

SOUTHERN PIONEER ELECTRIC COMPANY

In the Matter of the Application of Southern)
Pioneer Electric Company for Approval of)
the Demand Response Peak Time Rebate) Docket No. 15-SPEE- 357 -TAR
Pilot Program.)

APPLICATION EXHIBITS AND TESTIMONY

**SUBMITTED BY:
SOUTHERN PIONEER ELECTRIC COMPANY**

IN SUPPORT OF THE APPLICATION HEREIN CONTAINED

February 16, 2015

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Steven Fenrick Prefiled Direct	

SECTION 1
APPLICATION

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

In the Matter of the Application of Southern)
Pioneer Electric Company for Approval of)
the Demand Response Peak Time Rebate) Docket No. 15-SPEE-_____-TAR
Pilot Program.)

APPLICATION

COMES NOW Southern Pioneer Electric Company (“Southern Pioneer”) and pursuant to K.S.A. § 66-117 and in accordance with the State Corporation Commission of the State of Kansas (“Commission”) Orders in Docket Nos. 08-GIMX-441-GIV (the “441 Docket”), 08-GIMX-442-GIV (the “442 Docket”), and 12-GIMX-337-GIV (the “337 Docket”), hereby files this Application to the Commission for approval of a Demand Response (“DR”) Peak Time Rebate (“PTR”) Pilot Program (the “PTR Pilot Program”). In support of the Application, Southern Pioneer states as follows:

I. Introduction

1. Southern Pioneer is a not-for-profit, taxable Kansas corporation with its principal place of business located in Ulysses, Kansas, with distribution and customer service offices in Liberal and Medicine Lodge, Kansas. Southern Pioneer serves 17,395 total customers, of which 12,992 are residential, in ten south central and southwest Kansas counties. Southern Pioneer is a certificated electric public utility regulated by the Commission and is a wholly owned subsidiary of Pioneer Electric Cooperative, Inc. (“Pioneer”), a not-for-profit Kansas member-owned electric cooperative not subject to Commission regulation for retail ratemaking purposes pursuant to K.S.A. § 66-104d.

2. Southern Pioneer was granted public utility status on November 21, 2013, when the Commission approved the transfer of the retail certificated territory, customers, Rules and Regulations, and tariffs from Mid-Kansas Electric Company, LLC (“Mid-Kansas”) to Southern Pioneer in Docket No. 14-MKEE-447-MIS.

3. In addition to the undersigned, copies of pleadings, documents, and all correspondence in this docket should be sent to:

Randall D. Magnison
Executive Vice President - Assistant CEO
Southern Pioneer Electric Company
P.O. Box 430
Ulysses, KS 67880-0430

4. Southern Pioneer files this Application seeking approval of a limited and voluntary PTR Pilot Program, applicable to the retail residential customers served by Southern Pioneer. The detailed program overview, containing the information required by the Commission in its Orders in the 441 Docket, 442 Docket, and 337 Docket, is included in the report, attached hereto as Exhibit 1, and direct testimony prepared by Southern Pioneer’s rate consultant, Power System Engineering, Inc. (“PSE”). The associated proposed 2015-DR tariff schedule is attached hereto as Exhibit 2.

II. Background

5. Pursuant to the Commission-adopted definition, DR programs are “measures that reduce or shift demand for power during system emergencies, energy or capacity shortages, and periods of high wholesale market prices so as to make the best use of generation, transmission, and distribution assets.”¹ Additionally, the Commission recognizes that the DR program design

¹ Order Initiating Investigation and Assessing Costs, p. 6, ¶ 9 (issued November 6, 2007), 441 Docket.

may include “payments to customers for reducing their load when requested.”² In the 441 Docket, the Commission affirmed that the DR programs can be effective in shaving demand peaks, which in turn, reduces the need for peaking capacity and thus helps keep energy costs down.³ Accordingly, the Commission stated it favors implementation of these programs as a means of mitigating the need for expensive new power generation.⁴

6. Southern Pioneer is interested in working with its Generation and Transmission (“G&T”) power supplier, Mid-Kansas, in developing and implementing a DR program to reduce energy use during high-cost peak demand periods by means of intentionally and predictably modifying the system load shape in ways that will benefit Mid-Kansas and, by extension, Southern Pioneer. The driving force behind Mid-Kansas’ interest in developing a DR resource, through its distribution member-utilities, is a projected generating capacity deficit starting in the year 2019 due to forecasted load growth and expiring power purchase agreements. Mid-Kansas, in conjunction with its sister company, Sunflower Electric Power Corporation (“Sunflower”), is currently investigating whether DR programs can be an effective, least-cost resource that will provide power supply capacity at a lower cost than the alternatives, which are: (1) constructing new generation capacity; or (2) purchasing capacity from third parties through contractual arrangements.⁵ Accordingly, Mid-Kansas and Sunflower will sponsor a number of DR pilots starting in the summer of 2015. These pilots will begin testing and evaluating whether DR can alleviate part of the upcoming projected capacity deficit to help lower wholesale power supply costs for the distribution member-utilities and their customers while continuing to enable the provision of the reliable services.

² Id. at p. 6, ¶ 10.

³ Final Order p. 6, ¶10 (issued November 14, 2008), 441 Docket.

⁴ Id.

⁵ The cost of new capacity resources acquired by Mid-Kansas is borne in full by the distribution member- utilities and their customers through wholesale purchased power rates.

7. To support this effort in keeping electricity rates as low as possible while maintaining the reliable services, Southern Pioneer is interested in piloting a voluntary residential PTR Program, starting on June 1, 2015 and continuing through the end of August 2015. A PTR Pilot Program offers Southern Pioneer's residential customers a financial reward for reducing their electricity use during specific peak event hours. Residential customers will be notified of peak event hours either through text messaging, e-mail or both. The participating customer's decision to curtail energy use is entirely voluntary; it is up to the participating residential customer to decide whether, and how much, to react to a designated peak event.

8. This proposed PTR Pilot Program is beneficially unlike many DR programs in that residential customers have no risk of paying more on their bills as a result of the program.⁶ Non-participating residential customers will continue to pay the applicable retail rate they were paying before implementation of the PTR Pilot Program. Similarly, participating residential customers will also continue to pay the applicable retail rate they were paying before implementation of the PTR Pilot Program, even if they choose not to reduce energy usage during designated peak events. However, if participating residential customers do curtail their electricity usage during the designated peak events, they benefit by receiving a rebate check based on a kWh reduction in energy use from an established historical baseline load. Thus, the participating customers cannot face higher bills, only lower ones, and non-participating customers will not be penalized or otherwise materially affected. Ultimately, if the pilot is successful, both participating and non-participating residential customers will benefit through

⁶ Southern Pioneer customers may experience a slight negative impact in the short-term due to the Pilot costs being rolled up into the Mid-Kansas overall power costs, which are socialized and then passed on to each of the distribution member-utility on their corresponding load ratio share, thus eventually flowing through to the distribution member-utilities' retail customers in the form of the Energy Cost Adjustment. However, this impact will be minimal (especially given the fact that all costs are socialized among the Mid-Kansas distribution member-utilities) and with a likely long-term benefit.

lower electric bills due to implementation of the program as a least cost alternative to acquiring new traditional capacity resources.

9. In order to keep budget amounts low, the 2015 voluntary PTR Pilot Program will be capped at 100 residential participants. Yet, it will be large enough to meaningfully test and evaluate the impacts of the PTR Pilot program. Mid-Kansas will sponsor the PTR Pilot Program and pick up the costs of the pilot, including all mailing, recruitment, rebate, communication, and measurement and verification (“M&V”) costs.⁷

10. The 2015 PTR Pilot Program and M&V process will enable Southern Pioneer and Mid-Kansas to evaluate the energy savings and peak demand impacts of the PTR Pilot Program and determine the next steps moving to 2016 and beyond. If the 2015 PTR Pilot Program is successful, Southern Pioneer can incorporate the lessons learned from the 2015 PTR Pilot Program and, upon the Commission’s evaluation and approval, extend and possibly expand the scope of the program. The 2015 PTR Pilot Program proposed in this Application is just and reasonable, will not result in undue discrimination, and is in the interest of Southern Pioneer’s customers. Testing this program and verifying the likelihood of positive benefit-cost ratios is a prudent and measured step. Given the willingness of Mid-Kansas to fund the pilot expenses, along with its belief that DR may play an integral future role as a reliable and cost-effective resource that helps meet system capacity obligations, a residential PTR Pilot Program implemented during the 2015 summer peak period presents a great opportunity for Southern Pioneer and its customers to benefit, with very limited risk.

⁷ Southern Pioneer will pay its load ratio share of the costs to implement and administer the program through wholesale power rate; however, because the proposed program is of a short duration and number of participants is limited, the overall cost to Southern Pioneer will be relatively minimal.

III. Requested Timeline for Commission Action

11. In order to begin implementing the PTR Pilot Program coincident with the DR programs of other Mid-Kansas and Sunflower member-utilities during the summer of 2015, Southern Pioneer would need to finalize the participant enrollment process by the end of spring 2015. Therefore, Southern Pioneer respectfully requests the Commission issue its final Order on this Application on or before April 1, 2015 rather than follow the standard 240-day timeline in K.S.A. §66-117 to allow Southern Pioneer sufficient time for the mailing and recruitment activities prior to the onset of the PTR Pilot Program.

WHEREFORE, Southern Pioneer prays that the Commission (1) approve this Application and permit Southern Pioneer's tariff to become effective as proposed; (2) issue an order in this docket on or before April 1, 2015; and (3) grant such other and further relief as the Commission may deem just and reasonable.

Respectfully submitted,



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**ATTORNEY FOR SOUTHERN PIONEER
ELECTRIC COMPANY**

SECTION 2
EXHIBITS

EXHIBIT 1
PROGRAM OVERVIEW

Full-service consultants



Peak Time Rebate: Pilot Design

Prepared for:

Southern Pioneer Electric Company

Prepared by:

Power System Engineering, Inc.

December 1, 2014

Peak Time Rebate: Pilot Design for Southern Pioneer Electric Company

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1. Program Description

Southern Pioneer Electric Company (Southern Pioneer) is interested in working with its Generation and Transmission (G&T) power supplier, Mid-Kansas Electric Company, LLC (MKEC), in developing a demand response (DR) program. DR programs reduce energy usage during high-cost, peak demand periods; in some cases, that usage is shifted to other lower-cost periods. Thus, DR resources are programs that intentionally and predictably modify the system load shape in ways that will benefit MKEC and, by extension, the distribution member-utilities it serves.

To support this effort in keeping electricity rates low, Southern Pioneer is interested in piloting a residential Peak Time Rebate (PTR) program, starting on June 1, 2015 and running through the end of August 2015. The overview of the PTR pilot specifications are provided in the table below.

Program Detail	
Rebate per kWh reduced	\$0.75 per kWh reduced
Pilot participation	Capped at 100 residential customers
Baseline method	PSE regression models using relevant variables
Communication of Peak Events	Via E-mail or text message at the discretion of participant
Recruitment Strategy	Direct mail to 1,000 residential customers, first 100 to reply placed in pilot.
Rebate Checks	Sent at the end of the summer 2015 after pilot is completed.
M&V	Conducted in Fall of 2015 to determine possible pilot modifications or expansion.

PTR program offers customers a financial reward for reducing their electricity use during specific peak event hours. Customers will be notified of peak event hours either through text messaging or e-mail notices. It is then up to the participants to decide whether, and how much, to react to a called peak event by curtailing their usage as desired. In other words, this PTR program is entirely voluntary in nature, both in signing up and in reducing electricity use during specific events.

Additionally, electricity rates remain unchanged; therefore, if customers do not reduce usage during peak events, their bills stay as they were before the program was enacted. However, if customers do curtail their electricity use during the designated peak event hours, they gain by receiving a rebate check. Thus, the customers cannot face higher bills, only lower ones.

Overall, regardless of consumer behavior, the participant cannot be harmed by their enrollment in this PTR program (or non-participant – by non-enrollment), meaning Southern Pioneer’s residential customers have no risk of paying more on their bills as a result of the program.

The rebates will be calculated after the end of August 2015, with one rebate check being sent to each participant that was found to reduce their electricity use during peak events, based on a kWh reduction from the baseline. Each participant gets a customized baseline, based on past usage and other factors.

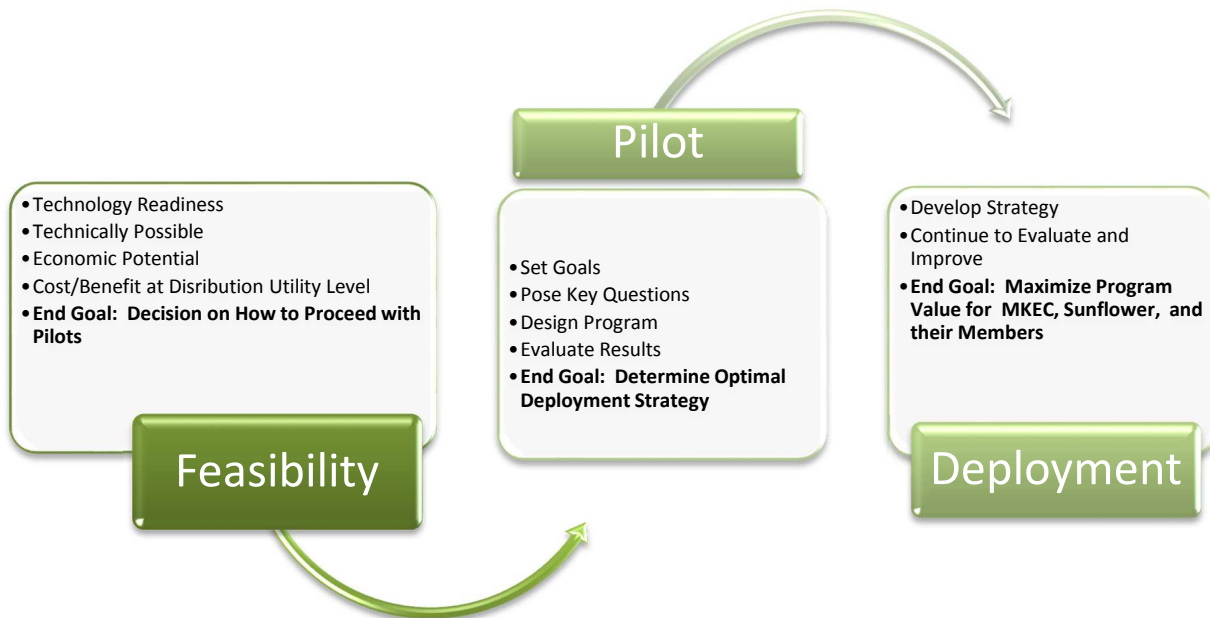
This baseline rebate calculation will be conducted by PSE using regression-based tools that adjust expected energy use based on variables such as hour of day, day of week, and weather conditions.¹

2. Program Goal

The driving force behind MKEC’s interest in developing a DR resource is a projected generating capacity deficit starting in the year 2019. In conjunction with Sunflower Electric Power Corporation (Sunflower), MKEC is currently investigating whether DR programs can be a least-cost resource that will offer power supply capacity at a lower cost than the alternatives, which are: (1) constructing new generation capacity or (2) purchasing capacity from third parties.

In 2012, MKEC and Sunflower engaged Power System Engineering, Inc. (PSE) to conduct a DR feasibility report. In that report, a number of DR options were investigated, along with associated cost-benefit tests. Based on that research and the continued projected capacity shortfalls, MKEC is now moving to the pilot stage of its DR strategy. Accordingly, MKEC and Sunflower have requested that willing distribution member-utilities begin piloting certain DR programs during the summer of 2015 with the purpose of testing and evaluating whether DR can alleviate part of the upcoming projected capacity deficit and help keep power supply costs low for their distribution member-utilities.

The three stages of MKEC’s overall strategy are illustrated below.



The PTR program encourages consumers to reduce as much electricity usage as they can: if no usage adjustment is made, the participant is charged their normal rate; but if the participant’s

¹ This baseline procedure mimics the successful procedure used by Heartland Rural Electric Cooperative in Eastern Kansas, where they have a fully deployed PTR program as part of the Peak Savers demand response program.

usage decreases during the event time (relative to their established baseline), a rebate or an alternative incentive is provided to the participant.²

The 2015 PTR pilot and measurement and verification (M&V) process will enable Southern Pioneer and MKEC to evaluate the potential impacts of the PTR program and determine the next steps moving to 2016 and beyond. If the 2015 PTR pilot is successful, in 2016, Southern Pioneer can incorporate the lessons learned from the Pilot and, upon evaluation and approval of a Kansas Corporation Commission (“Commission”), it can expand the program, which would allow MKEC and Sunflower to transpose the experience onto the other member-systems.

3. Program Framework

A. Relationship to Other Programs

MKEC and Sunflower will be sponsoring a number of DR pilots starting in the summer of 2015. Collectively, these pilots will begin testing and evaluating whether DR can alleviate part of the upcoming projected capacity deficit and help keep power supply costs low for their distribution member-utilities.

B. Marketing Strategy

Upon approval of the PTR Pilot by the Commission, PSE will initiate direct mail to 1,000 residential customers. The first 100 to reply will be placed in the pilot.

Ultimately, A PTR pilot will allow Southern Pioneer to better engage with its customers and offer a new product that will benefit them. In 2012, PSE conducted a survey for Sunflower and MKEC as part of their DR feasibility study. Southern Pioneer customers responded favorably to the idea of a PTR, with over 68 percent indicating a willingness to participate in such a program.

Other utilities around the country have run successful PTR programs. Most notably, in eastern Kansas, Heartland Rural Electric Cooperative (“Heartland”) has a fully deployed PTR program as part of its Peak Savers DR program. This was initiated after PSE conducted a cost/benefit evaluation and helped design the PTR program. Heartland has run a fully deployed program for the last three years, and has over 25 percent of residential members signed up. From all accounts, its customers are satisfied with the program, which has enabled Heartland to save on power supply costs while at the same time providing its members with rebate checks.

C. Program Delivery (In House/Third Party)

PSE, a full-service consulting firm selected and paid for by MKEC, will carry out mailing, recruitment, rebate, communication, and M&V activities.

² Due to the program’s voluntary nature, the demand savings can vary between event days.

D. Partners

MKEC, Southern Pioneer's G&T, will pay all of the financial costs of the program.

4. Program Budget

The incentives paid back to participating customers are set at \$0.75 per kWh reduction. The full costs of running the 2015 PTR pilot for Southern Pioneer are estimated to be less than \$40,000. This includes all mailing, recruitment, rebate, communication, and (M&V) costs. MKEC will sponsor the program and pick up the costs of the pilot.

5. Program Beneficiaries

A. Expected number of participants by customer class or subclass

In order to keep budget amounts low, the 2015 pilot will be capped at 100 customers selected from the Southern Pioneer residential customer class. Yet, it will be large enough to meaningfully test and evaluate the impacts of the program. The full program is anticipated to see a 25% participation rate.

B. Other beneficiaries

MKEC estimates the cost of constructing a new power plant to address the upcoming capacity deficit to be approximately \$15 per kW/month. While a DR resource will vary based on its overall penetration, MKEC believes part of the projected capacity deficit can be fulfilled through DR, whose capacity costs are approximately half of those of a new power plant. Thus, DR programs will save money for all MKEC distribution member-utilities, including Southern Pioneer.

The program is also likely to increase customer satisfaction, while at the same time helping to keep long-run power supply costs lower than they otherwise would have been. It is Southern Pioneer's belief that a PTR program has the potential to offer MKEC with a power supply resource that is far lower in cost than other alternatives.

Additionally, the benefit-cost analysis, detailed below, indicates that the residential PTR program is projected to benefit all parties involved: the participants gain through receiving financial rewards with no downside risk; while the non-participating ratepayers will receive benefits through lowering long-run electricity rates. Southern Pioneer customers may be negatively impacted in the short-term due to the pilot costs being socialized to all member-systems of Mid-Kansas. However, this impact will be minimal and with a likely long-term benefit. Conclusively, a PTR program has the potential of being a strong value to all of Southern Pioneer's customers.

6. Program Benefit-Cost Analysis

A residential PTR program tends to be one of the most popular DR programs for participants. It also tends to have one of the best cost-benefit ratios, because the program has minimal upfront costs and

most of the program expenses end up in the participants’ hands. Hence, this is likely to be a very cost-effective program, if it is eventually fully deployed. This is due to the fact that the primary cost of a PTR program is the necessary interval metering technology investment, known as Automated Metering Infrastructure (AMI); and Southern Pioneer already has already made AMI investments. If fully deployed, most of the PTR program costs take the form of rebate checks to customers.

The cost benefit tests for Southern Pioneer were calculated using a rebate amount of \$0.75 per kWh reduction, estimated avoided power supply costs of \$15 kW-month, and average “called” event hours of 60 per year. The cost-benefit tests are based on a full deployment scenario; PSE used Heartland’s real-world participation rate of 25 percent residential customers and average kW impacts of 0.3 kW per participant. PSE is assuming the program will be energy-neutral; that is, any energy reduced by participants during peak events will result in higher energy use either prior to (pre-cooling) or subsequent to the peak events.

The cost-benefit tests have been put together from the perspective of MKEC, since it will be picking up the entire costs of the PTR pilot and eventual full-scale program and also receives benefits in the form of lower power procurement costs. Southern Pioneer will eventually benefit through the lower power supply costs resulting from the PTR program, and through other programs offered at other MKEC distribution member-cooperatives.

The benefit-cost ratios are provided for the Total Resource Cost test (TRC), the ratepayer impact measure test (RIM), and the Participant Test. Regarding the Participant Test, each participant can only financially benefit or be unchanged on the program, thus the benefit-cost ratio is infinite, as there are no tangible costs to the participants.³

The TRC test is calculated by taking all of the benefits to MKEC and dividing by the non-participant costs.⁴ Rebate amounts flowing to participants are not counted as costs in this test because they are not “leaving the system” but are transfer payments from MKEC to the participants in recognition of their efforts to reduce electricity use during peak events. The RIM test looks at the impact of the non-participating customers of the distribution systems served by MKEC. This is a ratio of the benefits to MKEC to all of the program costs, including the rebates paid to participants.

Benefit-Cost Tests	Ratio
TRC/Societal	6.8
RIM	2.5
Participant	All benefits, no costs

As the above tests show, the residential PTR program is projected to benefit all parties involved. The participants gain through receiving financial rewards with no downside risk. Non-participating

³ In reality, the participants do undertake costs in the form of choosing to turn off appliances and forgo their use during the peak event hours. For example, a participant may increase their thermostat setting on their air conditioning unit, thus warming up their house. This is a cost, but it cannot be quantified. In doing this, the participant values the rebate money more than a warmer house and so is being made better off. They are entirely free to make a different decision if this were not the case.

⁴ The TRC test will be the same as the Societal test, as we are assuming the PTR program is energy neutral and will not result in energy conservation.

ratepayers will receive benefits through lowering long-run electricity rates. The RIM test of 2.5 indicates that the estimated benefits to non-participant ratepayers are 2.5 times the estimated costs of the program. The TRC test of 6.8 shows all of the net benefits outweigh the net costs by a ratio of 6.8. As these tests exemplify, a PTR program has the potential of being a strong value to all of Southern Pioneer’s customers.

The calculation table is provided below that shows the annual costs and benefits of the program and calculates the cost-benefit tests discussed above. These calculations are for a full deployment scenario with a residential participation rate of 25 percent.

Benefits of PTR at MKEC		
Per participant reduction (kW)		0.3
Annual power supply value per kW (\$15 kW-month * 12)	\$	180
Value provided to MKEC per participant	\$	54.00
Full deployment participation rate		25%
Number of residential consumers at S. Pioneer		12,990
Total PTR participants		3,248
Total kW reduced		974
Total Benefits per year to MKEC	\$	175,365
Costs of PTR at MKEC		
Number of Event Hours		60
Rebate amount per kWh		\$0.75
Rebate per participant		\$13.50
Rebate and M&V calculation costs per participant		\$5.00
Mailing and other communication costs per participant		\$3.00
Total Costs to MKEC per participant		\$21.50
Cost per kW-month		\$5.97
Total Costs per year to MKEC		\$69,821.3
Annual Net Savings	\$	105,543.75
Ratepayer Impact Test Benefit-Cost Ratio		2.5
Total Resource Test (participant rebates excluded in costs)		6.8
Participant Test		All benefits, no costs

7. Program Evaluation, Measurement and Verification Plan

The M&V part of the program will use the rebate calculation regressions as a starting point and will estimate the average kW reduction, by hour, for the pilot participants. Note that participants are paid for kWh reduction for all called events, even though the main benefit to Southern Pioneer comes from kW reduction for one specific hour. This way, a member does not have to “hit” the peak hour to receive a rebate; they are rewarded for effort in all called hours. This should keep customer reduction efforts high and increase satisfaction with the program. A follow-up questionnaire will also be sent to the participants in order to receive feedback on the program.

The determination of next steps will be based on the questionnaire feedback, demand impacts, and the success of the Southern Pioneer PTR pilot and other DR pilots being undertaken in 2015 on the MKEC system. PSE and MKEC have partnered together and will be conducting simulations of the power supply situation of MKEC after pilot results have been conducted. Based on these simulations, modifications to the pilot may be recommended in 2016; this will help to move MKEC closer to an extensive DR portfolio as the 2019 projected capacity deficit approaches.

8. Program-Specific Tariff Schedule

Southern Pioneer’s associated proposed tariff schedule 2015-DR is enclosed in its Application to the Commission as Exhibit 2.

9. Final Remarks

A PTR pilot of limited scope is in the interests of Southern Pioneer’s customers. Testing out this program and verifying the likelihood of positive benefit-cost ratios is a prudent and measured step. Given the willingness of MKEC to fund the pilot expenses, along with its belief that DR may play an integral future role in keeping long-term power supply costs lower than they otherwise would be, a residential PTR pilot in 2015 presents a large opportunity for Southern Pioneer to benefit, with very limited downside risks.

EXHIBIT 2
PROPOSED TARIFF

SOUTHERN PIONEER ELECTRIC COMPANY _____
(Name of Issuing Utility)

Schedule: 2015 - DR

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

Replacing Schedule INITIAL
Which was filed INITIAL

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

DEMAND RESPONSE - PEAK TIME REBATE PILOT PROGRAM

AVAILABLE

In the entire service area.

APPLICABLE

This Demand Response – Peak Time Rebate Pilot Program (“PTR Pilot Program”) is applicable to Customers that are taking service under the Company’s Residential (“RS”) rate schedule who have voluntarily elected and been accepted by Company to participate in this PTR Pilot Program. The PTR Pilot Program will be capped at 100 participants, and will remain in effect from June 1, 2015 until August 31, 2015.

INCENTIVE

\$0.75/kWh reduced during peak event hours. Each participant’s kWh reduction, if any, will be calculated by comparing Customer’s actual kWh usage to the baseline load, hereinafter referred to as the customer baseline load (“CBL”). The CBL will be customized for each Customer based on historical usage and taking into account hour of day, day of the week, and weather conditions. The incentive will be calculated and paid by Company after the end of August 2015, with one rebate check being sent to each Customer found to have reduced their electricity use during peak events, based on the kWh reduction from the CBL.

COMMUNICATION

Participants will be notified of peak event hours either through text messaging, e-mail or both.

CURTAILMENT

Curtailment by a Customer during the peak events is 100% voluntary. There is no associated penalty in the event Customer chooses not to curtail electricity use during the notified peak event(s).

TERMS AND CONDITIONS

Service will be rendered under the Company’s Rules and Regulations as filed with the Kansas Corporation Commission (“Commission”).

EFFECTIVE DATE

This tariff schedule shall become effective upon Commission’s approval.

Issued _____
Month Day Year

Effective _____
Month Day Year

By _____ President-CEO
Signature Title