

Exhibit No. _____
Issues: Merits of Application
Witness: Rick Johnson
Type of Exhibit: Direct Testimony
Sponsoring Party: White River Valley
Electric Cooperative, Inc.
Case No.: EO-2025-0228
Date Testimony Prepared: April 23, 2025

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

CASE NO. EO-2025-0228

**DIRECT TESTIMONY OF
RICK JOHNSON
ON BEHALF OF
WHITE RIVER ELECTRIC COOPERATIVE, INC.**

**Branson, MO
April 2025**

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1. **INTRODUCTION**

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

3. A. My name is Rick Johnson. I am employed by White River Electric Cooperative as Vice
4. President/Chief Engineering Officer.

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

6. A. I fulfill the functions ordinarily associated with being the most senior engineering
7. officer of an electric utility. My oversight includes all aspects of the Cooperative
8. engineering needs, including line design, system studies, sectionalizing studies, permitting
9. applications, asset inspections, metering responsibilities, etc.

10. **Q. What is your business address?**

11. A. White River's headquarters is located at 2449 State Hwy 76 East, P.O. Box 969,
12. Branson, MO 65615.

13. **Q. Briefly describe the business of White River Electric Cooperative.**

14. A. White River is a rural electric cooperative that was formed on February 10, 1939, under
15. The federal Rural Electrification Act, at a time when electric service was not being
16. provided in the rural areas of southwest Missouri by investor-owned utilities or municipal
17. utilities. White River is currently engaged in the distribution of retail electric energy and
18. related services to our customers, which we refer to as members or member-owners, in
19. Taney, Christian, Stone, Ozark and Douglas Counties of Missouri. We serve just over
20. 48,000 members with a density of approximately 8.9 meters per mile and have over 5,368
21. miles of overhead and underground facilities. Our rates are set and our operations are
22. governed by a board of directors selected through annual elections by our member-owners.
23. The directors are required to be member-owners as well. We operate on a cooperative

24. business plan which essentially means that our customers or members are our owners. We
25. have no outside investors. White River is one of forty Missouri distribution cooperatives
26. in the three-tiered electric cooperative system that collectively owns its own transmission
27. and generation facilities throughout the state. White River is a part owner of, and receives
28. its transmission services from, both Sho-Me Power Electric Cooperative, headquartered in
29. Marshfield, Missouri, and KAMO Power Electric Cooperative, headquartered in Vinita,
30. Oklahoma. Both transmission cooperatives are part-owners of, and receive generation
31. services from, Associated Electric Cooperative Incorporated which is headquartered in
32. Springfield, Missouri. Since its formation, White River has had a long history of providing
33. safe, reliable and affordable electric service to its member-owners.

34. **Q. Please describe your professional qualifications.**

35. A. I have a B.S. in Electrical Engineering from the University of North Dakota. I am a
36. registered Professional Engineer in the State of Missouri. I have previously been licensed
37. in Kansas, Minnesota, North Dakota, and South Dakota.

38. **Q. Briefly describe your professional background and experience.**

39. A. I have been employed by White River as the Vice President/Chief Engineering Officer
40. since January 9th, 2023. Prior to coming to White River, I was the Executive Director of
41. Engineering at Kansas Electric Power Cooperative (KEPCo) in Topeka, Kansas for four
42. years. Prior to KEPCo, I worked for Otter Tail Power Company headquartered in Fergus
43. Falls, MN for 29 years. Otter Tail is an investor-owned utility serving portions of MN,
44. ND, and SD. I've worked in various leadership positions in electric utilities since January
45. 2nd, 1991.

46. **Q. Have you ever testified in a proceeding before the Missouri Public Service**

47. **Commission?**

48. A. No.

49. **PURPOSE AND SCOPE**

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

51. A. The purpose of my testimony is to support the Application of White River which is
52. seeking an Order from the Commission to allow White River to serve what is known as the
53. Warren Property or Elk Valley development. The Elk Valley development is a planned
54. commercial development recently annexed into the city of Ozark, Missouri.

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

56. A. Yes. I am sponsoring **Schedule RJ-01** (map of White River facilities), **Schedule**
57. **RJ-02** (Plat Map of Elk Valley and electrical layout), **Highly Confidential Schedule RJ**
58. **03** (Cost of Service Study), **Schedule RJ-04** (Current Commercial Rates and History),
59. **Schedule RJ-05** (Vegetation Management Program).

60. **II. MERITS OF THE APPLICATION**

61. **Q. How did White River's interest in serving Elk Valley come about?**

62. A. Like any other utility, White River is always looking for opportunities to increase its
63. customer base for economic reasons. But beyond that, like all Missouri electric
64. cooperatives, White River's member-elected board of directors is committed to improving
65. the quality of life in rural Missouri by promoting economic development in and around the
66. communities we serve. The developers for Mr. Warren's property are Brad Thessing and
67. Brett Roubal with Commercial Development, LLC. The developers initially reached out
68. to our economic development team in 2023 regarding electric service to this property.
69. Subsequently, we entered into a Letter of Understanding Regarding Construction of New

70. Facilities (LOU) with the developers in November 2023, which is contained on Page 88 of
71. **Schedule CC-03**, attached to the Direct Testimony of White River witness Cassie
72. Cunningham. The owner of the property at issue in this case is Elk Valley, LLC, which
73. is owned and operated by Joe Warren. Mr. Warren is a member of White River and has a
74. service with us on a parcel adjacent to the Elk Valley development. Pages 48 through 52
75. of **Schedule CC-03** contains a deed to the subject property which shows Elk Valley, LLC
76. as the owner. **Schedule CC-02**, attached to the Direct Testimony of White River witness
77. Cassie Cunningham, is the landowner notice letter sent by Joe Warren, a Member of Elk
78. Valley, LLC, to White River on October 28, 2024, requesting service to the subject
79. property.

80. **Q. Did negotiations with Liberty occur?**

81. A. Yes. Staff from White River and Liberty had many discussions in the last quarter of
82. 2024 regarding possible amendments to territorial agreements. We did meet with Liberty
83. again on February 26, 2025 to discuss other territorial matters and the subject of Elk Valley
84. was brought into the conversation by Liberty.

85. **Q. Were those negotiations with Liberty successful?**

86. A. No.

87. **Q. Why not?**

88. A. Unfortunately, despite Liberty being aware of White River's intent to serve Elk Valley
89. since September 2024, Liberty was unwilling to consider any scenario that allowed White
90. River to serve Elk Valley until after our Application filing. We had to file this Application
91. when we did in order to meet the construction schedule which has groundbreaking set for
92. early June. Negotiations are ongoing.

93. **Q. Does White River today have a franchise to serve within the city boundaries of**
94. **Ozark, Missouri?**

95. A. Yes. We formally sought and received a franchise from the City of Ozark. It is
96. contained in **Schedule CC-07**, attached to the Direct Testimony of White River witness
97. Cassie Cunningham.

98. **Q. To your knowledge, does the franchise granted to White River by the City of**
99. **Ozark differ in any material respect from the franchise it granted to Liberty?**

100. A. No. It is my understanding that the City is receiving the same public benefits and has
101. imposed the same conditions on both White River and Liberty for the right to provide
102. electric service inside the City, including but not limited to the newly implemented Dark
103. Sky Ordinance.

104. **Q. Are there any other electric service providers in the same general area as Elk**
105. **Valley?**

106. A. Yes. Liberty of course has facilities in the area. There are no other electric providers
107. in the area as far as I am aware since there is no municipal utility in Ozark and there are no
108. other rural electric cooperatives with facilities in the same general area. **Schedule CC-01**
109. attached to the Direct Testimony of White River witness Cassie Cunningham is a map of
110. where we believe Liberty's facilities are located in the area of Elk Valley.

111. **Q. Please describe the physical location of White River's existing and planned**
112. **facilities that will serve the Elk Valley development.**

113. White River plans to serve the entire development from the existing facilities that are
114. currently serving load on immediately adjacent parcels. Pages 4 and 9 of **Schedule CC-**
115. **04**, attached to the Direct Testimony of White River witness Cassie Cunningham, show the

116. connection to our existing facilities that will be constructed. **Schedule RJ-02**

117. contains a map which shows the electrical layout White River intends to use to serve the

118. development. Electrical assets will be extended naturally from the west end of the property

119. to the east end of the property. Transformers will be added along the way as new members

120. require service.

121. **Q. Based on existing lines and facility locations, will White River's provisioning of**

122. **service to the Elk Valley property require a new crossing over any existing Liberty**

123. **lines or facilities?**

124. A. No. White River will not need to cross any existing Liberty lines or facilities to serve

125. the Elk Valley development. White River currently has electric facilities located on the

126. northwest corner of the Elk Valley property. Extension throughout the Elk Valley

127. development will be straightforward and logical.

128. **Q. Is White River capable and otherwise qualified to provide the proposed electric**

129. **service to Elk Valley?**

130. A. Definitely. White River has been in the business of providing safe, reliable, and

131. affordable electricity at retail to members since 1939. We have existing capacity on our

132. substation to serve Elk Valley. We have received all necessary construction permits,

133. easements and franchises from private landowners and governmental entities to enable us

134. to serve Elk Valley, pending the outcome of this present case.

135. **Q. Is White River capable of meeting Elk Valley's construction schedule?**

136. A. Yes. The construction schedule has groundbreaking set to begin in early June 2025.

137. White River has obtained all of the necessary permits, franchises, and easements to serve

138. the Elk Valley development, as well as completed all necessary engineering studies.

139. Provided the Commission rules favorably on this Application, White River should be able
140. to meet the construction schedule.

141. **Q. What resources does White River have that will enable it to provide Elk Valley**
142. **with safe, reliable, and affordable electric service?**

143. A. We have been doing it throughout our service territory since our inception. White River
144. currently has more than 120 full-time employees with adequate equipment all housed at
145. five office locations. The Cooperative is committed to providing the necessary employees
146. and equipment to maintain and enhance service to any new member and to its existing
147. member-owners in its service territory. White River manages peaks of construction activity
148. by outsourcing to a private contractor. White River currently has one contractor to help
149. with our pole replacement program. White River currently has approximately one
150. contractor performing vegetation management in our rights of way. System reliability is
151. measured in a variety of ways. The System Average Interruption Duration Index (SAIDI)
152. is very common and our annual SAIDI trends from 110 to 120. The Rural Utilities Service
153. guideline is 200 or less so we feel very good about our reliability. White River Valley
154. inspects its assets across its system regularly. We have over 100,000 poles and each
155. receives a rigorous inspection and treatment at least once every 10 years. As a result of
156. this program, we replace approximately 2% of our poles annually. We are also continually
157. investing in system improvement projects to ensure adequate voltage throughout our
158. feeders. White River's vegetation management program maintains our rights-of-way at
159. 30-feet for overhead facilities and 20-feet for underground facilities. Financially, White
160. River has approximately \$373 million in utility plant and construction work in progress.
161. Sales eclipsed 831,000 MWh (Mega-Watt-Hours) last year. White River is a member of

162. the rural electric cooperative system in Missouri. The electric cooperatives in Missouri
163. have banded together to create a power supply system comprised of a three-tier generation
164. cooperative, six transmission cooperatives and forty distribution cooperatives. White River
165. has long-term all-requirements wholesale power contracts with two transmission
166. cooperatives under which those transmission cooperatives are obligated to deliver all of
167. White River's bulk wholesale power requirements 24/7/365. White River purchases
168. approximately 85% of its power from KAMO. KAMO has seventeen member-owners,
169. including White River, all of whom are distribution electric cooperatives. White River has
170. representation on KAMO's board of directors. KAMO has more than 200 employees,
171. operates nearly 3,000 miles of transmission line at voltages ranging from 69 kV to 345 kV,
172. and has approximately \$1.1 billion in total assets. White River purchases approximately
173. 15% of its power from Sho-Me. Sho-Me has nine member-owners, including White River,
174. all of whom are distribution electric cooperatives. White River has representation on Sho-
175. Me's board of directors. Sho-Me operates more than 1,800 miles of transmission line at
176. voltages of 69 kV and higher, has approximately \$480 million in total assets, and employs
177. a workforce of nearly two hundred. Both KAMO Power and Sho-Me Power have long-
178. term all-requirements power contracts with Associated Electric Cooperative, Inc.
179. ("Associated") under which Associated is obligated to provide all of the bulk power
180. requirements the transmission cooperatives may need to serve their member cooperatives
181. 24/7/365. Associated has six member-owners, all of whom are transmission cooperatives
182. like KAMO and Sho-Me. All six members of Associated, including KAMO and Sho-Me,
183. have representation on Associated's board of directors. Associated has approximately 700
184. employees, over 5,600 MW of generation capacity, and over \$3.7 billion in total assets.

185. Associated is a financially strong company as is reflected by ratings from Fitch, Moody's,
186. and Standard and Poor's of AA-, Aa3, and AA respectively. While Associated does engage
187. in off-system sales when such sales benefit its member-owners, it is not a member of any
188. Regional Transmission Organization. It operates independently and has total control of all
189. its transmission and generation assets. The value of that approach was recognized during
190. several major winter storms over the past few years when forced outages and restrictions
191. were placed on members of the Regional Transmission Organizations in parts of our state.
192. Under the security afforded by the all-requirements power contracts, White River is well
193. situated to be able to provide for all of the foreseeable electric power needs in Elk Valley.
194. White River is an eligible borrower under the Rural Utilities Service of the U.S.
195. Department of Agriculture and has longstanding relationships with various private lending
196. institutions. Thus, White River possesses all of the financial resources necessary to fund
197. the construction required to serve Elk Valley. Simply stated, White River has available on
198. a long-term contractual basis, all the financial, transmission, generation, and other
199. resources needed to serve the electric needs of its current and future member- owners. With
200. respect to safety, White River has a long and consistent record of safely providing
201. electricity to its member-owners in large part due to safety programs designed to protect
202. its employees, its members, and the general public. White River Valley follows design and
203. construction standards that meet or exceed the requirements of the National Electric Safety
204. Code and Rural Utility Service standards. The system is designed, constructed, and
205. maintained by professional engineers, highly qualified line workers, and other well-trained
206. and experienced employees and contractors.

207. **Q. What rates, terms, and conditions of service would White River apply to new Elk**

208. **Valley member-owners if the Commission grants White River's Application?**

209. A. We treat all our member-owners the same and that includes any new commercial
210. member-owners in Elk Valley. Our rate sheet for all commercial customers is found in
211. **Schedule RJ-04**. We will apply those same commercial rates to the electric consumers of
212. Elk Valley that all other commercial members of White River are charged. Our
213. commercial commercial rates over the last 10 years demonstrate our history of rate stability
214. during a time of significant upward rate pressure industry wide. The commercial rate
215. history is contained in **Schedule RJ-04**. The terms and conditions of service are found in
216. our Bylaws, commercial membership agreement, and line extension policy, which are
217. collectively presented as **Schedule CC-08**, attached to the Direct Testimony of White
218. River witness Cassie Cunningham.

219. **Q. If the Commission grants White River's Application, what economic impact will**
220. **serve Elk Valley have on White River?**

221. A. We conducted a cost-of-service study or feasibility study, which I've included as
222. **Highly Confidential Schedule RJ-03** to compare our investment with our expectations
223. for revenue. The cost-of-service study contains plans and specifications for the utility
224. system, plans for financing, proposed rates and charges, and an estimate of the number of
225. members, revenues and expenses during the first (3) years of operations. Since the study
226. was completed, we've been informed of additional entities that are committing to the
227. development. The revenue associated with the additional entities will exceed that of the
228. entity that was part of the study, thereby ensuring even better cost recovery. I can
229. summarize the study by saying given the commercial members already committed to the
230. development, the additional commercial lots available, and the commercial growth of

231. business in proximity, we fully expect to recover our investment without being subsidized
232. by the rest of the membership.

233. **Q. Other than noting there will be no negative impact on local property and sales**
234. **taxes paid to support local government services, are there any additional positive**
235. **economic or service benefits to the general public in and around the area if White**
236. **River is permitted to serve Elk Valley?**

237. A. Yes, absolutely. As part of White River's commitment to improve quality of life
238. throughout its service territory and in response to our member-owner's request and
239. overwhelming support, White River's affiliate broadband company, White River Connect
240. has been deploying state-of-art reliable broadband service throughout its service area.
241. White River Connect will be providing that service via fiber optics to Elk Valley, thereby
242. making the new development an attractive feature for the area's economic development.
243. Installing fiber along with the underground electric at the same time, via cooperation with
244. White River's subsidiary, reduces costs and disruptions, with less environmental impacts,
245. for all involved. Fiber facilities to Elk Valley will be deployed in conjunction with the
246. deployment of underground electric facilities.

247. **Q. Would White River serving the Elk Valley development minimize unnecessary**
248. **encumbrances on the property and landscape?**

249. A. Absolutely. White River's planned construction of the Elk Valley development includes
250. all underground lines and pad mounted equipment so there will be minimal above-ground
251. encumbrances on the area and landscape.

252. **Q. Would White River serving Elk Valley prevent the waste of materials and natural**
253. **resources?**

254. A. It is our objective and in the best interest of our membership to extend facilities in the
255. most cost-effective manner. The most cost-effective manner is to minimize waste and be
256. good stewards of our natural resources. When possible, waste material is recycled and/or
257. repurposed. A copy of White River's Integrated Vegetation Management Program can be
258. found in **Schedule RJ-05**. Further, White River's existing facilities are at the northwest
259. corner of the Elk Valley property so minimal construction would be needed to serve the
260. development. Additionally, White River purchases its energy through its two transmission
261. cooperatives and ultimately from Associated Electric Cooperative, Inc. ("Associated").
262. Over the past several years, Associated has made a dedicated effort to include renewable
263. resources as part of its generation mix while maintaining reliable base load generation. As
264. a result, roughly 22% of all electricity utilized by White River members is generated by
265. wind or hydro today. Associated contracts with eight wind farms totaling 1,240 MW of
266. nameplate capacity. Associated is committed to ensuring reliability through use of its coal
267. and natural gas generation plants and has recently announced the construction of at least
268. two natural gas plants planned to be online by 2027. Finally, White River members
269. participate in Associated's "Take Control and Save" energy-efficiency program which
270. encourages the conservation of natural resources by providing rebates for certain energy
271. efficient home appliances and heating and cooling systems.

272. **Q. Do you believe there is a need for electric service to Elk Valley?**

273. Yes. Christian County is rapidly developing and the population is growing. Many new
274. residential developments are under construction in Ozark, especially along the Highway
275. 65 corridor with White River electric service established on property or adjacent. We aim
276. to give consumers the lowest-cost option with best-in-class service to meet their needs.

277. These new residential properties are expected to also increase the demand for additional
278. commercial sites. Elk Valley is designed for commercial development that aligns with the
279. growing demand in the area.

280. **Q. What is the likely effect of White River providing electric service to Elk Valley on**
281. **your members/customers?**

282. A. Our members would not experience a rate increase due to the construction of facilities
283. to serve Elk Valley. Adding the load factor and density of Elk Valley to our
284. customer/member base would help to stabilize rates into the future. Adding Elk Valley
285. allows White River to utilize readily available additional capacity, thereby having an
286. overall economic benefit to our financials.

287. **Q. What is White River's operational ability to serve all or portions of the Elk Valley**
288. **development within 3 years?**

289. A. White River is currently able to serve all of the Elk Valley development from a capacity
290. standpoint. From a construction standpoint, we expect the construction needed to
291. effectuate the necessary electric service to the development to take approximately six
292. weeks to complete. White River crews will coordinate our construction with the
293. construction of the development contractor. The timing of our construction will largely be
294. affected by the schedule of the development contractor. Attached as **Schedule RJ-01** is a
295. map and accompanying detail showing Cooperative's existing electric service facilities
296. with adequate and necessary service capability located within one mile of the boundaries
297. of Elk Valley.

298. **Q. Would the Commission's grant of White River's Application benefit White River**
299. **and its members?**

300. A. Yes it benefits us because it allows White River to serve new customer/members in an
301. area in which it could not serve without the approval of our Application. It would allow
302. White River to more accurately plan for future growth and fully utilize its investments.
303. Leveraging existing assets and increasing density puts downward pressure on future rates
304. increases for all of our nearly 48,000+ members. White River's equity is growing and
305. strong at 43% as a percentage of total assets as of \$467,500,422. White River's loan
306. covenants require White River to maintain equity at or above 25%. White River has
307. committed to collect franchise fees for any service within the city limits of Ozark, helping
308. strengthen the city's financial ability. White River pays property taxes on its assets which
309. strengthens the state and county financial position. White River works with its subsidiary
310. to install the electrical and fiber facilities together, which saves resources and allows the
311. member-owner access to high-speed internet and telephone services.

312. **III. CONCLUSION**

313. **Q. Has White River followed the process set forth in RSMo 386.800 which provides**
314. **a way for White River to honor the landowner's and developer's request for White**
315. **River to provide service to Elk Valley?**

316. A. Yes we have certainly tried to the best of our ability to follow that process. The
317. developer and landowner want White River to be the electric supplier to Elk Valley and
318. we urge the Commission to allow White River to honor their request.

319. **Q. Does this conclude your Direct Testimony?**

320. A. Yes, it does.

In the Matter of the Application of)
White River Valley Electric Cooperative, Inc.) Case No. EO-2025-0228
For Approval of Designated Service Boundaries)
Within Portions of Christian County, Missouri.)

STATE OF MISSOURI)
COUNTY OF Taney)ss)

1. My name is Rick Johnson. I am the Vice President/Chief Engineering Officer of White River Valley Electric Cooperative, Inc. (White River).
2. Attached hereto and made a part hereof for all purposes is my Direct Testimony on behalf of White River consisting of 16 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.



RICK JOHNSON

(notary seal)

