

# Public Hearing

Please take notice that the Kansas Corporation Commission (KCC) has scheduled a public hearing to be held by video conference via Zoom to provide Southern Pioneer customers an opportunity to learn more about the proposed changes, ask questions, and make comments about the proposal to Commissioners. **THE PUBLIC HEARING IS SCHEDULED FOR MARCH 19, 2024, AT 6 P.M. CDT.**



REGISTER ONLINE BY MARCH 18



To participate via Zoom to ask questions and make comments, registration is required by 5 p.m. CDT the day prior to the hearing. Customers may register for the meeting at [HTTPS://WWW.KCC.KS.GOV/YOUR-OPINION-MATTERS](https://www.kcc.ks.gov/your-opinion-matters).

The hearing will also be broadcast on the KCC YouTube channel. Registration is not required to view only.

## PUBLIC COMMENT PERIOD

The KCC will accept comments regarding the proposed rate changes through **MAY 15, 2024, AT 5 P.M. CDT.** There are three convenient ways to submit a comment:



- 1 Go to the Commission's website ([www.kcc.ks.gov](http://www.kcc.ks.gov)) and click on the "Your Opinion Matters" link to enter your comment.
- 2 Send a written letter to the Kansas Corporation Commission, Office of Public Affairs and Consumer Protection, 1500 S.W. Arrowhead Road, Topeka, KS 66604. Be sure to reference Docket No. 24-SPEE-415-TAR.
- 3 Call the Commission's Office of Public Affairs and Consumer Protection at 800-662-0027.

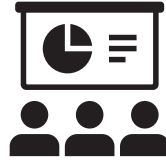
## EVIDENTIARY HEARING

An evidentiary hearing is scheduled for **JUNE 4-5, 2024, BEGINNING AT 10 A.M. CDT** via Zoom. At this hearing the Commission Staff, Citizens Utility Ratepayer Board (CURB), company representatives, and any interveners will present their cases to the Commission. The hearing will be broadcast on the Kansas Corporation Commission YouTube channel.



## REGULATORY RESPONSIBILITY

The KCC regulates public utilities, which are not locally regulated pursuant to K.S.A. 66-104d. The KCC's oversight primarily pertains to rates and terms of service. To ensure customers of regulated utilities are provided sufficient and efficient service at just and reasonable rates, regulated utilities may not change their rates without KCC approval.



## ADDITIONAL INFORMATION

A complete copy of Southern Pioneer's filings (the application, supporting testimony and proposed rates) is available on the KCC website at <http://www.kcc.ks.gov>, by searching Docket Filing for Docket No. 24-SPEE-415-TAR. You may contact Southern Pioneer's customer service at 800-670-4381 with questions or visit Southern Pioneer's website at [www.southernpioneer.net](http://www.southernpioneer.net).



If you have questions or complaints regarding this filing, you may also contact the KCC Office of Public Affairs and Consumer Protection at 800-662-0027 or at [public.affairs@kcc.ks.gov](mailto:public.affairs@kcc.ks.gov).



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**NOTICE OF Proposed Rate Filing and Public Hearing**

NOTICE OF PROPOSED

# Rate Filing and Public Hearing



After reviewing the current rate schedules for service to residential, commercial and industrial customers, Southern Pioneer Electric Company (Southern Pioneer) has filed an application with the Kansas Corporation Commission (KCC), requesting approval of certain changes to its rate schedules. The requested changes impacting residential and small commercial customers are discussed in this notice.

The proposed redesigns are revenue-neutral and are only a redesign of the existing rate structure for each affected rate schedule. These proposed changes will modernize rate design in response to rapidly changing market conditions and customers' choices regarding alternative technologies. Having the appropriate rate design in place that aligns fixed costs with fixed charges will ensure the equitable allocation of costs to all customers and avoid cross-subsidization among customers.

## DESCRIPTION OF PROPOSED CHANGES

Southern Pioneer proposes to replace the Residential Service and General Service Small rate schedules with new Single Phase and Three Phase Service rate schedules based on the physical service received.

Southern Pioneer also proposes to increase the existing customer charge as well as implement a new monthly demand charge component in both rate schedules. There would be a corresponding decrease to the monthly kWh energy charge in both rate schedules.

**IF APPROVED, THE RATE DESIGN CHANGES WILL BE EFFECTIVE ON (OR AROUND) AUG. 1, 2024, AND WILL BE REFLECTED ON CUSTOMERS' BILLS BEGINNING IN SEPTEMBER 2024.**

## WHAT MAKES UP THE THREE-PART RATE?

- ▶ **CUSTOMER CHARGE:** A fixed charge that covers the operating expense incurred by Southern Pioneer for some of the administrative and infrastructure costs needed to provide energy service to customers. It has always been listed on customers' bills and will not change.
- ▶ **ENERGY DELIVERY CHARGE/DEMAND CHARGE:** A charge to appropriately allocate costs to build, maintain or upgrade the infrastructure (power lines, transformers, substation upgrades, etc.) needed to ensure enough energy is delivered to meet customers' needs. The charge is determined by the maximum demand of energy at any point within the billing cycle multiplied by the determined rate for a customer's specific rate class.
- ▶ **ENERGY (kWh) CHARGE:** The cost for the total amount of energy, measured in kilowatt-hours (kWh), used within the billing period. It is calculated by taking the total kWhs used by the customer and multiplying it by Southern Pioneer's kWh charge for the customer. This charge will **DECREASE** with the implementation of the three-part rate structure.

## THREE-PART RATE STRUCTURE AND HOW POWER IS DELIVERED

Southern Pioneer's goal is to provide energy service safely and affordably to its customers. Southern Pioneer is a not-for-profit distribution utility that purchases generated power on behalf of its customers and then distributes it to homes, farms, and businesses in its service territory. Southern Pioneer, as a not-for-profit company, operates at cost to provide service while working to fairly allocate those costs across customer classes.

The proposed three-part rate separates the **CUSTOMER CHARGE** (a set charge for providing service), **ENERGY DELIVERY CHARGE/DEMAND CHARGE** (the rate at which a customer uses electricity) and **ENERGY (kWh) CHARGES** (cost per kWh of the total electricity used) assigned to a customer's energy service.

These charges are not new and are a part of Southern Pioneer's current rate structure. Transitioning to a three-part rate gives Southern Pioneer a more accurate representation of the individual customer costs of providing energy service and keeps customers with lower demand from helping offset the cost of those with higher demand.

## RESIDENTIAL/SINGLE PHASE GENERAL USE

NAME OF TARIFF		PRESENT RESIDENTIAL SERVICE GENERAL USE	PROPOSED SINGLE PHASE SERVICE
Customer Charge		\$14.67/mo.	\$16.67/mo.
Energy Delivery Charge/Demand Charge		None	\$3.00/kWh
Energy (kWh) Charge	Summer (July-Oct.)	\$0.14358/kWh	\$0.11601/kWh
	Winter (Nov.-June)	\$0.13258/kWh	\$0.10501/kWh
Property Tax Surcharge*		\$0.00020/kWh	-/kWh

## RESIDENTIAL/SINGLE PHASE SPACE HEATING

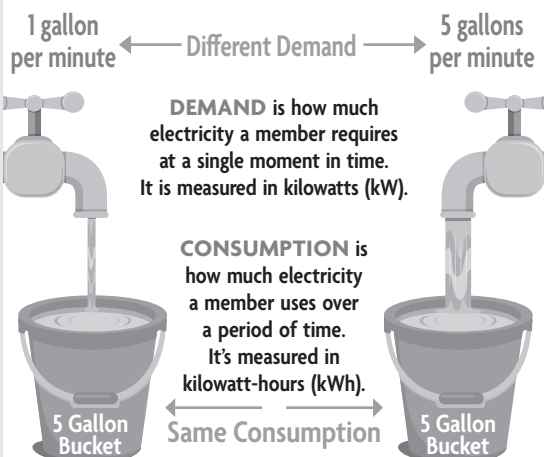
NAME OF TARIFF		PRESENT RESIDENTIAL SERVICE GENERAL USE	PROPOSED SINGLE PHASE SERVICE
Customer Charge		\$14.67/mo.	\$16.67
Energy Delivery Charge/Demand Charge			\$3.00/kWh
Energy (kWh) Charge	Summer (July-Oct.)	\$0.14358/kWh	\$0.11601/kWh
	Winter (Nov.-June)		
	Heat Block (801-5,800 kWh)	\$0.11462/kWh	\$0.05039/kWh
	Other	\$0.13258/kWh	\$0.10501/kWh
Property Tax Surcharge*		\$0.00020/kWh	-/kWh

## GENERAL SERVICE SMALL/THREE PHASE SERVICE

NAME OF TARIFF		PRESENT GENERAL SERVICE SMALL	PROPOSED THREE PHASE SERVICE
Customer Charge		\$22.74/mo.	\$22.98/mo.
Energy Delivery Charge/Demand Charge			\$3.00/kWh
Energy (kWh) Charge	Summer (July-Oct.)	\$0.11876/kWh	\$0.10166/kWh
	Winter (Nov.-June)	\$0.10776/kWh	\$0.09066/kWh
Property Tax Surcharge*		\$0.00020/kWh	-/kWh

\*AS REQUIRED BY STATUTE, THE PROPERTY TAX SURCHARGE HAS BEEN REBASED AND SPREAD INTO THE VARIOUS OTHER BASE CHARGES OF THE IMPACTED TARIFFS.

## UNDERSTANDING DEMAND



## WHAT IS DEMAND?

Demand is the rate at which a person uses electricity. Demand increases when many large or power-hungry appliances operate simultaneously. In these instances, Southern Pioneer must have the infrastructure to ensure enough power is available to the customers' home or business to satisfy their current need for immediate electricity. Southern Pioneer's system must be built to supply energy at maximum demand for each customer. It is important to remember that demand is not the total amount of energy used; it is the rate at which it is being used.

## WHAT CAN CUSTOMERS DO TO MANAGE THEIR DEMAND?

The energy needs of customers are not the same. The three-part rate is a transparent look at customers' costs and allows them to see the direct impact of their energy habits. For some, convenience may outweigh the desire to reduce demand. However, those looking to reduce their demand may do so by evaluating their current energy habits. Take time to review if power-hungry tasks can be spread or done throughout the day rather than all at once. The goal is to balance and reduce the rate you are using energy to lower demand. Stagger the use of large appliances (dishwashers, laundry machines, clothes dryers, ranges, ovens, etc.) or use delay start or appliance timers to have them run throughout the day. This may potentially reduce your energy bill.