

**BEFORE THE STATE CORPORATION COMMISSION  
OF THE STATE OF KANSAS**

In the Matter of the Application of Southern )  
Pioneer Electric Company for Approval to ) Docket No. 25-SPEE-353-TAR  
Make Certain Changes to its Rules and )  
Regulations Tariff. )

**DIRECT TESTIMONY OF**

**CHANTRY C. SCOTT  
EXECUTIVE VP, ASSISTANT CEO & CFO  
SOUTHERN PIONEER ELECTRIC COMPANY**

**ON BEHALF OF**

**SOUTHERN PIONEER ELECTRIC COMPANY**

March 14, 2025

1 **I. INTRODUCTION**

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

3 A. My name is Chantry C. Scott. My business address for legal service is 1850 W. Oklahoma,  
4 Ulysses Kansas 67880 and for mail receipt is PO Box 430, Ulysses Kansas 67880-0430.

5 **Q. What is your profession?**

6 A. I am the Executive VP – Assistant CEO & CFO (“Assistant CEO”) and Assistant Secretary  
7 of Southern Pioneer Electric Company, (“Southern Pioneer”), with its corporate office in  
8 Ulysses, Kansas and distribution-customer service offices located in both Liberal and  
9 Medicine Lodge, Kansas. I am also Assistant CEO of Pioneer Electric Cooperative, Inc.  
10 (“Pioneer Electric”), 100% owner of Southern Pioneer. Pioneer is a member-owned electric  
11 cooperative not subject to Kansas Corporation Commission (“KCC” or “Commission”)  
12 jurisdiction for rate setting.

13 **Q. Please describe your responsibilities with Southern Pioneer.**

14 A. As the Assistant CEO, I work directly for the President-Chief Executive Officer. I am  
15 responsible for assisting with establishing financial policy and rates, implementing Board-  
16 approved strategic programs, and the overall financial operations of Southern Pioneer. As  
17 the Assistant Secretary, in the absence of the Corporate Secretary, I sign and attest to  
18 corporate resolutions and other documents as necessary or as authorized or directed by the  
19 Board of Directors.

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

21 A. The purpose of my testimony is to provide support for Southern Pioneer’s Application in  
22 this Docket requesting Commission approval to implement certain revenue neutral changes  
23 in Southern Pioneer’s rate design.

1 **Q. What is your educational background?**

2 A. I graduated from the University of Kansas in 2000 with a Bachelor of Science in both  
3 Accounting and Business Administration, and in 2001 with a Master of Accounting and  
4 Information Systems. I attended and completed various industry specific training including  
5 the National Rural Electric Cooperative Association's Financial Planning and Strategies  
6 Workshop and the Cooperative Financial Professional Certificate program.

7 **Q. What is your professional background?**

8 A. I began work at Pioneer Electric in June of 2001 as Senior Accountant, where I assisted  
9 the Manager of Finance and Administration in completing general accounting activities. In  
10 December 2003, I was promoted to Manager of Accounting where I oversaw the Financial  
11 Accounting department's activities such as budgeting, financial forecasting, monthly and  
12 annual reporting, and various other accounting activities. In May 2011, I was promoted to  
13 the position of Chief Financial Officer and VP of Finance and Accounting. In November  
14 2020, I was promoted to the position of Executive VP – Chief Financial Officer. Finally,  
15 in March 2024, I was promoted to my current position of Executive VP – Assistant CEO  
16 & CFO. Pursuant to the July 7, 2006, Services Agreement between Pioneer Electric and  
17 Southern Pioneer, I fulfill these same roles for Southern Pioneer.

18 **Q. Have you previously presented testimony before the KCC?**

19 A. Yes. I provided direct, and in some instances rebuttal, testimony in Docket No. 12-MKEE-  
20 380-RTS ("12-380 Docket"), Docket No. 13-MKEE-699-RTS ("13-699 Docket"), Docket  
21 No. 15-SPEE-161-RTS ("15-161 Docket"), Docket No. 18-KPEE-343-COC ("18-343  
22 Docket"), Docket No. 19-SPEE-240-MIS (19-240 Docket), Docket No. 20-SPEE-169-  
23 RTS ("20-169 Docket"), and Docket No. 21-SPEE-331-GIE ("21-331 Docket"). I have

1 also provided review of or assisted with preparing responses to and supporting documents  
2 for data requests and witness testimony in numerous Southern Pioneer dockets.

3 **Q. Are you sponsoring any Exhibits to your Direct Testimony?**

4 A. I am not separately sponsoring any exhibits, but the document submitted as Exhibit A to  
5 Mr. Beecher's testimony includes explanations of various reasons and categories of  
6 changes requested to the Southern Pioneer Rules and Regulations in this docket. Those  
7 explanations and descriptions are based upon my personal knowledge and input into the  
8 creation of that document. Therefore, Exhibit A, although it is attached to Mr. Beecher's  
9 testimony, is based upon my personal knowledge and testimony on behalf of the company,  
10 and is consistent with my testimony submitted below.

11 **Q. In addition to your testimony, is Southern Pioneer offering other testimony in support**  
12 **of this Application?**

13 A. Yes. As discussed above, Mr. Brian Beecher, Operations and Engineering Manager in  
14 Medicine Lodge, is providing testimony identifying all the revisions to the Rules and  
15 Regulations proposed by Southern Pioneer in this docket. Mr. Beecher is also including in  
16 his testimony an outline listing and categorizing the revisions requested by Southern  
17 Pioneer in this docket.

18 **II. SOUTHERN PIONEER HISTORY**

19 **Q. Please provide some historical information on the origination of Southern Pioneer**  
20 **and describe the business activities of the Company.**

21 A. Southern Pioneer was formed in 2005 in response to Aquila's announcement of its intention  
22 to sell its Kansas electric assets. Five member-owner cooperatives of Sunflower Electric  
23 Power Corporation ("Sunflower") and Southern Pioneer, a wholly owned subsidiary of

1 Pioneer Electric, joined to form Mid-Kansas Electric Company, Inc. (“Mid-Kansas”), a  
2 not-for-profit corporation, to acquire and serve the former Aquila service territory. Mid-  
3 Kansas adopted the existing rate schedules of Aquila as part of the acquisition. On February  
4 23, 2007, the Commission approved the Acquisition<sup>1</sup>, and on April 1, 2007, Southern  
5 Pioneer began to serve and independently operate a designated geographic portion of the  
6 Mid-Kansas certificated territory formerly serviced by Aquila. At that time, Mid-Kansas  
7 held the Certificate of Convenience and Necessity for the former Aquila area and Southern  
8 Pioneer was serving a portion of the area via a Commission-approved Electric Customer  
9 Service Agreement between Southern Pioneer and Mid-Kansas.

10 **Q. Please continue.**

11 A. As a Mid-Kansas member-owner, and pursuant to a Commission-approved Electric  
12 Customer Service Agreement, Southern Pioneer contractually provided retail service,  
13 using Aquila’s former rate schedules, to approximately 17,300 Mid-Kansas customers in  
14 34 communities in the Mid-Kansas “Southern Pioneer Division.” Southern Pioneer also  
15 provided sub-transmission service to 34.5kV wholesale sub-transmission users. The  
16 Commission approved this arrangement until such time that the Mid-Kansas certificated  
17 territory and customers were transferred to the member-owners on November 21, 2013,  
18 when the Commission issued its order in Docket No. 13-MKEE-447-MIS (“13-447  
19 Docket”), approving the Mid-Kansas certificate spin-down. The 13-447 Order provided  
20 for, among other things, the transfer of the individual certificated territories, customers,  
21 KCC-approved rules and regulations, and rate schedules to each of the Mid-Kansas  
22 Members, including Southern Pioneer. As part of the 13-447 Docket, the Commission

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<sup>1</sup> The acquisition was approved by the Commission in Docket No. 06-MKEE-452-ACQ.

1 granted Southern Pioneer public utility status and the Mid-Kansas customers being served  
2 by Southern Pioneer officially became Southern Pioneer customers.

3 Southern Pioneer is a non-profit corporation, serving just over 17,000 retail meters  
4 and four third-party wholesale customers, still employing many of the former Aquila rates  
5 schedules. Southern Pioneer charges retail rates and wholesale local access delivery service  
6 charges as authorized pursuant to Southern Pioneer's Formula Based Ratemaking program  
7 ("FBR Plan") as last approved by the Commission in Docket No. 19-SPEE-240-MIS ("19-  
8 240 Docket").

9 **Q. Would you say that Southern Pioneer is unique in its corporate form and governance?**

10 A. Yes. Southern Pioneer is unique in that it is a non-profit corporation owned by a self-  
11 regulated cooperative. It is operated like a cooperative, but because it does not have  
12 "member-owners" who vote on management decisions, it is not a cooperative as defined  
13 under Kansas law. Because it is not a cooperative as defined by Kansas statute, it remains  
14 regulated by the KCC. However, because it is a non-profit corporation, and operated like  
15 a cooperative utilizing many hallmark cooperative governing principals, it is more like a  
16 cooperative than a traditional independently owned utility ("IOU"), which generally is  
17 much larger and has far more resources than does Southern Pioneer. Nevertheless, because  
18 it is not strictly a cooperative under Kansas law, it is regulated more like an IOU than like  
19 its peer cooperative organizations. Noting this dichotomy, the Commission has recognized  
20 that full blown regulation of Southern Pioneer presents a higher level of regulatory burden  
21 on Southern Pioneer than it does on its true peer organizations, specifically because it is  
22 operated as a non-profit, and based on governing principles common to most cooperatives.

23 **Q. How does that history impact this docket?**

1 A. Initially, it is important for the Commissioners to understand that, as a wholly-owned  
2 subsidiary of Pioneer, Southern Pioneer is managed and operated largely by trustees,  
3 managers and employees that also operate and manage Pioneer. Therefore, consistency in  
4 operation is important for reasons discussed in some additional detail below. At the same  
5 time, it is important to understand that Southern Pioneer faces a more substantial regulatory  
6 burden than Pioneer, because Pioneer is a self-regulated cooperative. While Pioneer can  
7 effectuate changes to its Rules and Regulations through internal mechanisms and  
8 approvals, Southern Pioneer must initiate a docket and obtain approval from the KCC for  
9 any such changes, as it is doing in this docket. These additional steps that Southern Pioneer  
10 must take entail substantial time, resources and money spent to file and obtain approval for  
11 changes to its Rules and Regulations. For this reason, Southern Pioneer is reluctant to seek  
12 minor revisions to its Rules and Regulations, and generally only seeks to make formal  
13 changes when they are needed. As such, these circumstances also explain the notable  
14 passage of time since Southern Pioneer has sought to effectuate formal revisions to its  
15 Rules and Regulations.

16 **III. REQUESTED REVISIONS TO SOUTHERN PIONEER'S RULES AND**  
17 **REGULATIONS**

18  
19 **Q. Why is Southern Pioneer proposing changes to its Rules and Regulations?**

20 A. Southern Pioneer's proposed changes to its Rules and Regulations are warranted because  
21 Southern Pioneer has only made limited revisions to its Rules and Regulations since they  
22 were initially adopted in 2007 after the approval of the Aquilla acquisition. In the interim,  
23 industry and corporate changes have occurred that warrant revisions of the Rules and  
24 Regulations, which govern Southern Pioneer's interactions and relationship with its  
25 customers.

1 **Q. Can you please summarize the categories of changes that Southern Pioneer is**  
2 **requesting be made to its Rules and Regulations?**

3 A. Yes. The first category of changes is comprised of certain revisions that update  
4 Southern Pioneer's Rules and Regulations to better reflect and conform with current  
5 market conditions, practices and expectations, and to reflect updates in technology used  
6 both in the delivery of services to customers, and in billing customers for those services.

7 **Q. Can you identify some examples of requested revisions for the purpose of**  
8 **conforming with current market practices and modes of technology as discussed**  
9 **above?**

10 A. Yes. For example, due to the instillation of advanced metering infrastructure ("AMI")  
11 and Interactive Voice Response ("IVR"), Southern Pioneer has the ability to change  
12 many of its procedures for notifying, disconnecting or reconnecting customers.  
13 Additionally, new technologies have provided opportunities to offer additional payment  
14 methods for our customers.

15 **Q. Why are these revisions important to Southern Pioneer?**

16 A. These revisions are necessary and important to Southern Pioneer. They are needed in  
17 order to allow Southern Pioneer to provide services using more efficient and effective  
18 technology for the delivery of service to its customers. Similarly, it is important for  
19 Southern Pioneer to conform with and reflect current market practices and expectations  
20 in order to assure that its customers have a reasonable expectation of how they can  
21 interact and correspond with Southern Pioneer, and that those interactions are consistent  
22 with current practices and expectations in the marketplace. As stated above, because  
23 the Rules and Regulations have only been minimally revised since 2007, some practices



1 set out in the Rules and Regulations have or will soon become outdated. These revisions  
2 are necessary to enable Southern Pioneer to provide service to its customer in a manner  
3 more consistent with updated practices and expectations.

4 **Q. Are there other categories of revisions that you can identify?**

5 A. Yes. A second category of revisions is comprised of revisions that will align Southern  
6 Pioneer's practices and procedures reflected in its Rules and Regulations with those of  
7 its parent, Pioneer.

8 **Q. Are you able to identify examples of revisions that are being requested to align**  
9 **Southern Pioneer's Rules and Regulations with those of Pioneer?**

10 A. Yes. In Exhibit A attached to Brian Beecher's direct testimony, he has indicated many  
11 areas where the requested changes bring alignment between the Pioneer and Southern  
12 Pioneer Rules and Regulations. For example, the requested language for sections  
13 regarding line extension policy, schedule of fees, security deposits, and "knock and  
14 collect" practices all bring alignment between Pioneer and Southern Pioneer Rules and  
15 Regulations.

16 **Q. Why is it important for Southern Pioneer to align its Rules and Regulations with**  
17 **those of Pioneer?**

18 A. It is important for Southern Pioneer to align its Rules and Regulations with those of  
19 Pioneer because Southern Pioneer and Pioneer are generally governed and managed by  
20 the same board of trustees and management executives. In addition, an overlapping set  
21 of employees carry out the day-to-day operations of both companies. Pioneer has  
22 implemented practices and procedures within its Rules and Regulations, which are  
23 functioning efficiently and fairly for Pioneer customers. Although those practices and

1 procedures implemented by Pioneer have not had to be approved by the KCC because  
2 Pioneer is a self-regulated cooperative, they have been approved through Pioneer's one-  
3 member-one-vote cooperative structure, and as stated above, they are fair and efficient  
4 practices to govern the relationship between Pioneer and its members. The same would  
5 very likely be true as it relates to Southern Pioneer and its customers as well. In addition,  
6 it would be more efficient from a management and operation standpoint for those same  
7 managers and employees working on behalf of both Pioneer and Southern Pioneer to be  
8 able to utilize the same set of practices and procedures. Therefore, alignment with  
9 Pioneer is reasonable and efficient, and allows Southern Pioneer to adopt practices  
10 already beneficially in use by Pioneer.

11 **Q. What other categories of revisions is Southern Pioneer requesting?**

12 A. Southern Pioneer is also requesting revisions to align the Rules and Regulations with its  
13 new rate structure. In Docket No. 25-SPEE-415-TAR ("the 415 Docket"), the KCC  
14 granted Southern Pioneer's request to convert the prior Residential and GSS Classes into  
15 the new Single and Three-Phase Classes of service. Southern Pioneer is requesting certain  
16 revisions in order to align the Rules and Regulations with its new rate structure, and new  
17 classes of service approved in the 415 Docket.<sup>2</sup>

18 **Q. Are there any other categories of revisions that Southern Pioneer is requesting?**

19 A. In addition to the three categories identified above, Southern Pioneer is requesting a  
20 handful of other miscellaneous revisions and clarifications, which are specifically  
21 identified in the testimony and materials provided by Mr. Beecher.

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<sup>2</sup> See, for Example, Requested Revisions to R3, sheet 4 at ¶ III.D, and R3, sheet 5, ¶ III.G.

1 **Q. Are there any specific changes requested by Southern Pioneer that you would like to**  
2 **raise to the Commission's attention and either explain in more detail or for which you**  
3 **would like to provide additional background?**

4 A. Yes. Southern Pioneer is requesting in its revision at R3 to be allowed to require a security  
5 deposit from non-residential customers, including Industrial and STR customers. Southern  
6 Pioneer intends to require security deposits from all non-residential customers at the time  
7 of application for service. For existing customers, Southern Pioneer intends to require  
8 security deposits for large industrial customers taking service under Southern Pioneer's  
9 Industrial or Sub-Transmission and Transmission Service tariffs, as well as from any non-  
10 residential customers that it perceives and determines, in its good faith exercise, poses  
11 substantial risk, due primarily to the size of the account coupled with volatility or  
12 uncertainty of the industry in which the customer is involved, that nonpayment of an  
13 account will cause substantial harm to and be a substantial financial burden to Southern  
14 Pioneer and its other customers. Such customers would likely include larger non-  
15 residential accounts for customers whose business is involved primarily in oil and gas  
16 production, oil and gas equipment supply, commodities, agricultural commodities and  
17 products, and other industries, which can be substantially affected by market and economic  
18 forces, regardless of current credit or payment history.

19 **Q. Why is Southern Pioneer focused on these types of non-residential customers with**  
20 **respect to its discretion to require a security deposit?**

21 A. In the experience of Southern Pioneer (and Pioneer), these categories of customers are at  
22 greater risk of unanticipated default and nonpayment of accounts caused by factors outside  
23 of the control of the customer or Southern Pioneer. In our experience, these industries pose

1 a higher risk of nonpayment, and particularly for larger accounts, pose a greater risk of  
2 harm to Southern Pioneer related to any unforeseen financial or economic downturn  
3 causing a customer default and nonpayment. As an example, Pioneer experienced the  
4 default and nonpayment of one of its large industrial members back in 2017, which member  
5 had always been an “A” paying customer. Unfortunately, the member had been impacted  
6 by changes in the market, and was forced into bankruptcy. Had Pioneer not held a security  
7 deposit to apply against the large amount of non-payment, Pioneer and its other members  
8 would have been substantially impacted by the default in payment as Pioneer had to pay  
9 Sunflower Electric for the wholesale power taken and delivered to this particular member.

10 **Q. Why is Southern Pioneer requesting the ability to require a security deposit in these**  
11 **situations?**

12 A. This request is primarily to provide protection to Southern Pioneer customers as a whole.  
13 The security provided by such deposits protects against a situation in which an unforeseen  
14 default and nonpayment causes substantial financial harm and distress to Southern Pioneer.  
15 To account for such nonpayment, Southern Pioneer could in some circumstances be  
16 required to incur additional debt, or to request that costs related to such nonpayment be  
17 recovered from all classes of customers. Indeed, it is possible that nonpayment from just  
18 a handful of customers could challenge Southern Pioneer’s financial viability. The security  
19 deposits act as a hedge against these types of substantial injuries related to nonpayment,  
20 and ultimately is in the best interest and for the benefit of Southern Pioneer’s customers as  
21 a whole.

22 **Q. Are there any other scenarios in which Southern Pioneer is requesting that the**  
23 **Commission approve the ability to require a security deposit?**

1 A. Yes. In addition, Southern Pioneer is requesting that it be permitted to require a security  
2 deposit for any customer that has previously filed or consented to a bankruptcy petition  
3 under federal bankruptcy law or any other insolvency laws or regulations of any state or  
4 other jurisdiction. Again, Southern Pioneer believes that the previous filing of a  
5 bankruptcy proceeding is indicative of a payment risk, and therefore requests that its  
6 regulations be revised to allow it to require a security deposit from any such customers at  
7 the time of application for service. Southern Pioneer believes this is a reasonable request,  
8 and again is intended to provide security for the protection and benefit of Southern  
9 Pioneer's customers.

10 **Q. How do the requested changes to the security deposit requirements compare to**  
11 **Pioneer's security deposit requirements?**

12 A. The changes requested by Southern Pioneer to security deposit requirements in this  
13 Application follow the current requirements of Pioneer in its Rules and Regulations, with  
14 the sole goal of mitigating risk and ultimately rate impacts to all customers as a result of  
15 non-payment by a non-residential customer.

16 **Q. What other additional revisions would you like to point out to the Commission?**

17 A. In Index R4, Southern Pioneer is requesting that the Commission grant its request to limit  
18 payment by credit card as an approved method of payment to only residential customers  
19 and those customers receiving single phase service.

20 **Q. Has Southern Pioneer recently requested expedited relief for a partial waiver of this**  
21 **provision?**

22 A. Yes, in recently-filed Docket No. 25-SPEE-307-MIS ("307 Docket"), Southern Pioneer  
23 has requested that the Commission grant a limited waiver allowing Southern Pioneer to

1 disallow payment by credit card from its STR class of customers. Southern Pioneer's  
2 request for relief in the 307 Docket is based on much of the same evidence and  
3 circumstances discussed below. However, the request and relief sought in the 307 Docket  
4 is intentionally more narrow and focused because Southern Pioneer is requesting that relief  
5 be granted on an expedited basis. Southern Pioneer believes this issue, however, needs to  
6 be addressed on a broader and more permanent basis, and is seeking that relief in this  
7 docket.

8 **Q. How is the relief Southern Pioneer is seeking in this docket with respect to its Rules**  
9 **and Regulations regarding credit card payments different from what was requested**  
10 **in the 307 Docket?**

11 A. In the 307 Docket, Southern Pioneer requested only the limited relief that it be allowed to  
12 disallow payment by credit card only from its STR class of customers, and that the relief  
13 be granted on an expedited basis. Southern Pioneer is requesting in this docket that it be  
14 allowed to permanently revise its Rules and Regulations to limit payment by credit card as  
15 an approved method of payment to only residential customers and those customers  
16 receiving single phase service.

17 **Q. Has a similar issue been addressed by the Commission in any recent docket other**  
18 **than the 307 Docket?**

19 A. Southern Pioneer is aware that this issue was a matter of dispute in a recent Commission  
20 docket, Docket No. 18-SPEE-241-TAR ("241 Docket"). In the 241 Docket, Southern  
21 Pioneer had requested approval to only allow residential customers to pay by credit card,  
22 or to set the limit for credit card transactions at \$1,000. Southern Pioneer had argued that  
23 the merchant and transaction fees charged for larger transactions, generally based on a

percentage of the dollar amount of the transaction, could be substantially higher for credit card payments made by larger accounts and non-residential customers and could subject ratepayers to substantial unknown costs. At the time of the 241 Docket, the Commission denied Southern Pioneer’s request to limit credit card payments to only residential customers. Staff expressed concern with the request “based on the data presented in [that] case,” noting that Southern Pioneer had not provided “sufficient evidence in [that] case to support its concern that the unknown costs would be unreasonably high.”<sup>3</sup> Staff, however, did acknowledge that it would be willing “to expedite another review of transaction costs when actual cost data is available.”<sup>4</sup> The Commission adopted Staff’s analysis in denying Southern Pioneer’s request at that time,<sup>5</sup> finding that there was not sufficient evidence that the possibility of large credit card payments for non-residential customers warranted a rule limiting credit card payments to residential customers only.

**Q. What has caused Southern Pioneer to renew its request to limit credit card payments to only residential customers and those customers receiving single-phase service?**

A. As discussed in the 307 Docket, Southern Pioneer has recently experienced at least one non-residential customer, which has paid substantial monthly invoices using a series of credit card transactions. The monthly amount paid by credit card by this customer exceeded \$1,000,000 four times during 2024 with an average of 293 transactions processed by that customer during those four months. The total amount paid by credit card by this customer during 2024 was \$6,519,768 with 1400 transactions processed. The credit card

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<sup>3</sup> Docket No. 18-SPEE-241-TAR, Staff’s Reply to Southern Pioneer’s Response to Staff and CURB’s Recommendations, July 25, 2018, at ¶ 11–12.

<sup>4</sup> Id. at ¶ 13.

<sup>5</sup> Docket No. 18-SPEE-241-TAR, Order Allowing Bill Payment from all Southern Pioneer Customers, August 30, 2018, at ¶ 7.

1 transactions for this customer began in April 2024 with no credit card payments occurring  
2 January – March 2024. Although fee information is not provided per transaction and we  
3 are unable to directly access the cost related to these specific transactions or this specific  
4 customer, Southern Pioneer’s merchant fee invoices increased from a monthly average of  
5 \$7,000 to \$34,000 in the months the total amount paid by credit card exceeded \$1,500,000.  
6 Additionally, we know of at least three other large commercial customers who are paying  
7 average monthly bills greater than \$15,000 by credit card, one of which began paying by  
8 credit card in May 2024. These three customers have paid roughly \$700,000 of combined  
9 invoices in 2024 by credit card. Contrary to Staff’s position, adopted by the Commission  
10 in the 241 Docket, this recent development is a specific example of unreasonably high  
11 unexpected or unknown costs related to these credit card transactions, and addresses Staff’s  
12 and the Commission’s concerns in the 241 Docket that Southern Pioneer had not provided  
13 evidence that such costs would or could be substantially and unreasonably high. It further  
14 demonstrates the need for limitations and reasonable rules to address large payments by  
15 credit card, particularly those that incur substantial merchant and transaction fees, and is  
16 the specific type of actual cost data that Staff had indicated would cause it to review its  
17 position in the 241 Docket. Southern Pioneer does not believe it would be fair or  
18 reasonable to continue to allow such high-fee transactions to be made by credit card, and  
19 require Southern Pioneer’s customers to pay for such fees in the future through base rates.  
20 Southern Pioneer believes the better approach is to restrict credit card payments to only  
21 those customers receiving single phase service. Therefore, although Southern Pioneer  
22 acknowledges this would be a change from the Commission’s order in the recent 241  
23 Docket, such change is warranted by current facts and evidence submitted in this docket.



1 **Q. Why is Southern Pioneer seeking to make this change in addition to the change**  
2 **requested in the 307 Docket?**

3 A. The relief sought in the 307 Docket was specifically intended to be narrowly tailored to  
4 hopefully attempt to mitigate the immediate problem on an expedited basis. It does not  
5 permanently or completely resolve the issue, however. As discussed above, there continue  
6 to be commercial customers who make large payments by credit card. The potential for  
7 the same type of unusual credit card payment activity by a commercial customer, which is  
8 not also a member of the STR class, remains a substantial risk. Southern Pioneer believes  
9 the best way to permanently address this issue is to restrict credit card payment as a  
10 payment method only to residential customers and those customers receiving single phase  
11 service. Pioneer has recently approved similar limitations on the availability of credit card  
12 payments for its customers. Moreover, the remedy proposed by Southern Pioneer in this  
13 docket seeks to prevent the issue from arising again with respect to another large-account  
14 customer.

15 **Q. What other notable changes do you believe need to be identified to the Commission?**

16 A. Southern Pioneer is proposing a change regarding notice of discontinuance procedures set  
17 forth in Index R5. Specifically, Southern Pioneer is requesting that it be allowed to remove  
18 sections in paragraph V.C.6. prescribing the contents of notice of discontinuance of service  
19 to non-AMI metered customers. That language was adopted as part of Southern Pioneer's  
20 Pilot Program under the Commission's "Knock-and-Collect" procedures resulting from  
21 Docket No. 15-TIMX-344-GIV ("Knock-and-Collect Docket"). Southern Pioneer is  
22 requesting permission to remove that language, and instead state that the customer will

1 receive notice of intent to discontinue service by phone or as preferred by the customer,  
2 without prescribing any required contents of such notice.

3 **Q. Do the requested changes alter the time-frame of notice of discontinuance and**  
4 **discontinuance of service adopted in the “Knock-and-Collect” Docket?**

5 A. No. The timeline requiring 10 days written notice prior to discontinuance, additional  
6 notification of intent to discontinue 2 days prior to discontinuance, and posting of notice  
7 of discontinuance 5 days prior to discontinuance for multi-dwelling residential properties  
8 all remain the same. The time periods and substance of Southern Pioneer’s practices for  
9 notification of discontinuance, and timeline of such notice in relation to ultimate  
10 discontinuance of service remain unchanged. Therefore, these revisions do not present a  
11 material change in the rights of the customer with respect to notice of discontinuance of  
12 service. They simply streamline the required contents of any notice of discontinuance in a  
13 manner that is consistent with Pioneer’s practices.

14 **Q. Are there requested changes to Southern Pioneer’s schedule of fees?**

15 A. Yes. The new schedule of fees generally reflects and mirrors what Pioneer has adopted  
16 and is charging for certain services, such as reconnection and disconnection. The new  
17 charges relate generally to circumstances where Southern Pioneer personnel are required  
18 to make a trip to a customer’s property to provide services. They generally apply to non-  
19 AMI customers without remote connections and disconnections capabilities as a result,  
20 which comprises a limited set of Southern Pioneer customers at this point. They include,  
21 for instance, a \$130.00 charge for Non-Pay After Hours Reconnection, and \$40.00 for  
22 Meter Reading Trip Charge. As stated above, all of these charges are incurred when a  
23 service is required for a customer that does not have remote connection, disconnection or

meter reading capabilities. Therefore, these services, unlike remote connection or disconnection, require Southern Pioneer to make a specific trip out to the customer's property, and therefore the cause Southern Pioneer to incur direct cost related to such services that is different from customers with remote capabilities. Therefore, the charges are reasonable and appropriate in these circumstances.

**Q. Finally, could you address Southern Pioneer's requested revision as it relates to its parallel generation rules and regulations?**

A. Yes. Southern Pioneer is requesting in this docket to remove or substantially remove the procedures for interconnecting parallel generation facilities from its Rules and Regulations, and instead refer within the Rules and Regulations to the FERC pro-forma Small Generator Interconnection Procedures. Southern Pioneer is making this request because it desires to standardize its parallel generation interconnection procedures with the pro-forma procedures approved by FERC, which procedures have already been adopted by the Kansas Electric Cooperative for recommended use by its member cooperatives across the state, including Pioneer. Pioneer adopted use of the FERC pro-forma procedures in 2022. Referring to the FERC pro-forma procedures instead of including the current pro-forma procedures in the Rules and Regulations would allow Southern Pioneer the ability to modify its procedures if the FERC pro-forma were to change, without having to file and receive approval from the Commission on changes to the procedures.

**Q. How do you propose to provide notice of this filing to customers and obtain their input?**

A. Southern Pioneer plans to follow the direction and orders of the Commission as it relates to notice to be provided to the public and to its customers of the filing of this application

1           and the initiation of this docket. In addition, if the Commission determines that a public  
2           hearing on the Application is necessary, Southern Pioneer will comply fully to address and  
3           support its requested revisions at any public hearing as ordered by the Commission.


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

5   A.   Yes, it does.

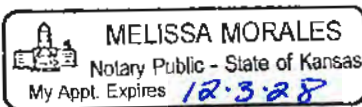
**VERIFICATION**

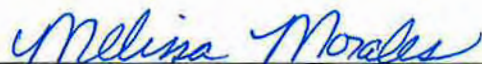
STATE OF KANSAS            )  
  ) ss:  
COUNTY OF GRANT        )

The undersigned, Chantry C. Scott, upon oath first duly sworn, states that he is Executive VP – Assistant CEO & Chief Financial Officer of Southern Pioneer Electric Company, that he has reviewed the foregoing document titled “Direct Testimony” before the State Corporation Commission of the State of Kansas, that he is familiar with the contents thereof, and that the statements contained therein are true and correct to the best of his knowledge and belief.

  
\_\_\_\_\_  
Chantry C. Scott

Subscribed and sworn to before me this 3<sup>rd</sup> day of March, 2025.



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

My appointment expires: 12.3.28

## **CERTIFICATE OF SERVICE**

I hereby certify that a copy of the above and foregoing was electronically filed with the Kansas Corporation Commission on March 14, 2025, and that one copy was delivered electronically to all parties on the service list as follows:

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*/s/ Will B. Wohlford*  
\_\_\_\_\_  
Will B. Wohlford