

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 ] KCC DOCKET NO. 24-SPEE-540-TAR  
RENEWABLE ENERGY PROGRAM ]  
RIDER TARIFF ]

TESTIMONY IN SUPPORT OF SETTLEMENT AGREEMENT

JOSH FRANTZ

ON BEHALF OF

THE CITIZENS' UTILITY RATEPAYER BOARD

JULY 8, 2024

1           **I.       Statement of Qualifications**

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

3   A.       My name is Joshua (Josh) P. Frantz. I am employed by the Citizens' Utility Ratepayer  
4           Board (CURB) as a Senior Regulatory Analyst. My business address is 1500 SW  
5           Arrowhead Road, Topeka, Kansas 66604.

6  
7   **Q.       Please describe your educational background and qualifications.**

8   A.       I earned a Master of Business Administration degree from Washburn University of Topeka,  
9           Kansas. I also earned a Bachelor of Business Administration degree from Washburn  
10          University. My undergraduate majors were finance, marketing, and management.

11  
12   **Q.       Please describe your professional background and qualifications.**

13   A.       From August 2015 through April 2019, I was employed by the Kansas Corporation  
14          Commission (KCC or "Commission"). I began my employment with the KCC in the  
15          Utilities division as a Senior Research Economist and was promoted to Managing Rate  
16          Analyst.

17                 Since April 2019, I have served in my current position as Senior Regulatory Analyst  
18          with CURB.

19  
20   **Q.       Have you previously testified before the Commission?**

21   A.       Yes. Over the course of my employment with CURB, I have offered written and live

1 testimony in several proceedings before the Commission. During my prior employment as  
2 a member of KCC Staff, I also offered testimony in proceedings before the Commission  
3 and submitted Report and Recommendations for the Commission's consideration. A list of  
4 those filings is available, upon request.

5  
6 **II. Summary of Testimony**

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

8 A. In this docket, Southern Pioneer Electric Company ("Southern Pioneer" or "Company") is  
9 requesting Commission approval of its Renewable Energy Program ("RE Program")  
10 implemented via the Renewable Energy Program Rider ("RE Rider") tariff. My testimony  
11 supports the *Settlement Agreement* ("Agreement") filed in this docket on June 25, 2024.

12  
13 **III. Background**

14 **Q. Please provide a brief description of the Company's Application.**

15 A. On January 31, 2024, Southern Pioneer filed an Application with the Commission  
16 requesting approval to implement the RE Program through the RE Rider tariff. The RE  
17 Program is designed to provide an alternative to customer-sited renewable energy  
18 generation (e.g., rooftop solar) and behind-the-meter generation resources for commercial  
19 and industrial customers. The RE Program was developed by Sunflower Electric Power  
20 Corporation ("Sunflower") who then administers it through its member cooperatives.

21 The proposed RE Program is voluntary and designed to be self-funding (i.e., no

1 costs or expenses being collected from non-participants). Southern Pioneer proposes two  
2 class-specific sub-programs under the RE Rider: the Commercial and Industrial (“C&I”)  
3 Program and the Residential Program. The RE Program is also comprised of two Divisions  
4 (Wind and Solar), each with multiple participation Tiers. Different qualification  
5 requirements and participation limitations are applicable to each Division-Tier.

6 CURB has primarily focused its analysis on the programs designed for residential  
7 and small commercial customers. The Residential Program is the Community Solar  
8 Program (Solar Tier 1b). Southern Pioneer’s share of Community Solar is limited to its  
9 allocated share of Sunflower’s Johnson Corner Solar project, available to participants on a  
10 first-come, first-served basis. The Community Solar Program does not provide Renewable  
11 Energy Credits (“RECs”), but does provide a financial hedge and potential economic  
12 benefit.

13 In the C&I Programs, Wind Tier 1 and Solar Tier 1a are designed to be accessible  
14 to smaller commercial and industrial load profiles. C&I customers are directly assigned the  
15 RECs associated with their participation in the resource. Although Tier 1 C&I Programs  
16 do not provide a direct economic benefit or financial hedge, the customer gains the right  
17 claim the RECs and green benefits.<sup>1</sup>

18  
19 **Q. Who are the Parties in this docket?**

20 **A.** The Parties in this docket are: Southern Pioneer; KCC Staff; CURB; National Beef

---

<sup>1</sup> Direct Testimony of Chantry C. Scott, pg. 8 (Jan. 31, 2024).

1 Packaging Company, LLC (“National Beef”); and Air Products and Chemicals, Inc. (“Air  
2 Products”).

3  
4 **Q. Have the Parties reached a settlement on this matter?**

5 A. Yes. The Agreement was filed on June 25, 2024. The signatories to the Agreement are  
6 Southern Pioneer, KCC Staff, and CURB (collectively, “Signatories”). Although National  
7 Beef and Air Products are not signatories, they have indicated to the other parties that they  
8 do not oppose the Agreement.

9  
10 **Q. Is the Agreement a unanimous settlement agreement?**

11 A. Yes. The Agreement meets the criteria of a “unanimous settlement agreement” according  
12 to K.A.R. 82-1-230a(2).<sup>2</sup>

13  
14 **Q. Please describe the key provisions of the Agreement.**

15 A. The Signatories agree the Application should be submitted to the Commission for approval,  
16 with the incorporation of three stipulations:<sup>3</sup>

- 17 1. Southern Pioneer must note in the customer education materials that residential  
18 participation in their Community Solar Program will not add any additional renewable  
19 generation to Sunflower’s generation portfolio and allocates generation from its  
20 Johnson Corner Solar Project.  
21 2. Southern Pioneer/Sunflower must pursue all legal recourse to minimize the impact of  
22 any Tier 3 customer default on Southern Pioneer’s retail customer base.

---

<sup>2</sup> "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.

<sup>3</sup> Settlement Agreement, pp. 2–3 (June 15, 2024).

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

5  
6           **IV. Evaluation**

7           **Q. What criteria does the Commission generally consider when reviewing unanimous**  
8           **settlement agreements?**

9           A. Generally, the Commission will accept a unanimous settlement agreement if the following  
10           three criteria are met: 1) the agreement is supported by substantial competent evidence; 2)  
11           the agreement will result in just and reasonable rates or charges; and 3) the results of the  
12           agreement are in the public interest.<sup>4</sup>

13  
14           **A. Substantial Competent Evidence**

15           **Q. Is the Agreement supported by substantial competent evidence on the record?**

16           A. Yes, I believe the Agreement is supported by substantial and competent evidence. The  
17           record contains documentation, comments, and testimony from qualified, competent  
18           professionals. The record contains sufficient evidence upon which the Commission can  
19           make its decision.

---

<sup>4</sup> 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]).

1                   **B.       Just and Reasonable Rates/Charges**

2   **Q.       Will the Agreement result in just and reasonable rates/charges?**

3   A.       Yes, I believe the Agreement will result in just and reasonable rates/charges. Participation  
4           in any of the RE Program tiers is voluntary. Thus, if the rate structures do not appeal to an  
5           individual customer, that customer does not have to participate. The Program, as a whole,  
6           is designed so non-participants should not be affected. The charges per share or per kWh  
7           are specified in the tariff, so the financial risks associated with participation are transparent.  
8           Furthermore, the Community Solar Program for residential customers does not require a  
9           term commitment, meaning customers can cancel at any time. The Tier 1 C&I Programs  
10          require a negotiable term requirement of no less than one year, but that should still provide  
11          greater flexibility compared to a typical 20-year investment commitment for customer-  
12          sited generation.<sup>5</sup>

13  
14                   **C.       Public Interest**

15   **Q.       Is the Agreement in the public interest?**

16   A.       Yes, I believe the Agreement is in the public interest. The RE Program is designed to allow  
17          customers to participate in a utility-scale renewable resource and receive potential  
18          economic benefits associated with the resource without the long-term commitment, risk,  
19          and upfront cost associated with customer-sited systems. It is a voluntary program, and  
20          CURB is generally supportive of giving customers options and opportunities.

---

<sup>5</sup> Application, ¶19(f) (Jan. 31, 2024).

1 **Q. Does the Agreement address CURB's initial concerns with the Application?**

2 A. Yes. One of CURB's initial concerns regarding the Community Solar Program was that  
3 residential customers may expect or presume participation would directly fund new or  
4 additional renewable generation to Sunflower's portfolio, but that is not the case. Rather,  
5 shares in the existing Johnson Corner Solar Project in Sunflower's portfolio will be  
6 designated for Southern Pioneer's Community Solar Program participants until the  
7 available shares have been fully subscribed. CURB does not oppose the design of the  
8 Community Solar Program, but in order to prevent potential misunderstanding, CURB  
9 recommends clear and direct marketing and education so that customers fully understand  
10 the terms of the Program. The first stipulation of the Agreement specifies that Southern  
11 Pioneer must clearly communicate to customers that the Community Solar Program is tied  
12 to existing generation. This stipulation sufficiently addresses CURB's concern.

13 CURB's other initial concern with the proposed RE Program was the possibility of  
14 cost shifting from participants to non-participants, particularly from the Tier 3 programs  
15 (which utilize new wind and solar resources procured by Sunflower), if large-use  
16 participants later abandon or default. As initially proposed, all Tier 3 service agreements  
17 will include an exit fee provision to protect against stranded investment in the event the  
18 customer should leave the program before any new power supply arrangement between  
19 Southern Pioneer and Sunflower has expired.<sup>6</sup> Stipulations 2 and 3 in the Agreement go a  
20 step further and require Southern Pioneer/Sunflower to pursue all legal recourse to

---

<sup>6</sup> Application, ¶15 (Jan. 31, 2024).



1 minimize the impact of any Tier 3 customer default on Southern Pioneer's retail customer  
2 base and flow any such proceeds back to customers. These stipulations sufficiently address  
3 CURB's concern.

4

5 **V. Recommendation**

6 **Q. What is your recommendation?**

7 A. I recommend the Commission approve Southern Pioneer's proposed RE Program and RE  
8 Rider tariff, with the additional stipulations described in the Agreement.

9

10 **VI. Conclusion**

11 **Q. Please summarize your comments.**

12 A. I believe the Agreement regarding Southern Pioneer's proposed RE Program and RE Rider  
13 tariff is based on substantial and competent evidence; will result in just and reasonable  
14 rates; and is in the public interest. Thus, the Agreement meets the conditions the  
15 Commission generally considers when reviewing a unanimous settlement agreement.  
16 Therefore, I recommend the Commission approve Southern Pioneer's proposed RE  
17 Program and RE Rider tariff, with the additional stipulations described in the Agreement.

18

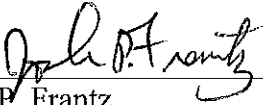
19 **Q. Does this conclude your testimony?**

20 A. Yes, thank you.

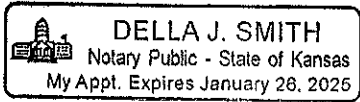
**VERIFICATION**

STATE OF KANSAS                    )  
  )  
COUNTY OF SHAWNEE            )        ss:

I, Josh P. Frantz, of lawful age and being first duly sworn upon my oath, state that I am a Senior 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.

  
\_\_\_\_\_  
Josh P. Frantz

SUBSCRIBED AND SWORN to before me this 8<sup>th</sup> day of July, 2024.



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

My Commission expires: 01-26-2025.

## CERTIFICATE OF SERVICE

24-SPEE-540-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 8<sup>th</sup> day of July 2024, to the following:

JAMES P. ZAKOURA, ATTORNEY  
FOULSTON SIEFKIN LLP  
7500 COLLEGE BOULEVARD, STE 1400  
OVERLAND PARK, KS 66201-4041  
[jzakoura@foulston.com](mailto:jzakoura@foulston.com)

JEFFRY POLLOCK  
J. POLLOCK, INCORPORATED  
14323 South Outer 40 Rd.  
Ste. 206N  
Town and Country, MO 63017-5734  
[JCP@JPOLLOCKINC.COM](mailto:JCP@JPOLLOCKINC.COM)

AHSAN LATIF, LITIGATION COUNSEL  
KANSAS CORPORATION COMMISSION  
1500 SW ARROWHEAD RD  
TOPEKA, KS 66604  
[ahsan.latif@ks.gov](mailto:ahsan.latif@ks.gov)

CARLY MASENTHIN, LITIGATION COUNSEL  
KANSAS CORPORATION COMMISSION  
1500 SW ARROWHEAD RD  
TOPEKA, KS 66604  
[carly.masenthin@ks.gov](mailto:carly.masenthin@ks.gov)

KYLER C. WINEINGER, ASSISTANT  
GENERAL COUNSEL  
KANSAS CORPORATION COMMISSION  
1500 SW ARROWHEAD RD  
TOPEKA, KS 66604  
[kylar.wineinger@ks.gov](mailto:kylar.wineinger@ks.gov)

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

TREVOR WOHLFORD, ATTORNEY  
MORRIS LAING EVANS BROCK & KENNEDY  
800 SW JACKSON  
SUITE 1310  
TOPEKA, KS 66612-1216  
[twohlford@morrislaing.com](mailto: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](mailto: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](mailto: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](mailto:wwohlford@morrislaing.com)

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

LARISSA LAYMAN, LEGAL & REGULATORY  
AFFAIRS COORDINATOR  
SOUTHERN PIONEER ELECTRIC COMPANY  
1850 W OKLAHOMA  
PO BOX 430  
ULYSSES, KS 67880-0368  
[LLAYMAN@PIONEERELECTRIC.COOP](mailto:LLAYMAN@PIONEERELECTRIC.COOP)

CHANTRY SCOTT, EXEC VP, ASST CEO &  
CFO  
SOUTHERN PIONEER ELECTRIC COMPANY  
1850 WEST OKLAHOMA  
PO BOX 403  
ULYSSES, KS 67880  
[CSCOTT@PIONEERELECTRIC.COOP](mailto:CSCOTT@PIONEERELECTRIC.COOP)

  
\_\_\_\_\_  
Della Smith  
Senior Administrative Specialist