



2021122809494742
Filed Date: 12/28/2021
State Corporation Commission
of Kansas
Southern Pioneer Electric Company
1850 West Oklahoma
P.O. Box 430
Ulysses, Kansas 67880
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December 28, 2021

Lynn Retz
Kansas Corporation Commission
1500 SW Arrowhead Road
Topeka, Kansas 66604

**RE: Southern Pioneer Electric Company
Annual True Up Property Tax Surcharge**

Dear Ms. Retz:

On June 13, 2013, pursuant to K.S.A. 66-117(f) ("Statute"), which allows a public utility to collect changes in ad valorem taxes, the Kansas Corporation Commission (the "Commission") issued an order in Docket No. 13-MKEE-695-TAR ("695 Docket") approving an ad valorem property tax surcharge ("PTS") for the retail and local access customers served by Southern Pioneer Electric Company ("Southern Pioneer"). The Order further directed that the Property Tax Surcharge Rider annual true up be filed each December. Additionally, the Commission issued an order in Docket 20-SPEE-169-RTS ("169 Docket") approving a revision to the original rebased property tax expense for retail customers.

Therefore, pursuant to Statute and the Commission's Order, Southern Pioneer files its ninth annual PTS true up, this filing is supported by and includes work papers prepared by Southern Pioneer's rate consultant, Power System Engineering, Inc., ("PSE"). The work papers evidence the requisite true up in conformance with the ad valorem tax methodology established in the 695 Docket and the rebasing calculation provided in the 169 Docket. Further, this filing depicts Southern Pioneer's calculation of the PTS to be charged to Southern Pioneer's retail and local access customers in 2022.

It should be noted that this filing does not include a BOTA-ordered adjustment as it has in some of the prior years' filings.

Southern Pioneer Electric Company
Annual True Up Property Tax Surcharge
Page 2

Specifically, and attached hereto, you will find the following Exhibits and documents to support the filing:

Exhibit 1	Summary and Per Unit Surcharge Calculation
Exhibit 2	2021 Property Tax Payment by County
Exhibit 3	2022 Property Tax Surcharge Recovery – Retail
Exhibit 4	2022 Property Tax Surcharge Recovery – STR
Exhibit 5	2022 Property Tax Surcharge Recovery – LAC
Exhibit 6	Proration of Southern Pioneer’s Property Tax Expense Base Amounts
Work Paper 1	2021 Property Tax Surcharge Input by Month
	2021 – PTR Rider – Marked Up
	2022 – PTR Rider – Proposed

As always, Southern Pioneer looks forward to the Commission’s approval of this filing. Should Staff or you have questions regarding this filing or request additional information, please do not hesitate to contact me at 620-952-1828 or cscott@pioneerelectric.coop.

Regards,



Chantry C. Scott (Dec 28, 2021 08:47 CST)

Chantry C. Scott
CFO-Executive Vice President – Finance & Accounting

cc: Lindsay Campbell
Rich Macke
Brad Hutton

‘A Wholly-Owned Subsidiary of Pioneer Electric Cooperative, Inc.’

SOUTHERN PIONEER ELECTRIC COMPANY

**2021 PROPERTY TAX SURCHARGE FILING
FOR 2022 RATES**

EXHIBITS 1 – 6

Exhibit 1
Southern Pioneer Electric Company
2022 Property Tax Surcharge

Summary and Surcharge Calculation

<u>Total Amount To be Recovered in 2022</u>		Footnote
Property Tax Levied in 2021 -- See Exhibit 2	\$ 3,507,859	
Less: BOTA Property Tax Adjustment recognized in 2021	<u>\$ -</u>	2
Difference	\$ 3,507,859	
Portion of Difference Due From Retail	0.821	3
Add: Property Tax Surcharge Under / (Over) Recovery from Prior Period - see Exhibit 3	\$ 2,880,487	
Property Tax Included in Base Rates ¹	\$ (43,202)	
Total Amount To Be Recovered From Retail	<u>\$ (1,587,217)</u>	
	<u>\$ 1,250,068</u>	
Portion of Difference Due From STR	0.049	3
Add: Property Tax Surcharge Under / (Over) Recovery from Prior Period - see Exhibit 4	\$ 171,566	
Property Tax Included in Base Rates ¹	\$ 1,093	
Total Amount To Be Recovered from STR	<u>\$ (22,313)</u>	
	<u>\$ 150,346</u>	
Portion of Difference Due From 3rd Party LAC	0.130	3
Add: Property Tax Surcharge Under / (Over) Recovery from Prior Period - see Exhibit 5	\$ 455,806	
Property Tax Included in Base Rates ¹	\$ 26,051	
Total Amount To Be Recovered from LAC	<u>\$ (157,853)</u>	
	<u>\$ 324,004</u>	
<u>2021 Year Sales</u>		
2021 kWh Retail Sales - see Exhibit 3	317,149,110 kWh	
2021 kWh STR - see Exhibit 4	464,979,298 kWh	
2021 kW 3rd Party LAC - see Exhibit 5	301,766 kW	
<u>2022 Proposed Per Unit Surcharge Calculations</u>		
Retail per kWh Surcharge	\$ 0.003942 /kWh	
STR per kWh Surcharge	\$ 0.000323 /kWh	
3rd Party LAC per kW Surcharge	\$ 1.07369 /kW	

¹ From 20-SPEE-169-RTS. Reference EX6 for proration of Retail base for this year.

² Not applicable this year.

³ Per Staff Exhibit TSR-3, page 2 in Docket 20-SPEE-169-RTS (Order issued in that Docket on 7-14-2020).

Exhibit 2
Southern Pioneer Electric Company
2022 Property Tax Surcharge

2021 Property Tax Payment By County

<u>COUNTY</u>	
BARBER	955,749.84
CLARK	151,010.58
COMANCHE	186,465.98
GRANT	17,459.59
HARPER	3.58
HASKELL	210,496.36
KINGMAN	206,532.62
KIOWA	176,505.10
MEADE	150,848.00
PRATT	376,692.98
RENO	4,780.66
SEWARD	1,071,313.74
TOTALS	<u><u>3,507,859.03</u></u>

Exhibit 3
Southern Pioneer Electric Company
2022 Property Tax Surcharge

Recovery Tracking - Retail

Mo/Yr	Sales kWh ¹	Property Tax Surcharge Amount Billed in 2021 ¹	Property Tax Shifted to Base Rates in 2021 ³	Total	Property Tax Surcharge Unit Rate per 20-SPEE-277-TAR and 21-SPEE-232-TAR	Accumulated Under/(Over) Recovery ²	Property Tax Surcharge Calculated Amount
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
			\$ 0.00456			\$ 2,141,307	
Jan-21	24,279,349	\$ 149,820	\$ -	\$ 149,820	\$ 0.006277	\$ 1,991,487	\$ 152,401
Feb-21	25,008,023	\$ 172,584	\$ -	\$ 172,584	\$ 0.007017	\$ 1,818,902	\$ 175,481
Mar-21	21,834,953	\$ 150,501	\$ -	\$ 150,501	\$ 0.007017	\$ 1,668,402	\$ 153,216
Apr-21	21,842,983	\$ 150,727	\$ -	\$ 150,727	\$ 0.007017	\$ 1,517,675	\$ 153,272
May-21	21,104,834	\$ 145,711	\$ -	\$ 145,711	\$ 0.007017	\$ 1,371,965	\$ 148,093
Jun-21	25,583,822	\$ 176,114	\$ -	\$ 176,114	\$ 0.007017	\$ 1,195,851	\$ 179,522
Jul-21	34,335,717	\$ 238,465	\$ -	\$ 238,465	\$ 0.007017	\$ 957,386	\$ 240,934
Aug-21	34,516,253	\$ 240,040	\$ -	\$ 240,040	\$ 0.007017	\$ 717,345	\$ 242,201
Sep-21	34,321,191	\$ 83,780	\$ 156,505	\$ 240,285	\$ 0.002460	\$ 477,060	\$ 84,430
Oct-21	27,701,056	\$ 67,427	\$ 126,317	\$ 193,744	\$ 0.002460	\$ 283,316	\$ 68,145
Nov-21	22,645,582	\$ 54,948	\$ 103,264	\$ 158,212	\$ 0.002460	\$ 125,104	\$ 55,708
Dec-20	23,975,347	\$ 58,979	\$ 109,328	\$ 168,307	\$ 0.002460	\$ (43,202)	\$ 58,979
Total	317,149,110	\$ 1,689,097				\$ (43,202)	1,712,382 -1.4%

¹ See WP1. December 2021 kWh are not yet available, using December 2020 historical until December 2021 actual kWh are reported.

² Compared to the annual Retail total surcharge as approved in 21-SPEE-232-TAR. For detail, see Staff R&R attached to the 01-21-21 Order in that Docket.

³ The Retail Property Tax Surcharge was rebased as approved in Docket 20-169-SPEE-RTS. The retail total surcharge approved in 21-SPEE-232-TAR is therefore being recovered through a combination of the adjusted retail property tax surcharge and the adjusted retail rates. The amount that was rebased was \$0.00456 per kWh and additional details are provided in the testimony provided by Staff Robert H. Glass, Ph.D. in Support of Settlement Agreement, filed 5/21/2020 in Docket 20-169-SPEE-RTS.

Exhibit 4
Southern Pioneer Electric Company
2022 Property Tax Surcharge

Recovery Tracking - STR

Mo/Yr	Sales kWh ¹	Property Tax Surcharge Amount Billed in 2021 ¹	Property Tax Surcharge Unit Rate per 20- SPEE-277-TAR and 21-SPEE- 232-TAR	Accumulated Under/(Over) Recovery ²	Property Tax Surcharge Calculated Amount
(a)	(b)	(c)	(d)	(e)	(f)
				\$ 43,651	
Jan-21	39,277,885	\$ 3,142	\$ 0.000080	\$ 40,509	\$ 3,142
Feb-21	39,975,696	\$ 3,758	\$ 0.000094	\$ 36,752	\$ 3,758
Mar-21	34,235,714	\$ 3,218	\$ 0.000094	\$ 33,533	\$ 3,218
Apr-21	40,342,779	\$ 3,792	\$ 0.000094	\$ 29,741	\$ 3,792
May-21	41,030,529	\$ 3,857	\$ 0.000094	\$ 25,884	\$ 3,857
Jun-21	42,520,908	\$ 3,997	\$ 0.000094	\$ 21,887	\$ 3,997
Jul-21	40,015,492	\$ 3,761	\$ 0.000094	\$ 18,126	\$ 3,761
Aug-21	40,529,351	\$ 3,810	\$ 0.000094	\$ 14,316	\$ 3,810
Sep-21	42,824,587	\$ 3,426	\$ 0.000094	\$ 10,890	\$ 4,026
Oct-21	26,061,422	\$ 2,450	\$ 0.000094	\$ 8,440	\$ 2,450
Nov-21	40,798,489	\$ 3,835	\$ 0.000094	\$ 4,605	\$ 3,835
Dec-20	37,366,446	\$ 3,512	\$ 0.000094	\$ 1,093	\$ 3,512
Totals	464,979,298	\$ 42,559		\$ 1,093	\$ 43,158 -1.4%

¹ See WP1.

² Compared to the annual STR total surcharge as approved in 21-SPEE-232-TAR. For detail, see Staff R&R attached to the 01-21-21 Order in that Docket.

Exhibit 5
Southern Pioneer Electric Company
2022 Property Tax Surcharge

Recovery Tracking - LAC

Mo/Yr	Billed Demand KW ¹	Property Tax Surcharge Amount Billed in 2021 ¹	Property Tax Surcharge Unit Rate per 20- SPEE-277-TAR and 21-SPEE- 232-TAR	Accumulated Under/(Over) Recovery ²	Property Tax Surcharge Calculated Amount
(a)	(b)	(c)	(d)	(e)	(f)
				\$ 341,840	
Jan-21	22,994	\$ 17,608	\$ 0.765774	\$ 324,232	\$ 17,608
Feb-21	21,625	\$ 23,130	\$ 1.069610	\$ 301,102	\$ 23,130
Mar-21	24,132	\$ 25,812	\$ 1.069610	\$ 275,290	\$ 25,812
Apr-21	21,319	\$ 22,804	\$ 1.069610	\$ 252,486	\$ 22,803
May-21	20,804	\$ 22,252	\$ 1.069610	\$ 230,234	\$ 22,252
Jun-21	22,972	\$ 24,572	\$ 1.069610	\$ 205,662	\$ 24,571
Jul-21	30,583	\$ 32,713	\$ 1.069610	\$ 172,949	\$ 32,712
Aug-21	31,882	\$ 34,100	\$ 1.069610	\$ 138,848	\$ 34,101
Sep-21	31,828	\$ 34,045	\$ 1.069610	\$ 104,804	\$ 34,044
Oct-21	29,435	\$ 31,485	\$ 1.069610	\$ 73,319	\$ 31,484
Nov-21	22,435	\$ 23,997	\$ 1.069610	\$ 49,322	\$ 23,997
Dec-20	21,757	\$ 23,271	\$ 1.069610	\$ 26,051	\$ 23,271
Total as bi	301,766	\$315,789		<u>\$ 26,051</u>	\$ 315,785 0.0%

¹ See WP1.

² Compared to the annual LAC total surcharge as approved in 21-SPEE-232-TAR. For detail, see Staff R&R attached to the 01-21-21 Order in that Docket.

Exhibit 6
Southern Pioneer Electric Company
2022 Property Tax Surcharge

Proration of Southern Pioneer's Property Tax Expense Base Amounts

A	B	12-MKEE-380-RTS			E	F	G	20-SPEE-169-RTS		J	Total Proration	
		C	D					H	I		K	L
Customer Class	Total Current Base Amount (Established in 12-380 Docket)	Property Tax Surcharge Customer Class Allocators ¹	(B * C)	Proration Percentage ²	Proration of Current Base Amount	Customer Class	Rebased Amount ³	Proration Percentage ²	Proration of Rebased Amount (H * I)	Customer Class	Total Prorated Base Property Tax Expense (F + J)	
Retail	\$ 1,294,468	86.1%	\$ 1,114,302	65.7%	\$ 732,585	Retail	\$ 2,494,825	34.3%	\$ 854,632	Retail	\$ 1,587,217	
STR	\$ 1,294,468	1.7%	\$ 22,313	68.4%	\$ 15,256	STR	\$ 22,313	31.6%	\$ 7,057	STR	\$ 22,313	
LAC	\$ 1,294,468	12.2%	\$ 157,853	65.1%	\$ 102,690	LAC	\$ 157,853	34.9%	\$ 55,163	LAC	\$ 157,853	
											<u>\$ 1,767,382</u>	

¹ These allocators were established in Southern Pioneer's first property tax surcharge filing (Docket No. 13-MKEE-695-TAR). See Exhibit 3 of the Application in that Docket.

² Per Docket 20-SPEE-169-RTS and the testimony of Staff Tim Rehagen, the prior base and new base for the Retail customer class are to be prorated by energy sales in this filing. The new base went into effect September of 2021 and the energy used in the proration is shown in Exhibit 3. Future filings will use the rebased amounts shown in column H.

³ The new base for the Retail customer class used in this proration is identified on Page 2 of Staff Exhibit TSR-1 in Docket 20-SPEE-169-RTS. Also, per that docket and exhibit, the LAC and STR customer class base was not changed.

SOUTHERN PIONEER ELECTRIC COMPANY

**2021 PROPERTY TAX SURCHARGE FILING
FOR 2022 RATES**

WORK PAPER 1

**Work Paper 1
Southern Pioneer Electric Company
2022 Property Tax Surcharge**

2021 Property Tax Surcharge Monthly Collection - Input Data from Southern Pioneer

RATES

	RETAIL PTS RATE	LAC PTS RATE	STR PTS RATE
Jan-21 still prior year's rates-->	0.006277	0.765774	0.000080
Feb-21 new rates Eff. 2/1/19	0.007017	1.069610	0.000094
Sep-21 new PTR tariff with billings starting in September	0.002460	1.069610	0.000094

Usage and PTS

	Non-STR				STR	
	Retail kWh	Retail Property Tax	LAC KW	LAC Property Tax	kWh	STR Property Tax
Jan-21	24,279,349	\$ 149,820.35	22,994	\$ 17,608.20	39,277,885	\$ 3,142.23
Feb-21	25,008,023	\$ 172,584.18	21,625	\$ 23,130.32	39,975,696	\$ 3,757.72
Mar-21	21,834,953	\$ 150,500.56	24,132	\$ 25,811.83	34,235,714	\$ 3,218.15
Apr-21	21,842,983	\$ 150,726.83	21,319	\$ 22,804.07	40,342,779	\$ 3,792.22
May-21	21,104,834	\$ 145,710.57	20,804	\$ 22,252.10	41,030,529	\$ 3,856.88
Jun-21	25,583,822	\$ 176,113.88	22,972	\$ 24,572.15	42,520,908	\$ 3,996.97
Jul-21	34,335,717	\$ 238,465.12	30,583	\$ 32,712.95	40,015,492	\$ 3,761.46
Aug-21	34,516,253	\$ 240,040.17	31,882	\$ 34,100.24	40,529,351	\$ 3,809.75
Sep-21	34,321,191	\$ 83,780.30	31,828	\$ 34,044.62	42,824,587	\$ 3,425.97
Oct-21	27,701,056	\$ 67,427.22	29,435	\$ 31,485.04	26,061,422	\$ 2,449.77
Nov-21	22,645,582	\$ 54,948.03	22,435	\$ 23,996.71	40,798,489	\$ 3,835.06
Dec-20 ¹	23,975,347	\$ 58,979.35	21,757	\$ 23,271.21	37,366,446	\$ 3,512.45
	317,149,110	\$ 1,689,096.56	301,766	\$ 315,789.44	464,979,298	\$ 42,558.63

¹ December 2021 retail and STR kWh and LAC KW are not yet available. Using December 2020 historical usage to estimate PTS using those kWh/KW and current PTS rate until December 2021 actual usage is known.

SOUTHERN PIONEER ELECTRIC COMPANY

**2021 PROPERTY TAX SURCHARGE FILING
FOR 2022 RATES**

**TARIFF REVISIONS
(Red-Line Version)**

SOUTHERN PIONEER ELECTRIC COMPANY
(Name of Issuing Utility)

Schedule: 20224 - PTR

ENTIRE SOUTHERN PIONEER TERRITORY
(Territory to which schedule is applicable)

Replacing Schedule 20224 - PTR
Which was filed July 29 January 24, 2021

No supplement or separate understanding shall modify the tariff as shown hereon.

Sheet 1 of 1 Sheets

PROPERTY TAX SURCHARGE

APPLICABILITY

This rider is applicable to all power and energy sold to Southern Pioneer customers located in the Southern Pioneer territory.

RATE

The rate for the property tax surcharge hereunder shall be \$0.00394200246 per kWh charged to retail customers, \$0.000323000094 per kWh charged to STR customers and \$1.073694.06964 Per kW charged to local access customers.

EFFECTIVE DATE

This rate schedule shall become effective with all billing statements issued, beginning the first month following Commission approval.

Issued January July 29 20224
Month Day Year

Effective January August 1 20224
Month Day Year

By Chantry C. Scott Executive VP/CFO

SOUTHERN PIONEER ELECTRIC COMPANY

**2021 PROPERTY TAX SURCHARGE FILING
FOR 2022 RATES**

**TARIFF REVISIONS
(Proposed Version)**

SOUTHERN PIONEER ELECTRIC COMPANY
(Name of Issuing Utility)

Schedule: 2022 – PTR

Replacing Schedule 2022 - PTR
Which was filed July 29, 2021

ENTIRE SOUTHERN PIONEER TERRITORY
(Territory to which schedule is applicable)

No supplement or separate understanding shall modify the tariff as shown hereon.

Sheet 1 of 1 Sheets

PROPERTY TAX SURCHARGE

APPLICABILITY

This rider is applicable to all power and energy sold to Southern Pioneer customers located in the Southern Pioneer territory.

RATE

The rate for the property tax surcharge hereunder shall be \$0.003942 per kWh charged to retail customers, \$0.000323 per kWh charged to STR customers and \$1.07369 Per kW charged to local access customers.

EFFECTIVE DATE

This rate schedule shall become effective with all billing statements issued, beginning the first month following Commission approval.

Issued January 2022
Month Day Year

Effective January 2022
Month Day Year

By _____
Chantry C. Scott Executive VP/CFO

Southern Pioneer Electric Company 2021 Property Tax Surcharge Filing For 2022 Rates - 12282021


Final Audit Report


2021-12-28


Created:	2021-12-28
By:	Larissa Batterton (lbatterton@pioneerelectric.coop)
Status:	Signed
Transaction ID:	CBJCHBCAABAApFsGWGI33c3WrcF2jau41bQjTgbTVeeh


"Southern Pioneer Electric Company 2021 Property Tax Surcharge Filing For 2022 Rates - 12282021" History

 Document created by Larissa Batterton (lbatterton@pioneerelectric.coop)
2021-12-28 - 2:41:21 PM GMT- IP address: 206.253.38.33

 Document emailed to Chantry C. Scott (cscott@pioneerelectric.coop) for signature
2021-12-28 - 2:43:09 PM GMT

 Email viewed by Chantry C. Scott (cscott@pioneerelectric.coop)
2021-12-28 - 2:43:35 PM GMT- IP address: 209.42.86.174

 Document e-signed by Chantry C. Scott (cscott@pioneerelectric.coop)
Signature Date: 2021-12-28 - 2:47:03 PM GMT - Time Source: server- IP address: 209.42.86.174

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