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

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| In the Matter of the Application of Southern Pioneer Electric Company for Approval to Make Certain Revenue Neutral Changes to its Rate Design. | ) ) ) ) | Docket No. 24-SPEE-415-TAR |

# INITIAL BRIEF OF SOUTHERN PIONEER ELECTRIC COMPANY

COMES NOW Southern Pioneer Electric Company ("Southern Pioneer" or "Company"), by and through counsel, and files its Initial Brief in accordance with the Amended Procedural Schedule entered by the State Corporation Commission of the State of Kansas ("Commission" or "KCC") on May 30, 2024.

## INTRODUCTION

Southern Pioneer is taking proactive steps in this docket to modernize its rate design in the face of rapidly evolving technologies and customer preferences. Like the Pioneer Board of Trustees and the Boards of other nonprofit electric utilities in Kansas, Southern Pioneer's Board believes it is duty-bound to address this new paradigm and modify its rate design to protect customers from the inequities that inevitably arise under traditional two-part rate structures. As Staff counsel observed in her opening statement,

> "The two-part rate no longer serves us because it allows for low usage or high demand customers to avoid their fair share of capacity costs and thus has created an intraclass subsidy, where those who have more traditional consumption and usage patterns consequently subsidize those who are avoiding the energy charge, for whatever reason. This leads to disparate treatment amongst individuals within a class"[1]

[1] Hearing Tr., p. 23.

As a general rule, distribution system capacity is sized to handle a customer's peak demand at all times, even if that capacity is rarely used. When capacity is not used, the infrastructure providing the capacity is not repurposed; it remains in standby mode. This occurs with customers who have intermittent usage patterns such as customers who utilize distributed energy resources, use space heating, or keep second homes.

Under traditional rate design models, distribution costs for residential and small commercial customers are recovered primarily through volumetric energy rates. Thus, although customers with intermittent usage patterns do not reduce their demands on the system, they cut their overall consumption, thereby reducing their energy charges and avoiding payment of the capacity costs embedded in those charges. Like Staff, Southern Pioneer believes a three-part rate is the optimal rate design to address these emergent issues. And, like Staff, Southern Pioneer is in favor addressing trends in customer behavior that cause systemwide challenges.

Southern Pioneer acknowledges that while three-part rate structures are becoming increasingly prevalent among cooperatives, no Kansas regulated entity has yet adopted a mandatory three-part rate. That said, the Company agrees with Staff's observation that this may be the perfect case to "forge new territory" given Southern Pioneer's unique operating structure and relevant management experience.

Southern Pioneer submits that the three-part rate proposed in this proceeding is just, reasonable, well-supported, and in keeping with Kansas law and public policy. Accordingly, Southern Pioneer respectfully requests the Commission approve the rate along with the parties' unanimous settlement agreement resolving all other matters in this docket.

## BACKGROUND AND PROCEDURAL HISTORY

### *Southern Pioneer*

1. Southern Pioneer is a Kansas nonprofit electric utility with unique organizational and operational characteristics. It is a wholly owned subsidiary of Pioneer Electric Cooperative, Inc. ("Pioneer Electric"), a nonprofit electric cooperative exempt from KCC jurisdiction, regulation, supervision and control under K.S.A. 66-104d.[2] Southern Pioneer, which operates much like a cooperative, provides electric service on a not-for-profit basis to approximately 17,300 customers in 34 communities throughout Barber, Clark, Comanche, Haskell, Kingman, Kiowa, Meade, Pratt, Reno, and Seward counties. Southern Pioneer serves 28 distribution substations operated at 13.8 kV, which feed 60 primary distribution circuits containing approximately 830 miles of overhead distribution line.[3]

2. Southern Pioneer is governed by a nine-member Board of Directors comprised of eight Pioneer Electric board members and one Southern Pioneer customer. The Southern Pioneer Board of Directors regularly receives input from a nine-member consumer advisory council comprised entirely of Southern Pioneer ratepayers.[4]

3. Southern Pioneer's rates are established through a Commission-approved formula-based ratemaking plan ("FBR Plan"), which utilizes predetermined rate parameters and protocols to help reduce revenue requirements and manage customer rate impacts.[5] Under the FBR Plan, Southern Pioneer's retail and local access delivery rates are adjusted

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[2] Application (Nov. 30, 2023) at ¶ 2; Scott Direct Testimony (Nov. 30, 2023) at p. 6; Scott Rebuttal Testimony (May 3, 2024) at p. 8.
[3] Application at ¶ 3.
[4] Scott Rebuttal Testimony, p. 8.
[5] Scott Direct Testimony, p. 6.

annually under an abbreviated procedural schedule.[6] The FBR Plan utilizes a formula to calculate the Company's Debt Service Coverage ("DSC") ratio—a financial metric used to assess a firm's ability to pay its debt obligations—and then compares that calculation against a predetermined DSC target. If the Company's DSC calculation is below the DSC target, a rate increase is implemented. If the DSC calculation is above the DSC target, a rate decrease is implemented.[7]

4. Although Southern Pioneer's rates are adjusted annually under the FBR Plan, the Company has been operating since 2007 under a legacy rate structure it inherited from its predecessor, Aquila-WPK.[8]

### ***The Application***

5. On November 30, 2023, pursuant to K.S.A. 66-117, Southern Pioneer filed an Application requesting Commission approval of certain revenue-neutral changes to its rate design. The Company sought approval of these changes to better align costs with rates, address inter-class and intra-class subsidies imbedded in the existing rate structure, modernize rates and tariffs to serve the evolving needs and demands of customers in a rapidly changing industry, and clarify certain tariff language to ease future administrative burdens.[9]

6. The rate design changes proposed in the Company's Application are comprehensive. Those changes are summarized in the attached **Exhibit A**. Among those changes is a revenue neutral three-part rate design applicable to Residential and General Service Small customers.

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[6] *Id.*
[7] *Id.*
[8] Hearing Tr., pp. 37-38.
[9] *See* Application at ¶¶ 6 and 8; Scott Direct Testimony at p. 8.

7. In support of its Application, Southern Pioneer filed direct testimony adduced from three witnesses: Chantry C. Scott, Executive Vice President and Assistant CEO and CFO of Southern Pioneer; Brian D. Beecher, Operations and Engineering Manager of Southern Pioneer; and Richard J. Macke, Vice President of Economics, Rates, and Business Planning for Power Systems Engineering, Inc.[10] Messrs. Scott and Macke subsequently amended their direct testimony[11] to incorporate certain minor corrections made in a January 16, 2024 errata filing.[12] In addition, Messrs. Scott, Beecher, and Macke filed rebuttal testimony.[13]

8. Staff of the State Corporation Commission of the State of Kansas ("Staff") filed direct testimony adduced from three witnesses: Dr. Lana Ellis, Kristina Luke-Fry and Dr. Robert Glass.[14]

9. Intervener Citizens' Utility Ratepayers Board ("CURB") filed direct testimony and cross-answering testimony adduced from one witness: Glenn A. Watkins.

10. Interveners National Beef Packaging Company, LLC ("National Beef") and Air Products and Chemicals, Inc. ("Air Products") did not file testimony in this proceeding.[15]

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[10] Direct Testimony of Chantry Scott (Nov. 30, 2023); Direct Testimony of Brian Beecher (Nov. 30, 2023); Direct Testimony of Richard Macke (Nov. 30, 2023).
[11] Amended Direct Testimony of Chantry Scott (Feb. 16, 2024); Amended Direct Testimony of Richard Macke (February 16, 2024).
[12] Notice of Errata (Jan. 16, 2024).
[13] Rebuttal Testimony of Chantry Scott (May 3, 2024); Rebuttal Testimony of Brian D. Beecher (May 3, 2024); Rebuttal Testimony of Richard A. Macke (May 3, 2024).
[14] Direct Testimony of Lana Ellis on Behalf of KCC (April 2, 2024); Direct Testimony of Kristina Luke-Fry on Behalf of KCC (April 2, 2024); Direct Testimony of Robert Glass on Behalf of KCC (April 2, 2024); Supplemental Direct Testimony of Robert Glass on Behalf of KCC (April 9, 2024).
[15] Order Granting Petitions for Intervention of National Beef Packing, LLC and Air Products and Chemicals, Inc. (March 12, 2024)

11. On May 9, 2024, all parties attended a settlement conference held at the Commission's offices to meet and confer about possible resolution of the issues raised in this docket. The settlement conference yielded a unanimous partial settlement agreement ("Settlement Agreement"), which resolved all but two matters in this docket: (1) the Company's request to include a $3.00 per kW Demand Charge for Residential and General Service Small customers and (2) the Company's request to increase the Residential Customer Charge from $14.67 to $16.67.[16]

12. The parties agreed to submit all settled matters to the Commission for consideration and approval and to litigate the Demand Charge and Customer Charge issues at the evidentiary hearing scheduled for June 4-5, 2024.[17]

13. On May 16, 2024, the Parties filed a Joint Motion for Approval of Unanimous Partial Settlement Agreement along with an executed copy of the Settlement Agreement.[18]

14. Given the unanimous support for the settled matters and the substantial competent evidence already existing in the record, the parties advised that they would plan not to file testimony in support of the Settlement Agreement unless the Commission indicated its preference for settlement testimony through an order of the prehearing officer.[19]

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[16] Joint Motion for Approval of Unanimous Partial Settlement Agreement (May 16, 2024), p. 5.
[17] *Id.* at p. 2.
[18] *Id.* at ¶ 4.
[19] *Id.* at ¶ 6.

## THREE-PART RATE DESIGN PROPOSAL

### *Elements of Proposal*

15. Southern Pioneer's three-part rate design proposal includes a Customer Charge, a Demand Charge, and an Energy Charge.

- The Customer Charge is a set charge that covers a portion of the administrative and infrastructure costs incurred to provide service to customers regardless of how much electricity they may use. Southern Pioneer proposes to increase the monthly Customer Charge from $14.67 to $16.67, with a corresponding decrease in the monthly kWh delivery charge.
- The Demand Charge allocates the cost to maintain power lines and to upgrade the electrical infrastructure necessary to ensure customers have access to the power they need when they need it. This charge varies based on the customer's demands, measured in kilowatts (kW). Southern Pioneer proposes to include in add a monthly noncoincident Demand Charge of $3.00 per kW, with a corresponding decrease in the monthly kWh delivery charge.
- The Energy Charge is the cost per kWh of the total electricity used by the customer. Energy delivery and demand costs are currently included in the Energy Charge under the Company's existing two-part rate structure.

16. Southern Pioneer's current rate design does not include a Demand Charge, even though approximately 58 percent of the cost of providing service is demand related.[20]

[20] Macke Direct at p. 32.

17. The Demand Charge proposed by Southern Pioneer is only $3.00 per kW. This modest charge was established to balance the need to better align the rate structure with the costs structure, while recognizing other rate design goals such as gradualism, limiting individual bill impacts, and promoting customer acceptance. Based on the Company's Class Cost of Service Study ("CCOSS"), the total capacity costs for the current Residential rate class are just over $12.00 per kW, which means Southern Pioneer's proposed Demand Charge would cover only a portion of demand-related costs.[21]

18. The Demand Charge is based on noncoincident demand, which is by far the most common type of demand charge used in the industry. It is also the most appropriate demand charge to use for aligning the distribution system capacity-related cost of service for substations, primary line, and service transformers.[22] The charge is based on the customer's highest demand during the month, established in a 15-minute interval.[23]

19. An increasing number of utilities have implemented a mandatory three-part demand rate similar to the rate Southern Pioneer is proposing in this docket. These utilities include electric cooperatives in Kansas, Colorado, Iowa, Arkansas, and Montana. The table below lists the electric cooperatives in Kansas that have implemented a demand charge for its residential customers.[24]

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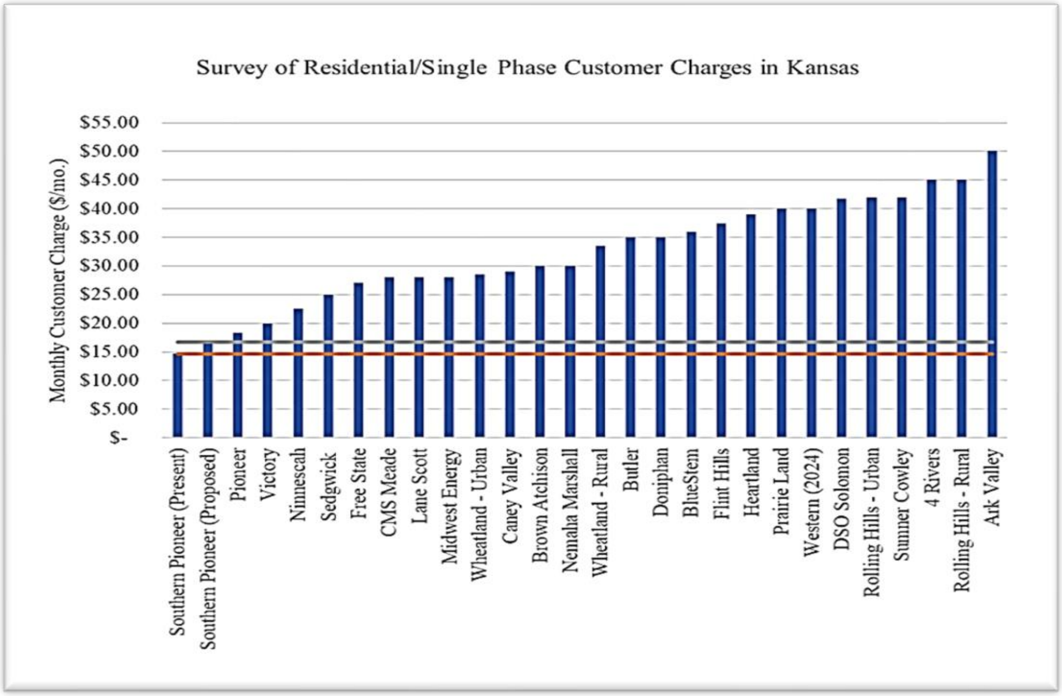
[21] Macke Direct Testimony at pp. 32-33.
[22] *Id.*
[23] *Id.*
[24] *See id*. at p. 35, Table 9.

| Table 9<br>Survey of Kansas Utility Residential Demand Rates | | |
|---|---|---|
| Cooperative | Demand Rate | Notes |
| Ark Valley Electric Cooperative | $3.00 | Single Phase standard rate. |
| Butler Electric Cooperative | $6.80 | Rural Domestic standard rate. |
| Flint Hills Electric Cooperative | $1.50 | Single Phase Domestic standard rate. |
| Heartland Rural Electric Cooperative | $2.00 | Residential standard rate. |
| Pioneer Electric Cooperative | $3.00 | Single Phase standard rate. |
| Sumner-Cawley Electric Cooperative | $1.00 | Domestic Residential standard rate. |
| Midwest Energy | $3.00/$1.00 | Residential Standard rate (Effective 1/24). |
| Nemaha-Marshall Electric Co-op | $3.00 | Single Phase rate (Effective 12/23). |

20. Southern Pioneer's proposed Customer Charge is $16.47 per month, which is $2.00 higher than the current $14.67 per month Customer Charge under existing tariffs. Based on the Company's CCOSS, the Customer Charge should be set at $21.04 to fully recover the customer-related costs of providing service.[25]

21. Compared to Pioneer Electric and other similar electric utilities in Kansas, Southern Pioneer's proposed Customer Charge of $16.67 per month is quite low. Most others have a Customer Charges above $25.00 per month. Pioneer Electric's Customer Charge for Single-Phase is $18.40 per month, which is on the low end for electric cooperatives in Kansas. The average Customer Charge for comparable utilities in Kansas is $33.70 per month, with a median charge of $34.25 per month. The graph below shows the monthly Single-Phase (Residential) Customer Charges for comparable utilities in Kansas.[26]

[25] Macke Direct Testimony at p. 30.
[26] Macke Direct Testimony, p. 32.




***Staff's Position and Testimony***

22. Staff fully supports Southern Pioneer's three-part rate proposal. In the opening statement of Staff counsel, she explained: "To better account for diversity amongst individual customers, and ensure cost causers are paying for their demand on the system, Staff believes rates should be designed so that the rates charged correspond to the cost structure of electric utilities: customer charge for customer related costs, an energy charge for energy related costs, and a demand charge for capacity-related costs."[27]

23. Although this case would mark the first time a regulated entity in Kansas would implement a mandatory three-part rate design, Staff believes Southern Pioner would be "the perfect regulated entity to forge this new territory"[28] for the following reasons:

[27] Hearing Tr., p. 26.
[28] *Id.* at p. 27.

- "Southern Pioneer isn't a traditional I.O.U, they are a not-for-profit utility that is wholly owned by a cooperative. This means there is no traditional profit motive for this utility. Southern Pioneer simply seeks to recover its actual costs, plus the margin required by its lenders, in the most economically efficient and fair method possible. Southern Pioneer simply seeks to charge its customers rates that reflect the costs those customers cause on the system."[29]
- "Southern Pioneer is a relatively small utility but large enough that the introduction of a demand charge will affect a diverse group of customers." [30]
- "The owner of Southern Pioneer, Pioneer Electric already has introduced a demand charge with a minimal amount of customer objection. This experience is critical because Southern Pioneer and Pioneer share the same management, which means Southern Pioneer has a well-tested customer education program and marketing materials, and they are adept at anticipating the questions and challenges that will arise when a three-part rate is rolled out for the first time."[31]
- "The demand charge that Southern Pioneer is proposing is small relative to the actual costs of capacity according to Staff's class cost of service, supportive of the concept of gradualism that is important to Staff and the Commission. Staff contends that the relative size of this demand charge will help customers adapt to the change, thus minimizing any potential disruption or huge spike in monthly bills."[32]

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[29] *Id.*
[30] *Id.*
[31] *Id.* at 28.
[32] *Id.*

24. Staff witness Dr. Robert Glass has recommended the Commission approve Southern Pioneer's increased Customer Charge and $3.00 per kW demand charge for the Single-Phase and Three-Phase Classes.[33] Addressing the noncoincident aspect of the rate, Glass explained:

> "The timing of the usage of distributional capacity varies across the Southern Pioneer system and is dependent upon the usage characteristics of individual groups of customers. The required distributional capacity may be more in some areas of the system at off-peak system times rather than at on-peak system times. Since Southern Pioneer's concern is demand in the system's distribution system, <u>the appropriate demand charge is a non-coincidental peak demand charge</u>."[34]

25. When asked whether the Customer and Demand Charges proposed in this docket were punitive, excessive or unreasonable, Glass testified that the increase in the customer charge was "within the bounds of both Staff's cost of service and Southern Pioneer's class cost of service, so it passes the cost causation part."[35] He also noted that Southern Pioneer inherited Aquila's infrastructure and had to spend a lot on O&M on that system. "Because the system is that expensive," he said, "a higher customer charge makes some sense."[36] With regard to the Demand Charge, Glass explained:

> "[T]he math works out, and in terms of the math, it's appropriate. The question is, is it punitive. <u>If you're asking people to pay costs that they're generating, don't see how that's punitive</u>. I don't think that adding a demand charge, especially a $3 demand charge, necessarily will stop a lot of people from putting solar panels

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[33] Glass Direct Testimony at p. 52.
[34] *Id.* at p. 111 (emphasis added).
[35] *Id.* at 103
[36] *Id.*at 104.

### *CURB's Position and Testimony*

26. CURB is the only party opposing approval of Southern Pioneer's proposed Demand Charge and Customer Charge. Based on the testimony given by Mr. Glenn Watkins, CURB's arguments in opposition to those charges are based principally on Watkins' lay interpretation of Kansas law and public policy.

28. In his direct testimony, Watkins stated that it is "is apparent that the overarching reason for the Company's proposed mandatory demand charges is to address the Company's concern relating to distributed generation (primarily rooftop solar) customers being subsidized by traditional customers who do not choose or pursue distributed generation ("DG")."[37] He went on to suggest that Southern Pioneer is trying to inhibit renewable energy development in contravention of Kansas public policy, citing *In the Matter of the Joint Application of Westar Energy and Kansas Gas and Electric Co*., 311 Kan. 320 (2020) and the Renewable Energy Standards Act, codified at K.S.A. 66-1256.[38]

28. Southern Pioneer's Chantry Scott rejected these claims in his rebuttal testimony, confirming that addressing DG was <u>not</u> the overarching reason for the Company's three-part rate proposal. Rather, he said, "The overarching reason for Southern Pioneer's three-part rate proposal is to move toward a more equitable, cost-reflective rate structure that promotes efficiency and avoids the subsidization of some customers at the expense of others." As Scott explained, "[a]ligning rates with cost causation and avoiding cross-subsidies is a legitimate ratemaking objective and an important aspect of rate modernization."[39]

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[37] Watkins Direct at p. 4.
[38] *Id.* at p. pp 6-8
[39] Scott Rebuttal Testimony at p. 3.

29. In response to Watkins suggestion that Southern Pioneer is targeting DG customers and trying to inhibit renewable energy development, Scott confirmed the Company was doing neither. To the contrary, Scott said, "As a nonprofit utility, Southern Pioneer is agnostic to DG adoption, and the three-part rate design we are proposing in this docket is agnostic to DG adoption as well.[40] Scott went on to note Southern Pioneer's history of promoting renewables, including voluntarily offering to its residential and small commercial customers with behind-the-meter generation the opportunity to participate in a net metering program pursuant to its Net Metering Rider approved by the Commission as well and its recent Renewable Energy Program Rider designed to offer Southern Pioneer customers a variety of options to support and facilitate renewable energy development.[41]

30. In response to Watkins' testimony concerning *In re Westar Energy, Inc*., 460 P.3d 821 (Kan. 2020), Scott testified that it was his understanding that the Kansas Supreme Court invalidated the rate as discriminatory, not because it included a demand charge, but because it included a demand charge that applied only to DG customers.[42] As Scott correctly noted, the three-part rate proposed in this docket is not discriminatory because, if approved, it will apply uniformly to all Residential and General Service Small customers without regard to DG status.

31. On cross-examination, Watkins testified he was not aware that in *Westar,* the Kansas Supreme Court recognized the existence of a cross-subsidy in favor of residential DG customers.[43] Nor was he aware that in Docket No. 16-GIME-403-GIE, the Commission

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[40] *Id.*
[41] *Id.* at p. 4.
[42] *Id.* at p. 5.

concluded that DG customers are subsidized by non-DG customers under the traditional two-part residential rate design because "DG customers use the electric grid as a backup system resulting in their consuming less energy than non-DG customers, which results in DG customers not paying the same proportion of fixed costs as non-DG customers."[44] Nor was Watkins aware that in that same docket the Commission found that a three-part rate consisting of a customer charge demand charge, and energy charge would be an appropriate rate design solution to the cross-subsidy problem.[45]

32. Ultimately, Watkins admitted that a cross-subsidy does exist in favor DG customers; he admitted regulators should be looking at options to address the cross-subsidy; and he admitted the Company's three-part demand rate was not discriminatory. He nevertheless maintained that Southern Pioneer's proposed rate could not be implemented because it was contrary to Kansas public policy.[46]

32. Regarding the structure of the Demand Charge, Watkins questioned whether the charge was reflective of cost causation given the diversity of loads within the system. In response, Southern Pioneer witness Macke explained that the proposed Demand Charge is used by hundreds of utilities across the country, including by Southern Pioneer in its current General Service Large and Industrial Service rate schedules, which have been approved by the Commission.[47] Addressing the topic of load diversity, Macke explained that the CCOSS accounts for diversity in the allocation of distribution capacity costs

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[44] *See* Final Order ¶ 22 (pp. 8-9), *In the Matter of the General Investigation to Examine Issues Surrounding Rate Design for Distributed Generation Customers*, Docket No. 16-GIME-403-GIE (Sept. 21, 2017).
[45] *Id.*
[46] Hearing Tr., pp. 77-84.
[47] Macke Rebuttal Testimony, p. 7.

related to distribution substations, distribution poles, overhead conductors and underground conductors. For other distribution capacity costs such as service transformers, Macke explained that the diversity across consumers is not relevant because those facilities are sized to serve very local, often individual consumer, peak-load requirements. Macke went on to state that billing on the consumer's noncoincidental demand is the most common way to bill for local distribution capacity costs in the electric industry as it is the most reasonable way to apportion and collect these costs from consumers. On the rare occasion that a demand charge is based on a system peak, he said, it is typically reserved for developing generation-related peak period prices such as interruptible or curtailment programs.[48]

33. Watkins also advocated against any increase in the proposed Customer Charge. In response, Macke explained that Watkins' position was a departure from cost causation as reflected in both Staff's and Southern Pioneer's CCOSS. He noted, as well, that it was clear from those studies that that Company's Single-Phase Customer Charge was under-recovering and that this under-recovery had gotten worse since the Company's most recent rate application in the 20-169 Docket. Macke also noted the deficiencies in Watkins' incomplete incremental cost analysis, which if applied consistently, would likely leave Southern Pioneer's rate design below the Commission's previously approved revenue requirement.[49]

34. General questions surrounding Time of Use (TOU) rates were raised at the hearing. Scott testified that TOU was definitely something to look at in the future but

[48] *Id*.
[49] Macke Rebuttal Testimony, p. 9.

was not an option the Company had entertained because TOU was generally connected more closely to generation transmission and power supply costs. Macke did not reject the idea of TOU but said that in his experience, TOU was not really a direct solution to fixing inequities in the assignment of fixed distribution costs for cost causation purpose.[50] Staff witness Dr. Glass agreed that TOU was generally more appropriate for generation transmission.[51]

## ARGUMENT

Southern Pioneer has provided substantial competent evidence from qualified experts to support its proposed three-part rate design. The Company's methods, analysis and conclusions are in line with and supported by Staff and consistent with generally accepted principles of rate design and tariff development. The only party opposing Southern Pioneer's three-part rate is CURB, which has failed to provide anything of substance to undermine the Company's work or establish that any element of the Company's rate design is unjust, unreasonably discriminatory, unduly preferential, or unlawful. CURB's only witness, Glenn Watkins, entered this docket claiming the Company's proposed rate design violated Kansas law or public policy; however, at the evidentiary hearing, he retreated from his position. At bottom, the overriding public policy consideration in this case is rate fairness and equity, which would be promoted by implementing the Company's rate. Based on the record as a whole, there is substantial competent evidence to support the conclusion that approving Southern Pioneer's three-part rate would result in just and reasonable rates and would serve the public interest.

[50] Hearing Tr., p. 72.
[51] Hearing Tr.

Likewise, there is substantial evidentiary support for the Commission to approve the Settlement Agreement executed by the parties and entered in this docket on May 16, 2024. The Settlement Agreement is a unanimous settlement agreement as defined by K.A.R. 82-l-230a. Thus, there is no need for the Commission to apply the standard five-factor test. Kansas law favors compromise and settlement of disputes between parties when they enter into an agreement knowingly and in good faith to settle the dispute.[52] As the Commission has noted in its rate orders, "It is an elemental rule that the law favors compromise and settlement of disputes."[53] The terms of the Settlement Agreement are fair and reasonable and were fully and fairly negotiated by all parties. The Settlement Agreement is supported by substantial competent evidence in the record as a whole, results in just and reasonable rates, and is in the public interest. According, Southern Pioneer respectfully requests that the Commission approve the Settlement Agreement in its entirety.

## CONCLUSION

Based on the foregoing, and for the reasons stated, Southern Pioneer respectfully requests the Commission enter an order approving the Settlement Agreement; authorizing the Company to implement its three-part rate design as proposed in its Application; and granting any further relief deemed just and reasonable.

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[52] *Krantz v. Univ. of Kansas*, 271 Kan. 234, 241-42 (2001).

[53] Order Approving Non-Unanimous Stipulation and Agreement, p. 22, Docket No. 18-WSEE-328-RTS (Sept. 27, 2018) (citing In the Matter of Thompson's Estates, 226 Kan. at 440. See Bright v. LSI Corp. 254 Kan. 853, 858 (1994).

Respectfully submitted,

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**24-SPEE-415-TAR**

I, the undersigned, do hereby certify that a true copy of the Attached Initial Brief of Southern Pioneer Electric Company has been served to the following by means of electronic service on this 14th day of June, 2024:

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