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.		

TESTIMONY IN SUPPORT OF UNANIMOUS SETTLEMENT AGREEMENT OF

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

ON BEHALF OF

SOUTHERN PIONEER ELECTRIC COMPANY

August 18, 2025

INTRODUCTION

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- 3 Q. Please state your name and business address.
- 4 A. My name is Chantry C. Scott. My business address for legal service is 1850 W. Oklahoma,
- 5 Ulysses Kansas 67880 and for mail receipt is PO Box 430, Ulysses Kansas 67880-0430.
- 6 Q. Are you the same Chantry C. Scott who provided direct and rebuttal testimony in
- 7 **this docket?**
- 8 A. Yes.
- 9 Q. What is the purpose of your current testimony in this proceeding?
- 10 A. The purpose of my current testimony is to provide support for the Unanimous Settlement
- Agreement entered into in this docket between Southern Pioneer, Kansas Corporation
- 12 Commission Staff ("Staff") and Citizens' Utility Ratepayer Board ("CURB").
- Q. Please provide a brief description of the Company's issues leading to the filing of this
- 14 docket.
- A. As summarized and addressed in my direct testimony filed in this docket, because of the
- unique history and corporate structure of the Southern Pioneer, it had become important
- for Southern Pioneer to make substantial changes to its Rules and Regulations tariff.
- Southern Pioneer's proposed changes to its Rules and Regulations are warranted because
- Southern Pioneer has only made limited revisions to its Rules and Regulations since they
- were initially adopted in 2007 after the approval of the Aquilla acquisition. In the interim,
- industry and corporate changes have occurred that warrant revisions of the Rules and
- Regulations, which govern Southern Pioneer's interactions and relationship with its
- 23 customers.

Southern Pioneer, therefore, proposed to make numerous changes to its Rules and Regulations, which I placed into four categories in my direct testimony: changes to update the Rules and Regulations to reflect current market conditions, practices, expectations and changes in technology, changes necessary to align Southern Pioneer's Rules and Regulations with those of its parent, Pioneer Electric Cooperative, changes necessary to align the Rules and Regulations with its Southern Pioneer's new rate structure established in Docket No. 25-SPEE-415-TAR, and various other miscellaneous revisions and clarifications identified in my direct testimony, and in the direct testimony and exhibits provided by Mr. Brian Beecher on behalf of Southern Pioneer.

10 Q. Are Southern Pioneer's initial requested revisions reflected in this docket?

- 11 A. Yes. They are described in the table attached as Exhibit A, and in the redline tariff attached as Exhibit B to the direct testimony of Brian Beecher in this docket.
- Q. Did any parties state objections to Southern Pioneer's requested revisions in this docket?
- 15 A. Yes. Both Staff and CURB filed direct testimony in this case. In Direct Testimony,
 16 filed by witness Douglas W. Hall, Staff objected to Southern Pioneer's requested
 17 revisions reflected in the following tariff sections:

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- R3, Section A.2.b
- R3, Section A.2.c
- R3, Section B. (1), (2), (3), (6), (7) and (8)

¹ Scott Direct Testimony, p. 8–9.

² Id. at p. 9–10.

³ Id. at p. 10.

⁴ Id. at p. 10–11.

1		• R4, Section A.13.a
2		• R4, Section E.1
3		• R4, Section E.4
4		• R5, Section C.i.6
5		• R5, Section C.ii.4. 6 and 9.
6		• R10
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8		In addition, in its Direct Testimony filed by witness Patrick Orr, CURB objected to
9		Southern Pioneer's requested revisions reflected in the following tariff sections R5, Section
10		C.i.(6), and objected to revisions in R3 to the extent they would allow Southern Pioneer to
11		require security deposits from certain residential and small commercial customers.
12	Q:	Were there any requested revisions that Staff and CURB agreed to accept in their
12 13	Q:	Were there any requested revisions that Staff and CURB agreed to accept in their Direct Testimonies?
	Q:	
13	Q:	Direct Testimonies?
13 14	Q:	Direct Testimonies? Yes. Staff witness Hall and CURB witness Orr both expressly confirmed that Staff and
13 14 15	Q:	Direct Testimonies? Yes. Staff witness Hall and CURB witness Orr both expressly confirmed that Staff and CURB agreed to Southern Pioneer's proposed revisions in R4, Sections H.4 and H.5 to
13 14 15 16	Q:	Direct Testimonies? Yes. Staff witness Hall and CURB witness Orr both expressly confirmed that Staff and CURB agreed to Southern Pioneer's proposed revisions in R4, Sections H.4 and H.5 to limit the availability of payment by credit card to only residential customers and customers
13 14 15 16 17	Q:	Direct Testimonies? Yes. Staff witness Hall and CURB witness Orr both expressly confirmed that Staff and CURB agreed to Southern Pioneer's proposed revisions in R4, Sections H.4 and H.5 to limit the availability of payment by credit card to only residential customers and customers receiving single-phase service.
13 14 15 16 17	Q:	Direct Testimonies? Yes. Staff witness Hall and CURB witness Orr both expressly confirmed that Staff and CURB agreed to Southern Pioneer's proposed revisions in R4, Sections H.4 and H.5 to limit the availability of payment by credit card to only residential customers and customers receiving single-phase service. In addition, there were numerous revisions included in Southern Pioneer's initial
13 14 15 16 17 18	Q:	Direct Testimonies? Yes. Staff witness Hall and CURB witness Orr both expressly confirmed that Staff and CURB agreed to Southern Pioneer's proposed revisions in R4, Sections H.4 and H.5 to limit the availability of payment by credit card to only residential customers and customers receiving single-phase service. In addition, there were numerous revisions included in Southern Pioneer's initial requested revisions which were not expressly addressed in the Direct Testimonies of Staff

TERMS OF THE UNANIMOUS SETTLEMENT AGREEMENT

language for those sections.

3 Q. Can you generally describe the final terms of the Unanimous Settlement Agreement?

A. The parties to the Unanimous Settlement Agreement all reached agreement as to all disputed issues, and therefore the Unanimous Settlement Agreement is comprehensive as to all issues presented in this docket. In general, the terms of the Unanimous Settlement Agreement can be described as follows:

• Regarding revisions requested in Section R3 of Southern Pioneer's Rules and Regulations related to when and from what customers Southern Pioneer may request or require a security deposit, the Parties agreed to a modification of the original proposed language offered by Southern Pioneer, which is reflected in Exhibit 1 to the Settlement Agreement at R3, Sections B.6, 7 and 8. The Parties further agreed that Southern Pioneer's requested revisions to R3, Sections A.2.b, and c, B.1, 2, 3 and 7 will not be adopted, and agreed to revert back to the prior

• Regarding revisions requested in Section R4 of Southern Pioneer's Rules and Regulations related to notifications and disclosures in bills and in nonpayment notices, the parties agreed that Southern Pioneer's requested revisions in R4 should be adopted with the exception of Southern Pioneer's requested revisions to R4, A.13.a, E.1.a. and b, and R4, F.4.ii.b. As stated above, the parties specifically agreed accept Southern Pioneer's proposed revisions in R4, Sections H.4 and H.5 to limit the availability of payment by credit card to only residential customers and customers receiving single-phase service.

1	• Regarding revisions to Section R5 related to contents and timing of
2	disconnection notices the parties agreed that the requested revisions in
3	R5 will be accepted, except those proposed revisions to R5, C.i.6, and
4	C.ii.4., 6, and 9.
5	• Regarding revisions to Section R10 related to parallel generation and
6	interconnection standards and obligations related thereto, the parties
7	agreed that the revisions to R10 should be permitted in light of Southern
8	Pioneer's plans to file a separate docket for approval of a new parallel
9	generation tariff in the near future. The parties further agreed that R10
10	would be amended to incorporate specific language related to
11	interconnection standards stating that interconnection to Southern
12	Pioneer's system is governed by specific State and Federal statutory and
13	regulatory provisions, including K.S.A. 66-1,184 et seq., 66-1263 et
14	seq., Public Utility Regulatory Policy Act and related regulations. This
15	language is reflected on the redline Exhibit 1 to the Unanimous
16	Settlement Agreement.
17	• The parties agreed that all other requested revisions would be accepted
18	as part of the Unanimous Settlement Agreement.
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20	The Unanimous Settlement Agreement includes attachments Exhibit 1 and Exhibit 2,
21	which, respectively, are redlined and clean versions of the agreed Rules and Regulations
22	tariff for Southern Pioneer pursuant to the Unanimous Settlement Agreement entered by
23	the parties in this docket.
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THE SETTLEMENT MEETS THE COMMISSION'S THREE-PART TEST FOR UNANIMOUS SETTLEMENT AGREEMENTS AND SHOULD BE APPROVED Q. Are you familiar with the factors the Commission considers when reviewing a proposed settlement agreement? A. Yes. I am aware that the Commission will evaluate, and must make an independent finding, that a settlement agreement (a) is supported by substantial competent evidence in the record as a whole, (b) results in just and reasonable rates, and (c) is in the public interest. The

• Whether each party had an opportunity to be heard on reasons for opposing the settlement.

Commission has established a five-factor test to determine the reasonableness of proposed

- Whether the settlement is supported by substantial competent evidence in the record as a whole.
- Whether the settlement conforms to applicable law.
- Whether the settlement will result in just and reasonable rates.
- Whether the results of the settlement are in the public interest.⁶

non-unanimous settlement agreements. These factors are:

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However, since this is a unanimous agreement, it is my understanding that the first and third factors are not applicable. I will address the other three factors.

⁵ See Order Approving Nonunanimous Stipulation and Agreement, Docket No. 12-WSEE-112-RTS, issued April18, 2012, ¶ 24; see Citizens' Utility Ratepayer Board v. State Corp. Comm'n, 28 Kan.App.2d 313, 316, 16 P.3d 319 (2000).

 $^{^6}$ See Order Approving Contested Settlement Agreement, Docket No. 08-ATMG-280-RTS, issued May 12, 2008, $\P\P$ 9-10.

The Settlement is supported by substantial competent evidence.

- 2 Q. Is there substantial competent evidence in the record of this docket to support the
- **Settlement submitted by the Signatory Parties?**
- 4 A. Yes. All items agreed to and included in this Settlement are supported by substantial
- 5 competent evidence in the record as a whole. Southern Pioneer provided substantial
- 6 testimony supporting the reasons for and need for the revisions requested in this docket and
- agreed to by the parties, including the corporate and regulatory history of Southern Pioneer,
- and the need to update the Southern Pioneer Rules and Regulations to modernize and to
- 9 conform with the Rules and Regulations in use by Pioneer. Although some requested
- revisions were met with some objection by Staff and CURB, the vast majority of the
- revisions have been accepted by the parties. Those areas of objection were identified and
- discussed in testimony submitted by Staff and CURB, as well as in my rebuttal testimony.
- The parties reached a reasonable agreement, which is overall supported by the substantial
- testimony provided in this docket.

The Settlement results in just and reasonable rates.

- Q. Does the Settlement result in just and reasonable rates for EKC's and EKM's customers?
- A. The settlement does not have any specific rate impact for Southern Pioneer customers. As
- such, the settlement does not impact rates charged by Southern Pioneer, which have
- previously been determined by the Commission to be just and reasonable. Therefore, the
- settlement does result in just and reasonable rates.

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The results of the Settlement are in the public interest

Q. Is the Settlement in the public interest?

A. Yes. The settlement is in the public interest, and in particular in the interest of the Southern Pioneer customers. The revisions to the Rules and Regulations clarify, streamline and modernize much of the Rules and Regulations which had not been substantially revised since 2007.

Moreover, many of the revisions to the Rules and Regulations harmonize the provisions of Southern Pioneer's Rules and Regulations with those of its parent company, Pioneer. As discussed in my Direct Testimony filed in this docket, Southern Pioneer and Pioneer are generally managed by one management team overseeing both entities, and the day-to-day work of both entities is generally carried out by one set of employees shared by both entities. Conforming the Southern Pioneer and Pioneer Rules and Regulations as much as possible creates efficiencies that are directly beneficial to Southern Pioneer customers.

In addition, certain revisions in Section R3 pertaining to security deposits allow Southern Pioneer to require a security deposit in situations and from certain customers whose non-payment may be a financial threat to Southern Pioneer. This will allow Southern Pioneer more security and means to recover against substantial customer nonpayment, as opposed to having to spread recovery of any substantial non-payment loss over the entire Southern Pioneer customer base.

Finally, the revisions to R4, H.4 and H.5 limiting the availability of payment by credit card to only residential customers and customers receiving single-phase service is a substantial benefit to Southern Pioneer customers. Southern Pioneer had incurred

1	substantial merchant fees related to numerous and large credit card payments made by
2	certain large commercial customers, which again had to be spread over the entire
3	customer base. The substantial need for this revision was discussed in my Direct
4	Testimony at pages 13–17, as well as in Docket 25-SPEE-307-MIS.

Overall, the terms of the Unanimous Settlement Agreement are substantially beneficial to Southern Pioneer, its customers, and the public at large.

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CONCLUSION

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- 10 Q. Does this conclude your testimony?
- 11 A. Yes, it does.

VERIFICATION

I, Chantry C Scott, of lawful age, state:

That I am Executive VP – Assistant CEO & Chief Financial Officer of Southern Pioneer Electric Company; that I do solemnly, sincerely and truly declare and affirm that I have read this Testimony In Support Of Unanimous Settlement Agreement and know the contents thereof; and, that the facts therein are true and correct to the best of my knowledge, information and belief, and I affirm this under the pains and penalties of perjury.

Chantry C. Scott

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CERTIFICATE OF SERVICE

I hereby certify that a copy of the above and foregoing was electronically filed with the Kansas Corporation Commission on August 15, 2025, and that one copy was delivered electronically to all parties on the service list as follows:

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<u>/s/ Will B. Wohlford</u>
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