# BEFORE THE STATE CORPORATION COMMISSION OF THE STATE OF KANSAS

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In the Matter of the Application of Southern Pioneer Electric Company for Approval to Make Certain Non-Rate Related Changes in its Irrigation Service Schedule in the Geographic Service Territory Served by Southern Pioneer Electric Company.

Docket No. 16-SPEE-\_\_\_-RTS

# APPLICATION

COMES NOW, Southern Pioneer Electric Company, ("Southern Pioneer"), pursuant to K.S.A. § 66-117, hereby files this Application with the State Corporation Commission of the State of Kansas ("Commission" or "KCC") for the purpose of making certain non-rate related structuring changes to Southern Pioneer's Irrigation Service Schedule for the geographic service territory served by Southern Pioneer, and for other related relief that may be required. In support of the Application, Southern Pioneer states as follows:

# I. INTRODUCTION AND BACKGROUND

1. Southern Pioneer is a Kansas Corporation not-for-profit utility with its principal place of business located in Ulysses, Kansas with distribution and customer service offices in Liberal and Medicine Lodge, Kansas.

2. Southern Pioneer is regulated by the Commission and is a wholly owned subsidiary of Pioneer Electric Cooperative, Inc. ("Pioneer Electric"), a not-for-profit Kansas member-owned electric cooperative not subject to Commission regulation for ratemaking purposes.

3. Southern Pioneer was granted public utility status on November 21, 2013, when the Commission approved the transfer of the retail certificated territory, consumers, Rules and Regulations, and tariffs from Mid-Kansas Electric Company, LLC to Southern Pioneer in Docket No. 13-MKEE-447-MIS.

4. Southern Pioneer serves approximately 17,134 retail customers in all or parts of ten southwest and south central Kansas counties that purchased approximately 582,648,339 kilowatt hours ("kWh") of electricity annually. Of these total retail customers, forty-one (41) are Irrigation customers, who use approximately 2,177,795 kWhs of electric energy annually and take service under the Southern Pioneer Commission-approved Irrigation Service Tariff, Schedule 15-IP-I and.<sup>1</sup>

5. In addition to the undersigned, copies of pleadings, documents, and

correspondence in this docket should be sent to:

Randall D. Magnison Executive Vice President-Assistant CEO Southern Pioneer Electric Company P.O. Box 430 Ulysses, KS 67880-0430

# **II. OVERVIEW OF THE APPLICATION**

# *A.* Irrigation Service Schedule Revision

6. Southern Pioneer now files for certain changes in its Commission-approved Irrigation Service Schedule 16-IP-I ("Irrigation Service Tariff")<sup>2</sup> for Southern Pioneer's services provided to Irrigation customers within its designated geographical certificated service territory

<sup>&</sup>lt;sup>1</sup> Southern Pioneer RUS Form 7, Page 2, Part D dated December 31, 2015.

<sup>&</sup>lt;sup>2</sup> Docket 16-SPEE-497-RTS, Commission "Order Granting Application and Approving Adjustments", dated August 2, 2016.

served by Southern Pioneer under the terms of the Irrigation Service Tariff. In summary, the changes are as follows and are reflected in the marked-up and clean copy of Irrigation Service Schedule "16-IP-I Revision 1", attached hereto as <u>Exhibit A</u>:

- <u>Availability</u> Change the original contract term for initial service from five (5) years to one (1) year, and then year-to-year thereafter.
- <u>Character of Service</u> Remove duplicitous descriptive language and replace with definitive single or three phase, at available voltage, definition.
- <u>Net Monthly Bill, Demand Charge</u> Insert language permitting the annual contracted horsepower charge (contracted horsepower charge x 12-months), currently paid in three (3) monthly installments, to be paid in twelve (12) monthly installments, and round-down the Demand charge of \$38.01 to \$38.00 for ease of calculation.
- <u>Minimum Charge</u> Retitle to Minimum Annual Bill and define (i) the Minimum Annual Bill, (ii) the period covered by the Minimum Annual Bill, (iii) the responsibility of customer wishing to disconnect or down rate Irrigation service to avoid the Minimum Annual Bill, and (iv) proration of the Annual Minimum Bill for Irrigation services added mid-calendar year.
- <u>Connected Horsepower</u> Insert definition to better define the connected horsepower.
- <u>Payment</u> Eliminate section providing Minimum Charges payable over three months.

# *B. Impact of Proposed Changes*

7. The proposed changes in this Application are not material in nature, are better reflective of Southern Pioneer's administration of the Irrigation Service Tariff in practice, and remove cumbersome applications of the Irrigation Service Tariff to Southern Pioneer's irrigation consumers. Because Southern Pioneer and Pioneer Electric both utilize the same NISC I-VUE customer billing software program, revising definitions makes the overall administration of the respective irrigation tariffs and programs for both Southern Pioneer and Pioneer Electric more efficient. Furthermore, by collecting the annual horsepower charge over 12 months as opposed to 3 months of the calendar year, it eliminates a compressed financial burden on the Southern Pioneer irrigation consumer without affecting the rate class revenue requirement.

8. Even though Southern Pioneer is requesting that the Demand Charge (annual connected horsepower charge) of \$38.01 be rounded down to \$38.00 per connected horsepower for the ease of calculating the monthly demand charge, this change has no material impact on the annual revenue requirement.

9. The requested changes will not impair Southern Pioneer in continuing to provide adequate, efficient and reliable utility service.

WHEREFORE, Applicant respectfully requests that the Commission approve within thirty (30) days the Applicant's revised Irrigation Service Schedule in order to better define service and ease administration required thereunder, substituting such schedule for the schedule currently on file and approved for Applicant, and such other and further relief as the Commission may deem just and proper.

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Respectfully submitted,

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Executive Vice President – General Counsel Southern Pioneer Electric Company P.O. Box 430 Ulysses, Kansas 67880 (620) 424-5206 telephone (620) 356-4306 facsimile Ishepard@pioneerelectric.coop

# ATTORNEY FOR SOUTHERN PIONEER ELECTRIC COMPANY

## **VERIFICATION**

SS:

STATE OF KANSAS ) ) COUNTY OF GRANT )

My Commission Expires: 12/3/14

Lindsay A. Shepard, of lawful age, being first duly sworn on oath, states:

That she is the attorney for Southern Pioneer Electric Company named in the foregoing Application, knows the contents thereof; and that the facts set forth therein are true and correct to the best of her knowledge, information and belief.

Lindsay A. Shepard

SUBSCRIBED AND SWORN to before me this 5 day of October 2016.

Notary Public - Brandi L. Fowler

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NOTARY PUBLIC - State of Kansas
BRANDI FOWLER
My Appt. Exp.

# EXHIBIT A

Marked Up and Clean Copy of Irrigation Service Schedule 16-IP-I Revision 1

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Index No. 20

SOUTHERN PIONEER ELECTRIC CO. (Name of Issuing Utility)	Schedule: 16-IP-I Revision 1	
	Replacing Schedule <u>16, IP-I Sheet 1</u>	Deleted: 5
(Territory to which schedule is applicable)	Which was filed August 2, 2016,	Deleted: July 30
No supplement or separate understanding shall modify the tariff as shown hereon.	Sheet 1 of 2 Sheets	Deleted: <u>5</u>
IRRIGATION SERVIC	<u>E</u>	
This schedule is available for irrigation power only. Service one year and from year to year thereafter.	e under this schedule shall be under contract for	Deleted: an ORIGINAL period of five years
CHARACTER OF SERVICE		
Alternating current, 60 cycles, single or three phase, at avail	lable voltage.	Deleted: 230 volt, 3 phase. Where only single phase service
NET MONTHLY BILL Demand Charge		is available, motors of less than ten (10) horsepower may be connected if in the judgment of the Company such service can be rendered without unduly affecting existing service. Not more than one (1) irrigation connection shall be made on any single phase extension.
Per horsepower contracted per year <u>, paid</u> in 12-monthly installments.	\$38.0 <u>0</u>	Deleted: 1
		Deleted: (nameplate rating)
plus <u>Delivery Charge</u> For all bills dated November 1 through June 30 inclusive, per kWh For all bills dated July 1 through October 31 inclusive, per kWh <u>MINIMUM_ANNUAL BILL</u>	\$0.08453 \$0.09553	Deleted: <u>CHARGE</u>
\$38.00, per horsepower contracted per year, which is the any. (Minimum charge does not include the delivery charge).	Demand charge, plus line extension charge, if	Deleted: 1
The Minimum Annual Bill for Irrigation Service shall not b The period covered by the Minimum Annual Bill shall begin at 12:0 following December 31 <sup>st</sup> . Should the customer wish to disconnec responsibility to notify the Company of its intent at least five (5) bus calendar year to avoid the Minimum Annual Bill.	01 a.m. January 1 <sup>st</sup> and end at midnight on the tor down rate the service, it is the customer's	
Issued <u>2016</u> Month Day Year Effective <u>2016</u> Month Day Year		
By Randall D. Magnison Executive VP-Assistant CEO		

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Index No. 20

SOUTHERN PIONEER ELECTRIC CO.	Schedule: <u>16-IP-I</u>		
(Name of Issuing Utility) SERVICE AREA	Replacing Schedule <u>15-IP-I</u> Sheet <u>2</u> Which was filed <u>July 30, 2015</u>		
(Territory to which schedule is applicable) No supplement or separate understanding shall modify the tariff as shown hereon.	Sheet 2 of 2 Sheets		
Should a customer connect a new irrigation service mid-c per HP of connected load will be prorated and billed in monthly in through the remainder of such calendar year. However, should a year for an existing well previously connected, and which has not the Minimum Annual Bill of \$38.00 per HP of connected load will b of January 1 <sup>st</sup> of the then current calendar year.	stallments from the time the service is connected customer request irrigation service mid-calendar been connected during the current calendar year,		
CONTRACT MINIMUM			
Ten (10) horsepower			
CONNECTED HORSEPOWER The connected horsepower shall be that stated by the ma sum of such ratings if more than one motor is connected for use, or under conditions of maximum operating load.			
ENERGY COST ADJUSTMENT			
The delivery charges are subject to the Energy Cost Adjustion	stment Clause.		
EXTENSION POLICY			
Where the cost of extending service to the irrigation custo the customer will pay in addition to the <u>Minimum Annual Bill</u> set fi equal to twenty-one percent (21%) per year of the added investme	orth above an additional annual minimum charge	Deleted: "minimum charge"	
DELAYED PAYMENT		Deleted: <u>PAYMENT</u> .	[1]
As per Schedule DPC.			
TERMS AND CONDITIONS			
Service will be rendered under Company's Rules and R Commission.	Regulations as filed with the Kansas Corporation		
Issued 2016 Month Day Year			
Effective 2016			
By Randall D. Magnison Executive VP-Assistant CEO			

Page 2: [1] Deleted	Microsoft Office User	10/10/16 2:19:00 PM
PAYMENT		
Minimum charges shall be payable	e - 50% April 1 - 25% May 1 - 25% June 1	

Index No. 20

# SOUTHERN PIONEER ELECTRIC CO.

(Name of Issuing Utility)

#### SERVICE AREA

Schedule: 16-IP-I Revision 1

Replacing Schedule <u>16-IP-I</u> Sheet <u>1</u> Which was filed <u>August 2, 2016</u>

(Territory to which schedule is applicable) No supplement or separate understanding shall modify the tariff as shown hereon.

Sheet 1 of 2 Sheets

#### **IRRIGATION SERVICE**

## AVAILABILITY

This schedule is available for irrigation power only. Service under this schedule shall be under contract for one year and from year to year thereafter.

## CHARACTER OF SERVICE

Alternating current, 60 cycles, single or three phase, at available voltage.

## NET MONTHLY BILL

Demand Charge	
Per horsepower contracted per year, paid	\$38.00
in 12-monthly installments.	

plus

Delivery Charge For all bills dated	
November 1 through June 30 inclusive, per kWh	\$0.08453
For all bills dated July 1 through October 31 inclusive, per kWh	\$0.09553

#### MINIMUM ANNUAL BILL

\$38.00 per horsepower contracted per year, which is the Demand charge, plus line extension charge, if any. (Minimum charge does not include the delivery charge).

The Minimum Annual Bill for Irrigation Service shall not be less than \$38.00 per HP of connected load. The period covered by the Minimum Annual Bill shall begin at 12:01 a.m. January 1<sup>st</sup> and end at midnight on the following December 31<sup>st</sup>. Should the customer wish to disconnect or down rate the service, it is the customer's responsibility to notify the Company of its intent at least five (5) business days prior to January 1<sup>st</sup> of the upcoming calendar year to avoid the Minimum Annual Bill.

Issued			2016
	Month	Day	Year
Effective			2016
	Month	Day	Year
Ву			
	Randall D. M	lagnison	Executive VP-Assistant CEO

Index No. 20

SOUTHERN PIONEER ELECTRIC CO.

(Name of Issuing Utility)

#### SERVICE AREA

Schedule: 16-IP-I

Replacing Schedule <u>15-IP-I</u> Sheet <u>2</u> Which was filed <u>July 30, 2015</u>

(Territory to which schedule is applicable) No supplement or separate understanding shall modify the tariff as shown hereon.

Sheet 2 of 2 Sheets

Should a customer connect a new irrigation service mid-calendar year, the Minimum Annual Bill of \$38.00 per HP of connected load will be prorated and billed in monthly installments from the time the service is connected through the remainder of such calendar year. However, should a customer request irrigation service mid-calendar year for an existing well previously connected, and which has not been connected during the current calendar year, the Minimum Annual Bill of \$38.00 per HP of connected load will be billed as though the service connection was as of January 1<sup>st</sup> of the then current calendar year.

## CONTRACT MINIMUM

Ten (10) horsepower

## CONNECTED HORSEPOWER

The connected horsepower shall be that stated by the manufacturer on the nameplate of the motor, or the sum of such ratings if more than one motor is connected for use, or at the option of the Company, by proper test under conditions of maximum operating load.

#### ENERGY COST ADJUSTMENT

The delivery charges are subject to the Energy Cost Adjustment Clause.

## EXTENSION POLICY

Where the cost of extending service to the irrigation customer exceeds \$50.00 per horsepower contracted, the customer will pay in addition to the Minimum Annual Bill set forth above an additional annual minimum charge equal to twenty-one percent (21%) per year of the added investment in such facilities.

## DELAYED PAYMENT

As per Schedule DPC.

## TERMS AND CONDITIONS

Service will be rendered under Company's Rules and Regulations as filed with the Kansas Corporation Commission.

Issued			2016
	Month	Day	Year
Effective			2016
	Month	Day	Year
Bv			
Dу			
	Randall D. N	lagnison	Executive VP-Assistant CEO