

**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-TAR
Make Certain Revenue Neutral Changes to its)
Rate Design.)**

DIRECT TESTIMONY

PREPARED BY

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UTILITIES DIVISION

KANSAS CORPORATION COMMISSION

April 2, 2024

1 **I. STATEMENT OF QUALIFICATIONS**

2 **Q. What is your name?**

3 A. Lana J. Ellis.

4 **Q. By whom and in what capacity are you employed?**

5 A. I am employed by the Kansas Corporation Commission (KCC or Commission) as
6 Deputy Chief of the Economics and Rates Section within the Utilities Division.

7 **Q. What is your business address?**

8 A. 1500 S.W. Arrowhead Road, Topeka, Kansas, 66604-4027.

9 **Q. What is your educational background and professional experience?**

10 A. I have a B.S.B.A with a major in Honors Economics from Missouri Western State
11 University, an M.A. in economics and an Interdisciplinary Ph.D. in economics and
12 political science from the University of Missouri-Kansas City, an M.B.A. from
13 Rockhurst University, and a J.D. from Seattle University. Before I began my
14 employment with the Commission, I worked for Sprint Corporation and The
15 Baltimore Sun, serving primarily in strategic planning and market research
16 positions. In addition, I have taught graduate-level business and economics courses
17 as an adjunct instructor at several universities.

18 **Q. Have you previously submitted testimony before this Commission?**

19 A. Yes, I filed testimony in Docket Nos. 14-KCPE-272-RTS, 14-BHCG-502-RTS, 15-
20 WSEE-181-TAR, 16-KCPE-446-TAR, 17-WSEE-147-RTS, 18-WSEE-328-RTS,
21 18-KCPE-480-RTS, 18-KGSG-560-RTS, 19-EPDE-223-RTS, 20-SPEE-169-
22 RTS, 21-BHCG-418-RTS, 22-EKME-254-TAR, 23-ATMG-359-RTS, and 23-

1 EKCE-775-RTS. I have also participated, as a member of Commission Staff
2 (Staff), in a number of other dockets.

3 **II. INTRODUCTION**

4 ***Purpose***

5 **Q. What is the purpose of your testimony?**

6 A. The purpose of my testimony is to sponsor Staff's recommendations regarding
7 Southern Pioneer Electric Company's (Southern Pioneer) proposals to freeze or
8 eliminate tariffs and proposed tariff language changes.

9 ***Organization***

10 **Q. How is your testimony organized?**

11 A. My testimony is organized in two major sections. First, I will discuss Southern
12 Pioneer's proposal to freeze its Real-Time Pricing rate schedule and the company's
13 proposal to eliminate the Interruptible Industrial rate schedule. Next, I will address
14 the proposed tariff language changes regarding Character of Service, Minimum
15 Bill, and the Transmission Power Factor Penalty. Finally, I will conclude by
16 recommending the Commission accept Southern Pioneer's proposal to freeze its
17 Real-Time Pricing rate schedule; accept Staff's proposal to freeze the Interruptible
18 Industrial rate schedule; and accept Southern Pioneer's proposed language changes
19 with Staff's proposed modifications as discussed below.

III. ANALYSIS

Freezing/Eliminating Tariffs

Freeze Real-Time Pricing Rate Schedule

Q. What is Southern Pioneer’s proposal and Staff’s recommendation regarding the Real-Time Pricing rate schedule?

A. Southern Pioneer proposes the Real-Time Pricing (RTP) rate schedule be frozen.

As explained by Southern Pioneer’s Witness Brian Beecher, the Real-Time Pricing rate is a wholesale market rate pricing mechanism and program that needs to be reviewed and coordinated through Southern Pioneer’s wholesale power provider, Sunflower Electric Power Corporation (Sunflower Electric), and Sunflower Electric’s other distribution member owners.¹ Staff agrees the rate schedule should be frozen pending further review.

Eliminate Interruptible Industrial Rate Schedule

Q. What is Southern Pioneer’s proposal regarding the Interruptible Industrial rate schedule?

A. Southern Pioneer proposes to eliminate the current Interruptible Industrial rate schedule and, if a commercial and industrial demand response program is developed with Sunflower Electric and its members in the future, Southern Pioneer would seek approval of a new rate schedule to implement such a program then. Southern Pioneer does not currently have (nor has it ever had) any customers taking service under this rate schedule.

According to Southern Pioneer’s Witness Brian Beecher, the Interruptible Industrial rate schedule was inherited from Aquila-WPK and, as inherited, the rate

¹ Direct Testimony of Brian Beecher (Beecher Direct), Docket No. 24-SPEE-415-TAR, p. 10.

1 schedule does not make sense for Southern Pioneer.² Aquila-WPK was a vertically
2 integrated utility with generation resource planning obligations unique to Aquila-
3 WPK. Unlike Aquila-WPK, Southern Pioneer does not own any generation or
4 transmission assets. Instead Southern Pioneer's wholesale power provider,
5 Sunflower Electric, is the generation and transmission cooperative responsible for
6 generation resource planning for all of Sunflower Electric's distribution members,
7 including Southern Pioneer.³ Thus, it is necessary to coordinate any demand
8 response programs and rates through Sunflower Electric to ensure the most efficient
9 and effective implementation that makes sense for Sunflower Electric and all its
10 members, including Southern Pioneer.

11 **Q. What is Staff's recommendation regarding the Interruptible Industrial rate**
12 **schedule?**

13 A. Staff agrees this inherited rate schedule doesn't make sense for Southern Pioneer at
14 this time. Because there are no customers currently on the rate schedule, Staff
15 recommends freezing the rate schedule as a placeholder tariff along with the Real-
16 Time Pricing rate schedule instead of eliminating it altogether.

² Beecher Direct, pp. 8-9.

³ Generally, interruptible rate schedules provide customers with a reduced rate in exchange for the ability to curtail the customer's usage during times of high demand when called upon by the utility. This helps a utility manage its peak demand and generation capacity obligations. Beecher Direct, p. 8.

1 **Tariff Language Changes**

2 ***Character of Service and Availability***

3 *Single Phase Character of Service and Availability*

4 **Q. What is Southern Pioneer’s proposal and Staff’s recommendation regarding**
5 **the Single Phase character of service and availability?**

6 A. Character of Service is currently defined in the Residential Service rate schedule as
7 single phase 115 or 115/230 volts. The limiting voltage language has been changed
8 in the proposed Single Phase Service rate schedule more broadly from “Alternating
9 current, 60 cycle, single phase, 115 or 115/230 volts” to “Alternating current, 60
10 cycle, single phase at available voltage.” Staff agrees the existing language was
11 too restrictive and recommends approval of the proposed language changes.

12 *Three Phase Character of Service and Availability*

13 **Q. What is Southern Pioneer’s proposal and Staff’s recommendation regarding**
14 **the Three Phase character of service and availability?**

15 A. Southern Pioneer proposes to change the Character of Service language from
16 “Alternating current, approximately 60 cycles; single phase, 115 or 115/230 volt;
17 three phase, 3 wire, 230 volt; three phase, 4 wire, 115/230 volt.” to “Alternating
18 current, 60 cycles, three phase, at available secondary voltages.” The Character of
19 Service language was changed in the proposed Three Phase Service rate schedule
20 since Southern Pioneer currently has several three phase customers taking voltage
21 at the 480 level that would not meet the current Character of Service requirements
22 as provided for in the existing General Service Small rate schedule. Staff agrees
23 these changes to the Character of Service definition are necessary to match current

1 practice and provide flexibility to accommodate unknowable future technology
2 changes. Therefore, Staff recommends approval.

3 *General Service Large Character of Service and Availability*

4 **Q. What is Southern Pioneer’s proposal and Staff’s recommendation regarding**
5 **the General Service Large character of service and availability?**

6 A. The General Service Large rate schedule does not include any language in the
7 Character of Service description allowing for 480-volt services, thus the definition
8 was modified more broadly from “Alternating current, approximately 60 cycles;
9 single phase, 115 or 115/230 volt; three phase, 3 wire, 230 volt; three phase, 4 wire,
10 115/230 volt” to “Alternating current, approximately 60 cycles all single phase or
11 three phase services” Like the Three Phase Character of Service language, Staff
12 agrees these changes to the Character of Service language are reasonable but
13 recommends the words “at available voltages” be added for consistency.

14 *Municipal Service Character of Service and Availability*

15 **Q. What is Southern Pioneer’s proposal regarding the Municipal Service**
16 **character of service and availability?**

17 A Southern Pioneer proposes language modifications that would allow the Municipal
18 lighting service to be available to entities other than municipalities, such as
19 recreation centers and county parks. Additionally, Southern Pioneer proposes
20 language changes that would make it easier for Southern Pioneer to provide service
21 to customers who cannot supply their own transformer and to give Southern Pioneer
22 the ability to approve requests for supplemental three phase service at some of these
23 locations when circumstances warrant.

1 According to Southern Pioneer Witness Brian Beecher, Southern Pioneer’s existing
2 Municipal Service rate schedule only allows for municipal lighting service and is
3 only available to municipalities.⁴ It is also the only rate schedule that addresses
4 sports field lighting. However, recreation commissions, counties, and schools
5 currently have sports field lights on this rate schedule, so Southern Pioneer is
6 proposing to remove the words “for the use of municipality only” from the rate
7 schedule. Southern Pioneer also proposes to include other end uses such as
8 concession facilities that are on the same meter at several of these locations. Lastly,
9 customers that operate these facilities do not have the equipment or experience to
10 own their own transformers. Therefore, the proposed rate schedule language has
11 been modified so Southern Pioneer could (but is not required to) provide the
12 transformer. Moreover, Southern Pioneer has received requests for three phase
13 service at some of these locations. Therefore, Southern Pioneer is proposing to
14 modify the rate schedule language so it could supply three phase service if the
15 request is justified by the customer. Staff agrees and recommends approval.

16 *Temporary Service Character of Service and Availability*

17 **Q. What is Southern Pioneer’s proposal and Staff’s recommendation regarding**
18 **Temporary Service character of service and availability?**

19 A. Temporary construction power was specifically identified in the temporary service
20 rate schedule as well as a statement that charges to serve temporary locations will
21 be paid by customers. Staff agrees temporary construction power service should
22 be treated like other temporary services and recommends approval.

⁴ Beecher Direct, p. 8.

1 ***Minimum Bill***

2 **Q. What is Southern Pioneer’s proposal regarding the Minimum Bill language?**

3 A. The current General Service Large tariff states “the minimum bill shall be the
4 customer charge plus \$11.81 for each kW over nine (9) kW of the highest demand
5 during the twelve (12) months currently ending”. Southern Pioneer proposes that
6 this language be changed to match the Industrial Service minimum bill language,
7 with the addition of the Customer Charge, as follows:

8 1. The Demand Charge

9 2. The Customer Charge

10
11 3. Where it is necessary to make unusual extension or to
12 reinforce distribution lines to provide service such that in the
13 judgment of the Company, revenue to be derived from or the
14 duration of the prospective business is not sufficient under
15 the above stated minimum to warrant the investment, The
16 Company may require an adequate minimum bill calculated
17 upon reasonable considerations before undertaking to supply
18 the service.

19 The Kansas Corporation Commission must approve
20 minimum bills thus determined. In such cases, the consumer
21 shall enter into a written contract with the Company as to the
22 character, amount and duration of the business offered.

23 **Q. What is Staff’s recommendation regarding the Minimum Bill language?**

24 A. Staff agrees the minimum bill language for these two tariffs should be aligned and
25 recommends approval with the addition of demand ratchet explanatory language
26 for clarity as follows:

27 1. The Customer Charge plus the Demand Charge (not less
28 than 50% of the highest demand in the previous 11 months).

29 2. Where it is necessary to make unusual extension or to
30 reinforce distribution lines to provide service such that in the
31 judgment of the Company, revenue to be derived from or the

1 duration of the prospective business is not sufficient under
2 the above stated minimum to warrant the investment, the
3 Company may require an adequate minimum bill calculated
4 upon reasonable considerations before undertaking to supply
5 the service the Kansas Corporation Commission must
6 approve minimum bills thus determined. In such cases, the
7 consumer shall enter into a written contract with the
8 Company as to the character, amount and duration of the
9 business offered.

10 ***Transmission Power Factor Penalty***

11 **Q. What is Southern Pioneer's proposal and Staff's recommendation regarding**
12 **the transmission power factor penalty?**

13 A. The power factor penalty is being modified in the Sub-Transmission &
14 Transmission Level Electric Service rate schedule to clarify that the per-kilowatt
15 charge is based on non-coincident peak (NCP) demand. Staff agrees an NCP
16 demand based charge is appropriate and the tariff should reflect practice.
17 Therefore, Staff recommends approval.

18 **IV. CONCLUSION**

19 **Q. Please summarize the recommendations discussed in your testimony.**

20 A. I recommend the Commission accept Southern Pioneer's proposal to freeze the
21 Real-Time Pricing rate schedule. In addition, I recommend the Commission accept
22 Staff's proposal to freeze the Interruptible Industrial rate schedule. Lastly, I
23 recommend the Commission accept Southern Pioneer's proposed language changes
24 with Staff's modifications as discussed above.


25 **Q. Does this conclude your testimony?**

26 A. Yes. Thank you.

STATE OF KANSAS)
) ss.
COUNTY OF SHAWNEE)

VERIFICATION

Lana Ellis, being duly sworn upon her oath deposes and states that she is Deputy Chief of Economics and Rates for the Utilities Division of the Kansas Corporation Commission of the State of Kansas, that she has read and is familiar with the foregoing *Direct Testimony*, and attests that the statements contained therein are true and correct to the best of her knowledge, information and belief.



Lana Ellis
Deputy Chief of Economics and Rates
State Corporation Commission of the
State of Kansas

Subscribed and sworn to before me this 26 day of March, 2024.



Notary Public

My Appointment Expires: 4/28/25



NOTARY PUBLIC - State of Kansas
ANN M. MURPHY
My Appt. Expires 4/28/25

CERTIFICATE OF SERVICE

24-SPEE-415-TAR

I, the undersigned, certify that a true and correct copy of the above and foregoing Direct Testimony was served via electronic service this 2nd day of April, 2024, to the following:

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