

**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. 25-SPEE-353-TAR  
Make Certain Changes to its Rules and )  
Regulations Tariff. )**

**TESTIMONY IN SUPPORT OF  
UNANIMOUS SETTLEMENT AGREEMENT**

**PREPARED BY  
DOUGLAS W. HALL  
UTILITIES DIVISION  
KANSAS CORPORATION COMMISSION**

**August 18, 2025**

1    **I.       Introduction, Qualifications, and Purpose of Testimony**

2    **Q.       What is your name?**

3    A.       My name is Douglas W. Hall.

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

5    A.       I am employed by the Kansas Corporation Commission (“KCC” or “Commission”)  
6            as a Senior Rate Analyst in the Audit 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 hold a bachelor’s degree in both Economics and Mathematics from Colorado State  
11            University. I began my career at the KCC as a Research Economist in October of  
12            2019. I became a Rate Analyst with the KCC in August 2020, and have been a  
13            Senior Rate Analyst since November 2022.

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

15   A.       Yes, I have submitted testimony in Docket Nos. 20-SPEE-169-RTS, 22-EKME-  
16            254-TAR, 23-EKCE-775-RTS, 25-EKCE-294-RTS, and provided Direct  
17            Testimony in this proceeding. I have also contributed substantively to several  
18            Report and Recommendations as a member of Commission Staff in other dockets.

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

20   A.       The purpose of my testimony is to explain and to provide Staff’s rationale for  
21            supporting the Unanimous Settlement Agreement (“Agreement”) between Staff,  
22            Southern Pioneer Electric Company (“Southern Pioneer” or “Utility”), and the  
23            Citizens’ Utility Ratepayers Board (“CURB”) (collectively, the “Joint Parties”)

1 filed on August 8, 2025. In my testimony, I will explain why the Agreement is  
2 supported by substantial competent evidence in the record, will result in just and  
3 reasonable terms and conditions for service and miscellaneous fees, and also why  
4 the Agreement is in the public interest.

## 5 **II. Background Information**

### 6 **Q. Please briefly provide a summary of Southern Pioneer's Application.**

7 A. On March 14, 2025, Southern Pioneer filed an Application requesting approval to  
8 make changes to its Rules and Regulations Tariff ("Rules and Regulations"). The  
9 stated purpose of the Application is:

10 (1) to update and modernize the Rules and Regulations to  
11 conform with more current technology and practices utilized  
12 by Southern Pioneer and others in the marketplace, (2) to  
13 align Southern Pioneer's Rules and Regulations with those  
14 of Pioneer Electric Cooperative, (3) to bring the Rules and  
15 Regulations in alignment with Southern Pioneer's current  
16 rate structure as most-recently amended in Docket No. 24-  
17 SPEE-415-TAR and (4) to make a certain miscellaneous  
18 revisions and clarifications to further improve the Rules and  
19 Regulations, and how they govern the relationship between  
20 Southern Pioneer and its customers.<sup>1</sup>

21 Both Staff and CURB filed testimony in response to Southern Pioneer's  
22 Application, both raising issues with a handful of the large number of proposed  
23 changes to the Rules and Regulations. Specifically, Staff objected to changes in  
24 R3, Sections A.2.b, A2.c, B.1, 2, 3, 6, 7, and 8, R4, Sections A.13.a, E.1, E.4, R5,  
25 Sections C.i.6, C.ii.4, 6, and 9, and R10. CURB objected to certain changes in R3  
26 as well as to R5, Section C.i.6.

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<sup>1</sup> See Application, p. 2, Docket 25-SPEE-353-TAR (25-353) (Mar. 14, 2025).

1     **Q.     Please provide background on the settlement conference.**

2     A.     On August 5, 2025, the Joint Parties met to discuss the possible settlement of  
3             contested issues. The Agreement was finalized and filed by the Joint Parties on  
4             August 8, 2025, and resolves all outstanding issues between the parties. Under  
5             K.A.R. 82-1-230a, the Agreement is considered to be a unanimous settlement as all  
6             parties to this proceeding signed the Agreement.

7     **III.    Terms of the Settlement Agreement**

8     **Q.     Please describe the terms of the Agreement.**

9     A.     Index R3 of the Rules and Regulations cover Southern Pioneer’s policies regarding  
10            credit and security deposit requirements. Language in R3, Sections B.6, 7, and 8  
11            have been modified to restrict changes in security deposit practices to large  
12            commercial and industrial customers. The proposed changes to R3, A.2.b, A2.c,  
13            B.1, B.2, B.3, and B.7 will not be adopted.

14            Index R4 of the Rules and Regulations cover the standards for billing practices,  
15            including steps taken prior to disconnection for nonpayment. The proposed  
16            changes in R4, Sections A.13.a, E.1.a, E.1.b, and F.4.ii.b, to which Staff objected,  
17            will not be adopted.

18            Index R5 of the Rules and Regulations concern disconnection of service,  
19            whether voluntary, for nonpayment, or due to special circumstances. The proposed  
20            changes in R5, Sections C.i.6, C.ii.4, 6, and 9, to which Staff objected, will not be  
21            adopted.

22            Index R10 of the Rules and Regulations concern the requirements for a parallel  
23            generation interconnection. The proposed changes in R10 will be adopted along

1 with additional language stating that “interconnection to Southern Pioneer’s system  
2 is governed by specific State and Federal statutory and regulatory provisions,  
3 including K.S.A. 66-1,184 et seq., 66-1263 et seq., Public Utility Regulatory Policy  
4 Act and related regulations, FERC Commission Order No. 2003, and SPP’s  
5 OATT.”

6 All other proposed changes not listed above are agreed upon by the Joint Parties  
7 as recommended for adoption.

8 **Q. Please explain why Staff agrees the modifications to the proposed changes in**  
9 **R3.**

10 A. Staff initially objected to Southern Pioneer’s proposed changes to security deposit  
11 practices. Staff believed that the original proposal was too broad, and could be read  
12 to apply to residential, or single-phase service, customers. The Agreement modifies  
13 the language to indicate that the changes only apply to nonresidential customers.  
14 Chantry Scott discusses in his Rebuttal Testimony why Southern Pioneer seeks  
15 latitude in requiring security deposits from large customers.<sup>2</sup> If a large customer  
16 were unable to pay, that debt would have to be distributed to other customers in the  
17 next rate case, resulting in a significant and unexpected rate increase. Granting  
18 Southern Pioneer a waiver to the Billing Standards mitigates the risk that smaller  
19 customers face in the event that a larger customer faces financial difficulty in the  
20 future. Thus, Staff contends that the modifications are reasonable.

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<sup>2</sup> See Rebuttal Testimony of Chantry C. Scott on Behalf of Southern Pioneer Electric Company, pp. 6-9, Docket 25-353 (Jul. 14, 2025).

1     **Q.     What is the new deposit language agreed to by the Joint Parties?**

2     A.     The Settlement Agreement specifies that new language will be added to R3, Section  
3           B.6 which states that the utility can require a new or modified deposit from a  
4           customer if:

5                     The Customer is taking electric service under Company's  
6                     General Service Large (GSL), Industrial Service or Sub-  
7                     Transmission and Transmission Level Tariffs.

8           The Settlement Agreement modifies the first paragraph of R3, Section B.7 to  
9           read as follows (changes underlined for emphasis):

10                    The customer has sought debt restructuring relief under  
11                    federal bankruptcy laws. Within 60 days after the  
12                    bankruptcy has been discharged, if the deposit on file is less  
13                    than the maximum security deposit requirement for the same  
14                    premise, the utility may recalculate the customer's security  
15                    deposit based on the most recent twelve months' of usage or,  
16                    in the case of a nonresidential customer, the projected usage,  
17                    whichever is larger.

18    **Q.     Do these changes require a waiver of the Commission's Billing Standards?**

19    A.     Yes, because the agreed to language varies from the Commission's guidance on  
20           deposit, a waiver of the Billing Standards should be granted if the Commission  
21           approves of the proposed changes.

22    **Q.     Please explain why Staff agrees to the changes in R10.**

23    A.     In my Direct Testimony, I stated that in light of the fact that Southern Pioneer  
24           intends to file a new parallel generation tariff in the future, no modifications should  
25           be made at this time. The Joint Parties agree that adding a paragraph stating the  
26           applicable statutes, standards, and regulations, is sufficient to set expectations for  
27           service and requirements, with the Small Generator Interconnection Procedures on  
28           Southern Pioneer's website providing more specific detail. This proposed

1 modification permits Southern Pioneer to move parts of the parallel generation  
2 agreement to the website, as originally proposed in their Application.

3 **Commission Standards for Approving Settlement Agreements**

4 **Q. Has the Commission previously used factors or standards to review a**  
5 **settlement agreement?**

6 A. Yes. The Commission's Order in Docket No. 08-ATMG-280-RTS (08-280  
7 Docket) discusses five factors, or standards, and multiple agreements have been  
8 reviewed by the Commission using the five factors since that Order.<sup>3</sup> However,  
9 subsequent Commission Orders noted that for unanimous settlement agreements,  
10 parties need not apply the historical five-factor test set forth in the 08-280 Docket.<sup>4</sup>  
11 Therefore, the evaluation under all five factors is unnecessary for this Settlement  
12 Agreement.

13 **Q. What standards does the Commission generally examine when considering a**  
14 **unanimous settlement agreement?**

15 A. The Commission may accept a unanimous settlement agreement so long as  
16 approval of the settlement is: (1) supported by substantial competent evidence in  
17 the record as a whole; (2) results in just and reasonable rates; and (3) is in the public  
18 interest.<sup>5,6</sup> Each of these factors is discussed individually below.

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<sup>3</sup> See Order Approving Contested Settlement Agreement, p. 5, Docket 08-ATMG-280-RTS (May 5, 2008).

<sup>4</sup> See Order on KCP&L's Application for Rate Change, ¶ 16 p. 6, Docket 15-KCPE-116-RTS (Sep. 10, 2015).

<sup>5</sup> *Id.*, ¶ 15.

<sup>6</sup> See *Citizens' Util. Ratepayer Bd. v. State Corp. Comm'n of State of Kansas*, 28 Kan. App. 2d 313, 316 16 P.3d 319, 323 (2000).

1    **Support for the Settlement Agreement**

2    **Q.     Please address whether the Agreement is supported by substantial competent**  
3           **evidence in the record.**

4    A.     The Agreement is supported by substantial competent evidence in the record. The  
5           Agreement is supported by Southern Pioneer's Application, Direct, and Rebuttal  
6           Testimony. Staff analyzed the Application and presented conclusions in Direct  
7           Testimony. CURB also reviewed the Application and stated its positions in Direct  
8           Testimony. These filed positions represent the body of evidence the Commission  
9           would rely on to make a determination of the issues presented in the case, if the  
10          case were to be fully litigated. The Parties also relied on this evidence in  
11          negotiations and eventually arrived at an agreed upon resolution of all the issues in  
12          this case. It is Staff's position that the terms of this Agreement are commensurate  
13          with what could be expected if the case were to be fully litigated.

14          My understanding is that CURB and Southern Pioneer will also be filing  
15          testimony in support of this Agreement and why those Signatories believe the  
16          Commission should accept this Agreement. I believe there is and will be, ample  
17          evidence in the record to support approval of this Agreement.

18   **Q.     Please address whether the Agreement results in just and reasonable rates.**

19   A.     While none of the changes in the Rules and Regulations will have a direct impact  
20          on rates, the security deposit changes mitigate the risk that Southern Pioneer will  
21          face a situation where a large customer is unable to pay an outstanding balance that  
22          must then ultimately be paid by other customers. Preventing rate shock is a primary  
23          goal of rate-making. Because this modification will protect customers against rate  
24          shock, the Agreement results in just and reasonable rates.



1    **Q.    Does Staff believe that the results of the Agreement are in the public interest?**

2    A.    Yes. The agreed upon changes to the Rules and Regulations are designed to  
3           mitigate risk to both the Southern Pioneer and other ratepayers, and for the Utility  
4           to continue providing efficient and sufficient service to all of its customers.  
5           Ensuring the continued provision of efficient and sufficient utility service, while  
6           mitigating the risk associated with receiving such service, is in the public interest.

7    **Q.    Should the Commission accept the Agreement as a reasonable resolution of**  
8           **the issues in this Docket?**

9    A.    Yes, the Agreement represents a reasonable resolution of the issues in this Docket,  
10          is supported by substantial competent evidence in the record, results in just and  
11          reasonable rates, and is in the public interest.

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

13   A.    Yes. Thank you.

STATE OF *Illinois*                    )  
  ) ss.  
COUNTY OF *Will*                    )

**VERIFICATION**

Douglas Hall, being duly sworn upon his oath deposes and states that he is a Rate Analyst for the Utilities Division of the Kansas Corporation Commission of the State of Kansas, that he has read and is familiar with the foregoing *Testimony* and attests that the statements contained therein are true and correct to the best of his knowledge, information and belief.

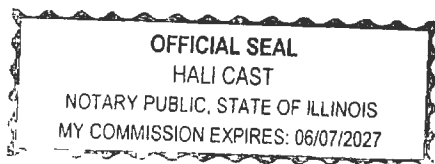


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Douglas Hall  
Rate Analyst  
State Corporation Commission of the  
State of Kansas

Subscribed and sworn to before me this 15 day of August, 2025.

  
\_\_\_\_\_  
Notary Public

My Appointment Expires: *06/07/2027*



## **CERTIFICATE OF SERVICE**

25-SPEE-353-TAR

I, the undersigned, certify that a true and correct copy of the above and foregoing Testimony in Support of the Settlement Agreement was served via electronic service this 18th day of August, 2025, to the following:

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25-SPEE-353-TAR

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