

**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. 24-SPEE- _415_-RTS
Make Certain Revenue Neutral Changes to its)
Rate Design.)

DIRECT TESTIMONY OF

**BRIAN BEECHER
OPERATIONS AND ENGINEERING MANAGER
OF SOUTHERN PIONEER ELECTRIC COMPANY**

ON BEHALF OF

SOUTHERN PIONEER ELECTRIC COMPANY

November 30, 2023

1 **I. INTRODUCTION**

2 **Q. Please state your name and business address.**

3 A. My name is Brian Beecher. My business address for legal service is 1850 W. Oklahoma,
4 Ulysses Kansas 67880 and for mail receipt is PO Box 430, Ulysses Kansas 67880-0430.

5 **Q. What is your profession?**

6 A. I am the Operations and Engineering Manager in Medicine Lodge for Southern Pioneer
7 Electric Company, (“Southern Pioneer”), with its corporate office in Ulysses, Kansas and
8 distribution-customer service offices located in both Liberal and Medicine Lodge, Kansas.

9 **Q. Please describe your responsibilities with Southern Pioneer.**

10 A. I manage the engineering, operations and construction projects in the Medicine Lodge area.
11 I also supervise the Medicine Lodge Office. I provide engineering support for all of
12 Southern Pioneer and Pioneer Electric Cooperative, Inc. (“Pioneer Electric”), as needed.

13 **Q. What is the purpose of your testimony in this proceeding?**

14 A. The purpose of my testimony is to support Southern Pioneer’s Application in this docket
15 requesting Commission approval to implement certain revenue neutral changes in Southern
16 Pioneer’s rate design. I will provide information about specific challenges and problems
17 we have faced with our customers because of our existing rate schedules and rate structure
18 and explain how the changes proposed in the Application will help address those issues.

19 **Q. What is your educational background?**

20 A. I have a Bachelor of Science in Electrical Engineering from Kansas State University. I
21 have 33 years of industry specific experience.

1 **Q. What is your professional background?**

2 A. I am a Professional Engineer in the States of Kansas and Colorado. I have worked in
3 various roles for Aquila Inc. and Southern Pioneer since 1997. Prior to that, I worked
4 for Black and Veatch from 1992 to 1997 performing design work in various Power
5 Systems, Power Substation, and Power Plant projects. From 1990 to 1992 I worked for
6 Westinghouse/ABB as a Power Transformer designer.

7 **Q. Have you previously presented testimony before the KCC?**

8 A. Yes. I submitted testimony on behalf of Southern Pioneer in Docket No. 18-KPPE-343-
9 COC.

10 **II. THE PROPOSED RATE SCHEDULES AND RATE DESIGN**
11 **MODIFICATIONS WILL MEET THE NEEDS OF SOUTHERN PIONEER'S**
12 **CUSTOMERS**

13
14 **Q. What problems has Southern Pioneer experienced with its customers because of**
15 **its existing rate schedules and rate structures?**

16 A. Southern Pioneer adopted Aquila's rate schedules when the acquisition was approved
17 in 2007. Although there have been some modifications since, the rate schedules are still
18 essentially structured the same as what Aquila was using over 15 years ago. The desires
19 of our customers and the characteristics of the electric industry have changed
20 dramatically since 2007. Because our rate design and rage schedules are outdated,
21 Southern Pioneer has been unable to respond adequately to our customers' needs and
22 facilitate the service choices they are making while managing reliability, affordability,
23 and risk for all Southern Pioneer customers.

24 Specifically, Southern Pioneer is beginning to see an uptick in rooftop and
25 commercial solar installations (behind-the-meter or distributed generation resources).

1 Currently we have thirty-five (35) residential and three (3) commercial solar
2 installations online, with several more in the queue. Putting the appropriate rate design
3 in place now that aligns fixed costs with fixed charges will ensure that all Southern
4 Pioneer customers are paying their fair share of the fixed costs of the facilities (poles,
5 wires, substations) we must have in place to serve all customers, including those with
6 distributed generation resources.

7 **Q. Why is that not happening now under Southern Pioneer’s existing rate structure?**

8 A. The current rate design allows customers who have distributed generation the ability to
9 avoid their equitable share of the fixed costs by avoiding the energy charge where those
10 fixed costs are currently embedded. That means customers who continue to take full
11 power supply requirements from Southern Pioneer will pay an inequitable share of those
12 fixed costs. Having a modernized rate design in place will also provide customers who
13 are considering distributed generation resources or other customer-choice opportunities
14 with appropriate price signals so they can make an informed business decision without
15 subsequently changing the economics on a twenty-year capital investment. Southern
16 Pioneer’s rates need to be modernized now so customers can make informed decisions
17 regarding their future power needs.

18 **Q. What other concerns is Southern Pioneer addressing in its proposal in this docket?**

19 A. Southern Pioneer has also experienced significant customer issues with certain rate
20 designs within the old Aquila rate schedules that have made it difficult to ensure good
21 customer relations and ease of efficiency. These are frustration points for our customers
22 and our employees.

1 First, the 100% minimum bill demand ratchet charge in the General Service Large
2 (GSL) rate schedule and 75% minimum bill demand ratchet charge in the Industrial Service
3 rate schedule has been a huge customer relations problem over the years. Southern Pioneer
4 has several seasonal-type large commercial agricultural customers who only operate at
5 those levels during certain times of the year; however, the General Service Large rate
6 schedule requires them to pay a monthly kW charge equal to 100% of their highest demand
7 above 9 kW over the previous eleven (11) months. Therefore, there are several months for
8 which these customers are not fully operating but are paying a demand charge based upon
9 100% of their highest yearly demand. These customers feel like they are being penalized
10 and it has become increasingly difficult to manage their frustrations. These frustrations are
11 exacerbated because this 100% demand minimum bill ratchet design does not exist with
12 the Pioneer Electric large commercial rate schedules, and we have a handful of agricultural
13 customers who take service from both Southern Pioneer and Pioneer Electric. Therefore,
14 it is very difficult to explain the rationale for why the charge exists on the Southern Pioneer
15 rate schedule but not the Pioneer Electric rate schedule.

16 Another good example of this issue is a boy scout hut that has a pancake breakfast
17 once a year and inevitably sets a 15-20 kW demand that they are billed on for the entire
18 year because of all the food warmers brought in. Additionally, the County fairgrounds is
19 hard-hit as it has meters year around but only uses power for a week or two. And under the
20 Industrial Service rate schedule, we have a cotton gin that only operates four (4) months
21 out of the year in the winter, not during Southern Pioneer's peak load season, but it is
22 paying 75% of its highest winter demand for the entire year.

1 **Q. Are there other customer frustrations this Application is attempting to address?**

2 A. Yes. Another rate design issue is the kW limit set forth in the General Service Small
3 (GSS) rate schedule. Currently, a GSS customer with a kW demand exceeding 10 kW
4 for any one month is moved to the General Service Large rate schedule. We have several
5 customers who are on the edge of exceeding 10 kW, and a few load events throughout
6 the year have resulted in them jumping between rate schedules multiple times a year.
7 This causes significant customer confusion and frustration due to the billing differences
8 in the rate classes and makes it difficult for our billing staff to track, administer and
9 communicate effectively with Southern Pioneer's customers. Between November 2022
10 and October 2023, 196 customers were moved between these rates. Every time they
11 move, a new account number is created, Southern Pioneer requires new paperwork, and
12 it's an inconvenience for the customer. Trying to follow the rate and treat everyone
13 consistently is Southern Pioneer's goal; however, the current rate schedule requirements
14 make that difficult.

15 Southern Pioneer has experienced other difficulties because of the differences
16 between the rate structures of Southern Pioneer and Pioneer Electric. Those differences
17 cause our Customer Service Representatives difficulty working across companies to
18 resolve customer questions and complaints.

19 **Q. How will the changes proposed in the Application alleviate these issues?**

20 A. First, eliminating the residential and general service small rate schedules and creating new
21 Single Phase and Three Phase rate schedules with a demand component that mirrors the
22 Pioneer Electric Single Phase and Three Phase rate schedules (that also have a demand
23 component) will ease administration of these rate schedules by our billing group and will

1 help us better communicate these consistencies where we may have customers taking
2 service from both Pioneer Electric and Southern Pioneer. Most importantly, adding the
3 demand component will help ensure all customers are paying their fair share of the fixed
4 costs to serve, thus insulating customers from the risk of unnecessary cost shifts. This will
5 then allow Southern Pioneer to help facilitate customer choices like distributed generation
6 and electric vehicles, for example, without having to worry about the impact on other
7 Southern Pioneer customers and it will send the appropriate price signals to customers
8 considering whether to make those 20-year capital investments.

9 Southern Pioneer is also proposing to add the phrase “3 consecutive months” to the
10 new Single Phase and Three Phase rate schedules to provide that if a Three Phase or Non-
11 Domestic Single Phase service exceeds 10 kW for three (3) consecutive months, it will be
12 moved to the GSL rate schedule. This will reduce the movement of customers back and
13 forth with the GSL rate and allows customers to demonstrate some consistency of the
14 greater than 10 kW demand before moving them to the GSL.

15 With respect to the 100% and 75% demand ratchet charges in the General Service
16 Large and General Service Small rate schedules, Southern Pioneer is proposing to lower
17 the ratchet kW amount to 50% in both rate schedules as a form of gradualism considering
18 the impact to customers within the class. Southern Pioneer is hopeful that by lowering the
19 amount of kW subject to the minimum monthly kW charge, customers won’t see it so much
20 as a penalty, and Southern Pioneer can better communicate the need for some form of a
21 minimum bill for capacity that must be held in reserve throughout the year on behalf of the
22 customer.

1 **Q. What about the changes proposed for the Municipal Service class?**

2 A. In Southern Pioneer’s existing rate schedule, Index Number 19 is labeled “Municipal
3 Service,” but it is only allowed for municipal lighting and is available only to
4 municipalities. It is also the only rate that addresses ballfield lighting. But recreation
5 commissions, counties, and schools currently have ballfield lights that are on this rate, so
6 we are proposing to remove from the rate schedule the words “for the use of municipality
7 only”. Southern Pioneer also wants to include other things such as concession facilities that
8 are on the same meter at several of these locations. Lastly, our customers that operate these
9 facilities do not have the equipment or experience to own their own transformers. The rate
10 schedule language was changed so Southern would provide the transformer. Also, Southern
11 Pioneer has received requests for three phase service at some of these locations. Southern
12 Pioneer is proposing to modify the rate schedule language so the Company could choose
13 to supply three phase service if the request is justified by the customer.

14 **Q. What about the changes proposed for eliminating the Interruptible Industrial rate
15 schedule?**

16 A. The Interruptible Industrial rate schedule was inherited from Aquila-WPK. This rate
17 schedule as inherited does not make sense for Southern Pioneer. Southern Pioneer does not
18 currently, nor has it ever had any customers take service under this rate schedule.
19 Generally, interruptible rate schedules provide a customer with a reduced rate in exchange
20 for the ability to curtail the customer’s usage during times of high demand when called
21 upon by the utility. This helps a utility manage its peak demand and generation capacity
22 obligations. Aquila-WPK was a vertically integrated utility with generation resource
23 planning obligations unique to Aquila-WPK. Southern Pioneer is not vertically integrated

1 in that it does not own any generation and transmission assets; rather Southern Pioneer’s
2 wholesale power provider, Sunflower Electric Power Corporation (“Sunflower Electric”),
3 is the generation and transmission cooperative responsible for generation resource planning
4 for all of its distribution member-owners, including Southern Pioneer. Southern Pioneer
5 believes it is necessary to coordinate any demand response programs and rates through
6 Sunflower Electric to ensure the most efficient and effective implementation that makes
7 sense for Sunflower Electric and all its members. Therefore, we propose to eliminate the
8 current rate schedule, and if a formal commercial and industrial demand response program
9 is developed with Sunflower and its other members in the future, then Southern Pioneer
10 could seek approval of a new rate schedule to implement such a program.

11 **Q. What about other rate schedule language changes proposed for clarification?**

12 A. The following seven additional changes are being proposed:

- 13 • In Southern Pioneer’s existing rate schedules, the Character of Service in the
14 Residential Service rate schedule is described as single phase 115 or 115/230 volts.
15 The voltage has been changed in the proposed single phase rate to “available
16 voltage.” The Character of Service language has also been changed in the proposed
17 Three Phase Service rate schedule as Southern Pioneer does have a few three phase
18 services that would not meet the Character of Service requirements as provided for
19 in the existing Residential Service rate schedule. Also, the General Service Large
20 rate schedule and General Service Small rate Schedule did not include anything in
21 the Character of Service for 480-volt services, so the language was modified to be
22 more inclusive.

- 1 • The property tax surcharge was added to the rate language in all the rate schedules.
- 2 • The Rider No. 1 - Space Heating Service rate schedule has been modified to include
- 3 all charges on the applicable rate with a reduced kWh charge. The minimum bill
- 4 for the Industrial Service rate schedule and General Service Large rate schedules
- 5 were changed to calculate the same way.
- 6 • The power factor penalty is being modified in the Sub-Transmission &
- 7 Transmission Level Electric Service rate schedule to clarify that it is based on non-
- 8 coincident peak (“NCP”) demand.
- 9 • The Real-Time Pricing (“RTP”) rate schedule is proposed to be frozen. This is a
- 10 wholesale market rate pricing mechanism and program that needs to be reviewed,
- 11 tailored and coordinated through our wholesale power provider, Sunflower
- 12 Electric, and the other distribution member owners of Sunflower Electric.
- 13 • An energy cost adjustment clause was added to the Irrigation rate schedule
- 14 language to match current practice.
- 15 • Construction power was specifically identified in the temporary service rate
- 16 schedule as well as a statement that charges to serve the temporary location will be
- 17 paid by the customer.

18 **Q. Are there any other comments you want to make to the Commission regarding**
19 **Southern Pioneer’s requests in this case?**

20 A. I would like to summarize by saying that, coupled with Southern Pioneer’s Automated
21 Metering Information system, the proposals in this Application give our residential
22 customers the opportunity to better monitor and control their usage and costs during peak
23 hours. This is a positive result for all our customers.

1 Q. Does this conclude your testimony?

2 A. Yes, it does.

VERIFICATION

STATE OF KANSAS)
) ss
COUNTY OF Barber)

The undersigned, Brian Beecher, upon oath first duly sworn, states that he is Operations and Engineering Manager in Medicine Lodge for Southern Pioneer Electric Company, that he has reviewed the foregoing direct testimony, that he is familiar with the contents thereof, and that the statements contained therein are true and correct to the best of his knowledge and belief.

Brian Beecher
Brian Beecher

Subscribed and sworn to before me this 29 day of November, 2023.

Michelle Eck
Notary Public

My appointment expires: November 30, 2024

