

BEFORE THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS

IN THE MATTER OF THE APPLICATION]	
OF SOUTHERN PIONEER ELECTRIC]	
COMPANY FOR APPROVAL TO MAKE]	KCC DOCKET NO. 25-SPEE-353-TAR
CERTAIN CHANGES TO ITS RULES]	
AND REGULATIONS TARIFF]	

TESTIMONY IN SUPPORT OF SETTLEMENT AGREEMENT

PATRICK ORR

ON BEHALF OF

THE CITIZENS' UTILITY RATEPAYER BOARD

AUGUST 18, 2025

1 **I. STATEMENT OF QUALIFICATIONS**

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

3 A. My name is Patrick N. Orr. I am employed by the Kansas Citizens' Utility Ratepayer Board
4 ("CURB") as a Regulatory Analyst. My business address is 1500 SW Arrowhead Road,
5 Topeka, Kansas 66604.

6
7 **Q. Have you previously testified in this docket?**

8 A. Yes, I filed Direct Testimony in this docket on June 27, 2025, on behalf of CURB. A
9 summary of my qualifications can be found in that testimony.

10 **II. PURPOSE OF TESTIMONY**

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

12 A. My testimony provides support for the *Unanimous Settlement Agreement* ("Agreement")
13 filed in this docket on August 8, 2025, regarding the Application for tariff changes by
14 Southern Pioneer Electric Company ("Southern Pioneer" or "Company"). My testimony
15 provides the reasons CURB recommends approval of this agreement.

16
17 **Q. Please provide a brief overview of the Company's initial proposal.**

18 A. On March 14, 2025, the Company filed an Application with the Commission requesting
19 approval of certain revisions to its Rules and Regulations ("R&R") to update and
20 modernize them to conform with those of Pioneer Electric Cooperative ("Pioneer")
21 (Southern Pioneer is a wholly owned subsidiary of Pioneer). The updates would bring the

1 Company's R&R in line with its current rate structure as most recently amended in Docket
2 No. 25-SPEE-395-RTS. Finally, the proposed changes would further improve the R&R
3 and how they govern the relationship between the Company and its customers.¹
4

5 **Q. Please summarize CURB's filed position ahead of settlement discussions.**

6 A. CURB responded to three main categories highlighted in Company witness Chantry Scott's
7 testimony: 1) security deposits, 2) credit card payment policies, and 3) modifications to
8 collection and disconnection notifications.

9 1. The Company requested it be allowed to require a security deposit from
10 non-residential customers, including those customers in the Industrial and Sub-
11 Transmission ("STR") classes. CURB concurred with the Company concerning the
12 proposed changes to security deposits in order to require security deposits for large
13 customers whose nonpayment would create a risk of substantial harm to the Company's
14 financial standing.²

15 2. The Company proposed limiting credit card payment options to only
16 residential customers and those customers receiving single-phase service. The Company
17 would require large customers to utilize other payment methods, particularly direct
18 withdrawal and other payment methods without fees. CURB stated that residential and
19 single-phase customers are unlikely to incur significant transaction fees per billing cycle

1. Southern Pioneer Electric Application, Docket No. 25-SPEE-353-TAR, dated March 14, 2025, p. 2.

2. Direct Testimony of Patrick Orr, on Behalf of CURB, Docket 25-SPEE-353-TAR, dated June 27, 2025, p. 8.

1 which are then socialized across all rate classes.³

2 3. The Company proposed modifications to its collection and disconnection
3 notification procedures for Advanced Metering Infrastructure (“AMI”) customers by
4 removing the provisions directing the Company to contact customers whose accounts are
5 in arrears at the 5-7 day range and at 1 day prior to disconnection.⁴

6
7 **Q. Have the parties reached a settlement on these matters?**

8 A. Yes, the Agreement was filed on August 8, 2025.

9
10 **Q. Who are the signatory parties to the settlement?**

11 A. The signatory parties are: Southern Pioneer, the technical staff of the Commission
12 (“Staff”), and CURB.

13
14 **Q. Please provide an outline of the Agreement’s key provisions, relevant to CURB’s**
15 **interests.**

16 A. In regards to CURB’s interests, the Agreement would allow the Company to:

- 17 • require security deposits for non-residential customers;
18 • limit credit card payments to only residential and customers receiving single-phase
19 service; and
20 • continue the current disconnection notices and procedures used by the Company.

3. Id, p. 12.

4. Id, p. 17.

1 **Q. Is the Agreement a unanimous settlement agreement**

2 A. Yes, the Agreement meets the criteria for a unanimous settlement agreement as defined in
3 K.A.R. 82-1-230a(2).⁵

4
5 **Q. What criteria does the Commission generally consider when reviewing unanimous**
6 **settlement agreements?**

7 A. The Commission may accept a unanimous settlement agreement if the following three
8 criteria are met: 1) the agreement is supported by substantial competent evidence; 2) the
9 agreement will result in just and reasonable rates; and 3) the results of the agreement are
10 in the public interest.⁶

11
12 **Q. Is the Agreement supported by substantial competent evidence in the record?**

13 A. Yes, I believe the Agreement is supported by substantial competent evidence. The evidence
14 provided in the Application, pre-filed expert witness testimony that was informed by
15 discovery requests issued by the Parties, and the revised tariff attached to the Agreement
16 would be sufficient for the Commission to rely upon when making a final determination in
17 this docket. CURB and Staff provide analyses regarding the Company's initial proposal
18 and whether such changes should be approved. The final modifications to the Company's

5. "Unanimous settlement agreement" means an agreement that is entered into by all parties to the proceeding or an agreement that is not opposed by any party that did not enter into the agreement.

6. In Docket No. 08-ATMG-280-RTS, the Commission developed a five-factor test for review of non-unanimous settlement agreements. More recent Commission Orders have used a three-factor test for review of unanimous settlement agreements (e.g., Order Approving Unanimous Settlement Agreement, ¶17–18, Docket No. 21-BHCG-418-RTS [Dec. 30, 2021]).

tariffs contained in the Agreement, which includes a number of rejections of certain changes, are based on the respective positions of the parties. As discussed below and likely in Staff's supporting testimony, there are several policy considerations discussed in direct testimony that support the final terms. Therefore, the record contains sufficient information from which the Commission can render an Order approving the Agreement.

Q. Will the Agreement result in just and reasonable rates or charges?

A. Yes. Although the Agreement does not directly set rates, it does affect the costs incurred by the Company to serve customers. The Agreement provides benefits to residential and single-phase customers by reducing costs incurred to process payments from large customers. By limiting credit card usage to only residential and single-phase customers, the Company will reduce the amount of transaction fees recovered through its Formula Based Rates ("FBR") as seen recently in Docket No. 25-SPEE-395-RTS.

Further, collecting security deposits from non-residential customers will reduce the financial risk to the Company if one or more large customers face bankruptcy or otherwise fail to pay their bills. The settlement provisions regarding deposit requirements are intended to provide adequate assurances that remaining customers will not be adversely affected by non-payments from larger accounts, such as through the socialization of those uncollected costs. The changes made in Index No. R3 would require the Company to collect a deposit for new, non-residential customers and service, including Industrial and STR service, and non-residential customers who have been subject to bankruptcy or

1 insolvency proceedings. Excluding residential and single-phase customers from the
2 security deposit requirements is reasonable because, on an individual basis, these
3 customers represent a much smaller risk to the system in the event of insolvency compared
4 to larger customers. Further, R3 Sheet 3 adds provisions to allow the Company to require
5 a deposit for existing customers taking service under the General Service Large, Industrial
6 Service, and Sub-Transmission and Transmission Level tariffs. This will mitigate the
7 impact on rates in the event of substantial nonpayment amounts that would need to be
8 recovered from all ratepayers.

9
10 **Q. Is the Agreement in the public interest?**

11 A. Yes, the Agreement is in the public interest. The Agreement reinforces the Company's
12 financial stability because it will be able to require non-residential customers pay security
13 deposits to draw upon if the customer fails to pay bills. If one or more of these customers
14 become bankrupt, the Company will have financial reserves on hand to mitigate any
15 financial loss incurred. This is especially important due to the unique financial structure
16 that the Company operates under and inability to raise capital via equity. The changes
17 agreed to in the Agreement tailor these new deposit requirements to apply to larger, non-
18 residential customers and service. Further, the Company's initial proposal to modify its
19 discretion to require new deposits for existing customers has been withdrawn. Under that
20 proposal, the Company would have been able to review a broader time frame for missed
21 payments and disconnections, compared to the Billing Standards requirements. Preserving

1 the current standards for when to collect deposits from existing residential and single-phase
2 customers avoids an overbearing approach to collecting comparatively smaller deposits
3 from these customers. This is a fair and reasonable approach to addressing the financial
4 and economic concerns highlighted by the Company in its direct testimony.

5 The Agreement furthers the public interest by maintaining current practices
6 regarding collection and disconnection notices for customers. The Company agreed to
7 continue prescribing the exact information required in written notices as found in Index
8 No. R5 sheet 7. This serves the public interest by having consistent and clear information
9 that must be included with each written disconnection notice. Customers benefit by having
10 more details in written materials as a reference when communicating with the Company.
11 In turn, the Company has a defined checklist to ensure fairness and uniformity with its
12 customer communications and enhance customer knowledge and awareness to avoid
13 disconnections.

14 In addition, the Agreement modifies Index No. R4 and R5 to specify that the
15 Company will notify customers through the customer's preferred communication method
16 in recognition of options available to customers today. This change provides additional
17 transparency into the Company's procedures that customers can expect in such situations,
18 prompting customers to inform the utility about their preferred methods. The Agreement
19 also rolls back the removal of additional notice requirements, maintaining the current pace
20 of contact attempts before disconnection. CURB believes that customers who are in a
21 default position should receive more, not fewer, points of contact reminding them of the

1 pending disconnection, thereby affording them every opportunity to pay past due amounts
2 and remain connected to electricity and avoid additional fees. The Commission addressed
3 procedures for on-premises collection attempts required by the Billing Standards for AMI
4 customers in Docket No. 15-GIMX-344-GIV. The Commission granted waivers from the
5 requirement to make on-premise collection attempts in exchange for additional attempts to
6 contact customers prior to disconnection. During the period of April 1 through October 31,
7 utilities are required to contact AMI customers at specified intervals of ten days, five to
8 seven, two days and one day prior to disconnection.⁷ I believe that the Agreement and
9 proposed tariff changes are in the public interest because the Company will continue to
10 provide consistent, clear information to its customers.

11
12 **Q. Does this conclude your testimony?**


13 **A.** Yes, it does.

7. Order on Knock and Collect Pilot Program, Docket No. 15-GIMX-344-GIV, dated February 4, 2021, pgs. 2-3.

VERIFICATION

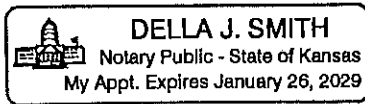
STATE OF KANSAS)
)
COUNTY OF SHAWNEE) ss:

I, Patrick Orr, of lawful age and being first duly sworn upon my oath, state that I am a Regulatory Analyst for the Citizens' Utility Ratepayer Board; that I have read and am familiar with the above and foregoing document and attest that the statements therein are true and correct to the best of my knowledge, information, and belief.



Patrick Orr

SUBSCRIBED AND SWORN to before me this 14th day of August, 2025.





Notary Public

My Commission expires: 01-26-2029.

CERTIFICATE OF SERVICE

25-SPEE-353-TAR

I, the undersigned, hereby certify that a true and correct copy of the above and foregoing document was served by electronic service on this 18th day of August, 2025, to the following:

PATRICK HURLEY, CHIEF LITIGATION COUNSEL
KANSAS CORPORATION COMMISSION
1500 SW ARROWHEAD RD
TOPEKA, KS 66604
patrick.hurley@ks.gov

CARLY MASENTHIN, LITIGATION COUNSEL
KANSAS CORPORATION COMMISSION
1500 SW ARROWHEAD RD
TOPEKA, KS 66604
carly.masenthin@ks.gov

VALERIE SMITH, ADMINISTRATIVE ASSISTANT
MORRIS LAING EVANS BROCK & KENNEDY
800 SW JACKSON
SUITE 1310
TOPEKA, KS 66612-1216
vsmith@morrislaing.com

TREVOR WOHLFORD, ATTORNEY
MORRIS LAING EVANS BROCK & KENNEDY
800 SW JACKSON
SUITE 1310
TOPEKA, KS 66612-1216
twohlford@morrislaing.com

GLENDA CAFER, MORRIS LAING LAW FIRM
MORRIS LAING EVANS BROCK & KENNEDY CHTD
800 SW JACKSON STE 1310
TOPEKA, KS 66612-1216
gcafer@morrislaing.com

SHELBY HUGHART, LEGAL ASSISTANT
MORRIS LAING EVANS BROCK & KENNEDY CHTD
300 N MEAD STE 200
WICHITA, KS 67202-2745
shughart@morrislaing.com

WILL B. WOHLFORD, ATTORNEY
MORRIS LAING EVANS BROCK & KENNEDY CHTD
300 N MEAD STE 200
WICHITA, KS 67202-2745
wwohlford@morrislaing.com

BRIAN BEECHER, OPERATIONS AND ENGINEERING
MANAGER
SOUTHERN PIONEER ELECTRIC COMPANY
3997 NE WELL ROAD
PO BOX 347
MEDICINE LODGE, KS 67104
bbeecher@southernpioneer.net

LINDSAY CAMPBELL, CHIEF EXECUTIVE OFFICER
SOUTHERN PIONEER ELECTRIC COMPANY
1850 W OKLAHOMA
PO BOX 430
ULYSSES, KS 67880-0368
lcampbell@pioneerelectric.coop

SHERRY EASTON, MANAGER OF ACCOUNTING
SOUTHERN PIONEER ELECTRIC COMPANY
1850 W OKLAHOMA
PO BOX 430
ULYSSES, KS 67880-0368
seaston@pioneerelectric.coop

LARISSA LAYMAN, LEGAL & REG AFFAIRS
COORDINATOR
SOUTHERN PIONEER ELECTRIC COMPANY
1850 W OKLAHOMA
PO BOX 430
ULYSSES, KS 67880-0368
llayman@pioneerelectric.coop

CLINT MEIER, VP - ENGINEERING AND OPERATIONS
SOUTHERN PIONEER ELECTRIC COMPANY
1850 WEST OKLAHOMA
PO BOX 403
ULYSSES, KS 67880
cmeier@pioneerlectric.coop

CHANTRY SCOTT, EXEC VP, ASST CEO & CFO
SOUTHERN PIONEER ELECTRIC COMPANY
1850 WEST OKLAHOMA
PO BOX 403
ULYSSES, KS 67880
escott@pioneerelectric.coop



Della Smith
Senior Administrative Specialist