



Southern Pioneer Electric Company
1850 West Oklahoma
P.O. Box 430
Ulysses, Kansas 67880
Toll Free 800.670.4381
www.southernpioneer.net

December 23, 2015

Neysa Thomas
Acting Executive Director
Kansas Corporation Commission
1500 SW Arrowhead Road
Topeka, Kansas 66604

**RE: Docket No. 15-SPEE-357-TAR
Southern Pioneer Peak Time Rebate Pilot Report**

Dear Ms. Thomas:

On February 16, 2015, Southern Pioneer Electric Company (“Southern Pioneer”) filed an Application in Docket No. 15-SPEE-357-TAR (“Docket 15-357”) with the State Corporation Commission of the State of Kansas (“Commission” of “KCC Staff”) seeking approval of a Demand Response Peak Time Rebate Pilot Program (“DR-PTRPP”).¹ On February 19, 2015, the Citizens’ Utility Ratepayer Board (“CURB”) filed its Petition to Intervene, citing its statutory authority to represent residential and small commercial ratepayers.² On March 3, 2015, the Commission granted CURB’s petition to intervene, and also issued a suspension, protective, and discovery order in Docket 15-357.³

On June 10, 2015, KCC Staff filed its Report and Recommendation (“R&R”).⁴ KCC Staff’s R&R recommended that the Commission approve Southern Pioneer’s DR-PTRPP with slight modifications to the proposed effective date.⁵ On June 12, 2015, CURB submitted its response to Staff’s R&R.⁶ CURB, though disagreeing with Staff’s assessment of costs and benefits, agreed that useful information could be gathered from Southern Pioneer’s DR-PTRPP.⁷ CURB recommended that Southern Pioneer and Mid-Kansas Electric Company, LLC (“Mid-Kansas”) be required to submit a report in Docket 15-357 upon the conclusion of Southern Pioneer’s DR-PTRPP.⁸

On June 25, 2015, the Commission issued its final Order Granting Application in Docket 15-357, accepting KCC Staff’s and CURB’s recommendations as contained in the KCC Staff’s R&R and CURB’s Response to KCC Staff’s R&R, and directed Southern Pioneer to file, no later than

¹ Application of Southern Pioneer Electric Company for Approval of the Demand Response Peak Time Rebate Pilot Program (Feb. 16, 2015) (Application).

² Petition to Intervene, ¶ 5 (Feb. 19, 2015).

³ See Order Granting Intervention, Suspension Order, Protective Order and Discovery Order (Mar. 3, 2015).

⁴ Staff’s Report and Recommendation (Jun. 10, 2015) (R&R).

⁵ See *id.* at pp. 4-5.

⁶ CURB’s Response to Staff’s Report and Recommendation (Jun. 12, 2015) (CURB Response).

⁷ See *id.* at pp. 1-2.

⁸ See *id.* at p. 2.

December 31, 2015 after the conclusion of the DR-PTRPP August 31, 2015, a report summarizing the results.

Enclosed hereafter is a summary of the filing requirements as outlined in the Commission's Order Granting Application in Docket 15-357 and a brief summary of the results of the DR-PTRPP.

Filing Requirements

CURB recommended that the Commission require Mid-Kansas and Southern Pioneer to submit a report, upon the expiration of Southern Pioneer's DR-PTRPP, that included specifically:⁹

- a. The Measurement and Verification ("M&V") completed by Power Systems Engineering, Inc. ("PSE");
- b. A breakdown of all actual costs associated with the program, including program administrative fees, rebates provided, mailing and communication expenses, internal labor costs, and any other costs related to the program incurred by Southern Pioneer and Mid-Kansas;
- c. A detailed description of the number of program participants for each of Mid-Kansas' participating utilities;
- d. The actual costs of the program incurred by Mid-Kansas and the amounts passed on to each of Mid-Kansas' participating utilities through the energy cost adjustment;
- e. A report summarizing the results of the end-of-pilot survey provided by the participants in the program; and
- f. A post-pilot benefit-cost analysis.¹⁰

Brief Summary

MKEC and Sunflower partnered to fund six PTR pilots for their distribution member-utilities in the summer months of June, July, and August of 2015. One of these six pilots is the Southern Pioneer DR-PTRPP. The other five pilots consist of two other residential PTR pilots, an irrigation PTR pilot, and two small commercial and industrial (C&I) pilots.

Power System Engineering, Inc. (PSE) combined the three residential PTR pilots and created six different test groups. These six test groups were randomly chosen, with the caveat that each test group included a nearly equal number of participants from each pilot. The six test groups enabled called events to be rotated between the groups. This provided an increased number of event days and provided the measurement and verification (M&V) study to always have a "control" group for every event.

The three residential pilots all had the same rebate payments of \$0.75 per kilowatt hour (kWh) reduced. Recruitment was also conducted in a similar fashion, with each pilot soliciting 1,000 randomly chosen residential consumers. One exception is that Southern Pioneer participants were limited to 100 participants required by the Commission's Order in the 15-357 Docket.

⁹ CURB Response, pp. 1-2.

¹⁰ *Id.* at p. 2.

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The table below provides the original cost-benefit tests and the revised cost-benefit tests. For more details on the construction of these tests please see PSE's original report, "Peak Time Rebate: Pilot Design" (Exhibit 1).

Cost-Benefit Tests

Test	Original Result	Revised Result
RIM	2.5	2.2
Utility/PAT	2.5	2.2
TRC	6.8	4.7
Participant	Unlimited	Unlimited

As the table above shows, the DR-PTRPP's estimated benefits far outweigh its costs from all of the evaluated perspectives.

Furthermore and last, attached hereto, as requested by CURB and directed by Commission order in Docket 15-357, and to comply with the requirements of the Commission-approved DR-PTRPP is Southern Pioneer's detailed DR-PTRPP Report as prepared by PSE, Southern Pioneer's and Mid-Kansas' consultant in Docket 15-357.

As always, Southern Pioneer looks forward to the Commission's acceptance of this filing and report. Should KCC Staff or you have questions regarding this filing or request additional information, please do not hesitate to contact me at 620-424-5211 or rmagnison@pioneerelectric.coop.

Regards,



Randall D. Magnison
Executive Vice President – Assistant CEO

cc: Power System Engineering, Inc.
Mid-Kansas Electric Company, LLC
Lindsay Shepard

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