

BEFORE THE KANSAS CORPORATION COMMISSION

OF THE STATE OF KANSAS

In the Matter of the Application of)
Southern Pioneer Electric Company for)
Approval to Make Certain Changes in its) Docket No. 20-SPEE-169-RTS
Charges for Electric Service.)
)

PREFILED DIRECT TESTIMONY OF

**ELENA E. LARSON
MANAGER OF RATES AND REGULATORY SERVICES
POWER SYSTEM ENGINEERING, INC.**

ON BEHALF OF

SOUTHERN PIONEER ELECTRIC COMPANY

October 10, 2019

TABLE OF CONTENTS

PART I - QUALIFICATIONS	1
PART II - SUMMARY OF DIRECT TESTIMONY	4
PART III - REVENUE REQUIREMENT ANALYSIS	8

TABLES

Table 1 - Southern Pioneer Revenue Requirement Summary	7
Table 2 - Southern Pioneer Statement of Operations - Present Rates.....	12
Table 3 - Southern Pioneer Revenue Requirement Summary	14

EXHIBITS

Exhibit PSE-2	- Statement of Operations - Present Rates
Exhibit PSE-3	- Revenue Requirement
Exhibit PSE-3A	- Exhibit 3-A as approved in 18-SPEE-477-RTS.
Exhibit PSE-3B	- Exhibit 3-B as approved in 18-SPEE-477-RTS.

PART I - QUALIFICATIONS

Q. Please state your name and business address.

A. My name is Elena E. Larson. My business address is 5883 SW 29th Street, Suite 101, Topeka, KS 66614.

Q. What is your profession?

A. I am a Manager of Rates and Regulatory Services in the Economics, Rates, and Business Planning Department at Power System Engineering, Inc. (“PSE”), which is headquartered at 1532 W. Broadway, Madison, Wisconsin 53713.

Q. Please describe the business activities of PSE.

A. PSE is a consulting firm serving electric utilities across the country, but primarily in the Midwest. Our headquarters is in Madison, Wisconsin with regional offices in Indianapolis, Indiana; Topeka, Kansas; Lexington, Kentucky; Minneapolis, Minnesota; Marietta, Ohio; and Sioux Falls, South Dakota. PSE is involved in: power supply, transmission and distribution system planning; distribution, substation and transmission design; construction contracting and supervision; retail and wholesale rate and cost of service (“COS”) studies; economic feasibility studies; merger and acquisition feasibility analysis; load forecasting; financial and operating consultation; telecommunication and network design, mapping/GIS; and system automation including Supervisory Control and Data Acquisition (“SCADA”), Demand Side Management (“DSM”), metering, and outage management systems.

Q. Please describe your responsibilities with PSE.

A. I work on a team of staff that provides economic, financial, and rate-related consulting services to investor-owned, cooperative, and municipal utilities as well as regulators and industry associations. These services include:

- Cost of Service Studies.
- Capital Credit Allocations.
- Demand Response.
- Distributed Generation Rates.
- Energy Efficiency.
- Financial Forecasting.
- Individual Customer Profitability.
- Large Power Contract Rates/Proposals.
- Line Extension Policies/Charges.
- Load Management Analysis.
- Load Forecasting.
- Market and Load Research.
- Merger Analysis.
- Pole Attachment Charges.
- Policy and Board Audits.
- Power Cost Adjustments.
- Rate Consolidation.
- Retail Rate Design and Analysis.
- Special Fees and Charges.
- Statistical Performance Measurement (Benchmarking).
- Value of Service.

Q. What is your educational background?

A. I graduated from Washburn University in Topeka, Kansas in 2001 with a Bachelor of Science degree in Mathematics and a minor in Computer Science. In 2008, I received my Masters of Business Administration (“MBA”) degree from Ashford University in Clinton, Iowa.

Q. What is your professional background?

A. Prior to advancing to graduate degree studies in 2006, I worked as a computer programmer for a private corporation and taught mathematics. After graduating with an MBA in September 2008, I began my employment with the Kansas Corporation Commission (“KCC” or “Commission”) in Topeka, Kansas in July 2009, as an Energy Analyst in the Energy Operations Section of the Utilities Division. My work responsibilities at the KCC at that time included monitoring and assessing various periodic compliance reports (e.g., Quality of Service and Electric Reliability); providing technical analysis on informal and formal electric and gas customer complaints; and assisting in writing the rules and regulations when mandated by the Kansas legislature. In January 2012, I assumed the position of Senior Utility Rate Analyst in the Economics and Rates Section of the Utilities Division of KCC. In that capacity, my responsibilities expanded to filing recommendations

1 and/or testimony addressing utility applications for various tariff modifications, including
2 change of retail and wholesale rates.

3 In April 2013, I joined PSE, where I assumed a position of Rate and Financial Analyst in
4 the Rates and Financial Planning Department. In January 2018, my title changed to Rate and
5 Regulatory Consultant. In June 2018, I was promoted to Manager, Rates and Regulatory
6 Services. My responsibilities include performing rate studies consisting of determination of
7 revenue Requirement, COS, and rate design; developing financial forecasting, special rates,
8 and programs; and performing other financial analysis for various PSE clients. Additionally,
9 I participate in the leadership of our department by heading PSE's Kansas office branch
10 business development and helping develop strategy in the regulatory services area.

11 **Q. Have you previously presented testimony before the Commission?**

12 A. Yes. I submitted testimony on behalf of KCC Staff in Docket Nos. 11-GBEE-624-COC, 11-
13 MKEE-597-GIE, 12-WSEE-112-RTS, and 12-MKEE-380-RTS; and I authored Report and
14 Recommendations on behalf of KCC Staff in Docket Nos. 09-KGSG-927-COM, 10-BHCG-
15 409-COM, 10-WSEE-507-TAR, 10-KGSG-535-COM, 10-KGSG-644-COM, 10-MDWE-
16 733-TAR, 11-KCPE-031-COM, 11-WSEE-599-TAR, and 11-MDWE-763-TAR. I have also
17 filed testimony on behalf of Prairie Land Electric Cooperative, Inc. ("Prairie Land") in Docket
18 Nos. 15-PLCE-176-TAR, 17-PLCE-478-TAR, 18-PLCE-462-TAR, and 19-PLCE-436-TAR;
19 on behalf of The Victory Electric Cooperative Association, Inc. ("Victory") in Docket Nos.
20 17-VICE-481-TAR, 18-VICE-479-TAR, and 19-VICE-448-TAR; on behalf of Western
21 Cooperative Electric Association, Inc. ("Western") in Docket Nos. 17-WSTE-477-TAR, 18-
22 WSTE-473-TAR, and 19-WSTE-443-TAR; on behalf of Midwest Energy in Docket No. 16-
23 MDWE-324-TFR; and on behalf of Southern Pioneer Electric Company ("Southern Pioneer")

24

25

1 or “Company”) in Docket No. 18-KPPE-343-COC. I also helped prepare testimony on behalf
2 of Southern Pioneer, Victory, Western, Prairie Land, and Mid-Kansas Electric Company, Inc.
3 (“Mid-Kansas”) in Docket Nos. 14-SPEE-507-RTS, 15-SPEE-161-RTS, 15-SPEE-357-TAR,
4 15-SPEE-519-RTS, 16-MKEE-023-TAR, 16-PLCE-490-TAR, 16-VICE-494-TAR, 16-
5 WSTE-496-TAR, 16-SPEE-497-RTS, 16-SPEE-501-TAR, 17-SPEE-476-TAR, and 18-
6 SPEE-477-RTS. Additionally, I have performed analyses filed with the Applications on behalf
7 of Mid-Kansas, Prairie Land, and Southern Pioneer in Docket Nos. 14-MKEE-084-TAR, 14-
8 PLCE-312-TAR, 15-SPEE-267-TAR, 16-SPEE-306-TAR, 17-SPEE-263-TAR, 18-SPEE-
9 270-TAR, and 19-SPEE-236-TAR.

10 **Q. Do you have any other relevant experience?**

11 A. I have attended several industry seminars/courses on COS, rate design, pricing, distributed
12 generation, financing transmission expansion, transmission cost allocation, renewable power
13 project siting, etc. I have also presented to the Cooperatives’ Boards of Trustees and at industry
14 events on the topics of Revenue Requirement, COS, Rate Design, and Net Metering.

15
16 **PART II - SUMMARY OF DIRECT TESTIMONY**

17 **Q. What is the purpose of your testimony in this proceeding?**

18 A. The purpose of my testimony is to provide the Revenue Requirement analysis in support of the
19 Rate Application submitted by Southern Pioneer in the instant.

20 **Q. Are there particular Exhibits to Southern Pioneer’s Application that you are sponsoring?**

21 A. Yes. I am sponsoring the following Exhibits, which are attached to my Direct Testimony:

22 Exhibit PSE-2 - Statement of Operations - Present Rates
23 Exhibit PSE-3 - Revenue Requirement

24

25

1 **Q. Have the exhibits been prepared by you or under your supervision?**

2 A. Yes.

3 **Q. Are there any additional exhibits you are referencing throughout your testimony?**

4 A. Yes. In addition to the Exhibits PSE-2 and PSE-3, I reference the following Exhibits that contain
5 the information from the prior Commission filings relevant in the instant Docket. For
6 convenience, I have attached these as Exhibits to my testimony also:

7 Exhibit PSE-3A - Exhibit 3-A as approved in 18-SPEE-477-RTS.
8 Exhibit PSE-3B - Exhibit 3-B as approved in 18-SPEE-477-RTS.

9 **Q. What is the purpose of the Revenue Requirement analysis filed in this Docket?**

10 A. The Revenue Requirement calculation supported in my testimony forms the basis for the
11 retail Class Cost of Service (“CCOS”), also filed in the instant Docket. The CCOS relies
12 on the present rate revenues by rate class developed during the Revenue Requirement
13 portion of the analysis. The results of the CCOS, in turn, are further used to guide rate
14 design.¹

15 **Q. What data formed the basis for Southern Pioneer’s Revenue Requirement submitted
16 in the instant filing?**

17 A. The Revenue Requirement analysis was based upon a 2017 Adjusted Test Year as approved
18 by the Commission in Southern Pioneer’s last DSC and 34.5kV Formula Based Rate (“FBR”)
19 Annual Update filings submitted in Docket No. 18-SPEE-477-RTS (“18-477 Docket”).²
20
21
22

23 ¹ CCOS analysis and rate design are contained in the Direct Testimony of Richard J. Macke.

24 ² Order Granting Application, issued on July 16, 2018.
25

1 Therefore, the calculation uses 2017 historical billing units and present rates as authorized in
2 the 18-477 Docket, essentially “matching” the revenue Requirement approved in that filing.³

3 **Q. Why was the 2017 Test Year data used for the Revenue Requirement as opposed to the**
4 **most recent 2018 Test Year data already available?**

5 A. Adopting the Commission-approved Revenue Requirement based upon the 2017 Test Year,
6 where all adjustments to the historical data were already reviewed by the relevant parties⁴, was
7 decided as the best course of action in order to keep the focus of the ensuing CCOS analysis
8 on the rate structure itself, as opposed to the additional revenue needs, thus streamlining this
9 filing.⁵ Additionally, Southern Pioneer will be submitting the companion DSC-FBR renewal
10 filing which, if approved, will address Company’s revenue needs beyond the 2017 Test Year
11 levels previously authorized by the Commission.

12 Using a revenue-neutral analysis means there is no additional revenue being sought by the
13 Company in the instant filing, i.e., effective revenue increase is zero percent, as shown in the
14 following Table 1.⁶

19 ³ Retail base rates used in the Revenue Requirement calculation are from the DSC and 34.5kV FBR Combined
20 Tariffs approved in the 18-477 Docket; retail property tax surcharge and energy cost adjustments were held
21 constant at the 2017 historical Test Year to match the revenue Requirement as approved in the 18-477
Docket.

22 ⁴ Groups that participated in the review of the 18-477 Application, as well as all docket-related filings
and information exchanges, included Commission Staff, Citizens’ Utility Ratepayer Board (“CURB”),
Kansas Electric Power Company, and Kansas Power Pool.

23 ⁵ The decision to adopt the approved Revenue Requirement for the CCOS analysis was supported by both
Commission Staff and CURB.

24 ⁶ The slight difference of \$2,987 (or 0.004%) between the Revenue Requirement and Revenue from Present
Rates is inevitable due to rounding and can be ignored.

Table 1	
Southern Pioneer Electric Company	
Revenue Requirement Summary	
MDSC = 1.75 Target	
	(\$)
1. Operating Expense (excluding interest)	61,520,181
2. Margin Requirements	
a. Debt Service Payments	8,203,965
b. Target MDSC	1.75
c. Total Margin Required	<u>14,356,939</u>
d. Less: Non-Operating Margins (Other)	(14,941)
e. Less: Depreciation Expense	3,064,894
f. Less: Other Deductions (Amortizations)	836,265
g. Less: Cash Capital Credits Received	737,447
h. Less: Non-Operating Income - Interest	37
i. Less: Non-Cash Income Tax Expense	<u>-</u>
j. Net Operating Income Required	9,733,237
3. Total Revenue Requirements	71,253,418
4. Revenue From Present Rates	
a. Tariff Revenue	70,950,944
b. Other Operating Revenue	<u>305,461</u>
c. Total Revenue	71,256,405
5. Required Increase (Decrease)	(2,987)
	or 0%

Q. Although the Company is keeping the overall Revenue Requirement the same as approved in the 18-477 Docket, is Southern Pioneer proposing any rate changes on a rate class level?

A. Yes. The Direct Testimony of Richard J. Macke filed in the instant Docket contains the support for the proposed rate changes.

PART III - REVENUE REQUIREMENT ANALYSIS

Q. Please summarize how Southern Pioneer’s Revenue Requirement calculation was developed.

A. As already explained on page 6 of my testimony, after discussing with Staff and CURB, and taking into consideration the companion DSC-FBR renewal filing⁷, it was determined to keep the same level of Revenue Requirement as last approved by the Commission in order to reduce the number of issues being addressed in the two dockets. Therefore, the total Revenue Requirement for the Company was calculated to equal the sum of the DSC-FBR Revenue Requirement and the 34.5kV FBR Revenue Requirement approved by the Commission in the 18-477 Docket.

In the context of a utility rate filing, the Revenue Requirement represents the total operating expense and margin Requirement. Accordingly, to match the Commission-established Revenue Requirement, the analysis presented in this filing needed to match the operating expense and margin Requirement as approved. Therefore, all adjustments and allocations made to the historical levels of the 2017 expenses for each of the corresponding FBRs, as well as the target ratio used to calculate margins, were adopted as approved in the 18-477 Docket.

Exhibits PSE-2 and PSE-3 further detail the development of the Revenue Requirement analysis.

Q. Please explain the content of Exhibits PSE-2 and PSE-3.

A. I will begin with Exhibit PSE-2, which contains the Statement of Operations for the Test Year based on the revenue generated by the present rates:

⁷ The application to continue the DSC-FBR Plan is anticipated to be filed in the near future in Docket No. 19-SPEE-240-MIS (the 19-240 Docket), as explained in Southern Pioneer’s application in this case.

- 1 • Page 1 of Exhibit PSE-2 summarizes the Statement of Operations for the Test Year.
- 2 • Page 2 reflects the 2017 historical Consumer and Sales data as recorded by the
- 3 Company for the Historical Test Year ending December 31, 2017, with revenues shown
- 4 reflective of rates in effect during 2017 (i.e., prior to the approval of the most recent
- 5 rates calculated in the DSC and 34.5kV FBR Annual Update filing in Docket No. 18-
- 6 477). The billing units shown are the same units as utilized in the 18-477 Docket.
- 7 • Page 3 reflects the Pro Forma Test Year Consumer and Sales data, where Pro Forma
- 8 Test Year corresponds to the 2017 Adjusted Year as used in the 18-477 Docket. While
- 9 the billing units (consumer count in Column (c) and energy sales in Column (d)) are
- 10 still reflective of the 2017 historical data as on Page 2 of the Exhibit), the rate revenues
- 11 shown in Column (f) now reflect rate revenues from the rates approved in 18-477
- 12 Docket.
- 13 • Pages 4-8 show the details of the rate revenue calculation using the 2017 historical
- 14 billing units and present rates, where the latter were approved in the 18-477 Docket.⁸
- 15 • Page 9 details the components of the Purchased Power expense, which is necessary for
- 16 the CCOS analysis.

17 Table 2, shown on page 12 of my testimony, is equivalent to Page 1 of Exhibit PSE-2 and
18 summarizes the Statement of Operations for the Test Year. Below is the explanation of the
19 Table 2 contents:

- 20 • Column (c) represents the Operating Revenues and Expenses associated with the DSC-
- 21 FBR as approved in the 18-477 Docket. Specifically, the Operating Expenses match

23 ⁸ See footnote 2.

24

25

1 those in Exhibit 3-A, Pages 1-3, Column “DSC-FBR”, filed and approved in the 18-
2 477 Docket (attached to this Application for reference as Exhibit PSE-3A). The
3 Operating Revenues, stated at \$66,140,789 in total, represent the sum of (1) the
4 \$64,828,860 in Operating Revenue and Patronage Capital as stated in the same Exhibit
5 3-A on Page 1, Line 2, Column “DSC-FBR” and (2) the \$1,311,929 Operating Income
6 Adjustment approved in the 18-477 Docket (noted on Page 2 of the Exhibit 3-A, Line
7 56, Column “DSC-FBR”). Table 2 also breaks out the Total Operating Revenues by
8 the Rate Revenues from sales of electricity and Other Operating Revenues, where the
9 latter represents the 2017 historical Form 7 amount.⁹

- 10 • Column (d) represents the Operating Revenues and Expenses associated with the
11 34.5kV FBR as approved in the 18-477 Docket. Specifically, the Operating Expenses
12 reflect the amounts as contained in Exhibit 3-B, Page 1, Column (i), filed and approved
13 in the 18-477 Docket (attached to this Application for reference as Exhibit PSE-3B).¹⁰

14 The Operating Revenues, stated at \$5,109,736 in total, represent the Total Net Revenue
15 Requirement as stated in the same Exhibit 3-B on Page 1, Line 36. In addition, Table
16
17
18

19 ⁹ Other Operating Revenues for 2017 are calculated as the difference of the amount shown on 2017 Form 7,
20 Part R, Line 14 and the amount booked to General Ledger account 456.02. The amount booked to account
21 456.02 is attributable to the revenues from the wholesale sales of electricity, which represent the revenues
22 collected by Southern Pioneer from its wholesale Local Access Delivery Service (“LADS”) customers based
23 on LADS rate and Property Tax Surcharge (“PTS”).

24 ¹⁰ Notice that since the 34.5kV FBR contained the True-Up provisions for the debt-service items, for Long-
25 Term Interest and Interest-Other (as well as for Net Operating Margin Requirement that includes interest
expense, principal payment, and margin offsets), the amounts as shown in Table 2 also contain allocated
portions of the True-Up approved in the 18-477 Docket (noted on Page 1, Line 35 of 34.5kV FBR Exhibit
3-B). The allocation of the total True-Up, a \$12,945 decrease, by the expense and margins categories is
derived from comparing line items on Pages 18 and 19 of the Exhibit 3-B.

1 2 also breaks out the Total Operating Revenues by the Retail and Wholesale Rate
2 Revenues.¹¹

- 3 • Column (e) of Table 2 represents the results of combined DSC and 34.5kV FBRs and
4 is a summation of values in Columns (c) and (d).
- 5 • Column (f) of Table 2 shows the results under the Pro Forma Test Year. As such, the
6 values for all expenses, margin, and the Other Operating Revenues component of the
7 Total Operating Revenues equal the sum of the results from the two FBRs; and, as such,
8 they match values in Column (e). Retail and Wholesale Rate Revenues, however,
9 represent the actual calculated revenues under present rates, where those rates were a
10 direct outcome of the Revenue Requirement approved in the 18-477 Docket. As
11 expected, those rate revenues closely match the corresponding revenues from the
12 Combined FBR Column (e).¹²

22 ¹¹ The revenues from wholesale sales of electricity represent the revenues collected by Southern Pioneer from
its wholesale LADS customers based on the LADS rate and PTS.

23 ¹² Slight difference (only \$5,880, or 0.008 percent) is inevitable due to rounding used during the calculation.

Table 2
Southern Pioneer Electric Company
Statement of Operations
Present Rates
For the Test Year Ended December 31, 2017

(a) Line No.	(b) Description	(c) DSC FBR ¹	(d) 34.5kV FBR ¹	(e) Combined FBR ²	(f) Pro Forma Test Year ³
1	<u>Operating Revenue</u>				
2	Retail Electricity Sales	65,835,328	2,967,552	68,802,879	\$ 68,808,760
3	Wholesale Electricity Sales		2,142,184	2,142,184	\$ 2,142,184
4	Other Operating Revenue	305,461		305,461	305,461
5	Total Operating Revenue	<u>66,140,789</u>	<u>5,109,736</u>	<u>71,250,525</u>	<u>\$ 71,256,405</u>
6					
7	<u>Operating Expenses</u>				
8	Cost of Purchased Power	46,935,849		46,935,849	\$ 46,935,849
9	Transmission - O & M		1,293,444	1,293,444	\$ 1,293,444
10	Distribution - Operation	4,195,093		4,195,093	\$ 4,195,093
11	Distribution - Maintenance	1,705,676		1,705,676	\$ 1,705,676
12	Consumer Accounts	1,211,103		1,211,103	\$ 1,211,103
13	Consumer Service & Information	212,257		212,257	\$ 212,257
14	Sales	6,649		6,649	\$ 6,649
15	Administrative & General	1,982,581	103,495	2,086,076	\$ 2,086,076
16	Depreciation & Amortization	2,370,918	693,976	3,064,894	\$ 3,064,894
17	Taxes - Property				\$ -
18	Taxes - Other	(38,651)	(13,227)	(51,878)	\$ (51,878)
19	Interest on Long Term Debt	4,085,268	1,540,070	5,625,339	\$ 5,625,339
20	Other Interest Expense	81,446	26,891	108,337	\$ 108,337
21	Other Deductions	625,295	235,724	861,019	\$ 861,019
22	Total Operating Expenses	<u>63,373,484</u>	<u>\$ 3,880,374</u>	<u>\$ 67,253,857</u>	<u>\$ 67,253,857</u>
23	Net Operating Margins	<u>2,767,305</u>	<u>1,229,363</u>	<u>3,996,667</u>	<u>\$ 4,002,548</u>
24	Non-Operating Margins - Interest	27	10	37	37
25	Income (Loss) from Equity Investments	1,528,647	-	1,528,647	1,528,647
26	Non-Operating Margins - Other	(14,941)		(14,941)	(14,941)
27	G&T Capital Credits		-		-
28	Other Capital Credits	756,668	285,248	1,041,916	1,041,916
29	<u>Extraordinary Items</u>		-		-
30	Patronage Capital or Margins	<u>5,037,705</u>	<u>1,514,621</u>	<u>6,552,326</u>	<u>6,558,207</u>

¹ As approved in 2018 DSC-FBR and 34.5kV FBR (after adjustments and allocations), see Docket No. 18-SPEE-477-RTS. For 34.5kV FBR, amounts include True-Up, spread by expense categories, and are reflective of 34.5kV system total costs (i.e. includes portion recovered through Property Tax Surcharge).

² Column (c) plus Column (d)

³ See Schedule A, Pages 4 to 8 for calculation of Pro Forma Test Year Revenue under present rates.

1 **Q. Now please explain the contents of Exhibit PSE-3.**

2 A. PSE-Exhibit 3 contains a Summary of the Revenue Requirement under the 1.75 MDSC
3 Objective, the same Target ratio as was used in the 18-477 Docket. Table 3 on the following
4 page shows the results of the Revenue Requirement Determinations for the Pro Forma Test
5 Year under Present Rates. Using the 2017 Adjusted Test Year inputs and applying present
6 rates as approved in the 18-477 Docket results in the Total Revenue Requirement of
7 \$71,253,418 (calculated as Operating Expenses plus Margin Requirement). Comparing the
8 Total Revenue Requirement against the \$71,256,405 of Revenue from Present Rates results in
9 0 percent Required Change, as was intended to be the case in the instant filing.¹³
10 Overall, the Revenue Requirement analysis as filed in the instant Docket essentially reaffirms
11 what the Commission already determined in the 18-477 Docket and serves as a basis for the
12 CCOS analysis used to examine current rate structure.

13
14
15
16
17
18
19
20
21
22
23
24
25

¹³ See footnote 5.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

Table 3		
Southern Pioneer Electric Company		
Revenue Requirement Summary		
MDSC = 1.75 Target		
		(\$)
1.	Operating Expense (excluding interest)	61,520,181
2.	Margin Requirements	
a.	Debt Service Payments	8,203,965
b.	Target MDSC	1.75
c.	Total Margin Required	<u>14,356,939</u>
d.	Less: Non-Operating Margins (Other)	(14,941)
e.	Less: Depreciation Expense	3,064,894
f.	Less: Other Deductions (Amortizations)	836,265
g.	Less: Cash Capital Credits Received	737,447
h.	Less: Non-Operating Income - Interest	37
i.	Less: Non-Cash Income Tax Expense	-
j.	Net Operating Income Required	<u>9,733,237</u>
3.	Total Revenue Requirements	71,253,418
4.	Revenue From Present Rates	
a.	Tariff Revenue	70,950,944
b.	Other Operating Revenue	<u>305,461</u>
c.	Total Revenue	71,256,405
5.	Required Increase (Decrease)	(2,987)
		or 0%

Q. Does this conclude your Direct Testimony?

A. Yes, it does.

Southern Pioneer Electric Company
Statement of Operations
Present Rates
For the Test Year Ended December 31, 2017

(a) Line No.	(b) Description	2017 Historical Per Form 7	(c) DSC FBR ¹	(d) 34.5kV FBR ¹	(e) Combined FBR ²	(f) Pro Forma Test Year ³
1	Operating Revenue					
2	Retail Electricity Sales	67,508,951	65,835,328	2,967,552	68,802,879	\$ 68,808,760
3	Wholesale Electricity Sales	1,931,977		2,142,184	2,142,184	\$ 2,142,184
4	Other Operating Revenue	305,461	305,461		305,461	305,461
5	Total Operating Revenue	<u>69,746,389</u>	<u>66,140,789</u>	<u>5,109,736</u>	<u>71,250,525</u>	<u>\$ 71,256,405</u>
6						
7	Operating Expenses					
8	Cost of Purchased Power	46,935,849	46,935,849		46,935,849	\$ 46,935,849
9	Transmission - O & M	1,293,444		1,293,444	1,293,444	\$ 1,293,444
10	Distribution - Operation	4,203,913	4,195,093		4,195,093	\$ 4,195,093
11	Distribution - Maintenance	1,705,676	1,705,676		1,705,676	\$ 1,705,676
12	Consumer Accounts	1,211,640	1,211,103		1,211,103	\$ 1,211,103
13	Consumer Service & Information	234,008	212,257		212,257	\$ 212,257
14	Sales	23,324	6,649		6,649	\$ 6,649
15	Administrative & General	2,121,868	1,982,581	103,495	2,086,076	\$ 2,086,076
16	Depreciation & Amortization	3,283,133	2,370,918	693,976	3,064,894	\$ 3,064,894
17	Taxes - Property	-				\$ -
18	Taxes - Other	(1,281,817)	(38,651)	(13,227)	(51,878)	\$ (51,878)
19	Interest on Long Term Debt	5,517,278	4,085,268	1,540,070	5,625,339	\$ 5,625,339
20	Other Interest Expense	113,020	81,446	26,891	108,337	\$ 108,337
21	Other Deductions	895,163	625,295	235,724	861,019	\$ 861,019
22	Total Operating Expenses	<u>66,256,499</u>	<u>63,373,484</u>	<u>\$ 3,880,374</u>	<u>\$ 67,253,857</u>	<u>\$ 67,253,857</u>
23	Net Operating Margins	<u>3,489,890</u>	<u>2,767,305</u>	<u>1,229,363</u>	<u>3,996,667</u>	<u>\$ 4,002,548</u>
24	Non-Operating Margins - Interest	37	27	10	37	37
25	Income (Loss) from Equity Investments	1,528,647	1,528,647	-	1,528,647	1,528,647
26	Non-Operating Margins - Other	(14,941)	(14,941)		(14,941)	(14,941)
27	G&T Capital Credits	-		-		-
28	Other Capital Credits	1,041,916	756,668	285,248	1,041,916	1,041,916
29	Extraordinary Items	-		-		-
30	Patronage Capital or Margins	<u>6,045,549</u>	<u>5,037,705</u>	<u>Net Operating Margin</u>	<u>6,552,326</u>	<u>6,558,207</u>

¹ As approved in 2018 DSC-FBR and 34.5kV FBR (after adjustments and allocations), see Docket No. 18-SPEE-477-RTS. For 34.5kV FBR, amounts include True-Up, spread by expense categories, and are reflective of 34.5kV system total costs (i.e. includes portion recovered through Property Tax Surcharge).

² Column (c) plus Column (d)

³ See Schedule A, Pages 4 to 8 for calculation of Pro Forma Test Year Revenue under present rates.

Schedule A
Summary of Consumers, Energy Sales, and
Revenue Under Present Rates

I. Consumer and Sales Data for Test Year Ended December 31, 2017 (As Recorded)

(a) Line No.	(b) Description	(c) Avg. No. Cons. ¹	(d) Energy Sales ¹ (kWh)	(e) Billing Demand ¹ (kW)	(f) Revenue ¹ (\$)
1	Residential Service (17-RS)				
2	General Use	11,960	106,883,802	N.A.	15,586,648
3	Space Heating	568	5,790,181	N.A.	782,704
4	General Service Small (17-GSS)	2,521	11,352,578	N.A.	1,815,474
5	General Service Large (17-GSL)	1,408	130,420,192	390,065.4	17,173,635
6	General Service Space Heating (Rider No. 1)	61	5,013,974	10,000.2	560,089
7	Industrial Service (17-IS)	17	30,481,488	98,984.6	3,498,567
8	Interruptible Industrial Service (17-INT)	-	-	-	-
9	Real -Time Pricing (13-RTP)	1	390,457	N.A.	33,528
10	Transmission Level Service (17-STR)	6	447,734,214	652,632.6	26,223,947
11	Municipal Power Service (18-M-I)	140	1,411,591	N.A.	195,260
12	Water Pumping Service (17-WP)	71	5,244,505	N.A.	637,115
13	Irrigation Service (17-IP-I)	41	2,357,658	N.A.	352,506
14	Temporary Service (17-CS)	6	50,207	N.A.	11,969
15	Lighting	4,819	3,947,867	N.A.	1,081,690
16	Total ²	16,799	751,078,714	1,151,682.7	67,953,133
17					
18	Unbilled (prior/current mo.)		2,400,000		(444,182)
19					
20				Total Retail	<u>67,508,951</u>
21	3rd Party Wholesale				1,931,977
22	Other Operating Revenue				305,461
			Form 7 Total		<u><u>69,746,389</u></u>
			<u><u>753,478,714</u></u>		

¹ Figures for test year ended December, 2017 as reported by Southern Pioneer.

² Total number of consumers excludes Lighting. Total revenues exclude revenues from wholesale LADS customers.

Schedule A
Summary of Consumers, Energy Sales, and
Revenue Under Present Rates

II. Consumer and Sales Data for Pro Forma Test Year

(a) Line No.	(b) Description	(c) Avg. No. Cons. ¹	(d) Energy Sales ¹ (kWh)	(e) Billing Demand ¹ (kW)	(f) Revenue ² (\$)
1	Residential Service (18-RS)				
2	General Use	11,960	106,883,802	N.A.	16,002,466
3	Space Heating	568	5,790,181	N.A.	797,613
4	General Service Small (18-GSS)	2,521	11,352,578	N.A.	1,868,767
5	General Service Large (18-GSL)	1,408	130,420,192	390,065.4	17,613,799
6	General Service Space Heating (Rider No. 1)	61	5,013,974	10,000.2	561,145
7	Industrial Service (18-IS)	17	30,481,488	98,984.6	3,632,202
8	Interruptible Industrial Service (18-INT)	-	-	-	-
9	Real -Time Pricing (13-RTP)	1	390,457	N.A.	33,528
10	Transmission Level Service (18-STR)	6	447,734,214	652,632.6	26,258,290
11	Municipal Power Service (18-M-I)	140	1,411,591	N.A.	200,545
12	Water Pumping Service (18-WP)	71	5,244,505	N.A.	652,651
13	Irrigation Service (18-IP-I)	41	2,357,658	N.A.	361,292
14	Temporary Service (18-CS)	6	50,207	N.A.	12,350
15	Lighting	4,819	3,947,867	N.A.	1,116,641
16	Total ³	16,799	751,078,714	1,151,682.7	69,111,289
17					
18	Unbilled (prior/current mo.)				(444,182)
19	2017 ACA under-recovery as accounted for in 2018 DSC-FBR				141,653
20	Total Retail				<u>68,808,760</u>
21	3rd Party Wholesale				2,142,184
22	Other Operating Revenue				305,461
	Grand Total				<u><u>71,256,405</u></u>

¹ Using historical billing units from 2017.

² See Schedule A, pages 4 - 8.

³ Total number of consumers excludes Lighting. Total revenues exclude revenues from wholesale LADS customers.

Schedule A
Summary of Consumers, Energy Sales, and
Revenue Under Present Rates
(Continued)

II. Estimate of Pro Forma Test Year Revenue Under Present Rates

Rate Class	Billing Determinants	Units	Rate	Revenue
<u>Residential Service (18-RS)</u>				(\$)
<u>General Use</u>				
Customer Charge	11,960	cons	\$13.77	1,976,312
Delivery Charge				
Summer (Jul-Oct)	47,033,092	kWh	\$0.13155	6,187,203
Winter (Nov-Jun)	59,850,710	kWh	\$0.12055	7,215,003
Energy Cost Adjustment	106,883,802	kWh	\$0.00185	197,503
Property Tax Surcharge				
Jan	9,288,361	kWh	\$0.003105	28,840
Feb - Dec	97,595,441	kWh	\$0.004074	397,604
Total Revenue				16,002,466
<u>Space Heating</u>				
Customer Charge	568	cons	\$13.77	93,801
Delivery Charge				
Summer - All kWh	1,491,709	kWh	\$0.13155	196,234
Winter (Nov-Jun)				
Heating Block (800-5800 kWh)	1,461,515	kWh	\$0.10232	149,539
Other	2,836,957	kWh	\$0.12055	341,995
Energy Cost Adjustment	5,790,181	kWh	(\$0.00114)	(6,607)
Property Tax Surcharge				
Jan	968,992	kWh	\$0.00311	3,009
Feb - Dec	4,821,189	kWh	\$0.00407	19,642
Total Revenue				797,613
<u>General Service Small (18-GSS)</u>				
Customer Charge	2,521	cons	\$22.44	678,788
Delivery Charge				
Summer (Jul-Oct)	3,987,908	kWh	\$0.10732	427,982
Winter (Nov-Jun)	7,364,670	kWh	\$0.09632	709,365
Energy Cost Adjustment	11,352,578	kWh	\$0.00066	7,500
Property Tax Surcharge				
Jan	1,153,671	kWh	\$0.003105	3,582
Feb - Dec	10,198,907	kWh	\$0.004074	41,550
Total Revenue				1,868,767
<u>General Service Large (18-GSL)</u>				
Customer Charge	1,408	cons	\$41.46	700,715
Minimum Charge				\$698,310
Demand Charge per kW>9				
Summer (Jul-Oct)	144,146.8	kW	\$12.69	1,829,223
Winter (Nov-Jun)	245,918.6	kW	\$10.69	2,628,869
Delivery Charge	130,420,192	kWh	\$0.08525	11,118,321
Energy Cost Adjustment	130,420,192	kWh	\$0.00090	117,605
Property Tax Surcharge				
Jan	10,915,715	kWh	\$0.003105	33,893
Feb - Dec	119,504,477	kWh	\$0.004074	486,861
Total Revenue				17,613,799
<u>General Service Space Heating (Rider No. 1)</u>				
Customer Charge	61	cons	\$41.46	18,408
Demand Charge				
Summer (Jul-Oct)	4,801.3	kW	\$12.69	60,928
Winter (Nov-Jun)	5,198.9	kW	\$10.69	55,576
Energy Charge				
GSL	3,146,260	kWh	\$0.08525	268,219
Heating	1,867,714	kWh	\$0.07267	135,727
Energy Cost Adjustment	5,013,974	kWh	\$0.00049	2,441
Property Tax Surcharge				
Jan	599,921	kWh	\$0.003105	1,863
Feb - Dec	4,414,053	kWh	\$0.004074	17,983
Total Revenue				561,145

Schedule A
Summary of Consumers, Energy Sales, and
Revenue Under Present Rates
(Continued)

II. Estimate of Pro Forma Test Year Revenue Under Present Rates

Rate Class	Billing Determinants	Units	Rate	Revenue
<u>Industrial Service (18-IS)</u>				
				(\$)
Customer Charge	17	cons	\$102.15	20,736
Demand Charge per kW>10				
Summer (Jul-Oct)	35,252.1	kW	\$14.18	499,874
Winter (Nov-Jun)	63,732.5	kW	\$11.18	712,529
Delivery Charge	30,481,488	kWh	\$0.07433	2,265,689
Energy Cost Adjustment	30,481,488	kWh	\$0.00039	11,874
Property Tax Surcharge				
Jan	2,767,555	kWh	\$0.00311	8,593
Feb - Dec	27,713,933	kWh	\$0.00407	112,907
	Total Revenue			3,632,202
<u>Real -Time Pricing (13-RTP)</u>				
Customer Charge	1	cons	\$251.55	3,019
Delivery Charge	390,457	kWh	\$0.07814	30,509
				33,528
<u>Transmission Level Service (18-STR)</u>				
Service at 34.5 kV Voltage				
Customer Charge	2	cons	\$116.52	2,796
Local Access Charge	3,733	kW	\$5.00	18,665
Delivery Energy Charge	2,374,220	kWh	\$0.001940	4,606
Property Tax Surcharge				
Jan	170,565	kWh	\$0.000054	9
Feb - Dec	2,203,655	kWh	\$0.000066	145
Wholesale Power Cost (2017 Historical)				
Demand (WHM kW)				
Summer	935	kW	\$13.62	12,741
Other				
Jan-May, Sep	1,952	kW	\$8.47	16,536
Oct-Dec	1,178	kW	\$7.96	9,376
Energy				
Jan - Sep	1,728,303	kWh	\$0.015282	26,412
Oct-Dec	645,917	kWh	\$0.014358	9,274
Energy Cost Adjustment	2,374,220.0	kWh	\$0.022154	52,599
Transmission				10,921
HLF Rider				1,815
FCC Rider				330
Make Whole Payment (MWP)				44
Service at 115 kV Voltage				
Customer Charge	4	cons	\$116.52	5,593
Delivery Energy Charge	445,359,994	kWh	\$0.001940	863,998
Property Tax Surcharge				
Jan	33,972,589	kWh	\$0.000054	1,835
Feb - Dec	411,387,405	kWh	\$0.000066	27,152
PF Charge				18,364
Wholesale Power Cost (2017 Historical)				
Demand				
Summer	167,235	kW	\$13.62	2,277,741
Other				
Jan-May, Sep	316,330.3	kW	\$8.47	2,679,317
Oct-Dec	165,001.8	kW	\$7.96	1,313,414
Energy				
Jan - Sep	330,616,079	kWh	\$0.015282	5,052,475
Oct-Dec	114,743,915	kWh	\$0.014358	1,647,493
Energy Cost Adjustment	445,359,994	kWh	\$0.021721	9,673,862
Transmission				3,279,082
HLF Rider				(862,046)
FCC Rider				22,467
Make Whole Payment (MWP)				158,673
ECIR credits				(67,400)
	Total STR			26,258,290

Schedule A
Summary of Consumers, Energy Sales, and
Revenue Under Present Rates
(Continued)

II. Estimate of Pro Forma Test Year Revenue Under Present Rates

Rate Class	Billing Determinants	Units	Rate	Revenue
<u>Municipal Power Service (18-M-I)</u>				
Customer Charge	140	cons	\$13.77	23,106
Delivery Charge				
Summer (Jul-Oct)	622,653	kWh	\$0.12619	78,573
Winter (Nov-Jun)	788,938	kWh	\$0.11519	90,878
Energy Cost Adjustment	1,411,591	kWh	\$0.00166	2,346
Property Tax Surcharge				
Jan	111,794	/kWh	\$0.00311	347
Feb - Dec	1,299,797	/kWh	\$0.00407	5,295
Total Revenue				200,545
<u>Water Pumping Service (18-WP)</u>				
Customer Charge	71	cons	\$20.34	17,228
Delivery Charge				
Summer (Jul-Oct)	2,139,778	kWh	\$0.12238	261,866
Winter (Nov-Jun)	3,104,727	kWh	\$0.11138	345,804
Energy Cost Adjustment	5,244,505	kWh	\$0.00129	6,792
Property Tax Surcharge				
Jan	417,688	kWh	\$0.003105	1,297
Feb - Dec	4,826,817		\$0.004074	19,664
Total Revenue				652,651
<u>Irrigation Service (18-IP-I)</u>				
Demand Charge per horsepower contracted per month	2,721	/HP	\$3.17	103,425
Delivery Charge				
Summer (Jul-Oct)	1,934,258	kWh	\$0.09902	191,530
Winter (Nov-Jun)	423,400	kWh	\$0.08802	37,268
Energy Cost Adjustment	2,357,658	kWh	\$0.00826	19,466
Property Tax Surcharge				
Jan	2,258	kWh	\$0.003105	7
Feb - Dec	2,355,400	kWh	\$0.004074	9,596
Total Revenue				361,292
<u>Temporary Service (18-CS)</u>				
Delivery Charge plus equipment service chg.	50,207	kWh	\$0.24473	12,287
Energy Cost Adjustment	50,207	kWh	(\$0.00255)	(128)
Property Tax Surcharge				
Jan	13,609	kWh	\$0.003105	42
Feb - Dec	36,598	kWh	\$0.004074	149
Total Revenue				12,350
<u>Private Area / Street Lighting (18-PAL-SL-I)</u>				
<u>Private Area Light (Coop owned)</u>				
On Existing Pole				
100 W P.A.L. Cust 0%	892	lights	\$12.09	129,411
100 W P.A.L. Cust 100%	9	lights	\$5.35	578
150 W P.A.L. Cust 0%	29	lights	\$19.11	6,650
200 W P.A.L. Cust 0%	12	lights	\$21.87	3,149
200 W P.A.L. Cust 50%	1	lights	\$15.64	188
On New Pole (Wood)				
100 W P.A.L. Cust 0%	164	lights	\$19.33	38,041
100 W P.A.L. Cust 100%	2	lights	\$5.82	140
150 W P.A.L. Cust 0%	27	lights	\$21.97	7,118
200 W P.A.L. Cust 0%	5	lights	\$24.04	1,442

Schedule A
Summary of Consumers, Energy Sales, and
Revenue Under Present Rates
(Continued)

II. Estimate of Pro Forma Test Year Revenue Under Present Rates

Rate Class	Billing Determinants	Units	Rate	Revenue (\$)
<u>Flood Lights</u>				
On Existing Pole				
150 W Flood Cust 0%	82	lights	\$22.28	21,924
400 W Flood Cust 0%	204	lights	\$42.42	103,844
400 W Flood Cust 50%	5	lights	\$30.14	1,808
400 W Flood Cust 100%	4	lights	\$18.45	886
1000 W Flood M.H. Cust 0%	39	lights	\$67.56	31,618
1000 W Flood M.H. Cust 100%	3	lights	\$44.27	1,594
On New Pole (Wood)				
150 W P.A.L. Cust 0%	32	lights	\$24.92	9,569
400 W P.A.L. Cust 0%	82	lights	\$44.47	43,758
400 W P.A.L. Cust 100%	3	lights	\$18.63	671
1000 W Flood M.H. Cust 0%	3	lights	\$87.41	3,147
1000 W Flood M.H. Cust 100%	1	lights	\$43.12	517

Private Area / Street Lighting (18-PAL-SL-I)

Continued

Street Lights

On Existing Pole				
100 W P.A.L. Cust 0%	780	lights	\$13.28	124,301
100 W P.A.L. Cust 100%	1	lights	\$5.44	65
150 W P.A.L. Cust 0%	4	lights	\$16.05	770
200 W P.A.L. Cust 0%	3	lights	\$19.92	717
On New Pole (Wood)				
100 W P.A.L. Cust 0%	257	lights	\$19.33	59,614
100 W P.A.L. Cust 100%	1		\$5.82	70
200 W P.A.L. Cust 0%	1	lights	\$24.04	288
On Existing Pole				
100 W Cobra Head Cust 0%	64	lights	\$13.28	10,199
150 W Cobra Head Cust 0%	43	lights	\$16.05	8,282
200 W Cobra Head Cust 0%	109	lights	\$19.92	26,055
400 W Cobra Head Cust 0%	28	lights	\$28.27	9,499
400 W Cobra Head Cust 100%	31	lights	\$17.51	6,514
On New Pole (Wood)				
100 W Cobra Head Cust 0%	119	lights	\$22.40	31,987
150 W Cobra Head Cust 0%	3	lights	\$24.63	887
200 W Cobra Head Cust 0%	12	lights	\$26.28	3,784
250 W Cobra Head Cust 0%	3	lights	\$29.56	1,064
250 W Cobra Head Cust 100%	2	lights	\$12.46	299
400 W Cobra Head Cust 0%	38	lights	\$35.60	16,234
400 W Cobra Head Cust 100%	2	lights	\$18.40	442
On New Pole (Steel)				
100 W Cobra Head Cust 0%	1	lights	\$34.26	411
150 W Cobra Head Cust 0%	18	lights	\$36.48	7,880
150 W Cobra Head Cust 100%	16	lights	\$8.81	1,692
200 W Cobra Head Cust 0%	77	lights	\$39.02	36,054
250 W Cobra Head Cust 0%	34	lights	\$43.86	17,895
400 W Cobra Head Cust 100%	13	lights	\$18.93	2,953

Security (Decorative) Lighting Service (18-DOL-I)

Acorn

100 W HPS Cust 50%	8	lights	\$22.07	2,119
--------------------	---	--------	---------	-------

Shoobox

400 W HPS Cust 0%	3	lights	\$61.20	2,203
-------------------	---	--------	---------	-------

Schedule A
Summary of Consumers, Energy Sales, and
Revenue Under Present Rates
(Continued)

II. Estimate of Pro Forma Test Year Revenue Under Present Rates

Rate Class	Billing Determinants	Units	Rate	Revenue (\$)	
<u>Vapor Street Lighting Ornamental Service (18-OSL-V-I)</u>					
175 W MV	328	lights	\$15.22	59,906	
250 W MV	10	lights	\$19.04	2,285	
400 W MV	64	lights	\$25.97	19,945	
100 W HPS	82	lights	\$13.28	13,068	
150 W HPS	-	lights	\$16.05		
200 W HPS	3	lights	\$19.92	717	
<u>Controlled Private Area Lighting (18-PAL-I) Frozen</u>					
175 W MV	251	lights	\$14.04	42,288	
400 W MV	27	lights	\$27.93	9,049	
400 W MV (Flood)	46	lights	\$30.05	16,588	
1000 W MV (Flood)	9	lights	\$59.00	6,372	
100 W HPS	138	lights	\$12.09	20,021	
200 W HPS	17	lights	\$21.87	4,461	
150 W HPS (Flood)	60	lights	\$22.28	16,042	
400 W HPS (Flood)	59	lights	\$42.42	30,033	
<u>Street Lighting Service Dusk to Dawn (18-SL-I)</u>					
MV 7000 lumen lamps	455	lights	\$14.69	80,207	
Energy Cost Adjustment	3,947,867	kWh	\$0.00040	1,565	
Property Tax Surcharge					
	Jan	332,772	kWh	\$0.003105	1,033
	Feb-Dec	3,615,095	kWh	\$0.004074	14,728
	Total Lighting	4,819	lights		<u>1,116,641</u>
Grand Total (retail schedules)	751,078,714	kWh		<u><u>69,111,289</u></u>	
<u>Local Access Charge (18-LAC)</u>					
Demand Charge	386,556	kW	\$5.00	1,932,778	
Property Tax Surcharge	386,556	kW	0.541725	209,407	
Total Revenue				<u><u>2,142,184</u></u>	

Schedule B
Pro Forma Purchased Power Expense and Adjustment
2017 Historical TY

Mid-Kansas Electric Company, LLC			
Description	Units Purchased ¹	Pro Forma Test Year	
		Rate ²	Amount
Demand Charge			
Summer	390,202 kW	\$13.62 /kW	\$ 5,314,551.2
Other			
Jan-May, Sep	611,518 kW	\$8.47 /kW	\$ 5,179,557.5
Oct-Dec	309,504 kW	\$7.96 /kW	\$ 2,463,651.8
Energy Charge			
Jan - Sep	578,485,297 kWh	\$0.015282 /kWh	\$ 8,840,412
Oct-Dec	192,214,756 kWh	\$0.014358 /kWh	\$ 2,759,819
ECA Rate	770,700,053 kWh	\$0.021787 /kWh	\$ 16,791,346
WHM Transmission			
			\$ 6,875,012
WHM HLF Rider			
			\$ (606,903)
WHM FCC Rider			
			\$ 58,988.9
WHM RTP Rider			
			\$ 21,979
WHM MWP Surcharge			
			\$ 354,656.5
Misc. Adjustments			
			\$ (1,117,223)
Total	770,700,053 kWh	0.0609 /kWh	\$ 46,935,849

¹ 2017 historical

² Demand and Energy Rates are from MKEC WHM-16 for Jan-thru September and from WHM-17 for Oct-Dec.

Southern Pioneer Electric Company
Determination of Revenue Requirements -- Summary

(a) Line No.	(b) Description	(c) Dec 31, 2017 Test Year Actual	(d) Present Rates Pro Forma Test Year
Financial Results From Rates		(\$)	(\$)
1	Total Revenue ¹	69,746,389	71,256,405
2	Operating Expense ¹	66,256,499	67,253,857
3	Net Operating Income ²	3,489,890	4,002,548
4	Capital Credits ¹	1,041,916	1,041,916
5	Non-Operating Income - Interest ¹	37	37
6	Income (Loss) from Equity Investments ¹	1,528,647	1,528,647
7	Non-Operating Margins - Other ¹	(14,941)	(14,941)
8	Total Margin ³	6,045,549	6,558,207
9	Interest Expense ¹	5,630,298	5,733,676
10	Depreciation ¹	3,283,133	3,064,894
11	Debt Service ⁴	7,959,653	8,203,965
12	Cash Capital Credits ⁵	737,447	737,447
13	Non-cash Other Deductions (Amortizations) ⁶	836,265	836,265
14	Non-Cash Income Tax Expense ⁷	(1,281,817)	-
15	MDSC (CoBank formula as used by SPECo)	1.59	1.75
Required Increase (Decrease) --1.75 M-DSC Objective			
16	Operating Expense (excluding interest) ¹	60,626,201	61,520,181
17	Margin Requirements		
18	Debt Service Payments ⁵	7,959,653	8,203,965
19	Target MDSC ⁸	1.75	1.75
20	Total Margin Required ⁹	13,929,393	14,356,939
21	Less: Non-Operating Margins (Other) ¹	(14,941)	(14,941)
22	Less: Depreciation Expense ¹	3,283,133	3,064,894
23	Less: Other Deductions (Amortizations) ¹	836,265	836,265
24	Less: Cash Capital Credits Received ¹	737,447	737,447
25	Less: Non-Operating Income - Interest ¹	37	37
25	Less: Non-Cash Income Tax Expense	(1,281,817)	-
26	Net Operating Income Required ¹⁰	10,369,269	9,733,237
26	Total Revenue Requirements ¹¹	70,995,470	71,253,418
27	Revenue From Present Rates		
28	Tariff Revenue ¹	69,440,928	70,950,944
29	Other Operating Revenue ¹	305,461	305,461
30	Total Revenue	69,746,389	71,256,405
31	Required Increase (Decrease) ¹²	1,249,081	(2,987)
32	Percent Increase (Decrease) ¹³	1.80	0%

¹ See Exhibit PSE-2, Page 1

² Line 1 minus Line 2

³ Sum (Line 3:Line 7)

⁴ Long-Term Interest, Interest-Other, and Principal

⁵ F7, Pt. J, L6, Col. A

⁶ 12/31/17 Trial Balance, GL a/c 426.6, 428, 428.1
See also Page 2 of 2018 DSC-FBR, Exhibit 3-A
(Line 41), in 18-SPEE-477-RTS.

⁷ Per 2018 DSC-FBR (Exhibit 3-A, Pg 2, Ln 43)

⁸ Per 2018 DSC and 34.5kV FBR

⁹ Line 18 times Line 19.

¹⁰ Line 20 minus Sum (Line 21:25)

¹¹ Line 16 minus Line 26

¹² Line 26 minus Line 30

¹³ Line 31 divided by Line 30

EXHIBIT PSE-3A

SOUTHERN PIONEER ELECTRIC COMPANY
DSC FORMULA BASED RATE

ITEM	UNADJUSTED HISTORICAL TEST YEAR [2017]		ADJUSTMENTS		ADJUSTED HISTORICAL TEST YEAR [2017]		DISTRIBUTION ALLOCATION FACTOR	DSC-FBR (\$)	34.5 kV Total System
		(\$)	NO.	AMOUNT (\$)		(\$)			
1.	A. STATEMENT OF OPERATIONS								
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)	1,211,103	1.0000	1,211,103	
10.	Customer Service and Informational Expense	234,008	F7, Pt. A, Col. B	[2-d]	(21,751)	212,257	1.0000	212,257	
11.	Sales Expense	23,324	F7, Pt. A, Col. B	[2-e]	(16,675)	6,649	1.0000	6,649	
12.	Administrative and General Expense	2,121,868	F7, Pt. A, Col. B	[2-f]	(35,792)	2,086,076	0.9504	1,982,581	
13.	Total Operation & Maintenance Expense	57,729,722	F7, Pt. A, Col. B		(83,575)	57,646,147		56,249,207	
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)	861,019	0.7262	625,295	
21.	Total Cost of Electric Service	66,256,499	F7, Pt. A, Col. B		1,219,403	67,475,902	0.9392	63,373,484	
22.	Patronage Capital & Operating Margins	3,489,890	F7, Pt. A, Col. B		(1,536,468)	1,953,422		1,455,376	
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)	4,509,081	0.8263	3,725,776	

SOUTHERN PIONEER ELECTRIC COMPANY
DSC FORMULA BASED RATE

ITEM	UNADJUSTED	ADJUSTMENTS		ADJUSTED	DISTRIBUTION	DSC-FBR	34.5 kV Total System
	HISTORICAL TEST YEAR [2017] (\$)	NO.	AMOUNT (\$)	HISTORICAL TEST YEAR [2017] (\$)			
31.							
32.	<u>B. DEBT SERVICE PAYMENTS</u>						
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.	<u>C. DEBT SERVICE MARGINS</u>						
38.	Patronage Capital or Margins	6,045,549	Line 30		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, 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			12,532,844		9,120,966
47.							
48.	<u>D. DEBT SERVICE COVERAGE</u>	1.59	L46/L35		1.53		1.53
49.							
50.	<u>E. DEBT SERVICE COVERAGE TARGET</u>						1.75
51.						Adjusted DSC Margins are:	Below the Target
52.							
53.	<u>F. INITIAL OPERATING INCOME ADJUSTMENT</u>						
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.							

SOUTHERN PIONEER ELECTRIC COMPANY
DSC-FBR - ADJUSTMENTS TO ACTUAL TEST YEAR RESULTS
Per Sections E.1.a-e and E.3.a-f of the DSC-FBR Protocols

1.	<u>ADJUSTMENT [1] -- REVENUE</u>		Notes, Source, or Protocols Reference
2.	<i>Annualize rate adjustment implemented during Test Year</i>		E.1.a
3.	Annual Rate Adjustment Authorized by Commission	\$ (745,507)	17-SPEE-476-TAR (DSC-FBR portion)
4.	Total kWh Sales used to determine Rate Adjustment	740,412,612	2016 TY as used in 17-SPEE-476-TAR
5.	Equivalent average per kWh rate	\$ (0.00101)	L3/L4
6.	kWh Sales Prior to Implementation of Rate Adjustment	455,583,683	usage thru July, WP5-A (August column represents July kWh)
7.	Revenue Adjustment to Annualize Rate Adjustment	<u>\$ (458,718)</u>	L5 x L6
8.			
9.			
10.	<i>2017 ECA/ACA Revenue Under-recovery Authorized for Collection in 2018</i>	\$ 141,653	2017 ACA under-recovery
11.	Total Adjustment	<u>\$ (317,065)</u>	Ln 7 + Ln 10
12.			
13.	<u>ADJUSTMENT TO DIRECT ASSIGN 34.5 kV SYSTEM REVENUE</u>		E.3.a.
14.	<i>Account for LAC revenues</i>		
15.	Per kW rate during Test Year - January thru July of 2017	\$ 4.19	16-SPEE-501-RTS (34.5kV FBR)
16.	34.5 kV System Demand for the Test Year - January thru July of 2017	<u>537,139</u>	WP2-A
17.		\$ 2,250,613	Ln 15 x Ln 16
18.	Per kW rate during Test Year - August thru December of 2017	\$ 4.88	17-SPEE-476-TAR (34.5kV FBR)
19.	34.5 kV System Demand for the Test Year - August thru December of 2017	<u>384,997</u>	WP2-A
20.		\$ 1,878,786	Ln 18 x Ln 19
21.			
22.	<i>Account for Property Tax collected during Test Year from the 34.5 kV system users</i>		
23.	Per kW PTS rate for LAC Authorized by the Commission effective during Test Year	\$ 0.510840	17-SPEE-263-TAR
24.	Total 34.5 kV System Demand for the entire Test Year (2017 Test Year)	<u>922,136</u>	WP2-A
25.		\$ 471,064	Ln 23 x Ln 24
26.			
27.	Total 34.5kV Revenue	<u>\$ 4,600,464</u>	L17 + L20 + Ln 25
28.			
29.	<u>ADJUSTMENT [2] -- Certain Operating Expenses</u>		G(f)
30.	<i>Adjustment to remove typically disallowed items (dues, donations, charitable contributions, promotional advertising, penalties and fines, entertainment expense)</i>		
31.			
32.	2-a. Distribution Expense - Operation	\$ (8,820)	Exhibit 9
33.	2.b. Distribution Expense - Maintenance	\$ -	Exhibit 9
34.	2.c. Customer Accounts Expense	\$ (537)	Exhibit 9
35.	2.d. Customer Service and Informational Expense	\$ (21,751)	Exhibit 9
36.	2.e. Sales Expense	\$ (16,675)	Exhibit 9
37.	2.f. Administrative and General Expense	\$ (35,792)	Exhibit 9
38.	2.g. Other Deductions	\$ (34,144)	Exhibit 9
39.	Total Adjustment	<u>\$ (117,719)</u>	Sum (L32:L38)
40.			

SOUTHERN PIONEER ELECTRIC COMPANY
DSC-FBR - ADJUSTMENTS TO ACTUAL TEST YEAR RESULTS
Per Sections E.1.a-e and E.3.a-f of the DSC-FBR Protocols

		Notes, Source, or Protocols Reference
41.	<u>ADJUSTMENT [3] -- Other Taxes</u>	
42.	<i>Adjustment to include cash tax expense</i>	Per E.1.b.
43.	Test Year Tax Expense - Other, as booked	F7, Pt. A, Col. B
44.	Tax Expense - Other paid in cash during Test Year	WP3-A
45.	Adjustment to Actual Tax Expense - Other	L44 - L43
46.		
47.	<u>ADJUSTMENT [4] -- Long-Term Interest Expense</u>	E.1.c.
48.	<i>Adjustment to reflect the Budget.</i>	
49.	Actual Year Long-Term Interest Expense	F7, Pt. A, Col. B
50.	Budget Year Long-Term Interest Expense	2018 Budget
51.	Adjustment to Actual Long-Term Interest Expense	L50 - L49
52.		
53.	<u>ADJUSTMENT [5] --Other Interest Expense</u>	E.1.d.
54.	<i>Adjustment to reflect the Budget.</i>	
55.	Actual Year Other Interest Expense	F7, Pt. A, Col. B
56.	Budget Year Other Interest Expense	2018 Budget
57.	Adjustment to Actual Other Interest Expense	L56 - L55
58.		
59.	<u>ADJUSTMENT [6] -- Principal Payments</u>	E.1.e.
60.	<i>Adjustment to reflect the Budget.</i>	
61.	Actual Year Principal Payments	F7, Pt. O, Col. B
62.	Budget Year Principal Payments	2018 Budget
63.	Adjustment to Actual Principal Payments	L62 - L61
64.		
65.	<u>ADJUSTMENT [7] -- Assets</u>	
66.	<i>Adjustment to reflect budgeted Assets.</i>	
67.	Actual Year-End Assets	F7, Pt. C, L28.
68.	Budgeted Year-End Assets	2018 Budget
69.	Adjustment to Actual Assets	L68 - L67

SOUTHERN PIONEER ELECTRIC COMPANY
Proportional Allocation of DSC-FBR Rate Adjustment to Rate Classes
On Base Revenue by Rate Schedule
Per Section I of the DSC-FBR Protocols

(a) Line No.	(b) Rate Schedule	(c) Rate Schedule Revenue ¹	(d) Allocated Power Supply Cost of Service ¹	(e) Base Revenue ¹	(f) Percent of Tot Base Rev	(g)-(i) Allocation of Rate Adjustment			(j) Historical Energy Sales (kWh)	(k) FBR Adjustment per kWh ²
						FBR Adjustment ¹	Base Revenue	Check the Spread		
		(\$)	(\$)	(\$)	(%)	(\$)	(\$)	(%)		(\$)
1	Residential Service (17-RS)									
2	General Use	15,586,648	7,453,989	8,132,660	38.2%	505,048	8,637,708	38.2%	106,883,802	0.00473
3	Space Heating	782,704	385,623	397,082	1.9%	24,659	421,741	1.9%	5,790,181	0.00426
4	General Service Small (17-GSS)	1,815,474	791,012	1,024,462	4.8%	63,620	1,088,083	4.8%	11,352,578	0.00560
5	General Service Large (17-GSL)	17,173,635	9,341,258	7,832,377	36.7%	486,400	8,318,777	36.8%	130,420,192	0.00373
6	General Service Space Heating	560,089	327,477	232,612	1.1%	14,445	247,058	1.1%	5,013,974	0.00288
7	Industrial Service (17-IS)	3,498,567	2,034,186	1,464,382	6.9%	90,940	1,555,321	6.9%	30,481,488	0.00298
8	Interruptible Industrial Service (17-INT)	-	-	-	0.0%	-	-	0.0%	-	N.A.
9	Real -Time Pricing (13-RTP)	33,528	33,528	-	0.0%	-	-	0.0%	390,457	N.A.
10	Transmission Level Service (17-STR) ³	26,223,947	25,377,888	846,059	4.0%	40,727	886,786	3.9%	447,734,214	0.00009
11	Municipal Power Service (17-M-I)	195,260	98,947	96,313	0.5%	5,981	102,294	0.5%	1,411,591	0.00424
12	Water Pumping Service (17-WP)	637,115	351,460	285,655	1.3%	17,740	303,394	1.3%	5,244,505	0.00338
13	Irrigation Service (17-IP-I)	352,506	182,469	170,037	0.8%	10,559	180,596	0.8%	2,357,658	0.00448
14	Temporary Service (17-CS)	11,969	4,600	7,369	0.0%	458	7,826	0.0%	50,207	0.00911
15	Lighting	1,081,690	254,790	826,900	3.9%	51,351	878,252	3.9%	3,947,867	0.01301
16	Total Retail Rates	67,953,133	46,637,226	21,315,908	100.0%	1,311,929	22,627,837	100.0%	751,078,714	

¹ See Workpaper 5-A for detail.

² See Workpapers 10-A and 11-A for applying the resultant per kWh DSC-FBR adjustment to the corresponding tariff rates.

³ The Adjustment for the STR class is calculated using only the non-distribution portion of the additional debt service in the Budget Year (per Section I of the Protocols)--see Workpapers 5-A and 7-A.

E. 3 - Calculating Allocation Ratios using 2016 financials

Acct No	Calculated Per E.3.b.	Source	Notes	
562-573	Transmission Labor	Payroll Journal	\$ 113,212	Labor Column, EX 10a
562-573, 580-598, 902-912, 920-932	Total Labor	Payroll Journal	\$ 3,038,140	Labor Column, EX 10a
920-932	A&G Labor	Payroll Journal	\$ 756,209	Labor Column, EX 10a
	Total non-A&G Labor		\$ 2,281,931	
	<i>Transmission Labor RATIO</i>	Calculated (E.3.b)	0.0496	
	Distribution Allocation Factor (remainder)		0.9504	

Acct No	Calculated Per E.3.d. and E.3.f.	Source	Notes	
350-359	Transmission Plant	Trial Balance	\$ 29,310,492	12/31/2017
360-373	Dist Plant	Trial Balance	\$ 59,108,566	12/31/2017
389-399	General Plant	Trial Balance	\$ 13,139,357	12/31/2017
	Total Plant		\$ 101,558,415	
108.5, 108.501	Accumulated Depreciation - Trans	Trial Balance	\$ 6,536,408	12/31/2017
108.6, 108.601	Accumulated Depreciation - Dist	Trial Balance	\$ 5,695,089	12/31/2017
108.71-108.79	Accumulated Depreciation - General	Trial Balance	\$ 4,591,940	12/31/2017
	Total Accum. Depr.		\$ 16,823,436	
	Net Plant - Transmission		\$ 22,774,084	
	Allocated General Net Plant on Transmission Labor		\$ 424,058	
	Total Net Plant - Transmission (w/ allocated General)		\$ 23,198,142	
	Total Net Plant		\$ 84,734,978	
	<i>Net Transmission Plant RATIO</i>		0.2738	
	Distribution Allocation Factor (remainder)		0.7262	

Acct No	Calculated Per E.3.c.	Source	Spread	Balance
403.5	Transmission Depr	Trial Balance	\$ 677,892	27%
403.6	Dist Depr	Trial Balance	\$ 1,495,585	60%
403.7	General Plant Depr	Trial Balance	\$ 324,198	13%
	Total		\$ 2,497,674	
	With Acct 406 - Amort of AP to match Form 7 inputs		\$ 3,283,133	
	Allocate resultant General Plant depr (with AP) balance on Transm. Labor		\$ 21,142	
	Add Transm. Depr. resultant balance (w/ alloc. acct 406)		\$ 891,073	
	Tot 34.5 kV Depr. Expense to subtract from Tot Sys	Calculated (E.3.c)	\$ 912,215	

Spread	Amort of AP	Acct 406	\$ 785,459	Balance
27%		213,181		891,073
60%		470,326		1,965,910
13%		101,952		426,150
		785,459		3,283,133

Check Corresponding Dist Sys Depr Exp %	0.7222
---	---------------

34.5 kV system Billing Demand for Test Year Per Section E.3.a of the DSC-FBR Protocols

**Southern Pioneer Electric Company
Summary of Local Access Billing Demands (kW) -- 2017**
per G&T ¹

<u>Line</u>	<u>Description</u>	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>	<u>Total</u>
	Corresponds with billing mos													
1	Total Local Access System ²	71,186	65,504	60,188	68,356	75,194	101,630	105,071	93,039	90,133	78,492	59,817	70,678	939,288
2	CP Date	05	02	20	19	31	28	25	19	14	06	16	27	
3	CP Time (hour Ending) CST	1900	1100	1600	1600	1500	1600	1600	1600	1600	1600	800	1900	
4														
5	Wholesale Customers @ Del. Pt.													
6	Ashland (KMEA)--Metered	2,245	2,230	1,638	1,489	2,160	3,496	3,529	2,595	3,211	2,245	1,914	2,566	29,317
7	Ashland (KMEA)--Generation	-	-	-	676	-	-	-	-	-	-	-	-	676
8	Subtotal--Ashland	2,245	2,230	1,638	2,165	2,160	3,496	3,529	2,595	3,211	2,245	1,914	2,566	29,993
9	Meade (KMEA)--Metered	2,683	1,007	2,159	2,680	3,089	4,189	4,714	3,973	3,873	2,934	1,825	2,705	35,829
10	Meade (KMEA)--Generation	-	1,353.25	0.25	-	0.25	-	-	-	-	-	-	-	1,353.75
11	Subtotal--Meade	2,683	2,361	2,159	2,680	3,089	4,189	4,714	3,973	3,873	2,934	1,825	2,705	37,183
12	Kingman (KPP)	6,291	6,031	5,202	6,257	7,809	6,642	5,781	6,240	6,831	7,250	4,990	4,628	73,951
13	Kingman (KPP) Generation ³	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Subtotal--Kingman	6,291	6,031	5,202	6,257	7,809	6,642	5,781	6,240	6,831	7,250	4,990	4,628	73,951
15	Greensburg (KPP)	2,317	2,252	1,417	1,527	1,985	2,352	2,573	2,426	2,256	1,915	1,665	2,192	24,875
16	Greensburg Wind Farm (KPP)	472	3,185	3,056	11,171	6,191	9,437	5,987	785	6,808	11,818	11,865	6,346	77,120
17	Isabel (AR)	148	87	138	86	81	155	203	175	136	115	53	217	1,594
18	KEPCO	12,078	12,571	8,525	9,144	10,505	14,927	15,816	14,399	12,757	10,274	9,879	10,967	141,841
19	Subtotal--Wholesale	26,233	28,718	22,133	33,028	31,820	41,198	38,602	30,592	35,871	36,550	32,191	29,619	386,556
20	Losses @ 1.86% of 34.5 kV Output	488	534	412	614	592	766	718	569	667	680	599	551	7,190
21	Subtotal with Losses (@ Source)	26,721	29,252	22,545	33,642	32,412	41,964	39,320	31,161	36,538	37,230	32,789	30,170	393,745
22														
23	Southern Pioneer Retail													
24	Retail with Losses (@ Source)	44,465	36,252	37,643	34,714	42,782	59,666	65,750	61,878	53,595	41,262	27,027	40,508	545,543
25	Losses @ 1.83% of 34.5 kV Input	812	662	687	634	781	1,090	1,201	1,130	979	753	494	740	9,962
26	Retail @ Delivery Point	43,653	35,590	36,956	34,080	42,000	58,577	64,550	60,748	52,616	40,508	26,534	39,768	535,581
27														
28	Total Load with Loss %	69,887	64,308	59,089	67,108	73,821	99,774	103,152	91,340	88,487	77,058	58,724	69,388	922,136

¹ From Mid-Kansas.

² With "behind the meter" generation, excluding Kingman, added back in, per 15-SPEE-161-RTS.

³ Exclude Kingman generation (per 15-SPEE-161-RTS, since MKEC does not have the transmission capacity to cover the full load).

Southern Pioneer
Taxes Paid (Cash)
2017

<u>Division</u>	<u>Account</u>	<u>Description</u>	<u>Date</u>	<u>Journal</u>	<u>Module</u>	<u>Description</u>	<u>Reference</u>	<u>Amount</u>
1	236.71	ACCR FEDERAL INCOME TAX	11/10/2017	276859 Invoice	MR	Refund	MR Invoice	\$ (51,878.00)

Southern Pioneer received a refund of \$51,878 during 2017 (Cash Transaction).

**Proportional Allocation of DSC FBR Rate Adjustment to Rate Classes
Based on Base Revenue by Rate Schedule
Per Section I of the DSC-FBR Protocols**

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)					
Line No.	Rate Schedule	Historical Revenue Rates ¹	Historical Energy Sales ¹	Power Costs Per kWh Sold 380 Docket	Base Power Costs Recovered in Rates	Historical ECA-2 Revenue By Rate ¹	Total Power Costs Recovered in Rates	Base Revenue by Rate ²	Percent	Base Revenue w/o STR	Percent w/o STR	Allocation of Rate Adjustment			
		(\$)	(kWh)	(cents/kWh)	(\$)	(\$)	(\$)	(\$)		(\$)	(\$)	(\$)	FBR Adjustment ³	Adjusted Base Revenue by Rate w/ STR	Percent w/ STR adj
1	Residential Service (17-RS)														
2	General Use	15,586,648	106,883,802	6.79	7,256,485	197,503	7,453,989	8,132,660	38.2%	8,132,660	39.7%	505,048	8,637,708	38.2%	
3	Space Heating	782,704	5,790,181	6.77	392,229	(6,607)	385,623	397,082	1.9%	397,082	1.9%	24,659	421,741	1.9%	
4	General Service Small (17-GSS)	1,815,474	11,352,578	6.90	783,512	7,500	791,012	1,024,462	4.8%	1,024,462	5.0%	63,620	1,088,083	4.8%	
5	General Service Large (17-GSL)	17,173,635	130,420,192	7.07	9,223,653	117,605	9,341,258	7,832,377	36.7%	7,832,377	38.3%	486,400	8,318,777	36.8%	
6	General Service Space Heating	560,089	5,013,974	6.48	325,036	2,441	327,477	232,612	1.1%	232,612	1.1%	14,445	247,058	1.1%	
7	Industrial Service (17-IS)	3,498,567	30,481,488	6.63	2,022,312	11,874	2,034,186	1,464,382	6.9%	1,464,382	7.2%	90,940	1,555,321	6.9%	
8	Interruptible Industrial Service (17-INT)	-	-	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%	
9	Real -Time Pricing (RTP)	33,528	390,457	6.34	33,528	-	33,528	-	0.0%	-	0.0%	-	-	0.0%	
10	Transmission Level Service (17-STR)	26,223,947	447,734,214	6.19	25,377,888	-	25,377,888	846,059	4.0%	846,059	4.0%	40,727	886,786	3.9%	
11	Municipal Power Service (17-M-I)	195,260	1,411,591	6.84	96,601	2,346	98,947	96,313	0.5%	96,313	0.5%	5,981	102,294	0.5%	
12	Water Pumping Service (17-WP)	637,115	5,244,505	6.57	344,669	6,792	351,460	285,655	1.3%	285,655	1.4%	17,740	303,394	1.3%	
13	Irrigation Service (17-IP-I)	352,506	2,357,658	6.91	163,003	19,466	182,469	170,037	0.8%	170,037	0.8%	10,559	180,596	0.8%	
14	Temporary Service (17-CS)	11,969	50,207	9.42	4,728	(128)	4,600	7,369	0.0%	7,369	0.0%	458	7,826	0.0%	
15	Lighting	1,081,690	3,947,867	6.41	253,225	1,565	254,790	826,900	3.9%	826,900	4.0%	51,351	878,252	3.9%	
16	Total Retail Rates	67,953,133	751,078,714		46,276,869	360,357	46,637,226	21,315,908	100.0%	20,469,849	100%	1,311,929	22,627,837	100.0%	

¹ See Workpaper 5-A for historical usage and revenues by rate class.

² The Base Revenue recovered in rates for the STR class are directly calculated by multiplying the applicable Delivery Charge per kWh by the Energy Sales (kWh)--see Workpaper 6-A.

³ The FBR Adjustment for the STR class is directly calculated to exclude non-distribution portion of the additional debt service in the Budget Year (per Section I of the Protocols)--see Workpaper 6-A.

Southern Pioneer Electric Company

GL Period

Aug-17

Cycle 25 Billing:

Account	Rate Sch	Name	Service Description	Cycle	Current Month's Billing-Adjusted		Rate Sch Cl	Rate Sch Ref
					kWh Billed	Electric Revenue		
11493901	KS939	NATIONAL GYPSUM MILL	MILL	25	1,712,864	\$ 199,889.66	6	IND
10016307	KS933	FLAT RIDGE WIND ENERGY	FLAT RIDGE WIND FARM	25	74,272	\$ 3,459.49	15	STR 115kV
10018820	KS932	GREENSBURG WIND FARM	GREENSBURG WIND FARM	25	5,070	\$ 349.48	9	STR 34.5kV
10941200	KS997	AIR PRODUCTS & CHEMICALS	CIMARRON RIVER STATION POWER PLANT	25	6,156,055	\$ 390,918.47	15	STR 115kV
11602000	KS996	DCP MIDSTREAM (NATIONAL HELIUM)	CIMARRON RIVER	25	20,587,570	\$ 1,299,122.30	15	STR 115kV
11196302	KS960	NATIONAL BEEF	LIBERAL MAIN PLANT	25	12,660,596	\$ 836,376.86	15	STR 115kV
10813702	KS401	NATIONAL BEEF RTP	CITY WASTE WATER PUMP	25	31,172	\$ 3,000.08	12	RTP
10039845	KS931	PLAINS PIPELINE LP	HWY 183 3/4 M N OF COLDWATER	25	197,864	\$ 13,586.68	9	STR 34.5kV
					41,425,463	\$ 2,746,703		

By Revenue Class
INDUSTRIAL
INDUSTRIAL SUB-TRANS
RTP - REAL TIME PRICING

KWH Billed	Revenues	Check by KCC rate schedule
1,712,864	199,890	
39,681,427	2,543,813	
31,172	3,000	
41,425,463	2,746,703	

Exhibit 3-A
DSC-FBR Calculation
Cycle 25 Detail

CYCLE 25 booked to August 2017

Usage and Billed months coincide for Cycle 25, whereas for other cycles - there is a lag.

Rate Class	Customer	Aug-17	
		Usage (kWh)	Revenue (\$)
17-IS	NATIONAL GYPSUM MILL	1,712,864	199,890
17-STR	FLAT RIDGE WIND ENERGY	74,272	3,459
17-STR	GREENSBURG WIND FARM	5,070	349
17-STR	AIR PRODUCTS & CHEMICALS	6,156,055	390,918
17-STR	DCP MIDSTREAM (NATIONAL HELIUM)	20,587,570	1,299,122
17-STR	NATIONAL BEEF	12,660,596	836,377
13-RTP	NATIONAL BEEF RTP	31,172	3,000
17-STR	PLAINS PIPELINE LP	197,864	13,587
		41,425,463	\$ 2,746,703

2017 SPEC Usage and Revenues by Class (from Patronage Report)
Supporting Data for the Allocation of the DSC-FBR Rate Adjustment

kWh Totals by Revenue Class (Month is "Billed in/Revs recorded in on F7" vs. "Used in")			Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Res	1	1.440. Residential	9,288,361	7,650,236	6,383,388	5,946,376	6,778,823	10,119,828	14,378,535	13,597,869	11,449,762	7,606,926	6,578,371	7,105,327	106,883,802
Res	13	1.440. Residential Heating	968,992	806,252	552,743	448,632	401,244	331,202	397,987	429,660	372,804	291,258	354,551	434,866	5,790,181
Comm	2	1.442.1 Commercial Small	1,153,671	1,007,421	877,690	794,992	838,604	965,492	1,071,028	1,106,217	1,004,270	806,393	827,104	899,696	11,352,578
Comm	3	1.442.1 Commercial Large	10,915,715	10,668,548	10,372,097	7,570,353	9,505,301	10,552,210	12,338,323	12,214,052	11,816,872	11,423,202	12,431,992	10,614,827	130,420,192
Comm	4	1.442.1 Commercial Space Heating	599,921	493,973	368,714	336,638	355,505	410,133	463,530	474,735	425,775	341,481	363,241	380,355	5,013,974
Ind	6	1.442.2 Industrial	2,767,555	2,341,243	2,586,766	2,427,030	2,414,881	2,754,855	2,533,177	2,622,806	2,561,519	2,691,255	2,304,315	2,476,086	30,481,488
Ind	7	1.442.2 Industrial Interruptible	-	-	-	-	-	-	-	-	-	-	-	-	-
Ind	12	1.442.2 Real Time Pricing	32,263	32,311	30,009	35,371	34,828	37,288	45,597	31,172	43,384	31,239	18,325	18,690	390,457
Ind	9	1.442.2 Industrial-Sub Trans 34.5	170,565	189,441	206,827	163,402	157,889	208,351	239,483	202,934	189,411	212,152	214,468	219,297	2,374,220
Ind	15	1.442.2 Industrial-Sub Trans 115	33,972,589	32,757,831	37,652,786	35,484,824	35,779,886	37,775,685	38,820,458	39,478,493	38,893,527	39,662,381	38,054,763	37,026,771	445,359,994
Irr	8	1.441 Irrigation	2,258	1,316	39,650	37,926	40,821	240,306	714,633	770,779	351,692	97,154	34,026	27,097	2,357,658
Comm	5	1.442.15 Commercial Municipal	111,794	93,099	84,576	83,340	92,339	139,530	192,314	172,221	157,276	100,844	87,645	90,615	1,411,591
WP	16	1.442.15 Water Pumping	417,688	354,863	348,478	358,769	430,973	481,196	631,208	554,766	515,593	438,191	361,984	350,776	5,244,505
Lights	10	1.444. Lighting	332,772	332,400	332,924	332,169	329,528	328,977	328,359	327,595	327,086	325,754	325,313	324,990	3,947,867
Temp	17	1.444. Temporary Service	13,609	11,070	6,991	2,213	2,000	1,405	2,260	3,473	1,408	1,062	1,835	2,881	50,207
			60,747,753	56,746,004	59,843,639	54,022,035	57,162,622	64,346,438	72,153,863	71,986,792	68,110,379	64,029,292	61,957,633	59,972,264	751,078,714

Revenue Totals by Revenue Class			Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Res	1	1.440. Residential	1,210,339	1,046,701	904,358	861,450	966,152	1,392,860	2,091,910	2,148,143	1,815,400	1,216,286	955,742	977,309	15,586,648
Res	13	1.440. Residential Heating	109,867	96,411	70,653	60,419	54,365	47,065	59,662	70,122	61,732	48,093	49,104	55,212	782,704
Comm	2	1.442.1 Commercial Small	157,734	147,554	136,529	129,953	134,962	149,562	173,291	190,420	176,048	147,481	135,072	136,868	1,815,474
Comm	3	1.442.1 Commercial Large	1,304,679	1,299,650	1,291,013	1,092,614	1,272,653	1,422,369	1,645,585	1,691,558	1,751,659	1,643,104	1,457,541	1,301,210	17,173,635
Comm	4	1.442.1 Commercial Space Heating	53,019	47,004	37,474	35,146	37,926	42,473	58,739	65,846	58,294	47,759	38,573	37,834	560,089
Ind	6	1.442.2 Industrial	278,154	253,540	272,464	246,768	273,566	298,369	334,278	356,335	340,712	323,125	257,389	263,867	3,498,567
Ind	7	1.442.2 Industrial Interruptible	-	-	-	-	-	-	-	-	-	-	-	-	-
Ind	12	1.442.2 Real Time Pricing	2,720	2,574	2,250	2,757	2,922	3,687	4,470	3,000	3,646	2,251	1,615	1,635	33,528
Ind	9	1.442.2 Industrial-Sub Trans 34.5	8,536	13,000	13,265	10,267	10,962	13,879	16,248	13,936	10,914	11,685	13,070	13,081	148,842
Ind	15	1.442.2 Industrial-Sub Trans 115	1,908,597	1,944,888	2,032,539	2,068,506	2,081,417	2,537,498	2,620,784	2,529,877	2,182,772	2,015,156	2,146,560	2,006,510	26,075,105
Irr	8	1.441 Irrigation	8,805	8,734	11,970	11,865	12,149	29,328	84,232	96,114	47,881	18,981	11,600	10,847	352,506
Comm	5	1.442.15 Commercial Municipal	13,885	12,837	11,204	11,295	12,168	18,323	25,925	26,096	24,010	15,477	12,178	11,861	195,260
WP	16	1.442.15 Water Pumping	45,016	39,397	38,961	40,518	48,668	55,870	79,812	77,687	71,787	58,546	42,090	38,763	637,115
Lights	10	1.444. Lighting	88,238	89,156	89,205	89,692	89,060	90,998	89,582	94,818	93,674	91,305	89,081	86,883	1,081,690
Temp	17	1.444. Temporary Service	3,183	2,607	1,660	522	488	334	576	891	350	257	430	671	11,969
			5,192,772	5,004,053	4,913,545	4,661,772	4,997,459	6,102,616	7,285,094	7,364,842	6,638,877	5,639,504	5,210,047	4,942,552	67,953,133

PCA Totals by Revenue Class			Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Res	1	1.440. Residential	(69,446)	(44,250)	(33,649)	(23,174)	(19,453)	1,711	28,199	187,461	151,955	55,365	1,928	(39,145)	197,503
Res	13	1.440. Residential Heating	(7,487)	(4,596)	(3,120)	(1,603)	(1,644)	503	(383)	5,804	5,312	2,383	532	(2,307)	(6,607)
Comm	2	1.442.1 Commercial Small	(8,531)	(5,844)	(4,557)	(3,155)	(2,240)	187	2,409	15,342	13,147	5,624	81	(4,962)	7,500
Comm	3	1.442.1 Commercial Large	(84,451)	(60,906)	(59,201)	(25,135)	(35,220)	12,149	(510)	166,426	162,994	86,513	12,031	(57,085)	117,605
Comm	4	1.442.1 Commercial Space Heating	(4,353)	(2,885)	(1,861)	(1,383)	(732)	(117)	1,772	6,628	5,384	2,283	(165)	(2,132)	2,441
Ind	6	1.442.2 Industrial	(22,763)	(14,866)	(13,219)	(8,559)	(12,209)	5,765	(8,900)	31,261	39,527	21,484	6,636	(12,283)	11,874
Ind	7	1.442.2 Industrial Interruptible	-	-	-	-	-	-	-	-	-	-	-	-	-
Ind	12	1.442.2 Real Time Pricing	-	-	-	-	-	-	-	-	-	-	-	-	-
Ind	9	1.442.2 Industrial-Sub Trans 34.5	-	-	-	-	-	-	-	-	-	-	-	-	-
Ind	15	1.442.2 Industrial-Sub Trans 115	-	-	-	-	-	-	-	-	-	-	-	-	-
Irr	8	1.441 Irrigation	(18)	(8)	(168)	(120)	(93)	(589)	4,427	10,716	4,655	797	8	(140)	19,466
Comm	5	1.442.15 Commercial Municipal	(901)	(559)	(510)	(275)	(445)	243	(400)	2,320	2,294	862	188	(470)	2,346
WP	16	1.442.15 Water Pumping	(3,120)	(2,059)	(1,775)	(1,378)	(1,350)	190	273	7,606	6,954	3,247	138	(1,934)	6,792
Lights	10	1.444. Lighting	(2,567)	(1,893)	(1,878)	(1,197)	(1,284)	402	(155)	4,462	4,505	2,515	387	(1,732)	1,565
Temp	17	1.444. Temporary Service	(91)	(66)	(28)	(12)	5	(6)	30	52	13	3	(9)	(18)	(128)
			(203,728)	(137,932)	(119,967)	(65,991)	(74,663)	20,437	26,762	438,078	396,740	181,077	21,754	(122,208)	360,357

Cons Totals by Revenue Class			Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Avg Cons
Res	1	1.440. Residential	11,946	11,932	11,921	11,888	12,013	11,996	11,991	11,988	11,957	11,967	11,951	11,973	11,960
Res	13	1.440. Residential Heating	661	663	659	653	529	524	522	522	519	521	519	520	568
Comm	2	1.442.1 Commercial Small	2,520	2,521	2,524	2,523	2,520	2,524	2,505	2,512	2,526	2,517	2,525	2,535	2,521
Comm	3	1.442.1 Commercial Large	1,422	1,419	1,419	1,415	1,416	1,415	1,420	1,403	1,389	1,392	1,396	1,395	1,408
Comm	4	1.442.1 Commercial Space Heating	51	51	51	51	50	50	71	71	71	71	72	61	
Ind	6	1.442.2 Industrial	17	17	17	18	18	18	17	18	15	16	16	17	
Ind	7	1.442.2 Industrial Interruptible	-	-	-	-	-	-	-	-	-	-	-	-	
Ind	12	1.442.2 Real Time Pricing	1	1	1	1	1	1	1	1	1	1	1	1	
Ind	9	1.442.2 Industrial-Sub Trans 34.5	2	2	2	2	2	2	2	2	2	2	2	2	
Ind	15	1.442.2 Industrial-Sub Trans 115	4	4	4	4	4	4	4	4	4	4	4	4	
Irr	8	1.441 Irrigation	41	41	41	41	41	41	41	41	41	41	41	41	
Comm	5	1.442.15 Commercial Municipal	141	140	140	139	139	139	140	140	140	140	140	140	
WP	16	1.442.15 Water Pumping	71	71	71	70	70	70	70	70	71	71	71	71	
Lights	10	1.444. Lighting	142	141	141	140	140	140	140	140	138	136	136	136	
Temp	17	1.444. Temporary Service	8	8	7	7	6	5	4	5	5	5	4	6	
			17,027	17,011	16,998	16,952	16,949	16,929	16,928	16,917	16,879	16,884	16,876	16,910	16,939

STR Class Rate Adjustment
Per Section I of the DSC FBR Protocols

Exclude non-general plant Debt Service (DS)

Ln No		
1	1,311,929	Total Revenue Adjustment from EX J.3-A
2	89%	Non-general plant additions for Budget Year
3		
4	224,902	additional DS for non-general plant in the Test Year
5	<u>73%</u>	Distribution System allocation
6	163,330	
7	<u>1.75</u>	Target DSC
8	<u>285,828</u>	
9	1,026,101	
10	<u>4.0%</u>	STR % on Base Revenue
	40,727	

Calculate STR Base Revenues for the Test Year (kWh x Delivery Chg)

	STR KWH	Rate	Base Rev	
Jan-Jul	253,580,017	0.00192	\$ 486,874	16-SPEE-497-RTS rate
Aug-Dec	<u>194,154,197</u>	<u>0.00185</u>	<u>\$ 359,185</u>	17-SPEE-476-TAR (DSC-FBR portion)
	447,734,214		\$ 846,059	

Southern Pioneer Electric Company						Exhibit 3-A	
Construction Budget 2018						DSC-FBR Calculation	
						WP7-A	
<u>Loan Project Code</u>	<u>Description of Job</u>	<u>Amount Previously Completed</u>	<u>2018 Budget Amount</u>	<u>% of Job Related to Transmission</u>	<u>\$ Related to Transmission</u>	<u>\$ Related to Distribution</u>	
101	New Consumers	\$ -	\$ 150,000	0.00%	\$ -	\$ 150,000	
300-27	Wellsford to Haviland	\$ -	\$ 245,000	0.00%	\$ -	\$ 245,000	
300-47	Kiowa to Hardtner	\$ -	\$ 270,000	0.00%	\$ -	\$ 270,000	
500-03	ArcHazard Assessment	\$ -	\$ 50,000	0.00%	\$ -	\$ 50,000	
500-13	Substation Exit Switches	\$ -	\$ 69,556	0.00%	\$ -	\$ 69,556	
601-01	Meter Replacements	\$ -	\$ 46,370	0.00%	\$ -	\$ 46,370	
601-02	Overhead/Padmount Transformers	\$ -	\$ 347,782	0.00%	\$ -	\$ 347,782	
602-01	Service Upgrades	\$ -	\$ 69,556	0.00%	\$ -	\$ 69,556	
603-01	Sectionalizing Equipment	\$ -	\$ 55,000	0.00%	\$ -	\$ 55,000	
603-02	34.5kv Breakers	\$ -	\$ 40,000	100.00%	\$ 40,000	\$ -	
603-03	34.5kv Capacitor Bank Switches	\$ -	\$ 144,909	100.00%	\$ 144,909	\$ -	
604-01	Spare Regulators	\$ -	\$ 34,777	50.00%	\$ 17,389	\$ 17,389	
606-01	Osmose Pole Replacement	\$ -	\$ 1,500,000	0.00%	\$ -	\$ 1,500,000	
606-02	Copper Replacement	\$ -	\$ 600,000	0.00%	\$ -	\$ 600,000	
606-03	Open Wire Secondary Replacement	\$ -	\$ 200,000	0.00%	\$ -	\$ 200,000	
606-04	CSP Replacement(14.4kv)	\$ -	\$ 25,000	0.00%	\$ -	\$ 25,000	
606-05	Ungrounded Circuits	\$ -	\$ 150,000	0.00%	\$ -	\$ 150,000	
606-06	Cost of Unit Replacements	\$ -	\$ 579,636	0.00%	\$ -	\$ 579,636	
702-01	Streetlight Installs	\$ -	\$ 15,000	0.00%	\$ -	\$ 15,000	
702-02	Streetlight Replacements	\$ -	\$ 15,070	0.00%	\$ -	\$ 15,070	
704-01	SCADA/Substation Metering	\$ -	\$ 100,000	50.00%	\$ 50,000	\$ 50,000	
1000-11	Minneola to Englewood	\$ 487,948	\$ 480,000	100.00%	\$ 480,000	\$ -	
1000-13	Wellsford to Haviland	\$ -	\$ 420,000	100.00%	\$ 420,000	\$ -	
1000-17	Coldwater to Barber County Line	\$ 934,191	\$ 540,000	100.00%	\$ 540,000	\$ -	
1100-06	34.5kV Unit Replacements	\$ -	\$ 144,909	100.00%	\$ 144,909	\$ -	
TBD-2	34.5/13.8 10.5MVA Spare Transformer	\$ -	\$ 450,000	0.00%	\$ -	\$ 450,000	
TBD-3	Substation Fencing	\$ -	\$ 60,000	75.00%	\$ 45,000	\$ 15,000	
TBD-4	Hickory Street Relocate	\$ -	\$ 100,000	0.00%	\$ -	\$ 100,000	
TBD-5	N Liberal 115/13.8 Design	\$ -	\$ 150,000	0.00%	\$ -	\$ 150,000	
TBD-6	Pratt 115 Relay Replacement/Engineering	\$ -	\$ 50,000	100.00%	\$ 50,000	\$ -	
TBD-7	Substation Rock Replacement	\$ -	\$ 30,000	0.00%	\$ -	\$ 30,000	
TBD-8	Substation Maintenance Repairs	\$ -	\$ 200,000	100.00%	\$ 200,000	\$ -	
		1,422,139	7,332,565		\$ 2,132,207	\$ 5,200,359	
		TOTAL	\$ 7,332,565				
		GENERAL PLANT	\$ 874,000	11%			
			\$ 8,206,565				

Southern Pioneer Electric Company

Capital Budget 2018
Individual Items over \$5,000

Year: 2018

<u>Item Description</u>	<u>Department</u>	<u>2018 Budget Amount</u>	<u>Anticipated Purchase Date</u>	<u>Additional Comments</u>
iVUE Server Replacement	IT	\$ 21,500	August	iVUE Server Replacement Schedule
Domain Server Replacement	IT	\$ 17,000	August	Server Replacement Schedule
Terminal Server Replacement	IT	\$ 11,000	August	Replace Terminal Services Server
Video Conferencing - ML & Lib	IT	\$ 20,000	June	Connecting Offices
Computers, Metering	Warehouse/Facilities	\$ 12,000	April	Replace 2 ML Metering computers
Polaris Ranger	Warehouse/Facilities	\$ 20,000	1Q	Existing unit has had some engine work performed on it and it is still not running properly. 07 model and hours are at a level that is normal for trading in.
Misc. Items Recommended by Paric	Warehouse/Facilities	\$ 25,000	Throughout Year	
Pave/Cement Drive - Lib	Warehouse/Facilities	\$ 100,000		
Pave/Cement Drive - ML	Warehouse/Facilities	\$ 100,000		
Water Supply Connection - ML	Warehouse/Facilities	\$ 50,000	-	The tower has not yet been built
Service Bucket (Lib)	Operations	\$ 145,000	-	Normal replacement of unit 1038, Liberal outpost
Skid Steer Loader- Lib	Operations	\$ 115,000	1Q	Skid steer, grapple, pole setter and auger
Skid Steer Loader-ML	Operations	\$ 115,000	1Q	Skid steer, grapple, pole setter and auger
Distribution Automation Software/Equipment	Operations	\$ 100,000	2Q	
Buyout Lease Unit #1051	Operations	\$ 22,500	1Q	
	TOTAL	\$ 874,000		

Calculating Lighting Rates
post DSC-FBR Adjustment

0.01301 per kWh Adjustment for Lighting -- from EX 3-A, Page 6, Col(k)

Private Area / Street Lighting (17-PAL-SL-D)

Private Area Light (Coop owned)

				kWh Estimate	Resultant Rate
On Existing Pole					
100 W P.A.L. Cust 0%	@	\$11.54 /mo.		40 \$ 0.52040	\$12.06 /mo.
100 W P.A.L. Cust 100%	@	\$4.80 /mo.		40 \$ 0.52040	\$5.32 /mo.
150 W P.A.L. Cust 0%	@	\$18.29 /mo.		60 \$ 0.78060	\$19.07 /mo.
150 W P.A.L. Cust 100%	@	\$6.83 /mo.		60 \$ 0.78060	\$7.61 /mo.
200 W P.A.L. Cust 0%	@	\$20.78 /mo.		80 \$ 1.04080	\$21.82 /mo.
200 W P.A.L. Cust 50%	@	\$14.55 /mo.		80 \$ 1.04080	\$15.59 /mo.
200 W P.A.L. Cust 100%	@	\$8.59 /mo.		80 \$ 1.04080	\$9.63 /mo.
On New Pole (Wood)					
100 W P.A.L. Cust 0%	@	\$18.78 /mo.		40 \$ 0.52040	\$19.30 /mo.
100 W P.A.L. Cust 100%	@	\$5.27 /mo.		40 \$ 0.52040	\$5.79 /mo.
150 W P.A.L. Cust 0%	@	\$21.15 /mo.		60 \$ 0.78060	\$21.93 /mo.
150 W P.A.L. Cust 100%	@	\$7.00 /mo.		60 \$ 0.78060	\$7.78 /mo.
200 W P.A.L. Cust 0%	@	\$22.95 /mo.		80 \$ 1.04080	\$23.99 /mo.
200 W P.A.L. Cust 100%	@	\$8.72 /mo.		80 \$ 1.04080	\$9.76 /mo.
Flood Lights					
On Existing Pole					
150 W Flood Cust 0%	@	\$21.46 /mo.		60 \$ 0.78060	\$22.24 /mo.
150 W Flood Cust 100%	@	\$7.03 /mo.		60 \$ 0.78060	\$7.81 /mo.
400 W Flood Cust 0%	@	\$40.23 /mo.		160 \$ 2.08160	\$42.31 /mo.
400 W Flood Cust 50%	@	\$27.95 /mo.		160 \$ 2.08160	\$30.03 /mo.
400 W Flood Cust 100%	@	\$16.26 /mo.		160 \$ 2.08160	\$18.34 /mo.
1000 W Flood M.H. Cust 0%	@	\$62.06 /mo.		402 \$ 5.23002	\$67.29 /mo.
1000 W Flood M.H. Cust 100%	@	\$38.77 /mo.		402 \$ 5.23002	\$44.00 /mo.
On New Pole (Wood)					
150 W P.A.L. Cust 0%	@	\$24.10 /mo.		60 \$ 0.78060	\$24.88 /mo.
150 W P.A.L. Cust 100%	@	\$7.23 /mo.		60 \$ 0.78060	\$8.01 /mo.
400 W P.A.L. Cust 0%	@	\$42.28 /mo.		160 \$ 2.08160	\$44.36 /mo.
400 W P.A.L. Cust 100%	@	\$16.44 /mo.		160 \$ 2.08160	\$18.52 /mo.
1000 W Flood M.H. Cust 0%	@	\$81.91 /mo.		402 \$ 5.23002	\$87.14 /mo.
1000 W Flood M.H. Cust 100%	@	\$37.62 /mo.		402 \$ 5.23002	\$42.85 /mo.
Street Lights					
On Existing Pole					
100 W P.A.L. Cust 0%	@	\$12.73 /mo.		40 \$ 0.52040	\$13.25 /mo.
100 W P.A.L. Cust 100%	@	\$4.89 /mo.		40 \$ 0.52040	\$5.41 /mo.
150 W P.A.L. Cust 0%	@	\$15.23 /mo.		60 \$ 0.78060	\$16.01 /mo.
150 W P.A.L. Cust 100%	@	\$6.62 /mo.		60 \$ 0.78060	\$7.40 /mo.
200 W P.A.L. Cust 0%	@	\$18.83 /mo.		80 \$ 1.04080	\$19.87 /mo.
200 W P.A.L. Cust 100%	@	\$8.45 /mo.		80 \$ 1.04080	\$9.49 /mo.
On New Pole (Wood)					
100 W P.A.L. Cust 0%	@	\$18.78 /mo.		40 \$ 0.52040	\$19.30 /mo.
100 W P.A.L. Cust 100%	@	\$5.27 /mo.		40 \$ 0.52040	\$5.79 /mo.
150 W P.A.L. Cust 0%	@	\$21.15 /mo.		60 \$ 0.78060	\$21.93 /mo.
150 W P.A.L. Cust 100%	@	\$7.00 /mo.		60 \$ 0.78060	\$7.78 /mo.
200 W P.A.L. Cust 0%	@	\$22.95 /mo.		80 \$ 1.04080	\$23.99 /mo.
200 W P.A.L. Cust 100%	@	\$8.72 /mo.		80 \$ 1.04080	\$9.76 /mo.
On Existing Pole					
100 W Cobra Head Cust 0%	@	\$12.73 /mo.		40 \$ 0.52040	\$13.25 /mo.
100 W Cobra Head Cust 100%	@	\$4.89 /mo.		40 \$ 0.52040	\$5.41 /mo.
150 W Cobra Head Cust 0%	@	\$15.23 /mo.		60 \$ 0.78060	\$16.01 /mo.
150 W Cobra Head Cust 100%	@	\$6.62 /mo.		60 \$ 0.78060	\$7.40 /mo.
200 W Cobra Head Cust 0%	@	\$18.83 /mo.		80 \$ 1.04080	\$19.87 /mo.
200 W Cobra Head Cust 100%	@	\$8.45 /mo.		80 \$ 1.04080	\$9.49 /mo.
250 W Cobra Head Cust 0%	@	\$20.87 /mo.		100 \$ 1.30100	\$22.17 /mo.
250 W Cobra Head Cust 100%	@	\$10.18 /mo.		100 \$ 1.30100	\$11.48 /mo.
400 W Cobra Head Cust 0%	@	\$26.08 /mo.		160 \$ 2.08160	\$28.16 /mo.
400 W Cobra Head Cust 100%	@	\$15.32 /mo.		160 \$ 2.08160	\$17.40 /mo.
On New Pole (Wood)					
100 W Cobra Head Cust 0%	@	\$21.85 /mo.		40 \$ 0.52040	\$22.37 /mo.
100 W Cobra Head Cust 100%	@	\$5.47 /mo.		40 \$ 0.52040	\$5.99 /mo.
150 W Cobra Head Cust 0%	@	\$23.81 /mo.		60 \$ 0.78060	\$24.59 /mo.
150 W Cobra Head Cust 100%	@	\$7.21 /mo.		60 \$ 0.78060	\$7.99 /mo.
200 W Cobra Head Cust 0%	@	\$25.19 /mo.		80 \$ 1.04080	\$26.23 /mo.
200 W Cobra Head Cust 100%	@	\$8.88 /mo.		80 \$ 1.04080	\$9.92 /mo.
250 W Cobra Head Cust 0%	@	\$28.19 /mo.		100 \$ 1.30100	\$29.49 /mo.
250 W Cobra Head Cust 100%	@	\$11.09 /mo.		100 \$ 1.30100	\$12.39 /mo.
400 W Cobra Head Cust 0%	@	\$33.41 /mo.		160 \$ 2.08160	\$35.49 /mo.
400 W Cobra Head Cust 100%	@	\$16.21 /mo.		160 \$ 2.08160	\$18.29 /mo.
On New Pole (Steel)					
100 W Cobra Head Cust 0%	@	\$33.71 /mo.		40 \$ 0.52040	\$34.23 /mo.
100 W Cobra Head Cust 100%	@	\$6.28 /mo.		40 \$ 0.52040	\$6.80 /mo.
150 W Cobra Head Cust 0%	@	\$35.66 /mo.		60 \$ 0.78060	\$36.44 /mo.
150 W Cobra Head Cust 100%	@	\$7.99 /mo.		60 \$ 0.78060	\$8.77 /mo.
200 W Cobra Head Cust 0%	@	\$37.93 /mo.		80 \$ 1.04080	\$38.97 /mo.
200 W Cobra Head Cust 100%	@	\$9.72 /mo.		80 \$ 1.04080	\$10.76 /mo.
250 W Cobra Head Cust 0%	@	\$42.49 /mo.		100 \$ 1.30100	\$43.79 /mo.
250 W Cobra Head Cust 100%	@	\$11.62 /mo.		100 \$ 1.30100	\$12.92 /mo.
400 W Cobra Head Cust 0%	@	\$47.66 /mo.		160 \$ 2.08160	\$49.74 /mo.
400 W Cobra Head Cust 100%	@	\$16.74 /mo.		160 \$ 2.08160	\$18.82 /mo.

Calculating Lighting Rates
post- DSC-FBR Adjstment

0.01301 per kWh Adjustment for Lighting -- from EX 3-A

Security (Decorative) Lighting Service (17-DOL-I)

Coop Owned

Acorn

				kWh estimate		Resultant Rate	
35 W HPS	Cust 0%	@	\$25.08 /mo.	14	\$	0.18214	\$25.26 /mo.
35 W HPS	Cust 100%	@	\$3.84 /mo.	14	\$	0.18214	\$4.02 /mo.
100 W HPS	Cust 0%	@	\$36.97 /mo.	40	\$	0.52040	\$37.49 /mo.
100 W HPS	Cust 50%	@	\$21.52 /mo.	40	\$	0.52040	\$22.04 /mo.
100 W HPS	Cust 100%	@	\$6.77 /mo.	40	\$	0.52040	\$7.29 /mo.
250 W HPS	Cust 0%	@	\$43.98 /mo.	100	\$	1.30100	\$45.28 /mo.
250 W HPS	Cust 100%	@	\$12.05 /mo.	100	\$	1.30100	\$13.35 /mo.

Single Globe

35 W HPS	Cust 0%	@	\$19.42 /mo.	14	\$	0.18214	\$19.60 /mo.
35 W HPS	Cust 100%	@	\$3.45 /mo.	14	\$	0.18214	\$3.63 /mo.
70 W HPS	Cust 0%	@	\$32.05 /mo.	28	\$	0.36428	\$32.41 /mo.
70 W HPS	Cust 100%	@	\$5.45 /mo.	28	\$	0.36428	\$5.81 /mo.
100 W HPS	Cust 0%	@	\$33.38 /mo.	40	\$	0.52040	\$33.90 /mo.
100 W HPS	Cust 100%	@	\$6.54 /mo.	40	\$	0.52040	\$7.06 /mo.
150 W HPS	Cust 0%	@	\$35.33 /mo.	60	\$	0.78060	\$36.11 /mo.
150 W HPS	Cust 100%	@	\$8.27 /mo.	60	\$	0.78060	\$9.05 /mo.

Multi Globe

70 W HPS	Cust 0%	@	\$85.87 /mo.	140	\$	1.82140	\$87.69 /mo.
70 W HPS	Cust 100%	@	\$19.06 /mo.	140	\$	1.82140	\$20.88 /mo.
100 W HPS	Cust 0%	@	\$92.38 /mo.	200	\$	2.60200	\$94.98 /mo.
100 W HPS	Cust 100%	@	\$24.34 /mo.	200	\$	2.60200	\$26.94 /mo.
150 W HPS	Cust 0%	@	\$102.26 /mo.	300	\$	3.90300	\$106.16 /mo.
150 W HPS	Cust 100%	@	\$32.97 /mo.	300	\$	3.90300	\$36.87 /mo.

Security (Decorative) Lighting Service (17-DOL-I)

Lantern

35 W HPS	Cust 0%	@	\$22.64 /mo.	14	\$	0.18214	\$22.82 /mo.
35 W HPS	Cust 100%	@	\$3.69 /mo.	14	\$	0.18214	\$3.87 /mo.
100 W HPS	Cust 0%	@	\$39.87 /mo.	40	\$	0.52040	\$40.39 /mo.
100 W HPS	Cust 100%	@	\$6.95 /mo.	40	\$	0.52040	\$7.47 /mo.
250 W HPS	Cust 0%	@	\$46.57 /mo.	100	\$	1.30100	\$47.87 /mo.
250 W HPS	Cust 100%	@	\$12.21 /mo.	100	\$	1.30100	\$13.51 /mo.

Shoobox

100 W HPS	Cust 0%	@	\$46.47 /mo.	40	\$	0.52040	\$46.99 /mo.
100 W HPS	Cust 100%	@	\$7.39 /mo.	40	\$	0.52040	\$7.91 /mo.
250 W HPS	Cust 0%	@	\$53.02 /mo.	100	\$	1.30100	\$54.32 /mo.
250 W HPS	Cust 100%	@	\$12.65 /mo.	100	\$	1.30100	\$13.95 /mo.
400 W HPS	Cust 0%	@	\$59.01 /mo.	160	\$	2.08160	\$61.09 /mo.
400W HPS	Cust 100%	@	\$18.11 /mo.	160	\$	2.08160	\$20.19 /mo.
800 W HPS	Cust 0%	@	\$83.29 /mo.	320	\$	4.16320	\$87.45 /mo.
800 W HPS	Cust 100%	@	\$33.00 /mo.	320	\$	4.16320	\$37.16 /mo.

Vapor Street Lighting Ornamental Service (17-OSL-V-I) Frozen

175 W MV	@	\$14.36 /mo.	63	\$	0.81963	\$15.18 /mo.	Annual	\$	182.16
250 W MV	@	\$17.74 /mo.	95	\$	1.23595	\$18.98 /mo.	\$	227.76	
400 W MV	@	\$23.91 /mo.	151	\$	1.96451	\$25.87 /mo.	\$	310.44	
100 W HPS	@	\$12.73 /mo.	40	\$	0.52040	\$13.25 /mo.	\$	159.00	
150 W HPS	@	\$15.23 /mo.	60	\$	0.78060	\$16.01 /mo.	\$	192.12	
200 W HPS	@	\$18.83 /mo.	80	\$	1.04080	\$19.87 /mo.	\$	238.44	

Controlled Private Area Lighting (17-PAL-I) Frozen

175 W MV	@	\$13.18 /mo.	63	\$	0.81963	\$14.00 /mo.	Annual	\$	168.00
400 W MV	@	\$25.87 /mo.	151	\$	1.96451	\$27.83 /mo.	\$	333.96	
400 W MV (Flood)	@	\$27.99 /mo.	151	\$	1.96451	\$29.95 /mo.	\$	359.40	
1000 W MV (Flood)	@	\$54.15 /mo.	355	\$	4.61855	\$58.77 /mo.	\$	705.24	
100 W HPS	@	\$11.54 /mo.	40	\$	0.52040	\$12.06 /mo.	\$	144.72	
200 W HPS	@	\$20.78 /mo.	80	\$	1.04080	\$21.82 /mo.	\$	261.84	
150 W HPS (Flood)	@	\$21.46 /mo.	60	\$	0.78060	\$22.24 /mo.	\$	266.88	
400 W HPS (Flood)	@	\$40.23 /mo.	160	\$	2.08160	\$42.31 /mo.	\$	507.72	

Street Lighting Service Dusk to Dawn (17-SL-I)

Inc 1000 lumen lamps	@	\$5.95 /mo.	34	\$	0.44234	\$6.39 /mo.	\$	76.68
MV 7000 lumen lamps	@	\$13.83 /mo.	63	\$	0.81963	\$14.65 /mo.	\$	175.80

RESULTANT RATES

Per kWh Rate Adj Resultant per kWh Rates
from EX 3-A, Page 6, column (k)
\$0.00473

Residential Service (17-RS)

General Use

Customer Charge	@		/month	
Delivery Charge				
Summer - All kWh	@	\$0.12658	/kWh	\$0.13131 /kWh
Winter (Oct-May)	@	\$0.11558	/kWh	\$0.12031 /kWh
Energy Cost Adjustment	@		/kWh	

Space Heating

* only for 2nd block in winter \$0.00286 * only for 2nd block in winter -- Space Heating are billed same rates as "Residential - General Use" except for usage occurring in the 2nd block in the Winter

Customer Charge	@		/month	
Delivery Charge				
Summer - All kWh	@	\$0.12658	/kWh	\$0.13131 /kWh
Winter (Oct-May)				
0-800 kWh	@	\$0.11558	/kWh	\$0.12031 /kWh
801-5800 kWh	@	\$0.09931	/kWh	\$0.10218 /kWh
5801 kWh and above	@	\$0.11558	/kWh	\$0.12031 /kWh
Energy Cost Adjustment	@		/kWh	

actual adj.	Gets up to	Still Need	Resultant Space Heat
\$0.00473	\$ 20,475	\$ 4,185	\$0.00286 *

General Service Small (17-GSS)

Customer Charge	@		/month	\$0.00560
Delivery Charge				
Summer - (July to Oct.)	@	\$0.10144	/kWh	\$0.10704 /kWh
Winter (Nov-Jun)	@	\$0.09044	/kWh	\$0.09604 /kWh
Energy Cost Adjustment	@		/kWh	

General Service Large (17-GSL)

Customer Charge	@		/month	\$0.00373
Demand Charge per kW>9				
Summer - (July to Oct.)	@		/kW	
Winter (Nov-Jun)	@		/kW	
Delivery Charge				
Summer - (July to Oct.)	@	\$0.08133	/kWh	\$0.08506 /kWh
Winter (Nov-Jun)	@	\$0.08133	/kWh	\$0.08506 /kWh
Energy Cost Adjustment	@		/kWh	

actual adj.	Gets up to	Still Need	Resultant Space Heat
0.00373	6,361	8,084	0.00244

General Service Space Heating

Demand Charge per kW>9				
Summer - (July to Oct.)	@		/kW	
Winter (Nov-Jun)	@		/kW	
Energy Charge				
GSL(GSL summer rate for non-heat mos)	@	\$0.08133	/kWh	\$0.08506
GSS (GSS summer rate for non-heat mos)	@	\$0.10144	/kWh	\$0.10704
Heating (November - June)	@	\$0.07010	/kWh	\$0.07255 /kWh
Energy Cost Adjustment	@		/kWh	

Industrial Service (17-IS)

Customer Charge	@		/month	\$0.00298
Demand Charge per kW>10				
Summer - (July to Oct.)	@		/kW	
Winter (Nov-Jun)	@		/kW	
Delivery Charge				
Summer - (July to Oct.)	@	\$0.07120	/kWh	\$0.07418 /kWh
Winter (Nov-Jun)	@	\$0.07120	/kWh	\$0.07418 /kWh
Energy Cost Adjustment	@		/kWh	

Industrial Service-Primary Discount

2% discount off 16-IS

Customer Charge	@		/month	
Demand Charge per kW>10				
Summer - (July to Oct.)	@		/kW	
Winter (Nov-Jun)	@		/kW	
Delivery Charge				
Summer - (July to Oct.)	@	\$0.06978	/kWh	\$0.07270 /kWh
Winter (Nov-Jun)	@	\$0.06978	/kWh	\$0.07270 /kWh
Energy Cost Adjustment	@		/kWh	

RESULTANT RATES

	Resultant per kWh Rates	Per kWh Rate Adj from EX 3-A, Page 6, column (k) same as IS	Resultant per kWh Rates
Interruptible Industrial Service (17-INT)			
Customer Charge	@ /month		
Demand Charge per kW>10			
Non-Interruptible			
Summer - (July to Oct.)	@ /kW		
Winter (Nov-Jun)	@ /kW		
Interruptible			
Summer - (July to Oct.)	@ /kW		
Winter (Nov-Jun)	@ /kW		
Penalty			
Summer - (July to Oct.)	@ /kW		
Winter (Nov-Jun)	@ /kW		
Delivery Charge			
Summer - (July to Oct.)	@ \$0.07120 /kWh		\$0.07418 /kWh
Winter (Nov-Jun)	@ \$0.07120 /kWh		\$0.07418 /kWh
Energy Cost Adjustment	@ /kWh		
Real-Time Pricing (13-RTP)			
Customer Charge	@ /month		
Delivery Charge	@ /month		
Transmission Level Service (17-STR)			
		\$0.00009	
Service at 34.5 kV Voltage			
Customer Charge	@ /month		
Demand Charge			
Demand Requirements	/kW		
OATT	/kW		
Local Access Charge	/kW		
Energy Charge			
Energy Charge	/kWh		
Energy Cost Adjustment	/kWh		
Delivery Charge	@ \$0.00185 /kWh		\$0.00194 /kWh
Service at 115 kV Voltage			
Customer Charge	@ /month		
Demand Charge			
Demand Requirements	@ /kW		
OATT	@ /kW		
Energy Charge			
Energy Charge	@ /kWh		
Energy Cost Adjustment	@ /kWh		
Delivery Charge	@ \$0.00185 /kWh		\$0.00194 /kWh
Municipal Power Service (17-M-1)			
		\$0.00424	
Customer Charge	@ /month		
Delivery Charge			
Summer - (July to Oct.)	@ \$0.12174 /kWh		\$0.12598 /kWh
Winter (Nov-Jun)	@ \$0.11074 /kWh		\$0.11498 /kWh
Energy Cost Adjustment	@ /kWh		
Water Pumping Service (17-WP)			
		\$0.00338	
Customer Charge	@ /month		
Delivery Charge			
Summer - (July to Oct.)	@ \$0.11883 /kWh		\$0.12221 /kWh
Winter (Nov-Jun)	@ \$0.10783 /kWh		\$0.11121 /kWh
Energy Cost Adjustment	@ /kWh		
Irrigation Service (17-IP-1)			
		\$0.00448	
Demand Charge per HP contracted per year	@ /HP/yr.		
Delivery Charge			
Summer - (July to Oct.)	@ \$0.09431 /kWh		\$0.09879 /kWh
Winter (Nov-Jun)	@ \$0.08331 /kWh		\$0.08779 /kWh
Energy Cost Adjustment	@ /kWh		
Temporary Service (16-CS)			
		\$0.00911	
Delivery Charge	@ \$0.23516 /kWh		\$0.24427 /kWh
plus equipment service chg.			
Energy Cost Adjustment	@ /kWh		

EXHIBIT PSE-3B

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.	Rate Schedule	Rate Schedule Revenue ¹	Allocated Power Supply Cost of Service ¹	Base Revenue ¹	Percent of Tot Base Rev	Allocation of Rate Adjustment				
						34.5kV FBR Adjustment ¹	Base Revenue	Check the Spread	Historical Energy Sales	34.5kV FBR Adjustment per kWh
		(\$)	(\$)	(\$)	(%)	(\$)	(\$)	(%)	(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 ²	\$ 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 ²	\$ 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) ³	\$ 33,528	\$ 33,528	\$ -	0.00%	\$ -	\$ -	0.00%	390,457	N.A.
10	Sub-transmission Level Service (STR) ⁴	\$ 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	\$ 285,655	1.40%	\$ 897	\$ 286,552	1.40%	5,244,505	0.0002
13	Irrigation Service (IP-I)	\$ 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	

¹ See Workpaper 7-B for detail.

² The per kWh Adjustment shown in Column (k) constitutes annual average, with the actual seasonal components varying due to rate design. See Work Paper 7-B for detail.

³ Exclude RTP (marginal piece/unadjustable rate). Note, however, that these customers will still share in the 34.5kV FBR adjustment per their corresponding baseline tariff.

⁴ 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.

Southern Pioneer Electric Company
34.5kV Formula Based Rate
Work Paper 1-B Input Data
Historical Test Year Ending December 31 2017
 Budget Year 2018

Line No	Description	Source	Amount		Notes
			(d)	(e)	
A. Net Plant in Service					
			<u>As of December 31, 2017</u>		
			<u>Plant in Service</u>	<u>Accum. Res. for Depr.</u>	
1	Transmission Facilities	Trial Balance	\$ 110,073		GL acct 350.1, 350.2
2	350 Land and Land Rights	Trial Balance	\$ -		
3	352 Structures and Improvements	Trial Balance	\$ 9,885,905		
4	353 Station Equipment	Trial Balance	\$ 10,236,721		
5	355 Poles and Fixtures	Trial Balance	\$ 9,077,792		
6	356 O.H. Conductors and Devices	Trial Balance	\$ -		
7	358 U.G. Conductors and Devices	Trial Balance	\$ -		
8	Subtotal	Sum(L5,L10)	\$ 29,310,492	\$ 6,536,408	GL acct 108.5 and 108.501
9	Distribution Facilities (If Applicable)				
10	360 Land and Land Rights	Company Direct Assessment	N/A	N/A	
11	361 Structures and Improvements	Company Direct Assessment	N/A	N/A	
12	362 Station Equipment	Company Direct Assessment	N/A	N/A	
13	Subtotal	L13 + L15	-	-	
14	Total	Ln 11 + Ln 16	\$ 29,310,492	\$ 6,536,408	
2. All Facilities					
15	301-301 Intangible Plant	Trial Balance	\$ -	\$ -	
16	350-359 Transmission Plant	Trial Balance	\$ 29,310,492	\$ 6,536,408	GL acct 108.5, 108.501
17	360-373 Distribution Plant	Trial Balance	\$ 59,108,566	\$ 5,695,089	GL acct. 108.6,108.601
18	389-399 General Plant	Trial Balance	\$ 13,139,357	\$ 4,591,940	GL acct. 108.7-108.79
19	Total		\$ 101,558,415	\$ 16,823,436	
B. Operating Expenses					
20	Power Production Expense	Statement of Operations	\$ -		
21	Cost of Purchased Power	Statement of Operations	\$ 46,935,849		
22	Transmission O&M	Statement of Operations	\$ 1,293,444		
23	Distribution Expense-Operation	Statement of Operations	\$ 4,203,913		
24	Distribution Expense-Maintenance	Statement of Operations	\$ 1,705,676		
25	Consumer Accounts Expense	Statement of Operations	\$ 1,211,640		
26	Customer Service and Informational Expense	Statement of Operations	\$ 234,008		
27	Sales Expense	Statement of Operations	\$ 23,324		
28	Administrative and General	Statement of Operations	\$ 2,121,868		
29	Depreciation and Amortization	Statement of Operations	\$ 3,283,133		
30	Depreciation Expense - Distribution	Trial Balance	\$ 1,495,585		
31	Depreciation Expense - Transmission	Trial Balance	\$ 677,892		
32	Depreciation Expense - General Plant	Trial Balance	\$ 324,198		
33	Amortization of AP (booked within Depreciation Expense)	Trial Balance	\$ 785,459		
34	Property Tax	Statement of Operations	\$ -		
35	Other Taxes	Statement of Operations	\$ (1,281,817)		
36	L.T. Interest	Statement of Operations	\$ 5,517,278	\$ 5,625,332	2018 projected per amortization schedules from CoBank
37	Interest Charged to Construction - Credit	Statement of Operations	\$ -	\$ -	
38	Interest-Other	Statement of Operations	\$ 113,020	\$ 112,149	2018 projected per amortization schedules from CoBank
39	Other Deductions	Statement of Operations	\$ 895,163		
C. Payroll					
40	Transmission	Payroll Journal (Labor Amt)	\$ 113,212		Part of GL acct
41	Distribution	Payroll Journal (Labor Amt)	\$ 1,634,736		560-573
42	Customer Accounting	Payroll Journal (Labor Amt)	\$ 433,426		580-598
43	Customer Service and Information	Payroll Journal (Labor Amt)	\$ 99,685		901-905
44	Sales	Payroll Journal (Labor Amt)	\$ 872		907-910
45	Administration and General	Payroll Journal (Labor Amt)	\$ 756,209		911-916
46	Total	Payroll Journal (Labor Amt)	\$ 3,038,140		920-932 Non-capitalized items
D. Miscellaneous					
1. Debt Service					
47	Principal Payment	F7, Pt.O, Col. B	\$ 2,329,355	\$ 2,473,881	2018 projected per amortization schedules from CoBank
48	Interest Expense	Ln 45 + Ln 47	\$ 5,630,298	\$ 5,737,481	Southern Pioneer uses CoBank formula
2. Target MDSC					
49		As approved by Commission	1.75		Same as DSC-FBR
3. Margin Offsets					
50	Cash Capital Credits Received (from G&T/Lenders)	F7 or Supplementary Company Schedules	\$ 737,447		CFC F7, Part J
51	Non-cash Other Deductions (Amortizations)	Trial Balance	\$ 836,265		GL acct 426.6, 428, 428.1
3. Other					
52	Other Taxes - paid in cash	See DSC-FBR, Exhibit 3-A, page 5, L44	\$ (51,878)		cash transaction amt in GL 236.71

Southern Pioneer Electric Company
34.5kV Formula Based Rate
Work Paper 2-B Adjustments To Historical Test Year Expenses
For Year 2018 Based on the Historical Test Year Ending December 31, 2017

Line No	Type	Source	Amount	Notes
1	1. Adjustment to Distribution Operations Expense per K.S.A. 66-101f(a), if any:			
2	Applicable Disallowance - Distribution Operations	WP6-B		
3	Total Adjustment	L2	<u>\$ -</u>	
4				
5	2. Adjustment to Distribution Maintenance per K.S.A. 66-101f(a), if any:			
6	Applicable Disallowance - Distribution Maintenance	WP6-B	\$ -	
7	Total Adjustment	L6	<u>\$ -</u>	
8				
9	3. Adjustment to A&G per K.S.A. 66-101f(a), if any:			
10	Applicable Disallowance - A&G	WP6-B	\$ (35,792)	
11	Total Adjustment	L10	<u>\$ (35,792)</u>	
12				
13	4. Adjustment to Other Taxes			
14	Historical Amount	Pg.1, L16, Col (d)	\$ (1,281,817)	
15	Paid in Cash	WP1-B, L72, Col (e)	\$ (51,878)	
16	Total Adjustment	L15 - L14	<u>\$ 1,229,939</u>	
17				
18	5. Adjustment to LT Interest			
19	Historic Amount	Pg.1, L17, Col (d)	\$ 5,517,278	
20	Projected	WP1-B, L45, Col (e)	\$ 5,625,332	
21	Total Adjustment	L20 - L19	<u>\$ 108,054</u>	
22				
23	6. Adjustment to Interest Charged To Construction			
24	Historic Amount	Pg.1, L18, Col (d)	\$ -	
25	Projected	WP1-B, L46, Col (e)	\$ -	
26	Total Adjustment	L25 - L24	<u>\$ -</u>	
27				
28	7. Adjustment to Interest-Other			
29	Historic Amount	Pg.1, L19, Col (a)	\$ 113,020	
30	Projected	WP1-B, L47, Col (e)	\$ 112,149	
31	Total Adjustment	L30 - L29	<u>\$ (871)</u>	
32				
33	8. Adjustment to Other Deductions per K.S.A. - 66-101f(a), if any:			
34	Applicable Disallowance - Other Deductions	WP6-B	\$ (34,144)	
35	Total Adjustment	L34	<u>\$ (34,144)</u>	
36				
37	9. Adjustment to Principal			
38	Historic Amount	Pg.1, L24, Col (d)	\$ 2,329,355	
39	Projected Amount	WP1-B, L62, Col (e)	\$ 2,473,881	
40	Total Adjustment	L39 - L38	<u>\$ 144,526</u>	

Southern Pioneer Electric Company
34.5kV Formula Based Rate
Work Paper 3-B Allocation Factors
For Year 2018 Based on the Historical Test Year Ending December 31, 2017

<u>Line No.</u>	<u>Description</u>	<u>Source</u>	<u>Allocator</u>	<u>Amount</u>
1	Distribution O&M Allocation Factor			
2	Distr. Plant used to provide Local Access Delivery Service	WP1-B, L16, Col (d)		\$ -
3	Total Distribution Plant	WP1-B, L22, Col (d)		\$ 59,108,566
4				
5	Allocation Factor	L2 / L3	DOM	-
6				
7	Labor Allocation Factor			
8	Transmission Wages	WP1-B, L51, Col (d)		\$ 113,212
9	Allocated Distribution Wages			
10	Total Distribution Wages	WP1-B, L52, Col (d)		\$ 1,634,736
11	Allocation Factor	L5	DOM	\$ -
12		L10 * L11		\$ -
13	Total LAC Wages	L8 + L12		\$ 113,212
14				
15	Total Wages Other than A&G			
16	Total Wages	WP1-B, L57, Col (d)		\$ 3,038,140
17	Less: Administration & General Wages	WP1-B, L56, Col (d)		756,209
18		L16 - L17		\$ 2,281,931
19				
20	Transmission Labor Allocator	L13 / L18	LAB	0.049612
21				
22	Net Plant Allocation Factor			
23	Plant-in-Service			
24	Transmission	WP1-B, L11, Col (d)		\$ 29,310,492
25	Distr. Plant Used to provide Local Access Delivery Service	L2		\$ -
26	General Plant			
27	Total General Plant	WP1-B, L23, Col (d)		\$ 13,139,357
28	Allocation Factor	L20	LAB	0.049612
29		L27 * L28		\$ 651,875
30	Total LAC Plant-in-Service	L24 + L25 + L29		\$ 29,962,367
31				
32	Accumulated Reserves for Depreciation			
33	Transmission	WP1-B, L11, Col (e)		\$ 6,536,408
34	Distr. Plant Used to provide Local Access Delivery Service	WP1-B, L16, Col (e)		\$ -
35	Allocated General Plant			
36	Total General Plant	WP1-B, L23, Col (e)		\$ 4,591,940
37	Allocation Factor	L20	LAB	0.049612
38		L36 * L37		\$ 227,817
39	Total LAC Accum. Depr. Res.	L33 + L34 + L38		\$ 6,764,225
40				
41	Net Plant Used in LAC	L30 - L39		\$ 23,198,142
42				
43	Total Plant in Service	WP1-B, L24, Col (d)		\$ 101,558,415
44	Less: Total Accum. Reserves for Depr.	WP1-B, L24, Col (e)		\$ 16,823,436
45	Total Net Plant	L43 - L44		\$ 84,734,978
46				
47	Transmission Net Plant Allocator	L41 / L45	NP	0.273773

Southern Pioneer Electric Company
34.5kV Formula Based Rate
Work Paper 4-B Margin Requirement Offsets
For Year 2018 Based on the Historical Test Year Ending December 31, 2017

(a) Line No	(b) Item	(c) Source	(d) Historical Tot Amount	(e) Adjustment pg 1, Col (e)	(f) Adjusted Amount	(g) Allocation Factor Name	(h) Value	(i) Allocated to FBR
1	Interest Expense (LT Interest plus Interest-Other)	WP1-B, L63, Col (d)	\$ 5,630,298	\$ 107,183	\$ 5,737,481	NP	0.273773	\$ 1,570,767
2	Depreciation Expense							
3	Transmission	Pg.1, L13, Col (d)	\$ 677,892		\$ 677,892		1.000000	\$ 677,892
4	General Plant	Pg.1, L14, Col (d)	\$ 324,198		\$ 324,198	LAB	0.049612	\$ 16,084
5	Non-cash Other Deductions (Amortizations)	WP1-B, L69, Col (d)	\$ 836,265		\$ 836,265	NP	0.273773	\$ 228,947
6	Cash Capital Credits Received	WP1-B, L68, Col (d)	\$ 737,447		\$ 737,447	NP	0.273773	\$ 201,893
7	Resultant Amount	Sum (L1:L7)	\$ 8,206,100		\$ 8,313,283			<u>\$ 2,695,583</u>

Southern Pioneer Electric Company
34.5kV Formula Based Rate
Work Paper 5-B Summary of Local Access Billing Demands (kW)
For Year 2016 Based on the Historical Test Year Ending December 31, 2017 ¹

Line	Description	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
1	Total Local Access System ²	71,186	65,504	60,188	68,356	75,194	101,630	105,071	93,039	90,133	78,492	59,817	70,678	939,288
2	CP Date	05	02	20	19	31	28	25	19	14	06	16	27	
3	CP Time (hour Ending) CST	1900	1100	1600	1600	1500	1600	1600	1600	1600	1600	800	1900	
4														
5	Wholesale Customers @ Del. Pt.													
6	Ashland (KMEA)--Metered	2,245	2,230	1,638	1,489	2,160	3,496	3,529	2,595	3,211	2,245	1,914	2,566	29,317
7	Ashland (KMEA)--Generation	-	-	-	676	-	-	-	-	-	-	-	-	676
8	Subtotal--Ashland	2,245	2,230	1,638	2,165	2,160	3,496	3,529	2,595	3,211	2,245	1,914	2,566	29,993
9	Meade (KMEA)--Metered	2,683	1,007	2,159	2,680	3,089	4,189	4,714	3,973	3,873	2,934	1,825	2,705	35,829
10	Meade (KMEA)--Generation	-	1,353.25	0.25	-	0.25	-	-	-	-	-	-	-	1,354
11	Subtotal--Meade	2,683	2,361	2,159	2,680	3,089	4,189	4,714	3,973	3,873	2,934	1,825	2,705	37,183
12	Kingman (KPP) ³	6,291	6,031	5,202	6,257	7,809	6,642	5,781	6,240	6,831	7,250	4,990	4,628	73,951
13	Kingman (KPP) Generation ²	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Subtotal--Kingman	6,291	6,031	5,202	6,257	7,809	6,642	5,781	6,240	6,831	7,250	4,990	4,628	73,951
15	Greensburg (KPP)	2,317	2,252	1,417	1,527	1,985	2,352	2,573	2,426	2,256	1,915	1,665	2,192	24,875
16	Greensburg Wind Farm (KPP)	472	3,185	3,056	11,171	6,191	9,437	5,987	785	6,808	11,818	11,865	6,346	77,120
17	Isabel (AR)	148	87	138	86	81	155	203	175	136	115	53	217	1,594
18	KEPCO ⁴	12,078	12,571	8,525	9,144	10,505	14,927	15,816	14,399	12,757	10,274	9,879	10,967	141,841
19	Subtotal--Wholesale	26,233	28,718	22,133	33,028	31,820	41,198	38,602	30,592	35,871	36,550	32,191	29,619	386,556
20	Losses @ 1.86% of 34.5 kV Output	488	534	412	614	592	766	718	569	667	680	599	551	7,190
21	Subtotal with Losses (@ Source)	26,721	29,252	22,545	33,642	32,412	41,964	39,320	31,161	36,538	37,230	32,789	30,170	393,745
22														
23	Southern Pioneer Retail													
24	Retail with Losses (@ Source)	44,465	36,252	37,643	34,714	42,782	59,666	65,750	61,878	53,595	41,262	27,027	40,508	545,543
25	Losses @ 1.83% of 34.5 kV Input	812	662	687	634	781	1,090	1,201	1,130	979	753	494	740	9,962
26	Retail @ Delivery Point	43,653	35,590	36,956	34,080	42,000	58,577	64,550	60,748	52,616	40,508	26,534	39,768	535,581
27														
28	Total Load (Wholesale @ Source/before losses + Retail @ Delivery Point)													922,136

¹ From Mid-Kansas, who is Southern Pioneer's billing agent for the 34.5kV system.

² With "behind the meter" generation, excluding Kingman, added back in per 15-SPEE-161-RTS.

³ Uses Kingman's actual CP kW per outcome of 15-SPEE-161-RTS. System Total already has Actual CP for Kingman.

⁴ Includes all delivery points, per 15-SPEE-161-RTS.

**Southern Pioneer Electric Company
34.5kV Formula Based Rate
Work Paper 6a-B Summary of Exclusions
For Year 2018 Based on the Historical Test Year Ending December 31, 2017**

Account	Description	Total Adjustment ¹
	A&G	35,792
	Other Deductions	34,144
		69,936

¹ Although Southern Pioneer does show adjustments to additional expense categories for these excluded items, those other categories are not allocable to the 34.5kV FBR and therefore are omitted here.

Southern Pioneer Electric Company
34.5kV Formula Based Rate
Work Paper 6a-B Summary of Exclusions
For Year 2018 Based on the Historical Test Year Ending December 31, 2017

Account	Description	Date	Vendor	Reference	Total Amount	Percent Excluded	Total Adjustment*
---------	-------------	------	--------	-----------	-----------------	---------------------	----------------------

See Filing Exhibit 9

Southern Pioneer Electric Company
34.5kV Formula Based Rate
Work Paper 7-B Proportional Allocation of 34.5kV FBR Retail Rate Adjustment to Rate Classes
For Year 2018 Based on the Historical Test Year Ending December 31, 2017

(a)	(b)	(c)			(d)			(e)	(f)	(i)			(j)	(k)
Line No.	Rate Schedule	Historical Revenue Rates ¹	Historical Energy Sales ¹	Power Costs Per kWh Sold 380 Docket ²	Base Power Costs Recovered in Rates	Historical ECA-2 Revenue By Rate ¹	Total Power Costs Recovered in Rates	Base Revenue by Rate	Percent	Allocation of Retail Rate Adjustment			Resultant Tot Rate Rev	% Chg on Tot Rev
										34.5kV FBR Adjustment	Adjusted Base Revenue by Rate	Percent		
1	Residential Service (RS)	\$	(kWh)	(cents/kWh)	\$	\$	\$	\$	(%)	\$	\$	(%)		
2	General Use	\$ 15,586,648	\$ 106,883,802	6.79	\$ 7,256,485	\$ 197,503	\$ 7,453,989	\$ 8,132,660	39.73%	\$ 25,534	\$ 8,158,194	39.73%	15,612,183	0.2%
3	Space Heating	\$ 782,704	\$ 5,790,181	6.77	\$ 392,229	\$ (6,607)	\$ 385,623	\$ 397,082	1.94%	\$ 1,247	\$ 398,329	1.94%	783,951	0.2%
4	General Service Small (GSS)	\$ 1,815,474	\$ 11,352,578	6.90	\$ 783,512	\$ 7,500	\$ 791,012	\$ 1,024,462	5.00%	\$ 3,217	\$ 1,027,679	5.00%	1,818,691	0.2%
5	General Service Large (GSL)	\$ 17,173,635	\$ 130,420,192	7.07	\$ 9,223,653	\$ 117,605	\$ 9,341,258	\$ 7,832,377	38.26%	\$ 24,592	\$ 7,856,969	38.26%	17,198,226	0.1%
6	General Service Space Heating	\$ 560,089	\$ 5,013,974	6.48	\$ 325,036	\$ 2,441	\$ 327,477	\$ 232,612	1.14%	\$ 730	\$ 233,343	1.14%	560,820	0.1%
7	Industrial Service (IS)	\$ 3,498,567	\$ 30,481,488	6.63	\$ 2,022,312	\$ 11,874	\$ 2,034,186	\$ 1,464,382	7.15%	\$ 4,598	\$ 1,468,979	7.15%	3,503,165	0.1%
8	Interruptible Industrial Service (INT)	\$ -	\$ -	-	\$ -	\$ -	\$ -	\$ -	0.00%	\$ -	\$ -	0.00%	-	0.0%
9	Real -Time Pricing (RTP) ²	\$ 33,528	\$ 390,457	6.34	\$ 33,528	\$ -	\$ 33,528	\$ -	0.00%	\$ -	\$ -	0.00%	33,528	0.0%
10	Sub-transmission Level Service (STR) ³	\$ 26,223,947	\$ 447,734,214	6.19	\$ N.A.	\$ N.A.	\$ N.A.	\$ N.A.	0.00%	\$ -	\$ -	0.00%	26,223,947	0.0%
11	Municipal Power Service (M-I)	\$ 195,260	\$ 1,411,591	6.84	\$ 96,601	\$ 2,346	\$ 98,947	\$ 96,313	0.47%	\$ 302	\$ 96,615	0.47%	195,563	0.2%
12	Water Pumping Service (WP)	\$ 637,115	\$ 5,244,505	6.57	\$ 344,669	\$ 6,792	\$ 351,460	\$ 285,655	1.40%	\$ 897	\$ 286,552	1.40%	638,012	0.1%
13	Irrigation Service (IP-I)	\$ 352,506	\$ 2,357,658	6.91	\$ 163,003	\$ 19,466	\$ 182,469	\$ 170,037	0.83%	\$ 534	\$ 170,571	0.83%	353,039	0.2%
14	Temporary Service (CS)	\$ 11,969	\$ 50,207	9.42	\$ 4,728	\$ (128)	\$ 4,600	\$ 7,369	0.04%	\$ 23	\$ 7,392	0.04%	11,992	0.2%
15	Lighting	\$ 1,081,690	\$ 3,947,867	6.41	\$ 253,225	\$ 1,565	\$ 254,790	\$ 826,900	4.04%	\$ 2,596	\$ 829,496	4.04%	1,084,286	0.2%
16	Total Retail Rates	\$ 67,953,133	\$ 751,078,714		\$ 20,898,980	\$ 360,357	\$ 21,259,338	\$ 20,469,849	100.00%	\$ 64,270	\$ 20,534,118	100.00%	68,017,403	0.09%

¹ See Patronage Report for historical usage and revenues by rate class (Work Paper 8-B).

² Exclude RTP (marginal piece/unadjustable rate). Note, however, that these customers will still share in the 34.5kV FBR adjustment per their corresponding baseline tariff.

³ 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.

Southern Pioneer Electric Company
34.5kV Formula Based Rate
2017 Usage and Revenues by Retail Class (from Southern Pioneer Patronage Report)
Work Paper 8-B Supporting Data for the Allocation of the 34.5kV FBR Rate Adjustment

kWh Totals by Retail Rate Class			Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Res	1	1.440. Residential	9,288,361	7,650,236	6,383,988	5,946,376	6,778,823	10,119,828	14,378,535	13,597,869	11,449,762	7,606,926	6,578,371	7,105,327	106,883,802
Res	13	1.440. Residential Heating	968,992	806,252	552,743	448,632	401,244	331,202	397,987	429,660	372,804	291,258	354,551	434,856	5,790,181
Comm	2	1.442.1 Commercial Small	1,153,671	1,007,421	877,690	794,992	838,604	965,492	1,071,028	1,106,217	1,004,270	806,393	827,104	899,656	11,352,578
Comm	3	1.442.1 Commercial Large	10,915,715	10,668,548	10,372,097	7,570,353	9,505,301	10,552,210	12,335,323	12,214,052	11,816,872	11,423,202	12,431,692	10,614,827	130,420,192
Comm	4	1.442.1 Commercial Space Heating	599,921	493,973	368,714	336,638	355,505	410,133	463,503	474,735	425,775	341,481	363,241	380,355	5,013,974
Ind	6	1.442.2 Industrial	2,767,555	2,341,243	2,586,766	2,427,030	2,414,881	2,754,855	2,533,177	2,622,806	2,561,519	2,691,255	2,304,315	2,476,086	30,481,488
Ind	7	1.442.3 Industrial Interruptible	-	-	-	-	-	-	-	-	-	-	-	-	-
Ind	12	1.442.2 Real Time Pricing	32,263	32,311	30,009	35,371	34,828	37,268	45,597	31,172	43,384	31,239	18,325	18,690	390,457
Ind	9	1.442.2 Industrial-Sub Trans 34.5	170,565	189,441	206,827	163,402	157,889	208,351	239,483	202,934	189,411	212,152	214,468	219,297	2,374,220
Ind	15	1.442.3 Industrial-Sub Trans 115	33,972,589	32,757,831	37,652,786	35,484,824	35,779,886	37,775,685	38,820,458	39,478,493	38,893,527	39,662,381	38,054,763	37,026,771	445,359,994
Irr	8	1.441 Irrigation	2,258	1,316	39,650	37,926	40,821	240,306	714,633	770,779	351,692	97,154	34,026	27,097	2,357,658
Comm	5	1.442.15 Commercial Municipal	111,794	99,099	84,576	83,340	92,339	139,530	192,312	172,221	157,276	100,844	87,645	90,615	1,411,591
WP	16	1.442.16 Water Pumping	417,688	354,863	348,478	358,769	430,973	481,196	631,208	554,786	515,593	438,191	361,984	350,776	5,244,505
Lights	10	1.444. Lighting	332,772	332,400	332,924	332,169	329,528	328,977	328,359	327,595	327,086	325,754	325,313	324,990	3,947,867
Temp	17	Temporary Service	13,609	11,070	6,991	2,213	2,000	1,405	2,260	3,473	1,408	1,062	1,835	2,881	50,207
			60,747,753	56,746,004	59,843,639	54,022,035	57,162,622	64,346,438	72,153,863	71,986,792	68,110,379	64,029,292	61,957,633	59,972,264	751,078,714

Revenue Totals by Retail Rate Class			Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Res	1	1.440. Residential	\$ 1,210,339	\$ 1,046,701	\$ 904,358	\$ 861,450	\$ 966,152	\$ 1,392,860	\$ 2,091,910	\$ 2,148,143	\$ 1,815,400	\$ 1,216,286	\$ 955,742	\$ 977,309	\$ 15,586,648
Res	13	1.440. Residential Heating	\$ 109,867	\$ 96,411	\$ 70,653	\$ 60,419	\$ 54,365	\$ 47,065	\$ 59,662	\$ 70,122	\$ 61,732	\$ 48,093	\$ 49,104	\$ 55,212	\$ 782,704
Comm	2	1.442.1 Commercial Small	\$ 157,734	\$ 147,554	\$ 136,529	\$ 129,953	\$ 134,962	\$ 149,562	\$ 173,291	\$ 190,420	\$ 176,048	\$ 147,481	\$ 135,072	\$ 136,868	\$ 1,815,474
Comm	3	1.442.1 Commercial Large	\$ 1,304,679	\$ 1,299,650	\$ 1,291,013	\$ 1,092,614	\$ 1,272,653	\$ 1,422,369	\$ 1,645,585	\$ 1,691,558	\$ 1,751,659	\$ 1,643,104	\$ 1,457,541	\$ 1,301,210	\$ 17,173,635
Comm	4	1.442.1 Commercial Space Heating	\$ 53,019	\$ 47,004	\$ 37,474	\$ 35,146	\$ 37,926	\$ 42,473	\$ 58,739	\$ 65,846	\$ 58,294	\$ 47,759	\$ 38,575	\$ 37,834	\$ 560,089
Ind	6	1.442.2 Industrial	\$ 278,154	\$ 253,540	\$ 272,464	\$ 246,768	\$ 273,566	\$ 298,369	\$ 334,278	\$ 356,335	\$ 340,712	\$ 323,125	\$ 257,389	\$ 263,867	\$ 3,498,567
Ind	7	1.442.3 Industrial Interruptible	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Ind	12	1.442.2 Real Time Pricing	\$ 2,720	\$ 2,574	\$ 2,250	\$ 2,757	\$ 2,922	\$ 3,687	\$ 4,470	\$ 3,000	\$ 3,646	\$ 2,251	\$ 1,615	\$ 1,635	\$ 33,528
Ind	9	1.442.2 Industrial-Sub Trans 34.5	\$ 8,536	\$ 13,000	\$ 13,265	\$ 10,267	\$ 10,962	\$ 13,879	\$ 16,248	\$ 13,936	\$ 10,914	\$ 11,685	\$ 13,070	\$ 13,081	\$ 148,842
Ind	15	1.442.3 Industrial-Sub Trans 115	\$ 1,908,597	\$ 1,944,888	\$ 2,032,539	\$ 2,068,506	\$ 2,081,417	\$ 2,537,498	\$ 2,620,784	\$ 2,529,877	\$ 2,182,772	\$ 2,015,156	\$ 2,146,560	\$ 2,006,510	\$ 26,075,105
Irr	8	1.441 Irrigation	\$ 8,805	\$ 8,734	\$ 11,970	\$ 11,865	\$ 12,149	\$ 29,328	\$ 84,233	\$ 96,114	\$ 47,881	\$ 18,981	\$ 11,600	\$ 11,847	\$ 352,506
Comm	5	1.442.15 Commercial Municipal	\$ 13,885	\$ 12,837	\$ 11,204	\$ 11,295	\$ 12,168	\$ 18,323	\$ 25,925	\$ 26,096	\$ 24,010	\$ 15,477	\$ 12,178	\$ 11,861	\$ 195,260
WP	16	1.442.16 Water Pumping	\$ 45,016	\$ 39,397	\$ 38,961	\$ 40,518	\$ 48,668	\$ 55,870	\$ 79,812	\$ 77,687	\$ 71,787	\$ 58,546	\$ 42,090	\$ 38,763	\$ 637,115
Lights	10	1.444. Lighting	\$ 88,238	\$ 89,156	\$ 89,205	\$ 89,692	\$ 89,060	\$ 90,998	\$ 89,582	\$ 94,818	\$ 93,674	\$ 91,305	\$ 89,081	\$ 86,883	\$ 1,081,690
Temp	17	Temporary Service	\$ 3,183	\$ 2,603	\$ 1,660	\$ 522	\$ 488	\$ 334	\$ 576	\$ 891	\$ 350	\$ 257	\$ 430	\$ 671	\$ 11,969
			\$ 5,192,772	\$ 5,004,053	\$ 4,913,545	\$ 4,661,772	\$ 4,997,459	\$ 6,102,616	\$ 7,285,094	\$ 7,364,842	\$ 6,638,877	\$ 5,639,504	\$ 5,210,047	\$ 4,942,552	\$ 67,953,133

PCA Totals by Retail Rate Class			Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Res	1	1.440. Residential	\$ (69,446)	\$ (44,250)	\$ (33,649)	\$ (23,174)	\$ (19,453)	\$ 1,711	\$ 28,199	\$ 187,461	\$ 151,955	\$ 55,365	\$ 1,928	\$ (39,145)	\$ 197,503
Res	13	1.440. Residential Heating	\$ (7,487)	\$ (4,596)	\$ (3,120)	\$ (1,603)	\$ (1,644)	\$ 503	\$ (383)	\$ 5,804	\$ 5,312	\$ 2,383	\$ 532	\$ (2,307)	\$ (6,607)
Comm	2	1.442.1 Commercial Small	\$ (8,531)	\$ (5,844)	\$ (3,155)	\$ (4,557)	\$ (2,240)	\$ 187	\$ 2,409	\$ 15,342	\$ 13,147	\$ 5,624	\$ 81	\$ (4,962)	\$ 7,500
Comm	3	1.442.1 Commercial Large	\$ (84,451)	\$ (60,906)	\$ (59,201)	\$ (25,135)	\$ (35,220)	\$ 12,149	\$ (510)	\$ 166,426	\$ 162,994	\$ 86,513	\$ 12,031	\$ (57,085)	\$ 117,605
Comm	4	1.442.1 Commercial Space Heating	\$ (4,353)	\$ (2,885)	\$ (1,861)	\$ (1,383)	\$ (732)	\$ (117)	\$ 1,772	\$ 6,628	\$ 5,384	\$ 2,283	\$ (165)	\$ (2,132)	\$ 2,441
Ind	6	1.442.2 Industrial	\$ (22,763)	\$ (14,866)	\$ (13,219)	\$ (8,559)	\$ (12,209)	\$ 5,765	\$ (8,900)	\$ 31,261	\$ 39,527	\$ 21,484	\$ 6,636	\$ (12,283)	\$ 11,874
Ind	7	1.442.3 Industrial Interruptible	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Ind	12	1.442.2 Real Time Pricing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Ind	9	1.442.2 Industrial-Sub Trans 34.5	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Ind	15	1.442.3 Industrial-Sub Trans 115	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Irr	8	1.441 Irrigation	\$ (18)	\$ (8)	\$ (168)	\$ (120)	\$ (93)	\$ (589)	\$ 4,427	\$ 10,716	\$ 4,655	\$ 797	\$ 8	\$ (140)	\$ 19,466
Comm	5	1.442.15 Commercial Municipal	\$ (901)	\$ (559)	\$ (510)	\$ (275)	\$ (445)	\$ 243	\$ (400)	\$ 2,320	\$ 2,294	\$ 862	\$ 188	\$ (470)	\$ 2,346
WP	16	1.442.16 Water Pumping	\$ (3,120)	\$ (2,059)	\$ (1,775)	\$ (1,378)	\$ (1,350)	\$ 190	\$ 273	\$ 7,606	\$ 6,954	\$ 3,247	\$ 138	\$ (1,934)	\$ 6,792
Lights	10	1.444. Lighting	\$ (2,567)	\$ (1,893)	\$ (1,878)	\$ (1,197)	\$ (1,284)	\$ 402	\$ (155)	\$ 4,462	\$ 4,505	\$ 2,515	\$ 387	\$ (1,732)	\$ 1,565
Temp	17	Temporary Service	\$ (91)	\$ (66)	\$ (28)	\$ (12)	\$ 5	\$ (6)	\$ 30	\$ 52	\$ 13	\$ 3	\$ (9)	\$ (18)	\$ (128)
			\$ (203,728)	\$ (137,932)	\$ (119,967)	\$ (65,991)	\$ (74,663)	\$ 20,437	\$ 26,762	\$ 438,078	\$ 396,740	\$ 181,077	\$ 21,754	\$ (122,208)	\$ 360,357

Cons Totals by Retail Rate Class			Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Avg Cons
Res	1	1.440. Residential	11,946	11,932	11,921	11,888	12,013	11,996	11,991	11,988	11,957	11,967	11,951	11,973	11,960
Res	13	1.440. Residential Heating	661	663	659	653	659	661	663	661	661	661	661	661	661
Comm	2	1.442.1 Commercial Small	2,520	2,521	2,524	2,523	2,520	2,524	2,505	2,512	2,526	2,517	2,522	2,535	2,521
Comm	3	1.442.1 Commercial Large	1,422	1,419	1,419	1,415	1,416	1,415	1,420	1,403	1,399	1,392	1,396	1,395	1,408
Comm	4	1.442.1 Commercial Space Heating	51	51	51	51	50	50	51	51	51	51	51	51	51
Ind	6	1.442.2 Industrial	17	17	17	18	18	18	17	18	17	16	16	16	17
Ind	7	1.442.3 Industrial Interruptible	-	-	-	-	-	-	-	-	-	-	-	-	-
Ind	12	1.442.2 Real Time Pricing	1	1	1	1	1	1	1	1	1	1	1	1	1
Ind	9	1.442.2 Industrial-Sub Trans 34.5	2	2	2	2	2	2	2	2	2	2	2	2	
Ind	15	1.442.3 Industrial-Sub Trans 115	4	4	4	4	4	4	4	4	4	4	4	4	
Irr	8	1.441 Irrigation	41	41	41	41	41	41	41	41	41	41	41	41	41
Comm	5	1.442.15 Commercial Municipal	141	140	140	139	139	139	140	140	140	140	140	140	140
WP	16	1.442.16 Water Pumping	71	71	71	70	70	70	70	70	71	71	71	71	71
Lights	10	1.444. Lighting	142	141	141	140	140	140	140	140	140	138	136	136	139
Temp	17	Temporary Service	8	8	7	7	6	5	4						

Southern Pioneer Electric Company
34.5kV Formula Based Rate
Work Paper 9-B - Calculating Lighting Rates
post 34.5kV FBR Adjustment

0.00066 per kWh Adjustment for Lighting -- from Page 2, Part II

Private Area / Street Lighting (16-PAL-SL-1)

Private Area Light (Coop owned)

			kWh Estimate	Resultant Rate
On Existing Pole				
100 W P.A.L. Cust 0%	@ \$11.54 /mo.	40 \$	0.02640	\$11.57 /mo.
100 W P.A.L. Cust 100%	@ \$4.80 /mo.	40 \$	0.02640	\$4.83 /mo.
150 W P.A.L. Cust 0%	@ \$18.29 /mo.	60 \$	0.03960	\$18.33 /mo.
150 W P.A.L. Cust 100%	@ \$6.83 /mo.	60 \$	0.03960	\$6.87 /mo.
200 W P.A.L. Cust 0%	@ \$20.78 /mo.	80 \$	0.05280	\$20.83 /mo.
200 W P.A.L. Cust 50%	@ \$14.55 /mo.	80 \$	0.05280	\$14.60 /mo.
200 W P.A.L. Cust 100%	@ \$8.59 /mo.	80 \$	0.05280	\$8.64 /mo.
On New Pole (Wood)				
100 W P.A.L. Cust 0%	@ \$18.78 /mo.	40 \$	0.02640	\$18.81 /mo.
100 W P.A.L. Cust 100%	@ \$5.27 /mo.	40 \$	0.02640	\$5.30 /mo.
150 W P.A.L. Cust 0%	@ \$21.15 /mo.	60 \$	0.03960	\$21.19 /mo.
150 W P.A.L. Cust 100%	@ \$7.00 /mo.	60 \$	0.03960	\$7.04 /mo.
200 W P.A.L. Cust 0%	@ \$22.95 /mo.	80 \$	0.05280	\$23.00 /mo.
200 W P.A.L. Cust 100%	@ \$8.72 /mo.	80 \$	0.05280	\$8.77 /mo.
Flood Lights				
On Existing Pole				
150 W Flood Cust 0%	@ \$21.46 /mo.	60 \$	0.03960	\$21.50 /mo.
150 W Flood Cust 100%	@ \$7.03 /mo.	60 \$	0.03960	\$7.07 /mo.
400 W Flood Cust 0%	@ \$40.23 /mo.	160 \$	0.10560	\$40.34 /mo.
400 W Flood Cust 50%	@ \$27.95 /mo.	160 \$	0.10560	\$28.06 /mo.
400 W Flood Cust 100%	@ \$16.26 /mo.	160 \$	0.10560	\$16.37 /mo.
1000 W Flood M.H. Cust 0%	@ \$62.06 /mo.	402 \$	0.26532	\$62.33 /mo.
1000 W Flood M.H. Cust 100%	@ \$38.77 /mo.	402 \$	0.26532	\$39.04 /mo.
On New Pole (Wood)				
150 W P.A.L. Cust 0%	@ \$24.10 /mo.	60 \$	0.03960	\$24.14 /mo.
150 W P.A.L. Cust 100%	@ \$7.23 /mo.	60 \$	0.03960	\$7.27 /mo.
400 W P.A.L. Cust 0%	@ \$42.28 /mo.	160 \$	0.10560	\$42.39 /mo.
400 W P.A.L. Cust 100%	@ \$16.44 /mo.	160 \$	0.10560	\$16.55 /mo.
1000 W Flood M.H. Cust 0%	@ \$81.91 /mo.	402 \$	0.26532	\$82.18 /mo.
1000 W Flood M.H. Cust 100%	@ \$37.62 /mo.	402 \$	0.26532	\$37.89 /mo.
Street Lights				
On Existing Pole				
100 W P.A.L. Cust 0%	@ \$12.73 /mo.	40 \$	0.02640	\$12.76 /mo.
100 W P.A.L. Cust 100%	@ \$4.89 /mo.	40 \$	0.02640	\$4.92 /mo.
150 W P.A.L. Cust 0%	@ \$15.23 /mo.	60 \$	0.03960	\$15.27 /mo.
150 W P.A.L. Cust 100%	@ \$6.62 /mo.	60 \$	0.03960	\$6.66 /mo.
200 W P.A.L. Cust 0%	@ \$18.83 /mo.	80 \$	0.05280	\$18.88 /mo.
200 W P.A.L. Cust 100%	@ \$8.45 /mo.	80 \$	0.05280	\$8.50 /mo.
On New Pole (Wood)				
100 W P.A.L. Cust 0%	@ \$18.78 /mo.	40 \$	0.02640	\$18.81 /mo.
100 W P.A.L. Cust 100%	@ \$5.27 /mo.	40 \$	0.02640	\$5.30 /mo.
150 W P.A.L. Cust 0%	@ \$21.15 /mo.	60 \$	0.03960	\$21.19 /mo.
150 W P.A.L. Cust 100%	@ \$7.00 /mo.	60 \$	0.03960	\$7.04 /mo.
200 W P.A.L. Cust 0%	@ \$22.95 /mo.	80 \$	0.05280	\$23.00 /mo.
200 W P.A.L. Cust 100%	@ \$8.72 /mo.	80 \$	0.05280	\$8.77 /mo.
On Existing Pole				
100 W Cobra Head Cust 0%	@ \$12.73 /mo.	40 \$	0.02640	\$12.76 /mo.
100 W Cobra Head Cust 100%	@ \$4.89 /mo.	40 \$	0.02640	\$4.92 /mo.
150 W Cobra Head Cust 0%	@ \$15.23 /mo.	60 \$	0.03960	\$15.27 /mo.
150 W Cobra Head Cust 100%	@ \$6.62 /mo.	60 \$	0.03960	\$6.66 /mo.
200 W Cobra Head Cust 0%	@ \$18.83 /mo.	80 \$	0.05280	\$18.88 /mo.
200 W Cobra Head Cust 100%	@ \$8.45 /mo.	80 \$	0.05280	\$8.50 /mo.
250 W Cobra Head Cust 0%	@ \$20.87 /mo.	100 \$	0.06600	\$20.94 /mo.
250 W Cobra Head Cust 100%	@ \$10.18 /mo.	100 \$	0.06600	\$10.25 /mo.
400 W Cobra Head Cust 0%	@ \$26.08 /mo.	160 \$	0.10560	\$26.19 /mo.
400 W Cobra Head Cust 100%	@ \$15.32 /mo.	160 \$	0.10560	\$15.43 /mo.
On New Pole (Wood)				
100 W Cobra Head Cust 0%	@ \$21.85 /mo.	40 \$	0.02640	\$21.88 /mo.
100 W Cobra Head Cust 100%	@ \$5.47 /mo.	40 \$	0.02640	\$5.50 /mo.
150 W Cobra Head Cust 0%	@ \$23.81 /mo.	60 \$	0.03960	\$23.85 /mo.
150 W Cobra Head Cust 100%	@ \$7.21 /mo.	60 \$	0.03960	\$7.25 /mo.
200 W Cobra Head Cust 0%	@ \$25.19 /mo.	80 \$	0.05280	\$25.24 /mo.
200 W Cobra Head Cust 100%	@ \$8.88 /mo.	80 \$	0.05280	\$8.93 /mo.
250 W Cobra Head Cust 0%	@ \$28.19 /mo.	100 \$	0.06600	\$28.26 /mo.
250 W Cobra Head Cust 100%	@ \$11.09 /mo.	100 \$	0.06600	\$11.16 /mo.
400 W Cobra Head Cust 0%	@ \$33.41 /mo.	160 \$	0.10560	\$33.52 /mo.
400 W Cobra Head Cust 100%	@ \$16.21 /mo.	160 \$	0.10560	\$16.32 /mo.
On New Pole (Steel)				
100 W Cobra Head Cust 0%	@ \$33.71 /mo.	40 \$	0.02640	\$33.74 /mo.
100 W Cobra Head Cust 100%	@ \$6.28 /mo.	40 \$	0.02640	\$6.31 /mo.
150 W Cobra Head Cust 0%	@ \$35.66 /mo.	60 \$	0.03960	\$35.70 /mo.
150 W Cobra Head Cust 100%	@ \$7.99 /mo.	60 \$	0.03960	\$8.03 /mo.
200 W Cobra Head Cust 0%	@ \$37.93 /mo.	80 \$	0.05280	\$37.98 /mo.
200 W Cobra Head Cust 100%	@ \$9.72 /mo.	80 \$	0.05280	\$9.77 /mo.
250 W Cobra Head Cust 0%	@ \$42.49 /mo.	100 \$	0.06600	\$42.56 /mo.
250 W Cobra Head Cust 100%	@ \$11.62 /mo.	100 \$	0.06600	\$11.69 /mo.
400 W Cobra Head Cust 0%	@ \$47.66 /mo.	160 \$	0.10560	\$47.77 /mo.
400 W Cobra Head Cust 100%	@ \$16.74 /mo.	160 \$	0.10560	\$16.85 /mo.

Southern Pioneer Electric Company
34.5kV Formula Based Rate
Work Paper 9-B Calculating Lighting Rates (Continued)
 post- 34.5kV FBR Adjustment

0.00066 per kWh Adjustment for Lighting -- from Page 2, Part II

Security (Decorative) Lighting Service (16-DOL-1)

Coop Owned

Acorn

					kWh estimate		Resultant Rate	
35 W HPS	Cust 0%	@	\$25.08	/mo.	14	\$	0.00924	\$25.09 /mo.
35 W HPS	Cust 100%	@	\$3.84	/mo.	14	\$	0.00924	\$3.85 /mo.
100 W HPS	Cust 0%	@	\$36.97	/mo.	40	\$	0.02640	\$37.00 /mo.
100 W HPS	Cust 50%	@	\$21.52	/mo.	40	\$	0.02640	\$21.55 /mo.
100 W HPS	Cust 100%	@	\$6.77	/mo.	40	\$	0.02640	\$6.80 /mo.
250 W HPS	Cust 0%	@	\$43.98	/mo.	100	\$	0.06600	\$44.05 /mo.
250 W HPS	Cust 100%	@	\$12.05	/mo.	100	\$	0.06600	\$12.12 /mo.

Single Globe

35 W HPS	Cust 0%	@	\$19.42	/mo.	14	\$	0.00924	\$19.43 /mo.
35 W HPS	Cust 100%	@	\$3.45	/mo.	14	\$	0.00924	\$3.46 /mo.
70 W HPS	Cust 0%	@	\$32.05	/mo.	28	\$	0.01848	\$32.07 /mo.
70 W HPS	Cust 100%	@	\$5.45	/mo.	28	\$	0.01848	\$5.47 /mo.
100 W HPS	Cust 0%	@	\$33.38	/mo.	40	\$	0.02640	\$33.41 /mo.
100 W HPS	Cust 100%	@	\$6.54	/mo.	40	\$	0.02640	\$6.57 /mo.
150 W HPS	Cust 0%	@	\$35.33	/mo.	60	\$	0.03960	\$35.37 /mo.
150 W HPS	Cust 100%	@	\$8.27	/mo.	60	\$	0.03960	\$8.31 /mo.

Multi Globe

70 W HPS	Cust 0%	@	\$85.87	/mo.	140	\$	0.09240	\$85.96 /mo.
70 W HPS	Cust 100%	@	\$19.06	/mo.	140	\$	0.09240	\$19.15 /mo.
100 W HPS	Cust 0%	@	\$92.38	/mo.	200	\$	0.13200	\$92.51 /mo.
100 W HPS	Cust 100%	@	\$24.34	/mo.	200	\$	0.13200	\$24.47 /mo.
150 W HPS	Cust 0%	@	\$102.26	/mo.	300	\$	0.19800	\$102.46 /mo.
150 W HPS	Cust 100%	@	\$32.97	/mo.	300	\$	0.19800	\$33.17 /mo.

Security (Decorative) Lighting Service (16-DOL-1)

Lantern

35 W HPS	Cust 0%	@	\$22.64	/mo.	14	\$	0.00924	\$22.65 /mo.
35 W HPS	Cust 100%	@	\$3.69	/mo.	14	\$	0.00924	\$3.70 /mo.
100 W HPS	Cust 0%	@	\$39.87	/mo.	40	\$	0.02640	\$39.90 /mo.
100 W HPS	Cust 100%	@	\$6.95	/mo.	40	\$	0.02640	\$6.98 /mo.
250 W HPS	Cust 0%	@	\$46.57	/mo.	100	\$	0.06600	\$46.64 /mo.
250 W HPS	Cust 100%	@	\$12.21	/mo.	100	\$	0.06600	\$12.28 /mo.

Shoobox

100 W HPS	Cust 0%	@	\$46.47	/mo.	40	\$	0.02640	\$46.50 /mo.
100 W HPS	Cust 100%	@	\$7.39	/mo.	40	\$	0.02640	\$7.42 /mo.
250 W HPS	Cust 0%	@	\$53.02	/mo.	100	\$	0.06600	\$53.09 /mo.
250 W HPS	Cust 100%	@	\$12.65	/mo.	100	\$	0.06600	\$12.72 /mo.
400 W HPS	Cust 0%	@	\$59.01	/mo.	160	\$	0.10560	\$59.12 /mo.
400 W HPS	Cust 100%	@	\$18.11	/mo.	160	\$	0.10560	\$18.22 /mo.
800 W HPS	Cust 0%	@	\$83.29	/mo.	320	\$	0.21120	\$83.50 /mo.
800 W HPS	Cust 100%	@	\$33.00	/mo.	320	\$	0.21120	\$33.21 /mo.

Vapor Street Lighting Ornamental Service (16-OSL-V-1) Frozen

							Annual	Prior Annual		
175 W MV		@	\$14.36	/mo.	63	\$	0.04158	\$14.40 /mo.	\$ 172.80	\$ 172.32
250 W MV		@	\$17.74	/mo.	95	\$	0.06270	\$17.80 /mo.	\$ 213.60	\$ 212.88
400 W MV		@	\$23.91	/mo.	151	\$	0.09966	\$24.01 /mo.	\$ 288.12	\$ 286.92
100 W HPS		@	\$12.73	/mo.	40	\$	0.02640	\$12.76 /mo.	\$ 153.12	\$ 152.76
150 W HPS		@	\$15.23	/mo.	60	\$	0.03960	\$15.27 /mo.	\$ 183.24	\$ 182.76
200 W HPS		@	\$18.83	/mo.	80	\$	0.05280	\$18.88 /mo.	\$ 226.56	\$ 225.96

Controlled Private Area Lighting (16-PAL-1) Frozen

							Annual			
175 W MV		@	\$13.18	/mo.	63	\$	0.04158	\$13.22 /mo.	\$ 158.64	\$ 158.16
400 W MV		@	\$25.87	/mo.	151	\$	0.09966	\$25.97 /mo.	\$ 311.64	\$ 310.44
400 W MV (Flood)		@	\$27.99	/mo.	151	\$	0.09966	\$28.09 /mo.	\$ 337.08	\$ 335.88
1000 W MV (Flood)		@	\$54.15	/mo.	355	\$	0.23430	\$54.38 /mo.	\$ 652.56	\$ 649.80
100 W HPS		@	\$11.54	/mo.	40	\$	0.02640	\$11.57 /mo.	\$ 138.84	\$ 138.48
200 W HPS		@	\$20.78	/mo.	80	\$	0.05280	\$20.83 /mo.	\$ 249.96	\$ 249.36
150 W HPS (Flood)		@	\$21.46	/mo.	60	\$	0.03960	\$21.50 /mo.	\$ 258.00	\$ 257.52
400 W HPS (Flood)		@	\$40.23	/mo.	160	\$	0.10560	\$40.34 /mo.	\$ 484.08	\$ 482.76

Street Lighting Service Dusk to Dawn (16-SL-1)

Inc 1000 lumen lamps		@	\$5.95	/mo.	34	\$	0.02244	\$5.97 /mo.	\$ 71.64
MV 7000 lumen lamps		@	\$13.83	/mo.	63	\$	0.04158	\$13.87 /mo.	\$ 166.44

Southern Pioneer Electric Company
34.5kV Formula Based Rate
Workpaper 10-B Resultant Retail Rates

			Per kWh Rate Adj	Resultant per kWh Rates	
Residential Service (16-RS)					
General Use					
Customer Charge	@	/month	\$0.00024		
Delivery Charge					
Summer - All kWh	@	\$0.12658 /kWh		\$0.12682 /kWh	
Winter (Oct-May)	@	\$0.11558 /kWh		\$0.11582 /kWh	
Energy Cost Adjustment	@	/kWh			
Space Heating					
Customer Charge	@	/month	\$0.00014		* only for 2nd block in winter -- Space Heating are billed same rates as "Residential - General Use" except for usage occurring in the 2nd block in the Winter
Delivery Charge					
Summer - All kWh	@	\$0.12658 /kWh		\$0.12682 /kWh	
Winter (Oct-May)					
0-800 kWh	@	\$0.11558 /kWh		\$0.11582 /kWh	
801-5800 kWh	@	\$0.09931 /kWh		\$0.09945 /kWh	
5801 kWh and above	@	\$0.11558 /kWh		\$0.11582 /kWh	
Energy Cost Adjustment	@	/kWh			
General Service Small (16-GSS)					
Customer Charge	@	/month	\$0.00028		
Delivery Charge					
Summer - (July to Oct.)	@	\$0.10144 /kWh		\$0.10172 /kWh	
Winter (Nov-Jun)	@	\$0.09044 /kWh		\$0.09072 /kWh	
Energy Cost Adjustment	@	/kWh			
General Service Large (16-GSL)					
Customer Charge	@	/month	\$0.00019		
Demand Charge per kW>9					
Summer - (July to Oct.)	@	/kW			
Winter (Nov-Jun)	@	/kW			
Delivery Charge					
Summer - (July to Oct.)	@	\$0.08133 /kWh		\$0.08152 /kWh	
Winter (Nov-Jun)	@	\$0.08133 /kWh		\$0.08152 /kWh	
Energy Cost Adjustment	@	/kWh			
General Service Space Heating					
Demand Charge per kW>9			\$0.00012		* for heating months only Note that per SPECO, all Commercial Space Heat customers are on GSL.
Summer - (July to Oct.)	@	/kW			
Winter (Nov-Jun)	@	/kW			
Energy Charge					
GSL(GSL summer rate for non-heat mos)	@	\$0.08133 /kWh		\$0.08152	
GSS (GSS summer rate for non-heat mos)	@	\$0.10144 /kWh		\$0.10172	
Heating (November - June)	@	\$0.07010 /kWh		\$0.07023 /kWh	
Energy Cost Adjustment	@	/kWh			
Industrial Service (16-IS)					
Customer Charge	@	/month	\$0.00015		
Demand Charge per kW>10					
Summer - (July to Oct.)	@	/kW			
Winter (Nov-Jun)	@	/kW			
Delivery Charge					
Summer - (July to Oct.)	@	\$0.07120 /kWh		\$0.07135 /kWh	
Winter (Nov-Jun)	@	\$0.07120 /kWh		\$0.07135 /kWh	
Energy Cost Adjustment	@	/kWh			
Industrial Service-Primary Discount					
Customer Charge	@	/month	2% discount off 16-IS		
Demand Charge per kW>10					
Summer - (July to Oct.)	@	/kW			
Winter (Nov-Jun)	@	/kW			
Delivery Charge					
Summer - (July to Oct.)	@	\$0.06978 /kWh		\$0.06992 /kWh	
Winter (Nov-Jun)	@	\$0.06978 /kWh		\$0.06992 /kWh	
Energy Cost Adjustment	@	/kWh			

actual adj.	Gets up to	Still Need	Resultant Space Heat
\$0.00024	\$ 1,039	\$ 208	\$0.00014 *

actual adj.	Gets up to	Still Need	Space Heat only
\$0.00019	\$ 324	\$ 406	\$0.00012 *

**Southern Pioneer Electric Company
34.5kV Formula Based Rate**

Workpaper 10-B Resultant Retail Rates (Continued)

			Per kWh Rate Adj		Resultant per kWh Rates
			from page 2, Part II, column (k)		
			same as 16-1S		
<u>Interruptible Industrial Service (16-INT)</u>					
Customer Charge	@	/month			
Demand Charge per kW>10					
Non-Interruptible					
Summer - (July to Oct.)	@	/kW			
Winter (Nov-Jun)	@	/kW			
Interruptible					
Summer - (July to Oct.)	@	/kW			
Winter (Nov-Jun)	@	/kW			
Penalty					
Summer - (July to Oct.)	@	/kW			
Winter (Nov-Jun)	@	/kW			
Delivery Charge					
Summer - (July to Oct.)	@	\$0.07120 /kWh		\$0.07135	/kWh
Winter (Nov-Jun)	@	\$0.07120 /kWh		\$0.07135	/kWh
Energy Cost Adjustment	@	/kWh			
<u>Real-Time Pricing (13-RTP)</u>					
Customer Charge	@	/month			
Delivery Charge	@	/month			
<u>Transmission Level Service (16-STR)</u>					
<u>Service at 34.5 kV Voltage</u>					
Customer Charge	@	/month			
<u>Demand Charge</u>					
Demand Requirements		/kW			
OATT		/kW			
Local Access Charge		\$4.88 /kW	\$	5.00	/kW
<u>Energy Charge</u>					
Energy Charge		/kWh			
Energy Cost Adjustment		/kWh			
Delivery Charge	@	\$0.00185 /kWh		\$0.00185	/kWh
<u>Service at 115 kV Voltage</u>					
Customer Charge	@	/month			
<u>Demand Charge</u>					
Demand Requirements	@	/kW			
OATT	@	/kW			
<u>Energy Charge</u>					
Energy Charge	@	/kWh			
Energy Cost Adjustment	@	/kWh			
Delivery Charge	@	\$0.00185 /kWh		\$0.00185	/kWh
<u>Municipal Power Service (16-M-1)</u>					
Customer Charge	@	/month	\$0.00021		
Delivery Charge					
Summer - (July to Oct.)	@	\$0.12174 /kWh		\$0.12195	/kWh
Winter (Nov-Jun)	@	\$0.11074 /kWh		\$0.11095	/kWh
Energy Cost Adjustment	@	/kWh			
<u>Water Pumping Service (16-WP)</u>					
Customer Charge	@	/month	\$0.00017		
Delivery Charge					
Summer - (July to Oct.)	@	\$0.11883 /kWh		\$0.11900	/kWh
Winter (Nov-Jun)	@	\$0.10783 /kWh		\$0.10800	/kWh
Energy Cost Adjustment	@	/kWh			
<u>Irrigation Service (16-IP-1)</u>					
Demand Charge per HP contracted per year	@	/HP/yr.	\$0.00023		
Delivery Charge					
Summer - (July to Oct.)	@	\$0.09431 /kWh		\$0.09454	/kWh
Winter (Nov-Jun)	@	\$0.08331 /kWh		\$0.08354	/kWh
Energy Cost Adjustment	@	/kWh			
<u>Temporary Service (16-CS)</u>					
Delivery Charge	@	\$0.23516 /kWh	\$0.00046	\$0.23562	/kWh
Energy Cost Adjustment	@	/kWh			

Southern Pioneer Electric Company
34.5kV Formula Based Rate
Work Paper 11-B
Comparison of Revenue

(a)	(b)	(c)	(d)	(e)	(f)
Line No.	Rate Schedule	Test Year Revenue (\$)	34.5kV FBR Rates Revenue (\$)	Increase (Decrease) Amount Percent (\$) (%)	
1	Residential Service (RS)				
2	General Use	\$ 15,586,648	\$ 15,612,183	\$ 25,534	0.2%
3	Space Heating	\$ 782,704	\$ 783,951	\$ 1,247	0.2%
4	General Service Small (GSS)	\$ 1,815,474	\$ 1,818,691	\$ 3,217	0.2%
5	General Service Large (GSL)	\$ 17,173,635	\$ 17,198,226	\$ 24,592	0.1%
6	General Service Space Heating	\$ 560,089	\$ 560,820	\$ 730	0.1%
7	Industrial Service (IS)	\$ 3,498,567	\$ 3,503,165	\$ 4,598	0.1%
8	Interruptible Industrial Service (INT)	\$ -	\$ -	\$ -	0.0%
9	Real -Time Pricing (RTP)	\$ 33,528	\$ 33,528	\$ -	0.0%
10	Transmission Level Service (STR)	\$ 26,223,947	\$ 26,223,947	\$ -	0.0%
11	Municipal Power Service (M-I)	\$ 195,260	\$ 195,563	\$ 302	0.2%
12	Water Pumping Service (WP)	\$ 637,115	\$ 638,012	\$ 897	0.1%
13	Irrigation Service (IP-I)	\$ 352,506	\$ 353,039	\$ 534	0.2%
14	Temporary Service (CS)	\$ 11,969	\$ 11,992	\$ 23	0.2%
15	Lighting	\$ 1,081,690	\$ 1,084,286	\$ 2,596	0.2%
16	Total Retail Rates	\$ 67,953,133	\$ 68,017,403	\$ 64,270	0.1%

Comparison of Average Rate

(a)	(b)	(c)	(d)	(e)	(f)
Line No.	Rate Class	Energy Sales (kWh)	Average Rate Test Year Rate Adj. (¢/kWh) (¢/kWh)		Increase (Decrease) (%)
1	Residential Service (RS)				
2	General Use	106,883,802	14.58	14.61	0.2%
3	Space Heating	5,790,181	13.52	13.54	0.2%
4	General Service Small (GSS)	11,352,578	15.99	16.02	0.2%
5	General Service Large (GSL)	130,420,192	13.17	13.19	0.1%
6	General Service Space Heating	5,013,974	11.17	11.19	0.1%
7	Industrial Service (IS)	30,481,488	11.48	11.49	0.1%
8	Interruptible Industrial Service (INT)	-	N.A.	N.A.	N.A.
9	Real -Time Pricing (RTP)	390,457	8.59	8.59	0.0%
10	Transmission Level Service (STR)	447,734,214	5.86	5.86	0.0%
11	Municipal Power Service (M-I)	1,411,591	13.83	13.85	0.2%
12	Water Pumping Service (WP)	5,244,505	12.15	12.17	0.1%
13	Irrigation Service (IP-I)	2,357,658	14.95	14.97	0.2%
14	Temporary Service (CS)	50,207	23.84	23.88	0.2%
15	Lighting	3,947,867	27.40	27.47	0.2%

Southern Pioneer Electric Company
34.5kV Formula Based Rate
For Year 2018 Based on the Historical Test Year Ending December 31, 2017
True-Up Calculation - Summary Work Paper 12-B

<u>Line No</u>			<u>Note</u>
1	2017 RR with projected amounts trued up to actual	\$ 5,159,065	WP 13-B, L36
2	2017 RR as approved in 17-SPEE-476-TAR	\$ 5,172,011	WP14-B, L36
3	DIFF	<u>\$ (12,945)</u>	

Southern Pioneer Electric Company
34.5kV Formula Based Rate
For Year 2018 Based on the Historical Test Year Ending December 31, 2017
True-Up Calculation Part 1 - Work Paper 13-B

2017 Revenue Requirement Calculation as Approved in 16-SPEE-476-TAR Based on 2016 Historical Test Year/2017 Budgeted Year

(a) Line No	(b) Description	(c) Source	(d) Unadjusted Historical Test Year [2016]	(e) Adjustments No.	(e) Amount	(f) Adjusted Historical Test Year [2016]	(g) Allocation Factor Name	(h) Factor	(i) FBR Revenue Requirement
						From 16-SPEE-501-TAR, Exhibit CCU-1			
1	Operating Expenses								
2	Power Production Expense	17-SPEE-476-TAR, Exhibit 3, Pg. 1	\$ -			\$ -		0.000000	
3	Cost of Purchased Power	17-SPEE-476-TAR, Exhibit 3, Pg. 2	\$ 46,483,909			\$ 46,483,909		0.000000	
4	Transmission O&M	17-SPEE-476-TAR, Exhibit 3, Pg. 3	\$ 1,296,041			\$ 1,296,041		1.000000	\$ 1,296,041
5	Distribution Expense-Operation	17-SPEE-476-TAR, Exhibit 3, Pg. 4	\$ 4,420,104	[1]	\$ -	\$ 4,420,104	DOM	0.000000	\$ -
6	Distribution Expense-Maintenance	17-SPEE-476-TAR, Exhibit 3, Pg. 5	\$ 1,690,736	[2]	\$ -	\$ 1,690,736	DOM	0.000000	\$ -
7	Consumer Accounts Expense	17-SPEE-476-TAR, Exhibit 3, Pg. 6	\$ 1,250,910			\$ 1,250,910		0.000000	\$ -
8	Customer Service and Informational Expense	17-SPEE-476-TAR, Exhibit 3, Pg. 7	\$ 132,233			\$ 132,233		0.000000	\$ -
9	Sales Expense	17-SPEE-476-TAR, Exhibit 3, Pg. 8	\$ 13,594			\$ 13,594		0.000000	\$ -
10	Administration & General	17-SPEE-476-TAR, Exhibit 3, Pg. 9	\$ 1,868,421	[3]	\$ (17,984)	\$ 1,850,437	LAB	0.057057	\$ 105,581
11	Total O&M Expense	Sum (L2:L10)							\$ 1,401,622
12	Depreciation and Amortization								
13	Transmission	17-SPEE-476-TAR, Exhibit 3, Pg. 1	\$ 633,372			\$ 633,372		1.000000	\$ 633,372
14	General Plant	17-SPEE-476-TAR, Exhibit 3, Pg. 1	\$ 182,932			\$ 182,932	LAB	0.057057	\$ 10,438
15	Property Tax	17-SPEE-476-TAR, Exhibit 3, Pg. 1	\$ -			\$ -	NP	0.281900	\$ -
16	Other Taxes ¹	17-SPEE-476-TAR, Exhibit 3, Pg. 1	\$ 3,294,166	[4]	\$ (3,269,166)	\$ 25,000		0.111801	\$ 2,795
17	L.T. Interest	17-SPEE-476-TAR, Exhibit 3, Pg. 1	\$ 5,660,152	[5]	\$ (142,898)	\$ 5,517,254	NP	0.281900	\$ 1,555,315
18	Interest Charged to Construction - Credit	17-SPEE-476-TAR, Exhibit 3, Pg. 1	\$ -	[6]	\$ -	\$ -	NP	0.281900	\$ -
19	Interest-Other	17-SPEE-476-TAR, Exhibit 3, Pg. 1	\$ 83,838	[7]	\$ 42,705	\$ 126,543	NP	0.281900	\$ 35,673
20	Other Deductions	17-SPEE-476-TAR, Exhibit 3, Pg. 1	\$ 829,459	[8]	\$ (38,178)	\$ 791,281	NP	0.281900	\$ 223,062
21	Total Cost of Electric Service								\$ 3,862,276
22									
23	Margin Requirement								
24	Principal Payments	17-SPEE-476-TAR, Exhibit 3, Pg. 1	\$ 2,206,843	[9]	\$ 135,254	\$ 2,342,097	NP	0.281900	\$ 660,238
25	L.T. Interest	L17	\$ 5,660,152		\$ (142,898)	\$ 5,517,254	NP	0.281900	\$ 1,555,315
26	Interest-Other	L18	\$ 83,838		\$ 42,705	\$ 126,543	NP	0.281900	\$ 35,673
27	Subtotal	Sum (L22:24)							\$ 2,251,225
28	Required Coverage Ratio	17-SPEE-476-TAR, Exhibit 3, Pg. 1							1.75
29	Gross Margin Requirements	L27 x L28							3,939,645
30	Less: Offsets to Margin Requirements	17-SPEE-476-TAR, Exhibit 3, Pg. 1							2,639,414
31	Net Margin Requirement	L29 - L30							\$ 1,300,231
32									
33	Total Revenue Requirements								
34	Add: Net Margin Requirement	L21 + L31							\$ 5,162,507
35	Add: True-Up Amount	17-SPEE-476-TAR, Exhibit 3, Pg. 1							\$ 9,504
36	Total Net Revenue Requirements	L34 + L35							\$ 5,172,011

¹ The resultant allocator was the remainder of Taxes-Other, cash portion, allocated to 2017 DSC-FBR, where 88.82% was assigned to distribution system.

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

True-Up Calculation Part 2 - Work Paper 14-B

2017 Revenue Requirement Calculation using 2017 actual amounts in place of 2017 budgeted projections

(a) Line No	(b) Description	(c) Source	(d) Unadjusted Historical Test Year [2016]	(e) Adjustments	(f) Adjusted Historical Test Year [2016] ¹	(g) Name	(h) Allocation Factor	(i) FBR Revenue Requirement
						Source: WP13-B Col (h)		
1	Operating Expenses							
2	Power Production Expense	WP13-B, L2, Col (c)	\$ -		\$ -		0.000000	
3	Cost of Purchased Power	WP13-B, L3, Col (c)	\$ 46,483,909		\$ 46,483,909		0.000000	
4	Transmission O&M	WP13-B, L4, Col (c)	\$ 1,296,041		\$ 1,296,041		1.000000	\$ 1,296,041
5	Distribution Expense-Operation	WP13-B, L5, Col (c)	\$ 4,420,104	[1]	\$ 4,420,104	DOM	0.000000	\$ -
6	Distribution Expense-Maintenance	WP13-B, L6, Col (c)	\$ 1,690,736	[2]	\$ 1,690,736	DOM	0.000000	\$ -
7	Consumer Accounts Expense	WP13-B, L7, Col (c)	\$ 1,250,910		\$ 1,250,910		0.000000	\$ -
8	Customer Service and Informational Expense	WP13-B, L8, Col (c)	\$ 132,233		\$ 132,233		0.000000	\$ -
9	Sales Expense	WP13-B, L9, Col (c)	\$ 13,594		\$ 13,594		0.000000	\$ -
10	Administration & General	WP13-B, L10, Col (c)	\$ 1,868,421	[3]	\$ (17,984)	LAB	0.057057	\$ 105,581
11	Total O&M Expense	Sum (L2:L10)	\$ -					\$ 1,401,622
12	Depreciation and Amortization							
13	Transmission	WP13-B, L13, Col (c)	\$ 633,372		\$ 633,372		1.000000	\$ 633,372
14	General Plant	WP13-B, L14, Col (c)	\$ 182,932		\$ 182,932	LAB	0.057057	\$ 10,438
15	Property Tax	WP13-B, L15, Col (c)	\$ -		\$ -	NP	0.281900	\$ -
16	Other Taxes	WP13-B, L16, Col (c)	\$ 3,294,166	[4]	\$ (3,269,166)		0.111801	\$ 2,795
17	L.T. Interest - will be adjusted to 2017 Actual	WP13-B, L17, Col (c)	\$ 5,660,152	[5]	\$ (142,874)	NP	0.281900	\$ 1,555,322
18	Interest Charged to Construction - Credit	WP13-B, L18, Col (c)	\$ -	[6]	\$ -	NP	0.281900	\$ -
19	Interest-Other - will be adjusted to 2017 Actual	WP13-B, L19, Col (c)	\$ 83,838	[7]	\$ 29,182	NP	0.281900	\$ 31,860
20	Other Deductions	WP13-B, L20, Col (c)	\$ 829,459	[8]	\$ (38,178)	NP	0.281900	\$ 223,062
21	Total Cost of Electric Service							\$ 3,858,471
22								
23	Margin Requirement							
24	Principal Payments - will be adjusted to 2017 Actual	WP13-B, L24, Col (c)	\$ 2,206,843	[9]	\$ 122,512	NP	0.281900	\$ 656,646
25	L.T. Interest - will be adjusted to 2017 Actual	L17	\$ 5,660,152		\$ (142,874)	NP	0.281900	\$ 1,555,322
26	Interest-Other - will be adjusted to 2017 Actual	L18	\$ 83,838		\$ 29,182	NP	0.281900	\$ 31,860
27	Subtotal	Sum (L22:24)						\$ 2,243,828
28	Required Coverage Ratio	WP13-B, L28, Col (c)						1.75
29	Gross Margin Requirements	L27 x L28						3,926,699
30	Less: Offsets to Margin Requirements - will be adjusted to 2017 Actual ²	WP15-B, L7, Col (i)						2,635,609
31	Net Margin Requirement	L29 - L30						\$ 1,291,091
32								
33	Total Revenue Requirements							
34	Add: Net Margin Requirement	L21 + L31						\$ 5,149,562
35	Add: True-Up Amount	WP13-B, L35, Col (c)						\$ 9,504
36	Total Net Revenue Requirements	L34 + L35						\$ 5,159,065

¹ Using 2016 actual LT Interest, Interest-Other, and Principal Payments from WP1-B

² See Work Paper 15-B

Southern Pioneer Electric Company
34.5kV Formula Based Rate
For Year 2018 Based on the Historical Test Year Ending December 31, 2017
 True-Up Calculation Part 3 - Work Paper 15-B

Margin Requirement Offsets for 2017 Revenue Requirement using 2017 actual amounts in place of 2017 budgeted projections

(a) Line No	(b) Item	(c) Source	(d) Historical Tot Amount	(e) Adjustment	(f) Adjusted Amount	(g) Allocation Factor Name	(h) Value	(i) Allocated to FBR
				WP14-B, Col (e)		WP14-B, Col (g) and (h)		
1	Interest Expense (LT Interest plus Interest-Other)	WP14-B, L17 + L18, Col (d)	\$ 5,743,990	\$ (113,692)	\$ 5,630,298	NP	0.281900	\$ 1,587,182
2	Depreciation Expense							
3	Transmission	WP14-B, L13, Col (c)	\$ 633,372		\$ 633,372		1.000000	\$ 633,372
4	General Plant	WP14-B, L14, Col (c)	\$ 182,932		\$ 182,932	LAB	0.057057	\$ 10,438
5	Non-cash Other Deductions (Amortizations)	17-SPEE-476-TAR, Exhibit 3, Pg. 3	\$ 711,316		\$ 711,316	NP	0.281900	\$ 200,520
6	Cash Capital Credits Received	17-SPEE-476-TAR, Exhibit 3, Pg. 3	\$ 724,003		\$ 724,003	NP	0.281900	\$ 204,097
7	Resultant Amount	Sum (L1:L7)	\$ 7,995,613		\$ 7,881,921			<u>\$ 2,635,609</u>

VERIFICATION OF ELENA LARSON

STATE OF KANSAS)
) ss
SHAWNEE COUNTY)

The undersigned, Elena Larson, upon oath first duly sworn, states that she is an employee of Power System Engineering, Inc., and that the foregoing testimony was prepared by her or under her supervision, that she is familiar with the contents thereof, and that the statements contained therein are true and correct to the best of her knowledge and belief.

Elena Larson

Elena Larson

Subscribed and sworn to before me this 27th day of September, 2019.



TERRI J. PEMBERTON

Notary Public

My appointment expires: 1/22/21

CERTIFICATE OF SERVICE

I, the undersigned, hereby certify that a true and correct copy of the foregoing testimony was electronically served this 10th day of October, 2019 to:

CARLY MASENTHIN, LITIGATION COUNSEL
KANSAS CORPORATION COMMISSION
1500 SW ARROWHEAD RD
TOPEKA, KS 66604
c.masenthin@kcc.ks.gov

ROBERT VINCENT, LITIGATION COUNSEL
KANSAS CORPORATION COMMISSION
1500 SW ARROWHEAD RD
TOPEKA, KS 66604
r.vincent@kcc.ks.gov

JOSEPH R. ASTRAB
CITIZENS' UTILITY RATEPAYER BOARD
1500 SW ARROWHEAD ROAD
TOPEKA, KS 66604
j.astrab@curb.kansas.gov

TODD E. LOVE, ATTORNEY
CITIZENS' UTILITY RATEPAYER BOARD
1500 SW ARROWHEAD RD
TOPEKA, KS 66604
t.love@curb.kansas.gov

DAVID W. NICKEL, CONSUMER COUNSEL
CITIZENS' UTILITY RATEPAYER BOARD
1500 SW ARROWHEAD RD
TOPEKA, KS 66604
D.NICKEL@CURB.KANSAS.GOV

RANDALL D. MAGNISON
EXECUTIVE VICE PRESIDENT – ASST CEO
SOUTHERN PIONEER ELECTRIC COMPANY
PO BOX 430
ULYSSES, KANSAS 67880
RMAGNISON@PIONEERELECTRIC.COOP

STEPHEN J. EPPERSON, CEO
SOUTHERN PIONEER ELECTRIC
COMPANY
1850 W OKLAHOMA
PO BOX 403
ULYSSES, KANSAS 67880-0430
SEPPERSON@PIONEERELECTRIC.COOP

LINDSAY CAMPBELL, EXECUTIVE VP -
GENERAL COUNSEL
SOUTHERN PIONEER ELECTRIC COMPANY
1850 W OKLAHOMA
PO BOX 368
ULYSSES, KS 67880-0368
LCAMPBELL@PIONEERELECTRIC.COOP

CHANTRY SCOTT
CFO – V.P. - FINANCE & ACCOUNTING
SOUTHERN PIONEER ELECTRIC COMPANY
P.O. BOX 430
ULYSSES, KS 67880-0430
CSCOTT@PIONEERELECTRIC.COOP

RICH MACKE
VP–ECONOMICS,RATES, BUSINESS PLANNING
POWER SYSTEM ENGINEERING, INC.
10710 TOWN SQUARE DRIVE NE, SUITE 201
MINNEAPOLIS, MINNESOTA 55449
RMACKE@POWERSYSTEM.ORG

ELENA LARSON
MANAGER-RATES,REGULATORY SERVICES
POWER SYSTEM ENGINEERING, INC.
3321 SW 6TH AVENUE
TOPEKA, KANSAS 66606
LARSONE@POWERSYSTEM.ORG

Glenda Cafer

Glenda Cafer