

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

In the Matter of the Investigation into)
Southern Pioneer Electric Company) Docket No. 21-SPEE-331-GIE
Regarding the February 2021 Winter)
Weather Events as Contemplated by Docket)
No. 21-GIMX-303-MIS.)

**CURB'S RESPONSE TO SOUTHERN PIONEER'S REQUEST FOR AN INTERIM
ORDER**

COMES NOW, the Citizens' Utility Ratepayer Board ("CURB") hereby files its Response to Southern Pioneer Electric Company's (Southern Pioneer) Request for the issuance of an Interim Order in the above-captioned docket. CURB states the following:

1. On March 9, 2021, the Kansas Corporation Commission (KCC or Commission) issued an order in Docket No. 21-GIMX-303-MIS, adopting the Commission Staff's (Staff) recommendation to open company-specific dockets in response to the February 2021 Winter Storm Event (Winter Event).¹ The Commission also directed all jurisdictional utilities to file their plans to minimize the financial effects of the Winter Event in these dockets. The company-specific dockets are to serve two purposes: 1. To facilitate the investigations into each utility's unique circumstances and response to the Winter Event and 2. To allow review by Staff and other intervenors of each utility's financial plans regarding recovery of costs associated with the Winter Event, including use of the KCC-approved regulatory asset.

2. On March 10, 2021, Southern Pioneer filed an application and request for an interim order as part of its compliance with the KCC's orders. As part of its request for overall relief, Southern Pioneer has asked for a finding that the costs to be included in its Winter Event regulatory

¹ *Order Adopting Staff's R&R to Open Company-Specific Investigations; Order on Petitions to Intervene of Bluemark and CURB; Protective and Discovery Order*, Docket No. 21-GIMX-303-MIS, (March 9, 2021).

asset are reasonable and prudently incurred, approval of its proposed plan to apply a separate charge to customers over thirty-six months to collect costs associated with the Winter Event, and a waiver of Southern Pioneer's ECA tariff for those costs to the extent necessary to carry out the terms of this proposed plan.² Southern Pioneer does not intend to add these additional charges to customers' bills until a final order is issued by the KCC. Southern Pioneer also requests that KCC issue an order approving special provisions for customers disconnecting prior to the Commission's issuance of a final order and to allow one large industrial customer to pay its share of the Winter Event costs in its April bill instead of those amounts being added to the regulatory asset.

3. On March 15, 2021, Staff filed its response to Southern Pioneer's Interim Order request. Staff reviewed the request and is supportive of the interim request as an equitable solution for Southern Pioneer and its customers. Staff further recommends that the KCC makes clear in its interim order that each customer who disconnects from the system before a final order will only be charged on an interim, subject-to-refund basis.³ Staff reasoned that ordering the charge on a subject-to-refund basis will allow the customer to be reimbursed if the KCC finds that the amounts charged to ratepayers should be modified as a result of its investigations.

4. CURB's response at this time is only specific to the request for an interim order and should not be construed as support for Southern Pioneer's overall application and proposed financial plan. CURB has reviewed the request for an interim order and Staff's response from the perspective of residential and small commercial ratepayers. CURB is supportive of the request of the interim order, as modified by Staff. CURB agrees with Staff's recommendation to approve the

² *Application and Request for an Expedited Interim Order*, pg. 11, ¶25. (March 10, 2021).

³ *Staff's Response to Southern Pioneer's Request for an Interim Order*, pg. 2, ¶3 (March 15, 2021).

charge as subject-to-refund because it is a fair way to ensure that customers who incurred costs during the Winter Event do not escape those costs and pass them onto the remaining customers. Staff's recommendation protects ratepayers by ensuring that these current customers are able to receive any future benefits resulting from a KCC order or governmental assistance as if the customer were still on the system.

5. If the interim order is to be approved, CURB would like to see additional consumer protection measures, especially for low-income and fixed income residents. CURB recommends that the KCC require Southern Pioneer to distinguish between voluntary disconnections at the request of the customer versus involuntary disconnections by the company before applying the Winter Event charges. By far, involuntary disconnections are done as a result of past due bills and non-payment. Low-income and fixed income customers are more likely to experience these kinds of disconnections. Even with an extended payment plan, adding several hundred dollars for the Winter Event onto already growing debt and disconnection fees can cause significant hardship on these Kansans. The KCC should consider modifying the payment plan for these individuals to include more protections or to outright exclude involuntary disconnections from the interim order on the application of the Winter Event charges.

6. CURB further recommends that Southern Pioneer should be required to inform the KCC about its process and implementation of these Winter Event charges for customers who disconnect before a final order. CURB can foresee a number of reasons why a person may choose to disconnect from Southern Pioneer's system, such as moving out of the utility's jurisdiction. The ongoing COVID-19 pandemic continues to put significant financial stress on all Kansans. As employment situations and living arrangements change, many people are incurring additional and

unexpected expenses. Southern Pioneer should exert sufficient effort to educate its customers about the potential for additional disconnection fees and charges related to the Winter Event prior to assessing the charges when someone leaves the system. Such significant and sudden debt being incurred may have serious impacts on financial planning and credit ratings. CURB anticipates that Southern Pioneer's extended payment plan for these customers will be highly utilized.

7. Because of the primary benefit and purpose of the thirty-six months payment plan, the KCC should make the payment option mandatory for all customers who disconnect before a final order and allow customers to opt-out of the payment plan. Combined with appropriate communication and educational efforts, this recommendation may cut down on administrative costs to process customer requests to enter into a payment plan. As customers lose contact with the utility, Southern Pioneer should be willing to work and communicate with customers on these particular payment plans to avoid surreptitiously canceling the plans and reporting on their credit. While customers may see abnormally high totals from the Winter Event, receiving a payment plan with a low monthly charge may help alleviate potential rate shock and improve customer acceptance of the proposal. Advanced notice and information will allow customers making the decision to leave the system to be better prepared for the financial implications.

8. CURB applauds Southern Pioneer and its members for their efforts to mitigate the financial and system impacts of the Winter Event. CURB is hopeful that its recommendations will provide additional safeguards for customers and looks forward to working with the Company, Staff and all other intervenors on the proposed plans moving forward.

WHEREFORE, CURB respectfully requests that the Commission grant Southern Pioneer's request for an interim order, with the recommendations from CURB's and Staff's responses and

any other actions as the Commission deems appropriate.

Respectfully submitted,

A handwritten signature in black ink, appearing to be 'David W. Nickel', written over a horizontal line.

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VERIFICATION

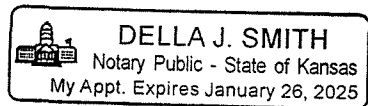
STATE OF KANSAS)
) ss:
COUNTY OF SHAWNEE)

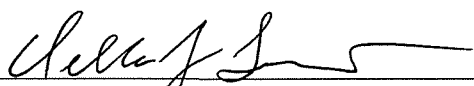
I, Joseph R. Astrab, of lawful age and being first duly sworn upon my oath, state that I am an attorney for the Citizens' Utility Ratepayer Board; that I have read and am familiar with the above and foregoing document and attest that the statements therein are true and correct to the best of my knowledge, information, and belief.



Joseph R. Astrab

SUBSCRIBED AND SWORN to before me this 16th day of March, 2021.





Notary Public

My Commission expires: 1-26-2025

CERTIFICATE OF SERVICE

21-SPEE-331-GIE

I, the undersigned, hereby certify that a true and correct copy of the above and foregoing document was served by electronic service on this 16th day of March, 2021, to the following:

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