials - Xmas/Other	\$ 225.48	CHILI FEED SUPPLIES	0%	\$ -	100%	\$ (225)	Recommended entertainment cost exclusion	
117	930.4	Employee Socials - Xmas/Other	\$ 67.47	CHILI FEED SUPPLIES	0%	\$ -	100%	\$ (67)	Recommended entertainment cost exclusion	
118	930.4	Employee Socials - Xmas/Other	\$ 18.99	CHILI FEED SUPPLIES	0%	\$ -	100%	\$ (19)	Recommended entertainment cost exclusion	
119	930.4	Employee Socials - Xmas/Other	\$ 285.08	VEHICLE/FLEET DISTRIBUTION	0%	\$ -	100%	\$ (285)	Recommended entertainment cost exclusion	
120	930.4	Employee Socials - Xmas/Other	\$ 138.81	LODGING-ML CHRISTMAS PARTY	0%	\$ -	100%	\$ (139)	Recommended entertainment cost exclusion	
121	A&G Adjustment - Total		\$ 9,805.88			\$ -		\$ (9,806)		
	OTHER DEDUCTIONS									
122	426.1	Donations	\$ 300.00	CHAMBER BUILDING LIGHTS - SANTANA	50%	\$ (150)	100%	\$ (150)	Traditionally disallowed sponsorship event costs - Santana	
123	426.1	Donations	\$ 193.63	SPLASH BASH - ADMISSION/CONCESSION	50%	\$ (97)	100%	\$ (97)	Traditionally disallowed sponsorship event costs - Splash Bash	
124	426.1	Donations	\$ 300.00	DISABLED AND ACTIVE DUTY VETERAN HUNT	50%	\$ (150)	100%	\$ (150)	Sports event sponsorship	
123	426.1	Donations	\$ 250.00	DONATION-SW KS BABE RUTH ALL-STAR TEAM	50%	\$ (125)	100%	\$ (125)	Sports event sponsorship	
124	426.1	Donations	\$ 200.00	PINK OUT VOLLEYBALL	50%	\$ (100)	100%	\$ (100)	Sports event sponsorship	
125	426.1	Donations	\$ 200.00	DONATION TO TOURNAMENT - LIBERAL BSEBLL	50%	\$ (100)	100%	\$ (100)	Sports event sponsorship	
124	Other Deduct Adjustment - Total		\$ 1,443.63		TOTAL	\$ (722)		\$ (722)		
125	CURB ADJUSTMENT TOTAL						TOTAL	\$ (13,099)		

Source: Southern Pioneer Application - Exhibit 9: Dues, Donations, Charitable Contributions, Etc.

**APPENDIX B – Referenced Data Requests**

CURB-06  
CURB-09  
CURB-20  
CURB-23\*  
CURB-24

\*only referenced invoices/receipts attached



**CITIZENS' UTILITY RATEPAYER BOARD**

Information Request

Request No. CURB-6

Company Name                    SOUTHERN PIONEER ELECTRIC COMPANY  
Docket Number                18-SPEE-477-RTS  
Request Date                    May 15, 2018  
Date Information Needed      May 30, 2018  
RE:                                Southern Pioneer's Application of April 30, 2018

**Please provide the following:**


How many employee socials, parties, or other similar events did Southern Pioneer host in 2017?  
Please provide the date of each event.

**Response:** Lineman appreciation (4/9/17 & 4/10/17), employee picnic/party (6/17/17),  
employee appreciation (10/5/17 & 10/12/17), Christmas party (12/2/17 & 12/9/17), chili feed  
(12/29/17).

Submitted By                    CURB  
Submitted To                    Lindsay Campbell

VERIFICATION OF RESPONSE

I have read the foregoing Data Request and Answer(s) thereto and find the answer(s) to be true, accurate, full and complete and contain no material misrepresentations or omissions to the best of my knowledge and belief; and I will disclose to the Citizens' Utility Ratepayer Board any matter subsequently discovered which affects the accuracy or completeness of the answer(s) to this Data Request.

Signed:   
Name: Chantrey Scott  
Position: CFO  
Dated: 5/24/18

**CITIZENS' UTILITY RATEPAYER BOARD**

Information Request

Request No. CURB-9

Company Name                    SOUTHERN PIONEER ELECTRIC COMPANY  
Docket Number                18-SPEE-477-RTS  
Request Date                    May 15, 2018  
Date Information Needed        May 30, 2018  
RE:                                Southern Pioneer's Application of April 30, 2018

**Please provide the following:**


Please identify all costs associated with the Liberal Chamber Bash. Please further identify how each cost is categorized (i.e., advertising, donations, sponsorships, etc).

**Response:** See CURB-09 Exh9-Liberal Chamber Bash.xls

Submitted By                    CURB  
Submitted To                    Lindsay Campbell

VERIFICATION OF RESPONSE

I have read the foregoing Data Request and Answer(s) thereto and find the answer(s) to be true, accurate, full and complete and contain no material misrepresentations or omissions to the best of my knowledge and belief; and I will disclose to the Citizens' Utility Ratepayer Board any matter subsequently discovered which affects the accuracy or completeness of the answer(s) to this Data Request.

Signed:   
Name: Chantry Scott  
Position: CEO  
Dated: 5/22/18

**Citizens' Utility Ratepayer Board  
Information Request**

Request No: CURB-20

Company Name                    SOUTHERN PIONEER ELECTRIC COMPANY  
Docket Number                18-SPEE-477-RTS  
Request Date                    May 21, 2018  
Date Information Needed       June 5, 2018

**Please Provide the Following:**

Please explain how employee socials, holiday parties, and other events help provide for sufficient and efficient service.

**Response:**

These activities are legitimate business expenses of a Kansas corporation, which in this instance happens to and strives to provide reliable electric service to customers. These activities in and of themselves do not contribute to or detract from the level of service.

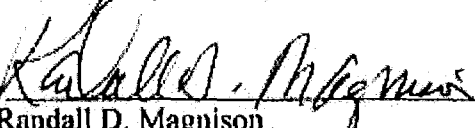
Submitted By: Todd E. Love

Submitted To: Lindsay A. Campbell

If for some reason, the above information cannot be provided by the date requested, please provide a written explanation of those reasons.

**VERIFICATION OF RESPONSE**

I have read the foregoing Data Request and Answer(s) thereto and find the answer(s) to be true, accurate, full and complete and contain no material misrepresentations or omissions to the best of my knowledge and belief; and I will disclose to the Citizens' Utility Ratepayer Board any matter subsequently discovered which affects the accuracy or completeness of the answer(s) to this Data Request.

Signed:   
Name: Randall D. Magnison  
Position: Executive Vice President-Assistant CEO  
Dated: May 30, 2018

**CITIZENS' UTILITY RATEPAYER BOARD**

Information Request

Request No. CURB-23

Company Name SOUTHERN PIONEER ELECTRIC COMPANY  
Docket Number 18-SPEE-477-RTS  
Request Date May 21, 2018  
Date Information Needed June 5, 2018  
RE: Southern Pioneer's Application of April 30, 2018

**Please provide the following:**

Provide copies of the following invoices (expenses included in Exhibit 9):


Date	Vendor	Vendor Name	Invoice	Amount
12/31/17	1988	Leader & Times	62140	60.00
5/22/17	3488	NISC IGEAR LLC	4806	1,642.99
5/23/17	3488	NISC IGEAR LLC	4668	757.33
12/1/17	3603	Gyp Hill Guest Ranch	1170	2,096.25
12/9/17	3091	CC Meals	1315400	1,454.36
12/3/17	3092	CC Travel/Training	196522	138.81
10/16/17	1315	Shogren, Mark	20171016-1315	103.79
6/16/17	3667	Dutton, Nathan	20170616-3667	600.00
6/23/17	1737	City of Coldwater	201706-1737S	193.63
8/1/17	3093	CC Miscellaneous	778072	162.74
11/16/17	3096	CC Dillons	794761	299.43
2/20/17	3092	CC Travel/Training	571138	102.12
7/1/17	3096	CC Dillons	766484	9.21
7/1/17	3096	CC Dillons	557301	3.32
12/13/17	3091	CC Meals	1325670	1,100.61
3/1/17	3093	CC Miscellaneous	105-2491404-3449037	42.18

**Response:** See attached CURB DR-23.pdf files.

Submitted By CURB  
Submitted To Lindsay Campbell

VERIFICATION OF RESPONSE

I have read the foregoing Data Request and Answer(s) thereto and find the answer(s) to be true, accurate, full and complete and contain no material misrepresentations or omissions to the best of my knowledge and belief; and I will disclose to the Citizens' Utility Ratepayer Board any matter subsequently discovered which affects the accuracy or completeness of the answer(s) to this Data Request.

Signed:   
Name: Chantry Scott  
Position: CFO  
Dated: 6/4/18



**CHECK DISBURSEMENT REQUEST**

TO: Gyp Hills Guest Ranch  
107 W Lincoln  
Medicine Lodge KS, 67104

Date of Request: 11/30/2017

Payment Date \_\_\_\_\_

Reason for Request:	Account	Amount
<u>Food &amp; Facility for annual Christmas Party</u>	_____	<u>\$2,096.25</u>

Requested by: Michelle Eck

Approved by: *[Signature]*  
(Must be approved by Manager or Officer)

Direct Testimony of Cary Catchpole  
18-SPEE-477-RTS

11/30/2017

Intuit QuickBooks



Gyp Hill Excursions, LLC  
(620) 886-3303  
gyp hills@guostranch@aol.com.net

**INVOICE**

**BILL TO**  
Southern Pioneer

**INVOICE #** 1170  
**DATE** 11/29/2017  
**DUE DATE** 11/29/2017  
**TERMS** As Arranged

ACTIVITY	QTY	RATE	AMOUNT
Catering Steak/Chicken Dinner	60	30.00	1,800.00T
Catering Kids Dinner	10	15.00	150.00T

Thank You!

**SUBTOTAL** 1,950.00  
**TAX (7.5%)** 146.25  
**TOTAL** 2,096.25  
**BALANCE DUE** **\$2,096.25**

*Christmas Party*  
\*\*\*\*\*CUSTOMER COPY\*\*\*\*\*

Billy's Apr Lanes  
2050 N Kansas  
Liberal KS 67901  
620-626-4400

#131540  
12/9/2017  
Sheri Witzke  
7:46 PM  
back

Sales Total \$1,114.70  
Kansas State 9.25 % \$89.66  
Grand Total \$1,204.36

MERCHANT ID: 45023949602  
CLERK ID: Sheri\_Witzke

SALE  
VISA \*\*\*\*\*5968  
ENTRY METHOD: CHIP  
DATE: 12/09/2017 TIME: 20:32:41  
INVOICE: 1315400  
REFERENCE: 1097  
AUTH CODE: 276351

AMOUNT USD\$ 1204.36  
TIP USD\$ 250.00  
TOTAL USD\$ 1454.36

APPROVED - THANK YOU  
I AGREE TO PAY THE ABOVE TOTAL AMOUNT  
ACCORDING TO CARD ISSUER AGREEMENT  
(MERCHANT AGREEMENT IF CREDIT VOUCHER)

x \_\_\_\_\_  
MELANTE PATTERSON  
APPLICATION LABEL: Visa Credit  
AID: A000000031010  
TVR: 800008000  
IAD: 06010A0360000  
TSI: 6900  
ARC: 00  
CVN: SIGN

Tender Total \$1,204.36  
Paid

Thanks and Come Again!

Direct Testimony of Cary Catchpole  
18-SPEE-477-RTS

**Cary Catchpole**

---

**From:** Chantry Scott <cscott@pioneerelectric.coop>  
**Sent:** Thursday, June 28, 2018 12:23 PM  
**To:** Stacey Harden  
**Cc:** Cary Catchpole; Lindsay Campbell; Randy Magnison  
**Subject:** RE: CURB Data Request Responses (DR 16-19; 21-25; 27)

This is an EXTERNAL EMAIL. Think before clicking a link or opening attachments.

---

Stacey,

I am sorry that we do not have an itemized receipt for the invoice. According to internal records, we placed an order for 54 meals for the employee Christmas dinner.

Thanks,

Chantry

---

**From:** Stacey Harden [mailto:s.harden@curb.kansas.gov]  
**Sent:** Thursday, June 28, 2018 9:44 AM  
**To:** Chantry Scott <cscott@pioneerelectric.coop>  
**Cc:** Cary Catchpole <c.catchpole@curb.kansas.gov>  
**Subject:** Re: CURB Data Request Responses (DR 16-19; 21-25; 27)

Chantry –

Can Southern Pioneer please provide the itemized receipt for the attached invoice? The receipt provided is only the credit card authorization.

Thanks,

*Stacey Harden*  
Senior Regulatory Analyst  
Citizens' Utility Ratepayer Board  
1500 SW Arrowhead Road  
Topeka, KS 66604  
(785) 271-3257  
[s.harden@curb.kansas.gov](mailto:s.harden@curb.kansas.gov)

*This message may contain privileged, confidential, and/or nonpublic information and is intended only for the use of the intended recipient. If the reader of this message is not the intended recipient or authorized agent, please do not forward, print, copy, or distribute this communication. If you have received this communication in error, please promptly delete the message and notify the sender of the delivery error by return email or by calling 785-271-3257.*

---

**From:** Chantry Scott <cscott@pioneerelectric.coop>  
**Sent:** Monday, June 4, 2018 4:25 PM



Direct Testimony of Cary Catchpole  
18-SPEE-477-RTS

To: Tim Rehagen <[t.rehagen@kcc.ks.gov](mailto:t.rehagen@kcc.ks.gov)>; David Nickel <[d.nickel@curb.kansas.gov](mailto:d.nickel@curb.kansas.gov)>; Della Smith <[d.smith@curb.kansas.gov](mailto:d.smith@curb.kansas.gov)>; Shonda Rabb <[s.rabb@curb.kansas.gov](mailto:s.rabb@curb.kansas.gov)>; Thomas Connors <[tj.connors@curb.kansas.gov](mailto:tj.connors@curb.kansas.gov)>; Todd Love <[t.love@curb.kansas.gov](mailto:t.love@curb.kansas.gov)>; Cary Catchpole <[c.catchpole@curb.kansas.gov](mailto:c.catchpole@curb.kansas.gov)>; Stacey Harden <[s.harden@curb.kansas.gov](mailto:s.harden@curb.kansas.gov)>  
Cc: Lindsay Campbell <[lcampbell@pioneerelectric.coop](mailto:lcampbell@pioneerelectric.coop)>; Randy Magnison <[rmagnison@pioneerelectric.coop](mailto:rmagnison@pioneerelectric.coop)>; Chantry Scott <[cscott@pioneerelectric.coop](mailto:cscott@pioneerelectric.coop)>  
Subject: CURB Data Request Responses (DR 16-19; 21-25; 27)

This is an EXTERNAL EMAIL. Think before clicking a link or opening attachments.

---

All,

Please find attached responses to CURB data requests (DR 16-19; DR 21-25; DR27).

Thanks,

Chantry Scott  
CFO, Southern Pioneer Electric Company

Notice: Unless specifically stated, (1) this email does not create a legal relationship between Pioneer Electric Cooperative, Inc. or its subsidiary Southern Pioneer Electric Company, hereinafter collectively the "Companies", and the recipient, and (2) the Companies disclaim any liability for the content of this email or for the consequences of any actions taken on the basis of the information provided in this email or its attachments. This email is intended solely for the use of the intended recipient(s) and may contain information that is confidential, privileged or otherwise protected from disclosure. Any unauthorized review, copying, use, disclosure or distribution is prohibited. If you are not the intended recipient of this email, please notify the sender, and delete it from your system. In communicating via email with the Companies, you consent to the foregoing. Thank You.



Great food.  
Low prices.

FOOD STORES\*

GREENSBURG, KS 67054  
(620) 723-2224

YOUR CASHIER WAS Julie

*David Norton*  
*Splash Bash*

FX	BOAT SPORT SPRY	8.49 X
	TAX	0.72
****	BALANCE	9.21

DILLONS FUEL 704  
GREENSBURG KS 67054  
(620) 723-2224

\*\*\*\*\*

VISA #ER#

Purchase

\*\*\*\*\*5123

AMOUNT: 9.21

REF#: 766484

\*\*\*\*\*

VISA	9.21
CHANGE	0.00

TOTAL NUMBER OF ITEMS SOLD = 1  
06/20/17 10:19am 704 100 192 104

Now Hiring - Apply Today!  
jobs.dillons.com  
www.dillons.com

RECEIVED  
AT

*1.912.*  
*2015*

*Sen Block*  
*Dave Norton*

RECEIVED JUN 21  
Scanned by CamScanner

# Dillons

Great food.  
Low prices.

1000 STORES\*

GREENSBURG, KS 67054  
(620) 723-2224

*David Norton*  
*Splash Bash*

YOUR CASHIER WAS Julie

	Panino Hrd Salami	1.99 B
	Panino Hrd Salami	1.99 B
MC MO	SCANNED COUPON	1.00-
	TAX	0.34
	**** BALANCE	3.32

DILLONS FUEL 704  
GREENSBURG KS 67054  
(620) 723-2224

\*\*\*\*\*

VISA #ER#

Purchase

\*\*\*\*\*5123

**AMOUNT : 3.32**

REF#: 557301

\*\*\*\*\*

VISA	3.32
CHANGE	0.00

TOTAL NUMBER OF ITEMS SOLD = 2

VENDOR COUPONS 1.00

TOTAL SAVINGS (25 pct.) 1.00

06/20/17 10:18am 704 100 191 104

With Our Low Prices, You Saved

## \$1.00

Now Hiring - Apply Today!  
jobs.dillons.com  
www.dillons.com

*1,912*  
*18*

RECEIVED JUL 31

*Snack-Hard*  
*Salami*

Scanned by CamScanner

Direct Testimony of Cary Catchpole  
18-SPEE-477-RTS

Billy's Ayr Lanes  
2050 N Kansas  
Liberal KS 67901  
620-626-4400

\*\*\*\*CUSTOMER COPY\*\*\*\*  
Billy's Ayr Lanes  
2050 N Kansas  
Liberal KS 67901  
620-626-4400

City,  
County,  
Advisory  
Council  
Lunch

#132567  
12/13/2017  
kerrl  
12:41 PM  
SO PIONEER

36 3 Meat Combo \$610.20  
@ \$16.95  
+HC Smoked Beef  
+HC Sausage  
+HC Pork Loin  
+S1 Cheesy Potatoes  
+S2 Green Beans

1 food item \$15.00  
@ \$15.00

4 Pepsi \$0.00  
@ \$0.00  
+Pop Large \$2.75  
+Pop Large \$2.75  
+Pop Large \$2.75  
+Pop Large \$2.75

3 food item \$26.85  
@ \$8.95

3 Fried Pickles LG 12 \$38.85  
@ \$12.95

3 Onion Straws LG \$38.85  
@ \$12.95

3 Cheese Stix's LG 12 \$38.85  
@ \$12.95

36 food item \$106.20  
@ \$2.95

Gratuity 15% \$132.87

Sales Total \$1,018.67

Kansas State 9.25 % \$81.94

Grand Total \$1,100.61

Due \$1,100.61

#132567  
12/13/2017  
kerrl  
12:41 PM  
SO PIONEER

Sales Total \$1,018.67

Kansas State 9.25 % \$81.94

Grand Total \$1,100.61

MERCHANT ID: 45023949602  
CLERK ID: kerrl

SALE \*\*\*\*\*7026

VISA  
ENTRY METHOD: CHIP  
DATE: 12/13/2017 TIME: 14:29:56  
INVOICE: 1325670  
REFERENCE: 1015  
AUTH CODE: 975997

AMOUNT USD\$ 1100.61

TIP USD\$ \_\_\_\_\_

TOTAL USD\$ \_\_\_\_\_

APPROVED - THANK YOU  
I AGREE TO PAY THE ABOVE TOTAL AMOUNT  
ACCORDING TO CARD ISSUER AGREEMENT  
(MERCHANT AGREEMENT IF CREDIT VOUCHER)

X \_\_\_\_\_  
RAE GORHAN  
APPLICATION LABEL: Visa Credit  
AID: A0000000031010  
TVR: 8000008000  
IAD: 06010A03600000  
TS1: 6800  
ARC: 00  
CVN: SIGN  
Tender Total \$1,100.61

Thanks and Come Again!

Paid

Thanks and Come Again!

Direct Testimony of Cary Catchpole  
18-SPEE-477-RTS

# LEADER TIMES

PO Box 889 • Liberal, KS 67905-0889 620-626-0840 • 620-624-0735 (Fax)

Southern Pioneer Electric  
Melissa Morales  
Attn: Accounts Payable  
PO Box 430  
Ulysses, KS 67880  
USA

Transaction Period: 12/1/2017 - 12/31/2017

Advertiser Number: 1120  
Billing Date: 12/31/2017  
Due Date: 1/15/2018  
Amount Due: \$60.00  
Amount Enclosed: \_\_\_\_\_

Please detach top portion and return with your payment

## STATEMENT

Balance Forward:					\$600.00	
12/19/2017	61732 Check	1023810				\$600.00
12/31/2017	62140 Invoice		Luncheon Meeting		\$60.00	
	12/12/2017 HPDL	2 x 3		\$60.00		
			Display: ROP: Luncheon Meeting			

Southern Pioneer Electric Co.  
Advertiser No: 1120  
No. of TearSheets: 1

AGING					
Current	1 - 30	31 - 60	61 - 90	91+	
\$60.00	\$0.00	\$0.00	\$0.00	\$0.00	

Balance Forward: \$600.00  
Debits: \$60.00  
Credits: \$600.00  
Amount Due: \$60.00

If you have any questions or concerns on your bill please contact our billing dept. at 620-626-0840.

Thank you for your business! Please feel free to contact us for any advertising needs you may have.

# News

news@bplleader.com



3

## Cline sees several educational changes in 30 years

BY WILLY GRIFF  
Leader & News

Cary Catchpole, a 30-year veteran of the Lincoln Unified School District, has seen a lot of changes in the district over the years. He has seen the district grow from a small town to a large city, and he has seen the district evolve from a traditional classroom to a modern, technology-driven learning environment. He has seen the district embrace new educational technologies and pedagogical approaches, and he has seen the district work to address the needs of a diverse student population. He has seen the district work to improve its financial management and to ensure that it is providing the best possible education for all of its students.

Q: Could you give some background on yourself? (i.e. how long you've been with USD and how many years have been working in education?)  
A: I have been working in education for 30 years. I started in 1987 as a teacher in Lincoln, and I have since worked in various capacities, including as a principal and as a superintendent. I have been with the USD for the last 15 years, and I have been in the same position for the last 10 years.

Q: What has been your favorite thing about working in USD?  
A: I was in Lincoln for so many of my years here in the district that I got to know these families very well. Of course there might be a subset or two who moved from



such more frequently. You don't ever want to see teachers in any, but it was much less stressful to be in the classroom in the past than now. There's just so many more demands on the teachers' time. It's not anymore just like, the math book, teach the lesson and then the students get it and work. All or 25 math problems or do a worksheet. There are so many things with the curriculum, the reading materials, and the expectations of being reading and writing together. There's also come away from students not necessarily from the classroom side but just of the world we live in. There's some way great needs a lot of the students have from not having God at home - we need to not give teachers, we only did

teach in our society then, and so much stability in the families as we once had so they could find school to school in town or they're moving more throughout the County. We also have more grandparents taking care of students, so that creates new challenges. I think just that makes it not every day's work as stable as it used to be in the classroom, and it's always coming in fully prepared since they're always moving.

Q: With the being for the past year of "Measurable Learning Goals," how has your classroom changed? How do you all like being in the new building?  
A: The building is fantastic. Of course not everything is 100 percent perfect. We're still finding some small things that need fixing, but we're getting there. Now, well, that's been a lot of a challenge. They're all great teachers and support staff, we're just so large we don't all quite know each other yet, but we're working on that. As an administrator I get to see everyone, students and staff, everyone's great. There's also a lot of new support staff who are fantastic. Overall, it's been really positive.

Lincoln Unified School District Assistant Principal Cary Catchpole has been working in education for 30 years. He has seen the district grow from a small town to a large city, and he has seen the district evolve from a traditional classroom to a modern, technology-driven learning environment. He has seen the district embrace new educational technologies and pedagogical approaches, and he has seen the district work to address the needs of a diverse student population. He has seen the district work to improve its financial management and to ensure that it is providing the best possible education for all of its students.

**NOTICE:**

Southern Pioneer Electric Company is hosting a luncheon meeting for Seward County and Liberal City officials on Wednesday, December 13, 2017 at Billy's Blue Duck BBQ at 12:00 pm. For additional information, consumers may call 628-434-8328.

Please note, this is a non-union meeting.

**LOCK, UNLOCK, REPEAT.**

WE

**CITIZENS' UTILITY RATEPAYER BOARD**

Information Request

Request No. CURB-24

Company Name SOUTHERN PIONEER ELECTRIC COMPANY  
Docket Number 18-SPEE-477-RTS  
Request Date May 21, 2018  
Date Information Needed June 5, 2018  
RE: Southern Pioneer's Application of April 30, 2018

**Please provide the following:**

Please refer to Exhibit 9. There are two transactions with a reference "scholarship judge – energy credit" on April 1, 2017. Please provide greater detail regarding these transactions, including how judges were selected and copies of statements that support the \$50.00 energy credit.

**Response:** Southern Pioneer strives to use individuals from the community, along with two employees, to judge scholarship applicants and award scholarships. It is the intention to select external judges who are not directly, or indirectly associated with the students being judged (i.e. family member, teacher, other social or business activity). Judging requires a time commitment and in some cases, travel. Judges review all applications and upon narrowing the applicant list, conduct group in-person interviews. As a thank-you for their time and effort, an energy credit is applied to the external judges' electric bill.


Please note there were four external scholarship judges (two from the Liberal area and two from the Medicine Lodge area). Two of the four energy credits were inadvertently coded to 910.11-Youth Tour, rather than 910.12-Scholarship Expense.

See the attached electric bills to support the four \$50.00 credits given.

Submitted By CURB  
Submitted To Lindsay Campbell

VERIFICATION OF RESPONSE

I have read the foregoing Data Request and Answer(s) thereto and find the answer(s) to be true, accurate, full and complete and contain no material misrepresentations or omissions to the best of my knowledge and belief; and I will disclose to the Citizens' Utility Ratepayer Board any matter subsequently discovered which affects the accuracy or completeness of the answer(s) to this Data Request.

Signed:   
Name: Chantry Scott  
Position: CFO  
Dated: 6/4/18

Direct Testimony of Cary Catchpole  
18-SPEE-477-RTS

181016304



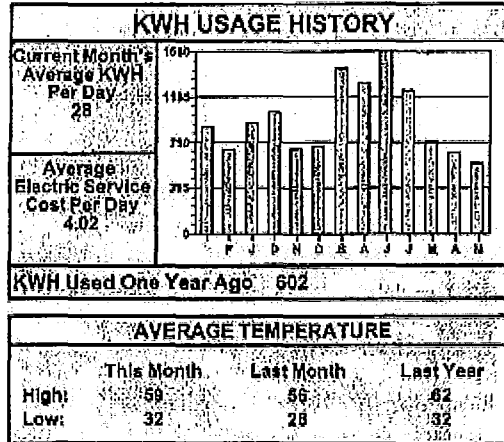
Southern Pioneer Electric Company  
3997 NE Well Rd  
PO Box 347  
Medicine Lodge, KS 67104-8347

[www.southernpioneer.net](http://www.southernpioneer.net)

Customer Service (billing, service, etc.) questions  
call 620-886-5100 or toll free 800-670-4381.  
Emergencies or outages, call 866-668-8800.  
See the reverse of bill for additional information.

181 1 AV.0.370

4 191  
G-1 P-3



ACCOUNT NUMBER	BILLING DATE	BILL TYPE	SERVICE DESCRIPTION
10035306	03/28/2017	Regular	
RATE AND METERING INFORMATION			
RATE TARIFF	METER #	TYPE	USAGE
RES-URBAN RESIDENTIAL	SP062437D	KWH	915
RES-URBAN RESIDENTIAL	SP062437D	KW	8.313
Messages		Charge Detail	
We strive to provide you with world class service. Please help us accomplish our goal by letting us know if any of your information has changed, such as your address or telephone number. Thank you!		<b>PREVIOUS BALANCE</b> Payment Received 03/13/2017, Thank You: 103.06 SPEC Gift Certificate: 60.00 BALANCE PRIOR TO THIS BILLING: 60.00 <b>CURRENT CHARGES:</b> Delivery Charge: 106.64 915 KWH @ 0.116770: 106.64 Energy Cost Adjustment 915 KWH @ 0.003114: -2.85 Property Tax Recovery Charge 915 KWH @ 0.004074: 3.73 Customer Charge: 13.77 County Sales Tax: 1.28 Town Sales Tax: 0.98 Franchise Fee: 6.07 <b>Total Amount Due - Paid By Bank: 79.80</b> 2% Penalty Applied After 5 p.m. 04/17/2017: 0.00 <b>Amount Due After Due Date: 79.80</b>	

Retain top portion for your records and return bottom portion with your payment.

**PAYMENT OPTIONS:**

- a. Cash, Check, Money Order
- b. Credit Card/Debit Card & E-Check Payments via IVR for \$3.95 convenience fee 866-999-4508
- c. Online Payments at [www.southernpioneer.net](http://www.southernpioneer.net)
- d. EFT/Direct Debit

\*For More Information On Payment Options, See Reverse Side Of Billing Statement.

ACCOUNT NUMBER	10035306
Amount Due In Office by 5 p.m. 04/17/2017	Paid By Bank
Amount Due After Due Date	Paid By Bank



SOUTHERN PIONEER ELECTRIC COMPANY  
PO BOX 430  
ULYSSES KS 67860-0430



20144001003530600000000000000000000000000032820172



Direct Testimony of Cary Catchpole  
18-SPEE-477-RTS

0010012119



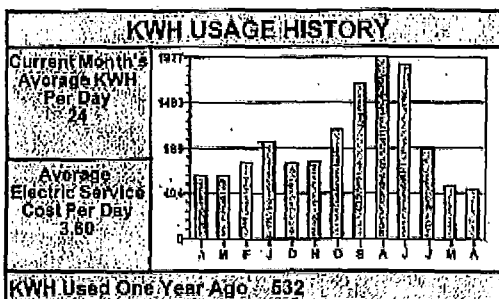
Southern Pioneer Electric Company  
1490 General Welch Blvd  
PO Box 1177  
Liberal KS 67805-1177

[www.southernpioneer.net](http://www.southernpioneer.net)

Customer Service (billing, service, etc.) questions  
call 620-824-7433 or toll free 800-670-4381.  
Emergencies or outages, call 866-668-8300.  
Please see back of bill for additional messages.

1894 1 AX 0.370'

4 1894  
C-6 P-10



AVERAGE TEMPERATURE			
	This Month	Last Month	Last Year
High:	64	65	87
Low:	37	29	33

ACCOUNT NUMBER	BILLING DATE	BILL TYPE	SERVICE DESCRIPTION						
10039119	04/06/2017	Regular							
RATE AND METERING INFORMATION			USAGE						
RATE/TARIFF	METER #	TYPE	FROM	TO	DAYS	PREV	PRES	MULT	USAGE
RES-URBAN RESIDENTIAL	SP067875D	KWH	03/08/17	04/05/17	28	38530	39213	1.0	683
RES-URBAN RESIDENTIAL	SP067875D	KW	03/08/17	04/05/17	28	8.068	8.068	1.0	8.068
Messages			Charge Detail	\$ Amount					
<p>We strive to provide you with world class service. Please help us accomplish our goal by letting us know if any of your information has changed, such as your address or telephone number. Thank you!</p>			PREVIOUS BALANCE	88.83					
			Payment Received 03/24/2017, Thank You!	48.83 CR					
			SPEC GR Certificate	50.00 CR					
			BALANCE PRIOR TO THIS BILLING	0.00					
			CURRENT CHARGES						
			Delivery Charge	79.75					
			683 KWH @ 0.116770	79.75					
			Energy Cost Adjustment 683 KWH @ 0.003110-	-2.12					
			Property Tax Recovery Charge	2.78					
			683 KWH @ 0.004074	2.78					
Customer Charge	13.77								
County Sales Tax	1.24								
Town Sales Tax	1.48								
Franchise Fee	4.71								
<b>Total Amount Due: Paid By Bank</b>			<b>101.81</b>						
2% Penalty Applied After 5 p.m. 04/26/2017			0.00						
<b>Amount Due After Due Date</b>			<b>101.81</b>						

Retain top portion for your records and return bottom portion with your payment.

PAYMENT OPTIONS:

- Cash, Check, Money Order
- Credit Card/Debit Card & E-Check Payments via IVR for \$3.95 convenience fee 866-999-4505
- Online Payments at [www.southernpioneer.net](http://www.southernpioneer.net)
- EFT/Direct Debit

\*For More Information On Payment Options, See Reverse Side Of Billing Statement.

ACCOUNT NUMBER	10039119
Amount Due in Office by 5 p.m. 04/26/2017	Paid By Bank
Amount Due After Due Date	Paid By Bank

SOUTHERN PIONEER ELECTRIC COMPANY  
PO BOX 430  
ULYSSSES KS 67880-0430



2014400100391190000000000000000000000000000040620178

Direct Testimony of Cary Catchpole  
18-SPEE-477-RTS

8010610603



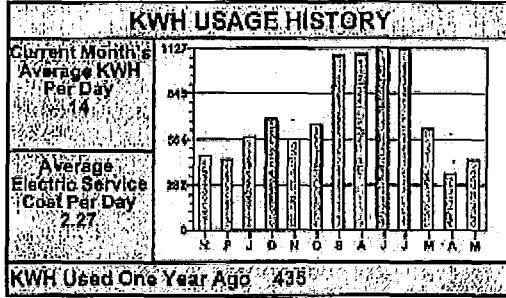
Southern Pioneer Electric Company  
1490 General Welch Blvd  
PO Box 1177  
Liberal KS 67905-1177

[www.southernpioneer.net](http://www.southernpioneer.net)  
Customer Service (billing, service, etc.) questions  
call 620-624-7433 or toll free 800-670-4381.  
Emergencies or outages, call 888-668-8800.  
Please see back of bill for additional rates and charges.

829 1 AV 0.370

4 029

C-3 P-6



### AVERAGE TEMPERATURE

	This Month	Last Month	Last Year
High:	67	62	66
Low:	34	28	33

ACCOUNT NUMBER	BILLING DATE	BILL TYPE	SERVICE DESCRIPTION																																		
10816000	03/31/2017	Regular																																			
RATE AND METERING INFORMATION																																					
RATE/TARIFF	METER #	TYPE	FROM TO DAYS PREV PRES MULT	USAGE																																	
RES-URBAN RESIDENTIAL	SP083731D	KWH	02/27/17 03/30/17 31 26442 26902 1.0	460																																	
RES-URBAN RESIDENTIAL	SP083731D	KW	02/27/17 03/30/17 31 8.643 8.643 1.0	8.643																																	
<p><b>Messages</b></p> <p>We strive to provide you with world class service. Please help us accomplish our goal by letting us know if any of your information has changed, such as your address or telephone number. Thank you!</p>			<p style="text-align: center;"><b>Charge Detail</b></p> <table style="width: 100%;"> <tr><td>PREVIOUS BALANCE</td><td style="text-align: right;">87.07</td></tr> <tr><td>Payment Received 03/15/2017, Thank You!</td><td style="text-align: right;">17.07 CR</td></tr> <tr><td>SPED Bill Certificate</td><td style="text-align: right;">50.00 CR</td></tr> <tr><td>BALANCE PRIOR TO THIS BILLING</td><td style="text-align: right;">0.00</td></tr> <tr><td colspan="2"><b>CURRENT CHARGES</b></td></tr> <tr><td>Delivery Charge</td><td style="text-align: right;">53.71</td></tr> <tr><td>460 KWH @ 0.116770</td><td style="text-align: right;">53.71</td></tr> <tr><td>Energy Cost Adjustment 460 KWH @ 0.003110</td><td style="text-align: right;">-1.43</td></tr> <tr><td>Property Tax Recovery Charge</td><td style="text-align: right;">1.87</td></tr> <tr><td>460 KWH @ 0.004074</td><td style="text-align: right;">1.87</td></tr> <tr><td>Customer Charge</td><td style="text-align: right;">13.77</td></tr> <tr><td>County Sales Tax</td><td style="text-align: right;">0.85</td></tr> <tr><td>Town Sales Tax</td><td style="text-align: right;">0.70</td></tr> <tr><td>Franchise Fee</td><td style="text-align: right;">2.04</td></tr> <tr><td><b>Total Amount Due - Paid By Bank</b></td><td style="text-align: right; border-top: 1px solid black;"><b>71.01</b></td></tr> <tr><td>2% Penalty Applied After 5 p.m. 04/20/2017</td><td style="text-align: right;">0.00</td></tr> <tr><td><b>Amount Due After Due Date</b></td><td style="text-align: right; border-top: 1px solid black;"><b>71.01</b></td></tr> </table>	PREVIOUS BALANCE	87.07	Payment Received 03/15/2017, Thank You!	17.07 CR	SPED Bill Certificate	50.00 CR	BALANCE PRIOR TO THIS BILLING	0.00	<b>CURRENT CHARGES</b>		Delivery Charge	53.71	460 KWH @ 0.116770	53.71	Energy Cost Adjustment 460 KWH @ 0.003110	-1.43	Property Tax Recovery Charge	1.87	460 KWH @ 0.004074	1.87	Customer Charge	13.77	County Sales Tax	0.85	Town Sales Tax	0.70	Franchise Fee	2.04	<b>Total Amount Due - Paid By Bank</b>	<b>71.01</b>	2% Penalty Applied After 5 p.m. 04/20/2017	0.00	<b>Amount Due After Due Date</b>	<b>71.01</b>
PREVIOUS BALANCE	87.07																																				
Payment Received 03/15/2017, Thank You!	17.07 CR																																				
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2% Penalty Applied After 5 p.m. 04/20/2017	0.00																																				
<b>Amount Due After Due Date</b>	<b>71.01</b>																																				
<p>Retain top portion for your records and return bottom portion with your payment.</p>																																					

**PAYMENT OPTIONS:**

- Cash, Check, Money Order
- Credit Card/Debit Card & E-Check Payments via IVR for \$3.95 convenience fee 886-999-4505
- Online Payments at [www.southernpioneer.net](http://www.southernpioneer.net)
- EFT/Direct Debit

\*For More Information On Payment Options, See Reverse Side Of Billing Statement.

Name: [REDACTED]

ACCOUNT NUMBER	10816000
Amount Due in Cities by 5 p.m. 04/20/2017	Paid By Bank
Amount Due After Due Date	Paid By Bank

SOUTHERN PIONEER ELECTRIC COMPANY  
PO BOX 430  
ULYSSES KS 67880-0430



2014400108160000000000000000000000000033120176

Direct Testimony of Cary Catchpole  
18-SPEE-477-RTS

0946020004

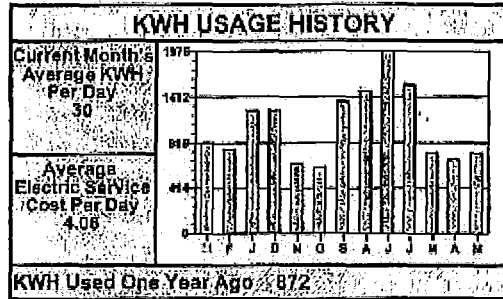


Southern Pioneer Electric Company  
3097 NE Wall Rd  
PO Box 347  
Medicine Lodge, KS 67104-8347

[www.southernpioneer.net](http://www.southernpioneer.net)  
Customer Service (billing, service, etc.) questions  
call 620-886-5100 or toll free 800-670-4381.  
Emergencies or outages, call 866-868-8800.  
Please allow 48 hours for all electrical responses.

33 1 AV 0.370

4 33  
C-1 P-1



**AVERAGE TEMPERATURE**

	This Month	Last Month	Last Year
High:	59	56	62
Low:	32	28	32

ACCOUNT NUMBER	BILLING DATE	BILL TYPE	SERVICE DESCRIPTION						
10036804	03/28/2017	Regular							
RATE AND METERING INFORMATION									
RATE TARIFF	METER #	TYPE	FROM	TO	DAYS	PREV	PRES	MULT	USAGE
RES-RURAL RESIDENTIAL	SP062909D	KWH	02/23/17	03/27/17	32	50392	51318	1.0	986
RES-RURAL RESIDENTIAL	SP062909D	KWH	02/23/17	03/27/17	32		13,612	1.0	13,612
Messages			Charge Detail				\$ Amount		
<p>We strive to provide you with world class service. Please help us accomplish our goal by telling us know if any of your information has changed, such as your address or telephone number. Thank you!</p>			PREVIOUS BALANCE				119.52		
			Payment Received 03/10/2017, Thank You!				119.52 CR		
			SPEC Gift Certificate				50.00 CR		
			BALANCE PRIOR TO THIS BILLING				50.00 CR		
			CURRENT CHARGES						
Delivery Charge					115.14				
986 KWH @ 0.116770			115.14						
Energy Cost Adjustment			060 KWH @ 0.003110		3.07 CR				
Property Tax Recovery Charge					4.02				
986 KWH @ 0.004074			4.02						
Customer Charge					13.77				
County Sales Tax					1.30				
<b>Total Amount Due</b>							<b>81.16</b>		
<b>2% Penalty Applied After 5 p.m. 04/17/2017</b>							<b>1.62</b>		
<b>Amount Due After Due Date</b>							<b>82.78</b>		

Retain top portion for your records and return bottom portion with your payment.

**PAYMENT OPTIONS:**

- Cash, Check, Money Order
- Credit Card/Debit Card & E-Check Payments via IVR for \$3.95 convenience fee 866-899-4505
- Online Payments at [www.southernpioneer.net](http://www.southernpioneer.net)
- EFT/Direct Debit

\*For More Information On Payment Options, See Reverse Side Of Billing Statement.

ACCOUNT NUMBER	10036804
Amount Due in Office by 5 p.m. 04/17/2017	81.16
Amount Due After Due Date	82.78



SOUTHERN PIONEER ELECTRIC COMPANY  
PO BOX 430  
ULYSSES KS 67880-0430



201440010036804000006116000008278032820177

KANSAS ELECTRIC POWER COOPERATIVE, INC.  
Information Request

Request No. 2-1

Company Name SOUTHERN PIONEER ELECTRIC COMPANY  
Docket Number 18-SPEE-477-RTS  
Request Date May 22, 2018  
Date Information Needed June 6, 2018  
RE: Southern Pioneer's Application of April 30, 2018

Please provide the following:

Referring to page 7 of Exhibit 3-B, line 18, which appears to be derived from <KCC-07 - Southern Pioneer 2017 Hourly Loads from MKEC.xls> provided in response to Staff DR 7, the hourly loads attributed to KEPCo have been derived in spreadsheet column BC from the sum of the hourly demands for "MKKPIO" and "MKG MEADE Generation," included as columns AJ and V, respectively, in the spreadsheet. Please identify the wholesale customer to which the loads quantified in each of these columns is attributed, and explain why they are appropriate to include in KEPCo's load.

**RESPONSE:**

There appears to be an error in the calculation in column BC, where the City of Meade generation (MKG MEADE Generation from Column A.J) was still being added as KEPCo load. This was inadvertently missed in the MKEC's Hourly Loads work papers when the City of Meade moved from CMS (KEPCo) to KMEA power supply. Please note that the "kW as billed" noted in the DR 2-2 are correct.

"MKKPIO" is the aggregation of the KEPCo delivery points on the Southern Pioneer 34.5/13.8 kW system. These loads are appropriate to keep for inclusion in KEPCo's load, and the total sum matches kW billed to KEPCo. Below is the list of meters that make up the "MKKPIO":

088CMCE COMANC, 088CMCE CORRAL, 088CMCE CUDAHY, 088CMCE ENGLEW, 088CMCE FOWLER, 088CMCE MILLER, 088CMCE PLAINS, 088NICE MEDICI, 088NICE SUNCIT

Erroneous inclusion of Meade (KMEA) - Generation twice (once in KMEA load and again in KEPCo's load), explains the 1,354kW of the total 1,364kW difference for February as noted in DR 2-2. Correcting for the error would reduce the Subtotal - Wholesale (Page 7 of Exhibit 3-B, Line 19) by 1,354 kW and increase Line 26 Retail @ Delivery Point by 1,354kW (since retail portion is a mere subtraction of the wholesale from the total). Yet there is no effect on the Line 28 Total Load as used in Exhibit 3-B, Page 7. The "Updated KCC DR-07 - Southern Pioneer 2017 Hourly Loads from MKEC with RJC Corrections.xls" file containing this correction is included in response to DR 2-2.

Submitted By KEPCo  
Submitted To Randall Magnison

If for some reason, the above information cannot be provided by the date requested, please provide a written explanation of those reasons.

**Verification of Response**

I have read the foregoing Information Request and answer(s) thereto and find the answer(s) to be true, accurate, full and complete and contain no material misrepresentations or omissions to the best of my knowledge and belief, and I will disclose to KEPCo any matter subsequently discovered which affects the accuracy or completeness of the answer(s) to this Information Request.

Signed: Ronald Chartier Digitally signed by Ronald Chartier  
Date: 2018.06.06 10:49:35 -0500

**KANSAS ELECTRIC POWER COOPERATIVE, INC.**  
Information Request

Request No. 2-2

Company Name **SOUTHERN PIONEER ELECTRIC COMPANY**

Docket Number **18-SPEE-477-RTS**

Request Date **May 22, 2018**

Date Information Needed **June 6, 2018**

RE: **Southern Pioneer's Application of April 30, 2018**

Please provide the following:

Referring to page 7 of Exhibit 3-B, line 18, please provide an explanation for the following variances in KEPCo monthly demands in kilowatts shown from those that Mid-Kansas billed KEPCo for Local Access Delivery Service, which are provided below for your convenience:

Month	KEPCo Billing Demand		
	As Billed	SPEC Application	Variance
Jan	12,067	12,078	(11)
Feb	11,207	12,571	(1,364)
Mar	8,513	8,525	(12)
Apr	9,133	9,144	(11)
May	10,494	10,505	(11)
Jun	14,916	14,927	(11)
Jul	15,805	15,816	(11)
Aug	14,388	14,399	(11)
Sep	12,747	12,757	(10)
Oct	10,263	10,274	(11)
Nov	9,869	9,879	(10)
Dec	10,957	10,967	(10)
Total	140,359	141,841	(1,482)

If the variances warrant corrections to the Application, please provide corrections for all exhibits that are impacted by any corrections, with an explanation of the corrections made.

**RESPONSE:**

See next 2 pages.

Submitted By **KEPCo**

Submitted To **Randall Magnison**

If for some reason, the above information cannot be provided by the date requested, please provide a written explanation of those reasons.

**Verification of Response**

I have read the foregoing Information Request and answer(s) thereto and find the answer(s) to be true, accurate, full and complete and contain no material misrepresentations or omissions to the best of my knowledge and belief, and I will disclose to KEPCo any matter subsequently discovered which affects the accuracy or completeness of the answer(s) to this Information Request.

Signed: **Ronald Chartier**  
Date:

Digitally signed by Ronald Chartier  
Date: 2018.06.06 10:49:11 -05'00'



**KANSAS ELECTRIC POWER COOPERATIVE, INC.**  
Information Request

Request No. 2-2

Company Name                    SOUTHERN PIONEER ELECTRIC COMPANY  
Docket Number                18-SPEE-477-RTS  
Request Date                    May 22, 2018  
Date Information Needed        June 6, 2018  
RE:                                Southern Pioneer's Application of April 30, 2018

**RESPONSE – cont.**

Overall, incorporating MKEC's correction by decreasing the 2017TY 34.5kV billing demand 1,482kW for the wholesale and increasing the same amount for retail loads does not change the 34.5kV total billing demand, at 922,136kW as used in the Exhibit 3-B, Page 7/WP5-B, Line 28 of the Application. Therefore, the proposed LADS rate and the overall 34.5kV FBR adjustment, as filed in the Application in the Exhibit 3-B, Page 1, are unaffected.

These minor corrections change the Load Ratio Share (LRS) split between wholesale and retail only slightly (one tenth of one percent): the Wholesale Third Party share goes down from 41.9% to 41.8%, while the Retail share goes up from 58.1% to 58.2%. This is the only area where there is a de minimis impact on retail rate adjustment noted on Page 2 of Exhibit 3-B. Please see the attached "SP Exhibit 3-B Updated per KEPCo DR.xlsx", where it is shown that incorporating the corrected LRS causes the retail adjustment to go up \$178 – from \$64,270 to \$64,448. However, as seen on Page 2, Column (k), the resultant 34.5kV FBR dollar per kWh adjustments for each rate class remain unchanged.

Similarly, correcting KEPCo's demand in the Exhibit 3-A (WP2-A) does not change the total 34.5kV billing demand from the filed amount. Accordingly, there is no impact on Exhibit 3-A. See attached "SP Exhibit 3-A Updated per KEPCo DR.xlsx", where the retail adjustment sought (reflected on Page 3) stays at \$1,311,929 as filed.

Submitted By                    KEPCo  
Submitted To                    Randall Magnison

If for some reason, the above information cannot be provided by the date requested, please provide a written explanation of those reasons.

**Verification of Response**

I have read the foregoing Information Request and answer(s) thereto and find the answer(s) to be true, accurate, full and complete and contain no material misrepresentations or omissions to the best of my knowledge and belief; and I will disclose to KEPCo any matter subsequently discovered which affects the accuracy or completeness of the answer(s) to this Information Request.

Signed: *Cena Larson*  
Date: 6-6-18

Direct Testimony of Cary Catchpole  
18-SPEE-477-RTS

**APPENDIX C - Exhibits**

CPC-4  
CPC-5



Direct Testimony of Cary Catchpole  
18-SPEE-477-RTS

Appendix C

Exhibit CPC-4

Exhibit 3-A  
DSC-FBR Calculation  
Page 1

SOUTHERN PIONEER ELECTRIC COMPANY  
DSC FORMULA BASED RATE

ITEM	UNADJUSTED HISTORICAL TEST YEAR [2017] (\$)	F1, P, A, G, B	ADJUSTMENTS		ADJUSTED HISTORICAL TEST YEAR [2017] (\$)	DISTRIBUTION ALLOCATION FACTOR see Workpaper 1-A	DSC-FBR (\$)	34.5 KV Total System
			NO.	AMOUNT (\$)				
<b>A. STATEMENT OF OPERATIONS</b>								
1. Operating Revenue and Patronage Capital	69,746,389	F1, P, A, G, B	[1]	(317,065)	69,429,324	Direct (E.3.a)	64,828,860	4,600,464
2. Power Production Expense	-	F1, P, A, G, B			-	0.0000	-	
3. Cost of Purchased Power	46,935,849	F1, P, A, G, B			46,935,849	1.0000	46,935,849	
4. Transmission Expense	1,293,444	F1, P, A, G, B			1,293,444	0.0000	-	
5. Regional Market Expense	-	F1, P, A, G, B			-	0.0000	-	
6. Distribution Expense - Operation	4,203,913	F1, P, A, G, B	[2-a]	(8,820)	4,195,093	1.0000	4,195,093	
7. Distribution Expense - Maintenance	1,705,676	F1, P, A, G, B	[2-b]	-	1,705,676	1.0000	1,705,676	
8. Customer Accounts Expense	1,211,640	F1, P, A, G, B	[2-c]	(537)	1,211,103	1.0000	1,211,103	
9. Customer Service and Informational Expense	234,008	F1, P, A, G, B	[2-d]	(21,751)	212,257	1.0000	212,257	
10. Sales Expense	23,324	F1, P, A, G, B	[2-e]	(16,675)	6,649	1.0000	6,649	
11. Administrative and General Expense	2,121,868	F1, P, A, G, B	[2-f]	(35,792)	2,086,076	0.9504	1,982,581	
12. Total Operation & Maintenance Expense	57,729,722	F1, P, A, G, B		(83,575)	57,646,147		56,249,207	
13. Depreciation and Amortization Expense	3,283,133	F1, P, A, G, B			3,283,133	0.7222	2,370,918	912,215
14. Tax Expense - Property & Gross Receipts	-	F1, P, A, G, B			-	0.7262	-	
15. Tax Expense - Other	(1,281,817)	F1, P, A, G, B	[3]	1,229,939	(51,878)	0.7450	(38,651)	(13,227)
16. Interest on Long-Term Debt	5,517,278	F1, P, A, G, B	[4]	108,054	5,625,332	0.7262	4,085,268	
17. Interest Charged to Construction - Credit	-	F1, P, A, G, B			-	0.7262	-	
18. Interest Expense - Other	113,020	F1, P, A, G, B	[5]	(871)	112,149	0.7262	81,446	
19. Other Deductions	895,163	F1, P, A, G, B	[2-g]	(34,144)	861,019	0.7262	625,295	
20. Total Cost of Electric Service	66,256,499	F1, P, A, G, B		1,219,403	67,475,902	0.9392	63,373,484	
21. Patronage Capital & Operating Margins	3,489,890	F1, P, A, G, B		(1,536,468)	1,953,422		1,455,376	
22. Non Operating Margins - Interest	37	F1, P, A, G, B			37	0.7262	27	
23. Allowance for Funds Used During Construction	-	F1, P, A, G, B			-	0.7262	-	
24. Income (Loss) from Equity Investments	1,528,647	F1, P, A, G, B			1,528,647	1.0000	1,528,647	
25. Non Operating Margins - Other	(14,941)	F1, P, A, G, B			(14,941)	1.0000	(14,941)	
26. Generation and Transmission Capital Credits	-	F1, P, A, G, B			-	1.0000	-	
27. Other Capital Credits and Patr. Dividends	1,041,916	F1, P, A, G, B			1,041,916	0.7262	756,668	
28. Extraordinary Items	-	F1, P, A, G, B			-	1.0000	-	
29. Patronage Capital or Margins	6,043,549	F1, P, A, G, B		(1,536,468)	4,509,081	0.8263	3,725,776	

Direct Testimony of Cary Catchpole  
18-SPEE-477-RTS

Appendix C

Exhibit CPC-4

Exhibit 3-A  
DSC-FBR Calculation  
Page 2

SOUTHERN PIONEER ELECTRIC COMPANY  
DSC FORMULA BASED RATE

ITEM	UNADJUSTED	ADJUSTMENTS		ADJUSTED	DISTRIBUTION ALLOCATION FACTOR	DSC-FBR	34.5 kV Total System	
	HISTORICAL TEST YEAR [2017] (\$)	NO.	AMOUNT (\$)	HISTORICAL TEST YEAR [2017] (\$)				
31.								
32.	<b>B. DEBT SERVICE PAYMENTS</b>							
33.	Interest Expense	5,630,298	Line 17 + Line 19	107,183	5,737,481	0.7262	4,166,714	
34.	Principal Payments	2,329,355	F7, F8, Q, Q4, B	[0]	144,526	2,473,881	0.7262	1,796,600
35.	Total Debt Service Payments	7,959,653		251,709	8,211,362	0.7262	5,963,314	
36.								
37.	<b>C. DEBT SERVICE MARGINS</b>							
38.	Patronage Capital or Margins	6,045,549	Line 36		4,509,081	0.8263	3,725,776	
39.	Plus: Depreciation and Amortization Expense	3,283,133	Line 14		3,283,133	0.7222	2,370,918	
40.	Plus: Interest Expense	5,630,298	Line 33	107,183	5,737,481	0.7262	4,166,714	
41.	Plus: Non-Cash Other Deductions Amortizations	836,265	Trial Balance		836,265	0.7262	607,318	
42.	Plus: Cash Capital Credits Cash Received	737,447	F7, F8, I, I4, Q4, A		737,447	0.7262	535,554	
43.	Plus: Non-Cash Income Tax Expense	(1,281,817)	Line 16	1,281,817	-	0.7450	-	
44.	Less: Income (Loss) from Equity Investments	(1,528,647)	Line 25		(1,528,647)	1.0000	(1,528,647)	
45.	Less: Other Capital Credits and Patr. Dividends	(1,041,916)	Line 28		(1,041,916)	0.7262	(756,668)	
46.	Total Debt Service Margins	12,680,312			12,532,844		9,120,966	
47.								
48.	<b>D. DEBT SERVICE COVERAGE</b>	1.59	1.62/1.55		1.53		1.63	
49.								
50.	<b>E. DEBT SERVICE COVERAGE TARGET</b>						1.75	
51.								
52.								
53.	<b>F. INITIAL OPERATING INCOME ADJUSTMENT</b>							
54.	DSC Adjustment Required to Achieve Target				0.22		0.22	
55.	Debt Service Payments				8,211,362		5,963,314	
56.	After-Tax Operating Income Adjustment				1,837,040		1,311,929	
57.								

Adjusted DSC Margins are: **Below the Target**

Direct Testimony of Cary Catchpole  
18-SPEE-477-RTS

Appendix C

Exhibit CPC-4

Exhibit 3-A  
DSC-FBR Calculation  
Page 3

SOUTHERN PIONEER ELECTRIC COMPANY  
DSC FORMULA BASED RATE

ITEM	UNADJUSTED	ADJUSTMENTS		ADJUSTED	DISTRIBUTION	DSC-FBR	34.5 kV Total System
	HISTORICAL TEST YEAR [2017] (S)	NO.	AMOUNT (S)	HISTORICAL TEST YEAR [2017] (S)			
58. <b>C. EQUITY TEST (Increase will not result in &gt; 15% equity ratio)</b>					see Workpaper 1-A		
59.	<u>Pre-Adjustment</u>		<u>Plus</u>	<u>Post-Adjustment</u>			
60. Total Margins and Equities	17,896,088 F1, F1 C, L15 + Amt 1266		1,311,929	19,208,017			
61. Total Assets	139,297,104 F1, F1 C, L15	[7]	7,590,386	146,887,490			
62. Equity Ratio	<u>13.35% 160 / 1161</u>			<u>13.08%</u>			
63.							
64. <b>H. FINAL REVENUE ADJUSTMENT PROPOSED</b>							
65. Operating Income Adjustment						1,311,929	
66. Rate Schedule Revenue						<u>64,828,860</u>	
67. Adjustment Percentage						2.0%	

Direct Testimony of Cary Catchpole  
18-SPEE-477-RTS

Appendix C  
Exhibit CPC-4

Exhibit 3-B  
Page 1

Southern Pioneer Electric Company  
34.5kV Formula Based Rate  
Revenue Requirement and Rate Calculation  
For Year 2018 Based on the Historical Test Year Ending December 31, 2017

(a) Line No	(b) Description	(c) Source	(d) Unadjusted Historical Test Year [2017]	(e) Adjustments		(f) Adjusted Historical Test Year [2017]	(g) Allocation Factor Name	(h) Allocation Factor	(i) FBR Revenue Requirement
				No.	Amount				
1	<b>Operating Expenses</b>								
2	Power Production Expense	WPI-B, L29, Col (4)	\$ -			\$ -		0.000000	\$ -
3	Cost of Purchased Power	WPI-B, L30, Col (4)	\$ 46,935,849			\$ 46,935,849		0.000000	\$ -
4	Transmission O&M	WPI-B, L31, Col (4)	\$ 1,293,444			\$ 1,293,444		1.000000	\$ 1,293,444
5	Distribution Expense-Operation	WPI-B, L32, Col (4)	\$ 4,203,913	(1) \$		\$ 4,203,913	DOM	0.000000	\$ -
6	Distribution Expense-Maintenance	WPI-B, L33, Col (4)	\$ 1,705,676	(2) \$		\$ 1,705,676	DOM	0.000000	\$ -
7	Consumer Accounts Expense	WPI-B, L34, Col (4)	\$ 1,211,640			\$ 1,211,640		0.000000	\$ -
8	Customer Service and Informational Expense	WPI-B, L35, Col (4)	\$ 234,008			\$ 234,008		0.000000	\$ -
9	Sales Expense	WPI-B, L36, Col (4)	\$ 23,324			\$ 23,324		0.000000	\$ -
10	Administration & General	WPI-B, L37, Col (4)	\$ 2,121,868	(3) \$	(35,792)	\$ 2,086,076	LAB	0.049612	\$ 103,495
11	Total O&M Expense	Sum (L31-L37)							\$ 1,398,939
12	Depreciation and Amortization								
13	Transmission	WPI-B, L40, Col (4)	\$ 677,892			\$ 677,892		1.000000	\$ 677,892
14	General Plant	WPI-B, L41, Col (4)	\$ 324,198			\$ 324,198	LAB	0.049612	\$ 16,084
15	Property Tax	WPI-B, L42, Col (4)	\$ -			\$ -	NP	0.273773	\$ -
16	Other Taxes <sup>1</sup>	WPI-B, L44, Col (4)	\$ (1,281,817)	(4) \$	1,239,939	\$ (51,878)		0.254961	\$ (13,217)
17	L.T. Interest	WPI-B, L45, Col (4)	\$ 5,317,278	(5) \$	108,054	\$ 5,025,332	NP	0.273773	\$ 1,540,064
18	Interest Charged to Construction - Credit	WPI-B, L46, Col (4)	\$ -	(6) \$	-	\$ -	NP	0.273773	\$ -
19	Interest-Other	WPI-B, L47, Col (4)	\$ 113,020	(7) \$	(871)	\$ 112,149	NP	0.273773	\$ 30,703
20	Other Deductions	WPI-B, L48, Col (4)	\$ 895,163	(8) \$	(34,144)	\$ 861,019	NP	0.273773	\$ 235,724
21	Total Cost of Electric Service								\$ 3,854,179
22									
23	<b>Margin Requirements</b>								
24	Principal Payments	WPI-B, L62, Col (4)	\$ 2,329,355	(9) \$	144,526	\$ 2,473,881	NP	0.273773	\$ 677,282
25	L.T. Interest	L17	\$ 5,517,278		108,054	\$ 5,025,332	NP	0.273773	\$ 1,540,064
26	Interest-Other	L18	\$ 113,020		(871)	\$ 112,149	NP	0.273773	\$ 30,703
27	Subtotal	Sum (L23-26)							\$ 2,248,049
28	Required Coverage Ratio	WPI-B, L65, Col (4)							1.75
29	Gross Margin Requirements	L27 x L28							3,934,083
30	Less: Offsets to Margin Requirements	WP4-B, L7, Col (1)							2,695,583
31	Net Margin Requirement	L29 - L30							\$ 1,238,500
32									
33	<b>Total Revenue Requirements</b>								
34	Add: Net Margin Requirement	L31 + L31							\$ 5,122,681
35	Add: True-Up Amount <sup>2</sup>	per Section 1 of the Proceeds							\$ (17,845)
36	Total Net Revenue Requirements	L34 + L35							\$ 5,104,836
37	Divided By Total System Billing Demand	WP2-B, L28							922,136 kW
38	Unadjusted Unit Rate	L34 / L37							\$5.541/kWh-enc.
39	Less: Property Tax Surcharge	Dist No. 13-SPEE-270-TAX							\$0.542/kWh-enc.
40	Revised Unit Rate	L38 - L39							\$5.04/kWh-enc.

<sup>1</sup> The remainder allocated to the remainder of Texas-Other, cash portion, allocated to 2018 ESC-FBR.

<sup>2</sup> Work Paper 12-B, Line 3

Direct Testimony of Cary Catchpole  
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Appendix C

Exhibit CPC-4

Exhibit 3-B  
Page 2

Southern Pioneer Electric Company  
34.5kV Formula Based Rate  
Allocation of 34.5kV FBR Rate Adjustment to Retail Rate Classes  
For Year 2018 Based on the Historical Test Year Ending December 31, 2017

I. Calculation of the 34.5kV FBR Retail Rate Adjustment

Line No.	Description	Source	Amount
1	Baseline LAC rate	Pg. 1, LAC	\$ 5.00 /kW/mo
2	Currently Effective LAC rate	17-SPEE-476-RTS	\$ 4.88 /kW/mo
3	Difference	L2 - L3	\$ 0.12 /kW/mo
4			
5	Additional Revenue Needed From Retail:		
6		Retail LAC Demand	\$ 537,663 kW
7		Additional Per kW LAC	\$ 0.12 /kW/mo
8			\$ 64,448

II. Proportional Allocation of 34.5kV FBR Retail Rate Adjustment to Rate Classes On Base Revenue by Rate Schedule

Line No.	Rate Schedule	Rate Schedule Revenue <sup>1</sup>	Allocated Power Supply Cost of Service <sup>1</sup>	Base Revenue <sup>1</sup>	Percent of Tot Base Rev	Allocation of Rate Adjustment				
						34.5kV FBR Adjustment <sup>1</sup>	Base Revenue	Check the Spread	Historical Energy Sales	34.5kV FBR Adjustment per kWh
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
1	Residential Service (RS)									
2	General Use	\$ 15,586,648	\$ 7,453,989	\$ 8,132,660	39.73%	\$ 25,605	\$ 8,158,265	39.73%	106,883,802	0.0002
3	Space Heating <sup>2</sup>	\$ 782,704	\$ 385,623	\$ 397,082	1.94%	\$ 1,250	\$ 398,332	1.94%	5,790,181	0.0002
4	General Service Small (GSS)	\$ 1,815,474	\$ 791,012	\$ 1,024,421	5.00%	\$ 5,225	\$ 1,029,646	5.00%	11,353,578	0.0003
5	General Service Large (GSL)	\$ 17,173,635	\$ 9,341,258	\$ 7,833,377	38.26%	\$ 24,560	\$ 7,857,937	38.26%	130,450,192	0.0002
6	General Service Space Heating <sup>2</sup>	\$ 560,089	\$ 327,477	\$ 232,612	1.14%	\$ 732	\$ 233,345	1.14%	5,013,974	0.0002
7	Industrial Service (IS)	\$ 3,498,567	\$ 2,034,186	\$ 1,464,382	7.15%	\$ 4,610	\$ 1,468,992	7.15%	30,481,488	0.0002
8	Interceptable Industrial Service (INT)	\$ -	\$ -	\$ -	0.00%	\$ -	\$ -	0.00%	-	N.A.
9	Real-Time Pricing (RTP) <sup>3</sup>	\$ 33,728	\$ 33,528	\$ -	0.00%	\$ -	\$ -	0.00%	390,457	N.A.
10	Sub-transmission Level Service (STR) <sup>4</sup>	\$ 26,213,947	N.A.	N.A.	0.00%	\$ -	\$ -	0.00%	447,734,214	N.A.
11	Municipal Power Service (MPS)	\$ 193,360	\$ 91,947	\$ 96,213	0.47%	\$ 303	\$ 96,616	0.47%	1,411,591	0.0002
12	Water Pumping Service (WPS)	\$ 437,115	\$ 351,460	\$ 285,655	1.40%	\$ 899	\$ 286,554	1.40%	5,284,565	0.0002
13	Irrigation Service (IP-I)	\$ 352,506	\$ 182,460	\$ 170,037	0.83%	\$ 535	\$ 170,572	0.83%	2,357,658	0.0002
14	Temporary Service (TS)	\$ 11,969	\$ 4,600	\$ 7,369	0.04%	\$ 23	\$ 7,392	0.04%	50,207	0.0005
15	Lighting	\$ 1,081,850	\$ 251,190	\$ 826,900	4.04%	\$ 2,603	\$ 829,503	4.04%	3,947,867	0.0007
16	Total Retail Rates	\$ 67,953,133	\$ 21,259,338	\$ 20,489,849	100.00%	\$ 64,448	\$ 20,554,296	100.00%	731,078,714	

<sup>1</sup> See Worksheet 7-B for detail.

<sup>2</sup> The per kWh Adjustment shown in Column (11) continues annual average, with the actual seasonal components varying due to rate design. See Worksheet 7-B for detail.

<sup>3</sup> Exclude RTP (marginal piecewise-adjustable rate). Note, however, that these customers will roll their share in the 34.5kV FBR adjustment per their corresponding baseline tariff.

<sup>4</sup> STR customers will not share in retail 34.5kV FBR adjustment: 115 STR take service at a higher voltage level, and 34.5 kV STR pay their share of 34.5 kV system costs in the demand rate component.

Direct Testimony of Cary Catchpole  
18-SPEE-477-RTS

Appendix C

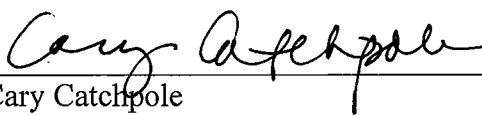
Exhibit CPC-5




**VERIFICATION**

STATE OF KANSAS                    )  
  )  
COUNTY OF SHAWNEE            )        ss:

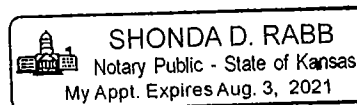
I, Cary Catchpole, of lawful age and being first duly sworn upon my oath, state that I am a Regulatory Analyst for the Citizens' Utility Ratepayer Board; that I have read and am familiar with the above and foregoing document and attest that the statements therein are true and correct to the best of my knowledge, information, and belief.

  
\_\_\_\_\_  
Cary Catchpole

SUBSCRIBED AND SWORN to before me this 6<sup>th</sup> day of July, 2018.

  
\_\_\_\_\_  
Notary Public

My Commission expires: 8-3-21.



**CERTIFICATE OF SERVICE**

18-SPEE-477-RTS

I, the undersigned, hereby certify that a true and correct copy of the above and foregoing document was served by electronic service on this 6<sup>th</sup> day of July, 2018, to the following:

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