

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

In the Matter of the Application of Southern)
Pioneer Electric Company for Approval of its) Docket No. 24-SPEE-540-TAR
Renewable Energy Program Rider Tariff.)
)

TESTIMONY IN SUPPORT OF SETTLEMENT AGREEMENT OF

Chantry C. Scott
Executive Vice President – Chief Financial Officer
Southern Pioneer Electric Company

Filed on Behalf of

SOUTHERN PIONEER ELECTRIC COMPANY

July 8, 2024

1 **Q: Please state your name and business address.**

2 A: My name is Chantry C. Scott. My business address for legal service is 1850 Oklahoma,
3 Ulysses Kansas 67880 and for mail receipt is PO Box 430, Ulysses Kansas 67880-0430.

4 **Q: Please state the purpose of your testimony.**

5 A: I am providing the following testimony in support of the Settlement Agreement reached
6 among Applicant Southern Pioneer Electric Company (“Southern Pioneer”), the Staff of
7 the State Corporation Commission of the State of Kansas (“Staff”), the Citizens’ Utility
8 Ratepayer Board (“CURB”), (collectively referred to as “Signatories”) in this docket.

9 **Q: Do you have personal knowledge and understanding of the terms of the Settlement**
10 **Agreement?**

11 A: Yes.

12 **Q: What is your position with Southern Pioneer?**

13 A: I am Executive Vice President – Chief Financial Officer (“CFO”) and Assistant Secretary
14 of Southern Pioneer. I am also CFO of Pioneer Electric Cooperative, Inc. (“Pioneer”),
15 100% owner of Southern Pioneer, and a member-owned electric cooperative not subject to
16 Kansas Corporation Commission (“KCC” or “Commission”) jurisdiction for rate setting.

17 **Q: Have you provided testimony in this docket previously?**

18 A: Yes. I provided testimony in conjunction with the filing of the Application in this docket
19 on January 31, 2024. My previous testimony described my background, and described in
20 detail Southern Pioneer’s proposed Renewable Energy Program (“RE Program”) that is the
21 subject of this docket and the Settlement Agreement. In lieu of repeating the detailed
22 description of the RE Program, I adopt and incorporate my prior testimony from January
23 31, 2024 herein by reference in its entirety.

1 **Q: Please briefly describe the terms of the Settlement Agreement.**

2 A: The Settlement Agreement was reached following Staff's issuance of its Report and
3 Recommendation ("R&R") on May 31, 2024, wherein Staff recommended that the
4 Commission approve the RE Program and Three-Party Agreement- RE Program
5 Participation Agreement with three stipulations:

6 (1) Southern Pioneer must note in the customer education materials that
7 residential participation in their Community Solar Program will not add any
8 additional renewable generation to Sunflower's generation portfolio and allocates
9 generation from its Johnson Corner Solar Project;

10 (2) As detailed in the Southern Pioneer/Sunflower Participant Agreement,
11 Southern Pioneer/Sunflower must pursue all legal recourse to minimize the impact
12 of any Tier 3 customer default on Southern Pioneer's retail customer base; and

13 (3) If Sunflower/Southern Pioneer places any defaulted portion of a PPA
14 transacted on behalf of a third-party customer into its Energy Cost Adjustment,
15 Sunflower will flow-through any legal proceeds received from the customer default
16 back through Southern Pioneer's ECA, less any legal fees incurred to win a
17 judgement or settle damages.

18 The Signatories to the Settlement Agreement, including Southern Pioneer, have all
19 agreed that the three stipulations from Staff's R&R are reasonable, and thus the Signatories
20 agreed to accept all three stipulations and incorporated them into the Settlement
21 Agreement. Therefore, the Signatories agreed that the RE Program and Three-Party
22 Agreement- RE Program Participation Agreement should be adopted with the three
23 stipulations from Staff's R&R.

1 **Q: Does Southern Pioneer believe the three stipulations are fair and reasonable under**
2 **all the circumstances?**

3 A: Yes. The three stipulations in Staff's R&R will serve meaningful purposes, including
4 providing additional educational materials to customers, in particular residential
5 customers, regarding the source of the renewable energy generation. In addition, the
6 stipulations provide protection for certain classes of customers from allocation of costs
7 incurred as a result of customer defaults, which Southern Pioneer believes are reasonable
8 under the circumstances.

9 **Q: Who are the Signatories to the Settlement Agreement?**

10 A: Southern Pioneer, Staff and CURB.

11 **Q: Are you aware of any parties or intervenors who have objected to the Settlement**
12 **Agreement?**

13 A: No.

14 **Q: Are there any parties or intervenors who, although they do not object to the**
15 **Settlement Agreement, are not Signatories to the Settlement Agreement?**

16 A: Yes. Intervenors National Beef Packaging Company, LLC ("National Beef"), and Air
17 Products and Chemicals, Inc. ("Air Products") are not Signatories in support of the
18 Settlement Agreement, however they have stated that they do not oppose the Settlement
19 Agreement.

20 **Q: Is it Southern Pioneer's position that the Settlement Agreement should be approved**
21 **even though some parties to this docket have not agreed to be Signatories to the**
22 **Settlement Agreement?**

1 A: Yes. I am aware that National Beef and Air Products have had some discussions and
2 negotiations with Sunflower regarding the Renewable Energy Program Participation
3 Agreement, and have expressed some reservation about some of the terms of that
4 Agreement. However, Southern Pioneer's position is that the Renewable Energy Program
5 Participation Agreement is fair and reasonable overall. Furthermore, Southern Pioneer
6 does not believe that the reservations expressed by National Beef and Air Products are
7 representative of the positions of the Commercial and Industrial customer class as a whole
8 as it relates to the RE Program and the terms of the Renewable Energy Program
9 Participation Agreement. In addition, as discussed in my opening testimony in this docket,
10 the RE Program is a voluntary program. Certain customers may view it as more beneficial
11 than others. Those customers are able to voluntarily decide to take advantage of the
12 program, whereas other customers who do not view the RE Program as being advantageous
13 to their business can choose not to participate in the program.

14 **Q: Are the purposes and benefits of the RE Program addressed in your prior testimony**
15 **submitted in this docket?**

16 A: Yes, the purposes and benefits as to both Commercial and Industrial customers, and for
17 Residential customers is addressed on pages 15–20 of my prior testimony. I incorporate
18 my prior discussion of the purposes and benefits of the RE Program by reference in my
19 current testimony.

20 **Q: What are you requesting the Commission do with respect to the Settlement**
21 **Agreement?**

22 A: I am requesting on behalf of Southern Pioneer that the Commission adopt and approve the
23 Settlement Agreement, specifically approving the RE Program and Three-Party

1 Agreement- RE Program Participation Agreement with the three stipulations stated in the
2 Staff R&R and recited in my testimony above.

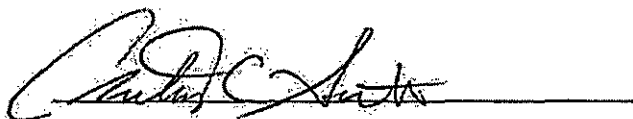
3 **Q: Does this conclude your testimony?**

4 **A: Yes.**

VERIFICATION

STATE OF KANSAS)
) ss:
COUNTY OF GRANT)

The undersigned, Chantry C. Scott, upon oath first duly sworn, states that he is Executive VP – Chief Financial Officer and Assistant Secretary of Southern Pioneer Electric Company, that he has reviewed the foregoing document titled “Testimony in Support of Settlement Agreement” before the State Corporation Commission of the State of Kansas, 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.



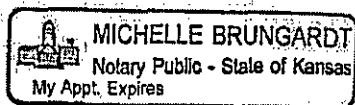
Chantry C. Scott

Subscribed and sworn to before me this 8th day of July, 2024.



Notary Public

My appointment expires: 9-30-24



CERTIFICATE OF SERVICE

24-SPEE-540-TAR

I, the undersigned, certify that a true and correct copy of the above and foregoing Notice of Filing of Staff's Report and Recommendation was served via electronic service this 8th day of July, 2024, to the following:

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