Exhibit No. Issues: Merits of Application Witness: Aaron Bradshaw Type of Exhibit: Direct Testimony Sponsoring Party: Co-Mo Electric Cooperative Case No.: EO-2022-0190 Date Testimony Prepared: March 3, 2022

BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

CASE NO. EO-2022-0190

DIRECT TESTIMONY OF

AARON BRADSHAW

ON BEHALF OF

CO-MO ELECTRIC COOPERATIVE

Tipton, MO March 2022

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1. **INTRODUCTION**

2. **Q.** Please state your name and job title.

- 3. A. My name is Aaron Bradshaw. I am employed by Co-Mo Electric Cooperative
- 4. as the CEO and General Manager.

5. **Q. What are your job duties?**

- 6. A. As Manager, I fulfill the functions ordinarily associated with being a chief
- 7. executive officer. My oversight includes all aspects of the Cooperative's day to
- 8. day operations, including administration, finance, construction and maintenance.

9. Q. What is your business address?

10. A. Co-Mo is located at 29868 Hwy 5, Tipton, MO 65081.

11. Q. Briefly describe the business of Co-Mo.

12. A. Co-Mo is a rural electric cooperative first formed on May 10, 1939 when

13. electric service was not being otherwise provided in the area by either investor-

14. owned or municipally owned utilities and is engaged in the distribution of retail

15. electric energy and related services to our customers, which we refer to as

16. members or member-owners, in Cooper, Moniteau, Morgan, Camden, Benton,

17. Cole, Pettis, Saline and Miller Counties. We have just over 32,000 connected

18. meters, serve approximately 7.9 meters per mile, and have over 4,000 miles of

19. energized lines. Our rates are set and our operations are governed by a board of

20. directors selected through annual elections by our member-owners. The directors are

- 21. themselves member-owners. We operate on a cooperative business plan which basically
- 22. means that our customers or members are our owners and our purpose is not to
- 23. make a profit. We have no outside investors. Co-Mo is one of forty Missouri

| 24. | distribution cooperatives in Missouri's three-tiered electric cooperative system |
|-----|---|
| 25. | that collectively owns its own transmission and generation facilities throughout |
| 26. | the state. Co-Mo is a part owner of and receives its transmission services from |
| 27. | Central Electric Power Cooperative, headquartered in Jefferson City, Missouri. Central |
| 28. | Electric Power Cooperative is a part owner of and receives its generation services from |
| 29. | Associated Electric Cooperative, headquartered in Springfield, Missouri. During |
| 30. | Winter Storm Uri last year Associated Electric Cooperative hit a new system peak |
| 31. | of 5,549 MW, and despite the challenges of that event, there were no forced |
| 32. | service interruptions for our members. Since its formation, Co-Mo has had a long |
| 33. | history of providing safe, reliable and affordable electric service for its member- |
| 34. | owners. |
| 35. | Q. Please describe your professional qualifications. |
| 36. | A. I have a Bachelor of Business Administration in Marketing from Mississippi |
| 37. | University. I also hold Certified Energy Manager, Renewable Energy Professional, and |
| 38. | Certified Demand Side Manager credentials from the Association of Energy |
| 39. | Engineers. |
| 40. | Q. Briefly describe your professional background and experience. |
| 41. | A. I have been employed by Co-Mo as the CEO/General Manager since 2018. |
| 42. | Prior to coming to Co-Mo, I was the CEO/General Manager of Intercounty |
| 43. | Electric Cooperative in Licking, Missouri for 5 1/2 years. I've worked in various |
| 44. | managerial positions in electric cooperatives since 2000. |
| 45. | Q. Have you ever testified in a proceeding before the Missouri Public Service |
| | |

47. A. No.

48. <u>PURPOSE AND SCOPE</u>

49. **Q.** What is the purpose of your testimony in this proceeding?

- 50. A. The purpose of my testimony is to support the Application of Co-Mo which is
- 51. seeking an Order from the Commission to allow Co-Mo to serve Fox Hollow
- 52. Development. Fox Hollow is a planned residential subdivision recently annexed
- 53. into the city of Boonville, Missouri.

54. Q. Are you sponsoring any schedules in support of your direct testimony?

- 55. A. Yes. I am sponsoring Schedule AB-01 (map of Co-Mo facilities), Schedule AB-
- 56. 02 (Landowner Notice Letter), Schedule AB-03 (Chip Webb Email), Schedule AB-04
- 57. (Approved Franchise Ordinance), Schedule AB-06 (Plat Map of Fox Hollow), Highly
- 58. Confidential Schedule AB-07 (feasibility study), Schedule AB-08 (Current Residential
- 59. Rates), Schedule AB-09 (Residential Rate history), and Schedule AB-10 (Bylaws &
- 60. membership agreement).

61. II. MERITS OF THE APPLICATION

62. Q. How did Co-Mo's interest in serving Fox Hollow come about?

- 63. A. Like any other utility, Co-Mo is always looking for opportunities to increase
- 64. its customer base for economic reasons. But beyond that, like all Missouri
- 65. electric cooperatives, Co-Mo's member-elected board of directors is committed to
- 66. improving the quality of life in rural Missouri by promoting economic
- 67. development in and around the communities we serve. The owner of the property
- 68. where Fox Hollow will be constructed is Troy Thurman Construction Company,
- 69. Inc., owned and operated by Mr. Troy Thurman who is also submitting testimony

| 92. | territorial agreement that would have allowed Co-Mo to serve Fox Hollow |
|-----|--|
| 91. | did Co-Mo approach Ameren Missouri about negotiating a possible |
| 90. | Q. At any time during your discussions and negotiations with Mr. Thurman |
| 89. | suppliers. |
| 88. | developers to solicit and negotiate proposals from competing electric |
| 87. | A. That was my understanding. In my experience it is not at all unusual for |
| 86. | Missouri about potentially serving Fox Hollow? |
| 85. | Q. Were you aware that Mr. Thurman was also talking with Ameren |
| 84. | Mo. |
| 83. | A. November 2020 is when Mr. Thurman shared the conceptual layout with Co- |
| 82. | possibly having Co-Mo serve Fox Hollow? |
| 81. | Q. When were you first made aware that Mr. Thurman was interested in |
| 80. | development prior to the subdivision being annexed by the City of Boonville. |
| 79. | Co-Mo to discuss and negotiate potential electric service to the Fox Hollow |
| 78. | Boonville. From what I understand, he approached both Ameren Missouri and |
| 77. | property with plans for that subdivision to be eventually annexed into the City of |
| 76. | subdivided. He subdivided the parcel to develop a residential subdivision on the |
| 75. | 65233) was originally part of the same tract as Fox Hollow prior to it being |
| 74. | wedding venue. This parcel (service address 19953 Highway 98 Boonville, MO |
| 73. | Gross. Mr. Thurman remodeled and now uses that facility as an event and |
| 72. | provided electric service to in December 1975 to serve a house built by James J. |
| 71. | developer. He owns a parcel just east of and adjacent to Fox Hollow that Co-Mo |
| 70. | in support of Co-Mo's Application. He is a member of Co-Mo and is a local |

93. after it was annexed?

94. A. No.

95. Q. Why not?

96. A. At that time Ameren Missouri had no reason or incentive to negotiate a 97. territorial Agreement with Co-Mo when all it had to do was to simply wait until 98. the annexation occurred. After annexation, Co-Mo would not be able to serve any 99. new structures in the subdivision because of what we call "the 1500 rule", now 100. "the 1600 rule", that basically prevents electric cooperatives from serving new 101. structures within the boundaries of cities of over 1600 population, regardless of 102. whether the customer wants the cooperative to serve. New developments like Fox 103. Hollow just outside a city, however, usually need other city services such as water 104. and sewer service so they almost always seek annexation at some point. This not 105. only shuts us out by default, it creates competitive business concerns during 106. negotiations prior to annexation when the timing of the construction of new 107. structures and the actual timing of the annexation are critical to whether the 108. cooperative can provide service. As long as there was a possibility that Co-Mo 109. could provide service depending on the actual timing of the annexation we were 110. not going to risk losing the entire project by alerting Ameren Missouri in advance. 111. Q. At any time during your discussions and negotiations with Mr. Thurman 112. did Ameren Missouri approach Co-Mo about negotiating a possible 113. territorial agreement that would have allowed Co-Mo to serve Fox Hollow 114. after it was annexed? 115. A. No.

116. **Q.** Has Co-Mo in the past ever worked with a developer or through an 117. economic development initiative to develop property and then not be able to 118. provide service to the property after annexation due to "the 1500/1600 119. rule"? 120. A. There are several developments in and around Boonville where Co-Mo's 121. initial expectations were to serve the entire development but annexation led 122. to Co-Mo's assets being 'frozen'. Because of annexation in these developments, 123. Co-Mo was disallowed from serving the new growth within the development. An 124. example is Woods and Stewart drive. Co-Mo has a three-phase powerline and 125. ample capacity but was unable to serve that development because, at the time, the 126. 1,500 rule prevented us from serving such an area after annexation. 127. Q. If the Fox Hollow subdivision tract was not going to be annexed into the 128. City of Boonville, would Co-Mo be able to fully compete with Ameren 129. Missouri and serve new structures on the tract if Mr. Thurman chose Co-Mo 130. to be the electric supplier? A. Yes. In fact, Co-Mo has been fully competing with Ameren Missouri and its 131. 132. predecessors for many years and continues to do so today. Co-Mo has added 226 133. new services around Boonville within Ameren Missouri's certificated service area 134. since August 1991. Schedule AB-01 is a map showing Ameren Missouri's 135. certificated service area with Co-Mo's existing service locations overlayed. 136. Q. How did you become aware that Mr. Thurman had selected Co-Mo as his 137. choice to serve Fox Hollow?

138. A. Co-Mo and Mr. Thurman had many discussions throughout 2021 regarding

139. the possibility of Co-Mo providing service to Fox Hollow. We knew we were 140. getting close in November 2021. On December 3, 2021 I received a certified 141. letter from Troy Thurman requesting Co-Mo to provide electric service to the 142. development. The letter I received is attached as Schedule AB-02. 143. Q. After Co-Mo received that letter, what next steps were taken? 144. A. Co-Mo immediately contacted and attempted to work out a territorial 145. agreement with Ameren Missouri that would have allowed Co-Mo to serve Fox 146. Hollow in exchange for concessions from Co-Mo elsewhere in Co-Mo's service 147. area where Ameren Missouri competes with Co-Mo. Unfortunately, Ameren 148. Missouri was unwilling to consider any scenario that allowed Co-Mo to serve 149. Fox Hollow. Once it became clear that negotiations had failed with regard to Fox 150. Hollow, we filed this Application to ask the Commission to allow us to honor Mr. 151. Thurman's request. When Ameren Missouri became aware of our Application, 152. they terminated our negotiations via email to Co-Mo and I included and identified 153. that email in my testimony as Schedule AB-03. 154. Q. Did the possibility of Mr. Thurman choosing Co-Mo as the electric 155. provider prompt Co-Mo to discuss the matter and to seek permission from 156. the City of Boonville to serve Fox Hollow? 157. A. Yes. We first talked to the city about it in approximately November 2021 158. and ended up submitting a request for a franchise.

159. Q. Does Co-Mo today have a franchise to serve within the city boundaries of160. Boonville?

161. A. Yes. We formally sought and received a franchise from the City of Boonville.

- 162. I have attached a copy of the approved Franchise Agreement hereto as Schedule
- 163. **AB-04**.
- 164. Q. To your knowledge, did the City of Boonville grant Co-Mo's franchise
- 165. after going through its usual municipal public process?
- 166. A. Yes.
- 167. Q. To your knowledge, were any objections raised to the granting of Co-Mo
- 168. its franchise during the process?
- 169. A. No.
- 170. Q. To your knowledge, does the franchise granted to Co-Mo by the City of
- 171. Boonville differ in any material respect from the franchise it granted to
- 172. Ameren Missouri?
- 173. A. No. It is my understanding that the City is receiving the same public benefits
- 174. and has imposed the same conditions on both Co-Mo and Ameren Missouri for
- 175. the right to provide electric service inside the City.
- 176. Q. Are there any other electric service providers in the same general area as
- 177. Fox Hollow?
- 178. A. Yes. Ameren Missouri of course has facilities in the area. There are no other
- 179. electric providers in the area as far as I am aware since the City does not operate
- 180. its own municipal utility.

181. Q. Have you provided the Commission with a map that shows the planned

- 182. layout of Fox Hollow?
- 183. A. Yes. I have a plat map which is labeled as Schedule AB-06.

184. Q. Is Co-Mo capable and otherwise qualified to provide the proposed

185. electric service to Fox Hollow?

- 186. A. Definitely. Co-Mo has been in the business of providing safe, reliable, and
- 187. affordable electricity at retail to members since 1939. We have existing capacity
- 188. on our substations to serve Fox Hollow. We have received all necessary
- 189. construction permits, easements and franchises from private landowners and
- 190. governmental entities to enable us to serve Fox Hollow.
- 191. Q. To your knowledge, has Ameren Missouri obtained all the necessary
- 192. construction permits, easements and franchises from private landowners and
- 193. governmental entities that would allow it to serve Fox Hollow?
- 194. A. I do not know.
- 195. Q. What resources does Co-Mo have that will enable it to provide Fox
- 196. Hollow with safe, reliable, and affordable electric service?
- 197. A. We have been doing it throughout our service territory since our inception.
- 198. Co-Mo currently has 180 full-time employees along with adequate equipment and
- 199. office facilities. The Cooperative is committed to providing the necessary
- 200. employees and equipment to maintain and enhance service to any new member
- 201. and to its existing member-owners in its service territory. Co-Mo currently has
- 202. 14 electric contractor crews constructing and extending new lines as well as
- 203. retiring and replacing old lines. Co-Mo currently has approximately 40 contract
- 204. right of way personnel performing the Cooperative's right of way maintenance.
- 205. Our controllable SAIDI 5 year average is 82.9 minutes. The industry's
- 206. controllable outage average as seen on eia.gov is 90 minutes. Co-Mo inspects its
- 207. assets across its system every two years. Our poles are tested, treated and

| 208. | reinforced on a 10 year cycle. Co-Mo's right-of-way is continually widened to 40 |
|------|---|
| 209. | feet and clear cut on a seven year cycle. Each new service is served by a |
| 210. | minimum 200 amp heavy duty service. Co-Mo is a member of the rural electric |
| 211. | cooperative system in Missouri. The electric cooperatives in Missouri have |
| 212. | banded together to create an economic entity comprised of a three-tier generation |
| 213. | cooperative, six transmission cooperatives and forty distribution cooperatives. |
| 214. | Financially, Co-Mo has over \$240,000,000 in total assets. Co-Mo has a long term |
| 215. | all requirements wholesale power contract with Central Electric Power |
| 216. | Cooperative ("Central Electric") under which Central Electric is responsible to |
| 217. | deliver all of Co-Mo's bulk wholesale power requirements. Central Electric has |
| 218. | eight member-owners, including Co-Mo, all of whom are distribution electric |
| 219. | cooperatives like Co-Mo. Co-Mo has representation on Central Electric's board of |
| 220. | directors consisting of me and Co-Mo board member, Rodney Schad. Central |
| 221. | Electric has over 100 employees, over 1,600 miles of transmission line at voltages |
| 222. | of 69 kv or higher, and approximately \$400,000,000 in assets. Central Electric has |
| 223. | a long term all requirements power contract with Associated Electric Cooperative, |
| 224. | Inc. under which Associated is responsible to provide all of the bulk power |
| 225. | requirements Central Electric may need to serve Central Electric's member |
| 226. | cooperatives. Associated has six member-owners, all of whom are transmission |
| 227. | cooperatives like Central Electric. Central Electric has representation on |
| 228. | Associated's board of directors. Associated has approximately 700 employees, |
| 229. | over 5,700 megawatts of generation capacity, and over \$3,000,000,000 in total |
| 230. | assets. Associated is a financially strong company as is reflected by ratings from |

231. Fitch, Moody's, and Standard and Poor's of AA-, Aa3, and AA respectively. 232. While Associated Electric does engage in off-system sales when such sales 233. benefit our member-owners, it is not a member of any Regional Transmission 234. Organization. It operates independently and has total control of all its 235. transmission and generation assets. We recently saw the value of that approach 236. during Winter Storm Uri when forced outages and restrictions were placed on 237. members of the Regional Transmission Organizations in the west part of the state. 238. Under the all requirements power contracts and the investments made by the rural 239. electric cooperatives in Missouri and financed through the Rural Utilities Service 240. of the United States Department of Agriculture and other non-governmental 241. financial institutions, both directly and as a member of the three-tiered system, 242. Co-Mo is well situated to be able to provide for all of the foreseeable electric 243. power needs in Fox Hollow and possesses all of the financial resources necessary 244. to fund the construction required to serve Fox Hollow. Simply stated, Co-Mo has 245. available on a long-term basis all the financial, transmission, generation, and other 246. resources needed to serve the electric needs of its current and future member-247. owners. With respect to safety, Co-Mo has a long and consistent record of safely 248. providing electricity to its member-owners in large part due to safety programs 249. designed to protect its employees, its members, and the general public. Co-Mo 250. follows design and construction standards that meet or exceed the requirements of 251. the National Electric Safety Code and Rural Utility Service standards. The 252. system is designed, constructed, and maintained by professional engineers, highly 253. qualified line workers, and other well-trained and experienced employees and

254. contractors.

255. Q. In your time at Co-Mo, has the Cooperative had any notable service or

256. economic difficulties?

- 257. No. Not at all. Co-Mo has consistently had excellent reliability and financial
- 258. stability.
- 259. Q. Will Co-Mo pay local sales and property tax as a result of providing service260. to Fox Hollow?
- 261. Yes.
- 262. Q. From a local taxation perspective, will it make any difference if Co-Mo
- 263. rather than Ameren Missouri serves Fox Hollow?
- 264. A. No. Co-Mo pays the same local taxes that Ameren Missouri does.

265. Q. What rates, terms, and conditions of service would Co-Mo apply to new

266. Fox Hollow member-owners if the Commission grants Co-Mo's Application?

267. A. We treat all our member-owners the same and that includes any new member-

268. owners in Fox Hollow. Our rate sheet for all residential customers is found in

269. Schedule AB-08. We will apply those same residential rates to the electric users

- 270. of Fox Hollow that all other residential members of Co-Mo are charged. I have
- 271. also included our rates over the last 10 years as Schedule AB-09 to demonstrate
- 272. our history of rate stability. The terms and conditions of service are found in our
- 273. Bylaws and membership agreement which are collectively presented as Schedule
- 274. **AB-10**. All members are subject to these same terms and conditions of service.
- 275. Q. If the Commission grants Co-Mo's Application, what economic impact
- 276. will Co-Mo's service of Fox Hollow have on Co-Mo?

| 277. | A. We conducted a feasibility study to determine that which is included here as |
|--|---|
| 278. | Highly Confidential Schedule AB-07. The feasibility study contains plans and |
| 279. | specifications for the utility system, plans for financing, proposed rates and |
| 280. | charges, and an estimate of the number of customers, revenues, and expenses |
| 281. | during the first 20 years of operations. I can summarize it by saying there will be |
| 282. | no detrimental short-term economic (or other) impact on Cooperative's member- |
| 283. | owners and that long-term benefits to the Cooperative's member-owners provided |
| 284. | by the planned density and load factor from the subject property are expected. |
| 285. | Q. Other than noting there will be no negative impact on local property and |
| 286. | sales taxes paid to support local government services, are there any |
| 287. | additional positive economic or service benefits to the general public in and |
| 200 | around the area if Co-Mo is permitted to serve Fox Hollow? |
| 288. | around the area in Co-Mo is permitted to serve Fox Honow? |
| 2 88. 289. | A. Yes, absolutely. As part of Co-Mo's commitment to improve quality of life |
| | |
| 289. | A. Yes, absolutely. As part of Co-Mo's commitment to improve quality of life |
| 289. 290. | A. Yes, absolutely. As part of Co-Mo's commitment to improve quality of life throughout its service territory and in response to our member-owner's request |
| 289. 290. 291. | A. Yes, absolutely. As part of Co-Mo's commitment to improve quality of life throughout its service territory and in response to our member-owner's request and overwhelming support, Co-Mo's affiliate broadband company, Co-Mo |
| 289. 290. 291. 292. | A. Yes, absolutely. As part of Co-Mo's commitment to improve quality of life throughout its service territory and in response to our member-owner's request and overwhelming support, Co-Mo's affiliate broadband company, Co-Mo Connect, has been working with the City of Boonville to deploy state-of-art |
| 289. 290. 291. 292. 293. | A. Yes, absolutely. As part of Co-Mo's commitment to improve quality of life throughout its service territory and in response to our member-owner's request and overwhelming support, Co-Mo's affiliate broadband company, Co-Mo Connect, has been working with the City of Boonville to deploy state-of-art reliable broadband service throughout Boonville and the vicinity. Co-Mo |
| 289. 290. 291. 292. 293. 294. | A. Yes, absolutely. As part of Co-Mo's commitment to improve quality of life throughout its service territory and in response to our member-owner's request and overwhelming support, Co-Mo's affiliate broadband company, Co-Mo Connect, has been working with the City of Boonville to deploy state-of-art reliable broadband service throughout Boonville and the vicinity. Co-Mo Connect will be providing that service via fiber optics to Fox Hollow, which will |
| 289. 290. 291. 292. 293. 294. 295. | A. Yes, absolutely. As part of Co-Mo's commitment to improve quality of life throughout its service territory and in response to our member-owner's request and overwhelming support, Co-Mo's affiliate broadband company, Co-Mo Connect, has been working with the City of Boonville to deploy state-of-art reliable broadband service throughout Boonville and the vicinity. Co-Mo Connect will be providing that service via fiber optics to Fox Hollow, which will be the first Gigabit connected subdivision in the area, thereby making the new |
| 289. 290. 291. 292. 293. 294. 295. 296. | A. Yes, absolutely. As part of Co-Mo's commitment to improve quality of life throughout its service territory and in response to our member-owner's request and overwhelming support, Co-Mo's affiliate broadband company, Co-Mo Connect, has been working with the City of Boonville to deploy state-of-art reliable broadband service throughout Boonville and the vicinity. Co-Mo Connect will be providing that service via fiber optics to Fox Hollow, which will be the first Gigabit connected subdivision in the area, thereby making the new development an attractive feature for the area's economic development. Co-Mo |

300. so that Co-Mo Connect in recent years has been deploying fiber underground where

301. Ameren provides service utilizing ariel infrastructure. Installing fiber along with the

302. underground electric at the same time reduces costs and disruptions, with less

303. environmental impacts, for all involved. Fiber facilities to Fox Hollow will be deployed

304. in conjunction to the deployment of underground electric facilities.

305. Q. Would Co-Mo serving Fox Hollow prevent the waste of materials and

306. natural resources?

307. A. I believe it would as Co-Mo believes in efficient design and practices that 308. leverage its assets. Co-Mo is continuously modeling best practices to lower 309. losses across the system resulting in less use of our natural resources. When procuring new right-of-way, Co-Mo practices water and runoff control as well as 310. 311. reseeding of the floor with native wildflowers. The excess brush is stacked 312. parallel to the edge of the right-of-way to promote wildlife conservation. Further, 313. Co-Mo's existing facilities are along the north edge of Fox Hollow so minimal 314. construction would be needed to serve the first two phases of the development. 315. Additionally, Co-Mo purchases it's energy from Central Electric Power 316. Cooperative and ultimately from Associated Electric Cooperative, Inc. (AECI) 317. Over the past several years, AECI has made a dedicated effort to include 318. renewable resources as part of its generation mix while maintaining reliable base 319. load generation. As a result, roughly 25% of all electricity utilized by Co-Mo 320. members is generated by wind or hydro today. In addition to its current fuel mix, 321. AECI has committed to adding utility scale solar to its renewable portfolio in the 322. near term. Finally, on a more site-specific note, the engineered design for Fox

323. Hollow would accommodate the additional load created by residential EV

324. charging.

325. Q. Do you believe there is a need for electric service to Fox Hollow?

326. Yes. Boonville and Cooper County is in need of more housing. Many new

- 327. industries have moved to Boonville recently, such as Kawasaki, increasing the
- 328. demand for labor. Troy Thurman's Fox Hollow development is designed for
- 329. residential housing that aligns with the labor demand. Co-Mo is teaming with
- 330. Cooper County Economic Development to site prep land in the area for more
- 331. industry. Across the Missouri River to the east, Midway USA is building and
- 332. expanding operations driving need for even more labor force. Fox Hollow can
- 333. help provide the sustainable living structure for these employees.

334. Q. What is the likely effect of Co-Mo providing electric service to Fox

335. Hollow on your customer/members?

336. A. Currently Fox Hollow does not have any electric service provider and there

337. are no structures currently existing so no one would be required to change service

338. providers. Our members would not experience a rate increase due to the

339. construction of facilities to serve Fox Hollow. Adding the load factor and density

- 340. of Fox Hollow to our customer/member base would help to stabilize rates into the
- 341. future. Adding Fox Hollow allows for more infrastructure improvements which
- 342. will benefit all members.

343. Q. Would the Commission's grant of Co-Mo's Application benefit Co-Mo344. and its members?

345. A. Yes it benefits us because it allows Co-Mo to serve new customer/members in

346. an area in which it could not serve without the approval of our Application. It 347. would allow Co-Mo to more accurately plan for future growth and fully utilize its 348. investments. Leveraging existing assets and increasing density puts downward 349. pressure on future member rates increases. Co-Mo's equity is growing and strong 350. at 33% as a percentage of total assets as of January 2022. Co-Mo's loan 351. covenants require Co-Mo to maintain equity at or above 25%. Co-Mo collects 352. franchise fees within the city limits of Boonville helping strengthen the city's 353. financial ability. Co-Mo pays property taxes on its assets which strengthens the 354. state and county financial position. Co-Mo brings its fiber system with its 355. electrical extension allows the member owner access to high speed internet, telephone and TV subscription. True fiber to the home. 356.

357. <u>III. CONCLUSION</u>

358. Q. Has Co-Mo followed the process set forth in the newly passed law that for

359. the first time provides a way for Co-Mo to honor Mr. Thurman's request for

360. Co-Mo to provide service to Fox Hollow that otherwise it could not do

361. because of "the 1600 rule"?

362. A. We certainly have tried our best to do so. This is a new procedure and

363. opportunity, both for Co-Mo and for the Commission. As a practical matter, and

- 364. based on my experience, I see this new opportunity working on a case-by-case
- 365. basis, and only when particular circumstances make it possible. I do not see this
- 366. as opening the door for a flood of these types of applications. There are many

367. times a developer or landowner will not care which supplier provides service. I

368. am also aware of many instances where the investor-owned utility offers rate

| 379. | Q. Does this conclude your Direct Testimony? |
|------|---|
| 378. | request. |
| 377. | the electric supplier and we urge the Commission to allow Co-Mo to honor that |
| 376. | able to serve Fox Hollow by default. In the end, Mr. Thurman desires Co-Mo as |
| 375. | Ameren Missouri and has elected to take the position that it necessarily would be |
| 374. | particular instance, Ameren Missouri could not entice Mr. Thurman to select |
| 373. | provision of natural gas service, in order to compete with other suppliers. In this |
| 372. | variances and waivers of its existing tariffs and policies, including its joint |
| 371. | where it has successfully come before the Commission and expeditiously receives |
| 370. | financially offer. Ameren Missouri's own tariff illustrates numerous instances |
| 369. | discounts or other competitive incentives that we as cooperatives just cannot |

380. A. Yes, it does.

BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

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In the Matter of the Application of Co-Mo Electric Cooperative for Approval of Designated Service Boundaries Within Portions of Cooper County, Missouri.

Case No. EO-2022-0190

AFFIDAVIT OF AARON BRADSHAW

STATE OF MISSOURI))ss COUNTY OF Monitcov)

Aaron Bradshaw, being first duly sworn on his oath, states:

- 1. My name is Aaron Bradshaw I am the CEO/General Manager of Co-Mo Electric Cooperative.
- Attached hereto and made a part hereof for all purposes is my Direct Testimony on behalf of Co-Mo Electric Cooperative consisting of 19 pages, having been prepared in written form for introduction into evidence in the above-captioned docket.
- 3. I have knowledge of the matters set forth therein. I hereby swear and affirm that my answers contained in the attached testimony to the questions therein propounded, including any attachments thereto, are true and accurate to the best of my knowledge, information and belief.

Subscribed and sworn to before me this 3 day of March, 2022.

(notary seal)



Notary Public