

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

Before Commissioners: Shari Feist Albrecht, Chair
 Jay Scott Emler
 Dwight D. Keen

In the Matter of Southern Pioneer Electric)
Company for Approval of the Continuation of) Docket No. 19-SPEE-240-MIS
its Debt Service Coverage and 34.5 kV)
Formula Based Ratemaking Plans.)

**ORDER ACKNOWLEDGING NOTICE OF INTENT TO CONTINUE
FORMULA-BASED RATEMAKING PLAN**

The above-captioned matter comes before the State Corporation Commission of the State of Kansas (Commission) for consideration and decision. Having reviewed the pleadings and records and being duly advised in the premises, the Commission makes the following findings and conclusions:

I. BACKGROUND

1. On December 20, 2018, Southern Pioneer Electric Company (Southern Pioneer) filed a Notice and Initiation of Docket in which Southern Pioneer expressed its intent to seek continuation of its formula based ratemaking (FBR) plans.¹ Southern Pioneer's Notice to the Commission is necessary to comply with an agreement made in Docket No. 13-MKEE-452-MIS (13-452 Docket). Southern Pioneer agreed to advise the Commission in 2018 of its desire to continue its Debt Service Coverage FBR pilot plan (DSC-FBR).² The DSC-FBR was designed to allow Southern Pioneer to adjust its retail rates relating to its distribution system on an annual basis

¹ Notice Filing of Southern Pioneer Electric Company (Dec. 20, 2018) ("Notice").

² Order Approving Non-Unanimous Settlement Agreement, pp. 1-4, Docket No. 13-MKEE-452-MIS (Sep. 26, 2013) (452 Order).

using a pre-approved formula with a DSC target, subject to an annual review process by the Commission.³

2. Southern Pioneer is regulated by this Commission and is a wholly owned subsidiary of Pioneer Electric Cooperative, Inc. (Pioneer Electric). Pioneer Electric is a not-for-profit Kansas member-owned electric cooperative. Pursuant to K.S.A. 66-104d, Pioneer Electric is not subject to Commission's regulation for retail ratemaking purposes.⁴

3. On December 20, 2018, Southern Pioneer filed its Notice to alert the Commission of Southern Pioneer's intent to continue the DSC-FBR plan and advise the Commission Southern Pioneer will file the application and supporting testimonies associated with the FBR Plan in this docket by the end of the first quarter 2019.⁵

4. Southern Pioneer acknowledges the likelihood of a 240-day timeline on this docket, and that the running of the timeline will not start until the filing of an application and supporting testimony. Southern Pioneer expressly waives any future claim that the timeline in this docket will begin earlier than it files its formal application to continue the FBR plan.⁶ Southern Pioneer agrees that, if the Commission does deem suspension of the docket is necessary, the 240-day deadline for a Commission order will be 240 days after it files its application and supporting testimony.⁷

II. LEGAL STANDARDS AND DISCUSSION

5. Pursuant to K.S.A. 66-101, the Commission has full power, authority and jurisdiction to supervise and control electric public utilities. The Commission has the power to

³ See 452 Order, pp.3—5.

⁴ Notice at 1.

⁵ *Id.* at 2.

⁶ *Id.* at 3.

⁷ *Id.*

prescribe reasonable rules and regulations regarding the form and filing of all schedules of rates and all rules and regulations of electric public utilities.⁸ All incidental powers necessary to carry on the responsibilities designated in K.S.A. 66-101, *et seq.* are expressly granted to and conferred upon the Commission.⁹

6. K.A.R. 82-1-202, *et seq.*, contains the regulations pertaining to Commission filing and general practice and procedure. The Commission acknowledges Southern Pioneer's Notice, but Southern Pioneer still must comply with all applicable regulations in filing both its official application to continue the DSC-FBR plan, and its anticipated rate case. More specifically, when filing its anticipated rate case, Southern Pioneer's application must satisfy the minimum filing requirements found in K.A.R. 82-1-231. Southern Pioneer must also comply with the provisions in K.A.R. 82-1-214 by providing notice when the rate case will be filed.

7. The Commission's acknowledgement of Southern Pioneer's Notice is not a substitute for Southern Pioneer filing either its application to continue the DSC-FBR plan or its anticipated rate case. Such acknowledgement does not initiate the 240-day timeline for approval of continuation of the DSC-FBR, nor does it start the timeline for a rate case proceeding. Each of the above proceedings must be formally opened through the filing of an application. Rather, the Commission enters this Order to acknowledge Southern Pioneer has satisfied the notice requirements set out in the 13-452 Docket.

III. FINDINGS AND CONCLUSIONS

8. The Commission finds and concludes Southern Pioneer has satisfied the notice requirements set out in the 13-452 Docket.

⁸ K.S.A. 66-101c.

⁹ K.S.A. 66-101g.

9. At the time Southern Pioneer files its formal application to continue the DSC-FBR plan, the Commission will deem it appropriate to extend the timeline in this docket to 240 days, as allowed by K.S.A. 66-117(c). The Commission accepts Southern Pioneer's explicit waiver of any potential claim that the timeline in this docket starts earlier than the day Southern Pioneer files its formal application. Accordingly, the Commission finds and concludes a suspension period of 240 days will commence in this docket upon Southern Pioneer's filing of an application to continue the DSC-FBR plan.

THEREFORE, THE COMMISSION ORDERS:

- A. Southern Pioneer's intent to continue its DSC-FBR plan is hereby acknowledged.
- B. Southern Pioneer remains required to submit formal applications for both its proposed continuation of its DSC-FBR plan and its anticipated rate case. Southern Pioneer is directed to file the application for the proposed continuation of its DSC-FBR plan in this docket. Southern Pioneer is directed to file the application for its anticipated rate case in a separate docket.
- C. Southern Pioneer must adhere to all requirements found in K.A.R. 82-1-201, *et seq.* when filing both dockets identified in ordering clause (B).
- D. In either application submitted in accordance with ordering clause (B), the statutory suspension period set forth in K.S.A. 66-117(c) shall be tolled and not commence until Southern Pioneer files formal applications in the respective matters.
- E. Parties have 15 days, plus three days if service is by mail, from the date of service of this Order to petition the Commission for reconsideration or request a hearing, as provided in K.S.A. 77-542.
- F. The Commission retains jurisdiction over the subject matter and the parties for the purpose of entering such further orders as it may deem necessary and proper.

BY THE COMMISSION IT IS SO ORDERED.

Albrecht, Chair; Emler, Commissioner; Keen, Commissioner

Dated: 01/15/2019



Lynn M. Retz
Secretary to the Commission

CRM

CERTIFICATE OF SERVICE

19-SPEE-240-MIS

I, the undersigned, certify that the true copy of the attached Order has been served to the following parties by means of electronic service on 01/16/2019.

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