BEFORE THE LOUISIANA PUBLIC SERVICE COMMISSION

APPLICATION OF 1803 ELECTRIC COOPERATIVE, INC. FOR APPROVAL OF REVISIONS TO ITS WHOLESALE RATE TARIFF, ADJUSTMENT CLAUSES, AND FORMULA RATE PLAN	)))))	**DOCKET NO. _____**

DIRECT TESTIMONY

OF

DAVID W. HEDRICK

ON BEHALF OF

1803 ELECTRIC COOPERATIVE, INC.

May 2024

I. INTRODUCTION

Q. Please state your name and business address.

A. My name is David W. Hedrick, and my business address is 5555 North Grand Boulevard, Oklahoma City, Oklahoma 73112-5507.

Q. By whom are you employed and what is your position?

A. I am employed by C. H. Guernsey & Company, Engineers, Architects and Consultants. I serve as Executive Vice President and Manager of the Analytical Services Group.

Q. Please summarize your educational and professional background.

A. I have earned a Bachelor of Science degree from the University of Central Oklahoma and an M.B.A. degree from Oklahoma City University. I have been employed by C. H. Guernsey & Company (Guernsey) since 1981. During my time at Guernsey, I have provided consulting services to electric cooperatives and municipal electric utilities in the areas including but not limited to: revenue requirement, cost of service, rate design, line extension, mergers and acquisition, distributed generation, net metering, pole attachment rates and service boundary issues. Please refer to Exhibit DWH-1 for a summary of my experience.

Q. Have you previously testified before regulatory commissions?

A. Yes. I have testified before the Arizona Corporation Commission, the Public Utility Commission of Texas, the Oklahoma Corporation Commission, the Arkansas Public Service Commission, the Wyoming Public Service Commission and the Louisiana Public Service Commission.

Q. On whose behalf are you testifying in this proceeding?

A. I am providing testimony on behalf of 1803 Electric Cooperative, Inc. ("1803").

Q. What is the purpose of your testimony?

A. My testimony describes the proposed revisions to the Wholesale Rate Tariff, Adjustment Clauses and the Formula Rate Plan.

Q. Please describe 1803 Electric Cooperative?

A. 1803 is a not-for-profit generation and transmission electric cooperative corporation organized by its original five (5) member distribution cooperatives to supply and deliver electric power, on a wholesale basis, to meet the requirements of the member distribution cooperatives. 1803's original member distribution cooperatives are Beauregard Electric Cooperative, Inc., Claiborne Electric Cooperative, Inc., Northeast Louisiana Power Cooperative, Inc., South Louisiana Electric Cooperative Association and Washington – St. Tammany Electric Cooperative, Inc. ("Member Cooperative[s]"). 1803 will serve its original Member Cooperatives' power requirements as Full-Service Members pursuant to long-term all-requirements wholesale power contracts. 1803's Full-Service Member Cooperatives, in turn, supply power on a retail basis to their member-owner consumers. In addition to the original member distribution cooperatives, 1803 is in discussions with additional cooperatives to provide transmission service utilizing facilities acquired by 1803 from those distribution cooperatives. These additional cooperatives would be served by 1803 as Transmission Service only members. 1803 is owned entirely by its Member Cooperatives. 1803 is governed by its Board of Directors which includes two representatives from each of its Member Cooperatives.

Q. What is 1803 requesting in this proceeding?

A. 1803 is requesting approval of a revisions to its Wholesale Rate Tariff, Adjustment Clauses and Formula Rate Plan which are needed to accurately reflect the services that 1803 is providing to its members and how costs are to be recovered.

Q. Please describe the development and structure of 1803's existing tariffs?

A. 1803's original existing tariffs were approved in 2022. At the time the original existing tariffs were approved, 1803 anticipated that power supply services would be initiated in 2025 only to its original five distribution member cooperatives. Power supply service was to be provided utilizing MISO network transmission resources and a minor component of grandfathered CLECO transmission assets. In addition, the Wholesale Tariff and Formula Rate Plan recognized that in the interim years of 2023 and 2024 leading up to the provision of power supply service in 2025, 1803 would provide only non-power supply services as the cooperative continued to build the organization through additions of staff, continued refinement of the power supply resource plan and development of additional services to be provided.

With these circumstances in mind, the Wholesale Rate Tariff was designed with a demand charge to recover the non-power supply costs and margin that 1803 would require to be recovered in 2023 and 2024 as it prepared to provide full services in 2025. A Power Cost Adjustment (PCA) tariff was established which provided for the pass-through recovery of non-variable related power cost and a Fuel Cost Adjustment (FCA) tariff was established to provide the pass-through recovery of variable related power costs. The PCA is designed to recover both the capacity related power costs and all transmission related costs. Neither the PCA nor the FCA include recovery of any margin component. Both the PCA and FCA tariffs were established in anticipation that they would be utilized when

1803 begins providing power supply to its members in 2025. The Formula Rate Plan (FRP) tariff was established as a means to adjust the recovery of the non-power supply costs and margin recovered in the Wholesale Rate Tariff to ensure the proper costs and margins are recovered. The FRP is adjusted based on criteria in the tariff through annual filings. The margin component included in the existing FRP was designed based on the minimal requirements of 1803 during the interim period of 2023 and 2024.

Q. Why is 1803 requesting approval of changes to its tariff now?

The first reason that 1803 is requesting changes to its tariff is that the services that 1803 will provide to its members have changed. In addition to power supply services provided utilizing MISO network transmission resources, 1803 will provide transmission services to both its Full-Requirements members and its Transmission only members utilizing transmission assets acquired from its members. 1803 will own, operate and maintain these transmission assets. The provision of this additional service requires the separation of the transmission cost recovery from the power supply cost recovery in the PCA. This will require the addition of a separate Transmission Cost Adjustment tariff which includes separate components for recovery of network transmission costs and owned transmission assets.

The second reason is to establish a reasonable margin component that reflects 1803's operation as a full-service provider of power supply and transmission services beginning in 2025. The existing rate recovers the entire margin component in the non-power supply charge in the Wholesale Rate Tariff as adjusted in the FRP. The proposed changes to the tariff reflect the recovery of the margin component in all components of the rate.

In addition, 1803 is requesting a change to the Equity Contribution component of the Wholesale Rate Tariff.

1803 is requesting approval of these changes now in hopes that approval will be complete by January 1, 2025, well in advance of the commencement of the provision of power supply and transmission service to its members beginning in March 2025.

Q. Please describe the proposed changes to the Wholesale Rate Tariff (WRT)?

A. The Availability clause of the WRT has been revised to reflect that service will be provided to both Full Requirements and Transmission only members. The Monthly Rate clause has been revised to reflect recovery of power supply capacity costs in the PCA and recovery of transmission and distribution related costs in the TCA.

The Capital Contribution Charge clause has been revised to allow 1803 the ability to establish a capital contribution charge in the event of a significant capitalization need. The amount would be determined by the Board of Directors which consists of representatives of each of the member cooperatives. The existing capital contribution charges were based on a fixed amount for each member collected over a fixed period to establish the initial capitalization of the cooperative. To the extent that 1803 requires significant additional capital for investment in a new resource or additional facilities, this provision will allow 1803 to collect this amount from its members.

The final change to the WRT is the update of the Recoverable Cost clause and table of Recovery Costs by Tariff. Several changes have been made to the table to provide a more accurate reflection of the costs to be recovered and the tariff where those costs will be recovered.

Q. Please describe the proposed changes to the PCA.

A. The first change is to revise the Application clause to specify that the PCA is applicable to Full Requirements member cooperatives.

The second change to the PCA is the removal of the components related to the recovery of the transmission costs.

The third change is the inclusion of a component for the recovery of the margin component. The margin component is defined to be 1.50% of the actual recoverable non-power supply cost. The intent is to establish a margin for 1803 that is equal to 1.50% of the total revenue. To achieve this objective, the desired margin percentage has been added to each component of the rate. Had the PCA been designed to recover costs on a fixed $/kW of billing demand basis rather than as a pass-through adjustment, the margin component would have been included as a cost in the development of the per unit rate. By including the margin component in each component of the tariff, 1803 will recover this cost component in real time in an equitable manner and reduce the need for adjustments. The fourth change is the inclusion of an adjustment component to allow for the correction of variances in the non-variable power supply costs in previous periods. The exiting tariff does not include a provision to allow for corrections.

The final change in the PCA is a revision to the SWPA cost definition to include the recovery of the 1.50% margin component.

Q. Please describe the proposed changes to the FCA.

A. The first change to the FCA is a revision to the Application clause to reflect applicability to Full Requirements member cooperatives.

The second change is the inclusion of the margin component of 1.50% of the actual recoverable fuel and variable power supply costs.

The final change is the inclusion of the margin component in the SWPe component.

Q. Please describe the proposed TCA/DCA tariff.

A. The Transmission and Distribution Cost Adjustment (TCA/DCA) is a new adjustment clause which recovers the transmission and distribution related costs of providing service. The Application clause reflects that the TCA/DCA is applicable to both Full Requirements and Transmission members. The Transmission Cost Adjustment section includes two components of costs for recovery. The component labeled TPN provides recovery of MISO network transmission costs and other third-party transmission costs which may be incurred to provide service. The component labeled TPC provides recovery of transmission costs from 1803 owned transmission facilities.

Q. Please describe the TPN component of the TCA.

A. The TPN component of the TCA provides for recovery of the actual recoverable MISO transmission service costs and any applicable third-party transmission costs incurred to provide service. These costs were previously recovered in the existing PCA tariff. The TPN component also includes a margin component equal to 1.50% and an adjustment component to correct for variances in prior periods. The TPN is applicable to those members receiving MISO network transmission service from 1803.

Q. Please describe the TPC component of the TCA.

A. The TPC component of the TCA provides for recovery of the actual recoverable costs associated with 1803 Owned transmission assets net of any associated transmission revenue received from MISO for qualifying facility costs. The TPC is applicable to those members receiving transmission service from 1803 owned facilities. The TPC includes

components for recovery of the 1.50% margin component and an adjustment component to correct for variances in prior periods.

Q. Please describe the Distribution Cost Adjustment section of the TCA/DCA.

A. The Distribution Cost Adjustment component has been added to provide for the recovery of costs incurred by 1803 associated with distribution facilities (non-Transmission) required to provide service.

The Distribution Cost Adjustment is designed to recover the actual distribution costs incurred to provide service as well as a 1.50% margin component and an adjustment component to correct for variances in prior periods.

Q. Please describe the proposed changes to the FRP.

A. The first significant change is a revision to the title of item c in the definition of terms on Page 3 of 10 to "BANDWIDTH FOR MARGIN AS A PERCENT OF REVENUE". This is the correct description of the content of this section.

The next change is an increase in the bandwidth lower limit to 1.25% and an increase in the upper limit to 1.75%.

The next change is the inclusion of item d in the definition terms on page 3 of 10, MINIMUM DEBT SERVICE COVERAGE RATIO REQUIREMENT. This section provides a mechanism that ensures 1803 will have sufficient margins to meet its Debt Service Requirements.

The next change is in Section 2.C.2 to include the minimum DSCR level to each scenario of potential rate change.

The next changes are reflected in Section 4 EFFECTIVE DATE AND TERM. The dates in this section have been revised to reflect the future years the FRP will be effective.

The next change is a minor numbering change on the Attachment B.

Q. Please describe the proposed changes to Attachment C of the FRP.

A. The changes to Attachment C of the FRP are primarily intended for clarification purposes. Item 1 has been revised to remove reference to the month of February as unnecessarily restrictive.

Item 2 has been revised to reflect the inclusion of a disclaimer regarding the inclusion of costs associated with Letters of Credit.

Item 5 has been revised to reflect the addition of the TCA/DCA clause.

Existing Item 7 has been eliminated as duplicative relative to the proposed Item 7 regarding the inclusion of the annualized known and measurable changes in wages and benefits.

Q. Please describe the proposed changes to Attachment D of the FRP.

A. There are two primary changes to Attachment D. The first change is the update of references to the lower and upper bandwidth metrics for the Margin as a Percent of Revenue. The second change is the addition of Line 22a which provides for the inclusion of additional revenue required to meet the lender DSC requirement as calculated on Attachment E.

Q. Please discuss the justification for the requested change in the Margin as a % of Revenue bandwidth ratios in the FRP.

A. The existing FRP reflects a Lower Band Margin as a % of Revenue bandwidth ratio of 0.25% and an Upper Band bandwidth ratio of 0.35%. As an electric cooperative, the bandwidth ratio in the FRP is typically based on a metric which will provide sufficient margins to meet the coverage requirements associated with long-term debt and cash

requirements. When the original tariffs were approved, 1803 was just beginning its start up and did not expect to begin providing full power supply services until 2025. 1803 had no long-term debt and therefore any metric related to long-term debt was meaningless for purposes of determining a margin component. The Margin as a % of Revenue metric was proposed and approved in the FRP for purposes of determining an appropriate margin. The Lower and Upper Bands in the existing FRP reflect a minimal level of margin requirement during the 2023 and 2024 periods leading up to full operation in 2025. The existing bandwidth ratios are not sufficient to produce an appropriate level of margin for 1803 under full operating conditions.

Q. Is Margin as a % of Revenue the correct metric for 1803 to use in its FRP?

A. Yes. 1803 will incur long-term debt financing to acquire the transmission assets currently owned by its members. However, the relative level of long-term debt will still be very low. The margin requirements to satisfy the lenders coverage requirements associated with the projected long-term debt would not be sufficient to produce an appropriate level of margin for 1803 to meet its cash requirements. The Margin as a % of Revenue will continue to be the most appropriate approach for determining the margin for many years.

Q. What Margin as a % of Revenue is 1803 proposing?

A. 1803 is proposing a Margin as a % of Revenue of 1.50% be included in all components of the tariff. 1803 is further proposing that the FRP Lower Band be set at 1.25% and the Upper Band be set at 1.75%. Based on a projected 2026 operating revenue of $262 million, the margin of 0.25% of revenue in the existing rate would produce an annual margin of $655,000. Applying the 1.50% margin to the estimated 2026 revenue will produce a margin of $3,930,000. This is an increase of $3,275,000 or 1.25%.

Q. What will be the impact of the increase in margins on 1803's balance sheet?

A. As a start-up cooperative, 1803 has essentially started from scratch in building its balance sheet. For purposes of providing security in agreements for long-term power supply, 1803 has had to rely on the collective balance sheets of its members. 1803 did implement an Equity Contribution charge in its initial tariff which has provided an initial capitalization of roughly $10 million. The objective of the increase in margin is to continue to grow the equity position of the company, build a sufficient cash reserve and reduce dependence on its members for financial security. The increase in margin will allow 1803 to grow cash and its equity position at a faster pace.

Q. In comparison to other Generation and Transmission Cooperatives, how would you characterize the 1.50% margin requirement?

A. Compared to other G&Ts with which I am familiar, the 1.50% margin requirement is considerably lower. The margin component varies from one cooperative to another but it is not uncommon for the margin to range from 3% to 8% of revenue. While 1803's intent is to continue to build its balance sheet with the increase in margin, the Board would like to achieve this goal with the least impact on end-use members. The 1.50% margin is a minimal component for a G&T, particularly one that is just getting started.

Q. Does this conclude your testimony?

A. Yes, it does.

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AFFIDAVIT OF WITNESS

I, David W. Hedrick, being duly sworn, depose

that the Direct Testimony in the

above referenced matter on behalf of

1803 Electric Cooperative, Inc.

are true and correct to the best of my knowledge, information and belief.

x David Hedrick

David W. Hedrick

Subscribed and sworn before

me this 15th day of May 24

May 15th, 2024.

Kathleen Tanksley
#04000797
1-28-28

KATHLEEN TANKSLEY
NOTARY PUBLIC
COMM # 04000797
EXPIRES 1-28-2028
STATE OF OKLAHOMA

OK: State

OK: Cty

EDUCATION:

M.B.A., Oklahoma City University, 1993
B.S., Mathematics, University of Central Oklahoma, 1986

EXPERIENCE:

1981-Present – C.H. Guernsey & Company, Oklahoma City, Oklahoma

2019 – Present	Chairman of the Board, Exec. Vice President, Principal
2016 – 2019	Exec. Vice President, Principal
2012 – 2016	Sr. Vice President, Principal
2008 – 2012	Vice President, Manager of Analytical Solutions Group

Mr. Hedrick specializes in the development of revenue requirements, cost of service, rate design, and financial forecasts for retail electric, water, and wastewater utility systems. He is also responsible for the preparation of rate filings and has presented expert testimony before state regulators, including Arizona, Arkansas, Colorado, Louisiana, Oklahoma, Texas and Wyoming. Mr. Hedrick also has extensive experience in the development of wholesale rates and transmission revenue requirements. Mr. Hedrick routinely participates in additional analysis and provides support in areas such as line extension, pole attachment rates, solar and other renewable energy issues, territorial issues and mergers.

As Manager of the Analytical Solutions Group, Mr. Hedrick has oversight of all studies, analyses and filings that are developed by the group. He continues to represent clients before the appropriate regulatory authority and is responsible for the preparation of rate filings and other analytical studies.

SPECIFIC CONSULTING EXPERIENCE:

Acquisitions, Consolidations & Valuation Analysis

Mr. Hedrick has provided analytical support for consolidation studies in Oklahoma, Texas and Wyoming. In addition, he has been involved in the valuation analysis of utility assets for purposes of acquisition and determination of fair market value for clients in Oklahoma and Kansas.

Retail Rate Analysis, Cost of Service Studies, and Line Extension Analysis

Mr. Hedrick's rate analysis and cost of service experience includes the following:

Arizona

- Mohave Electric Cooperative – Regulated by Arizona Corporation Commission
- Navopache Electric Cooperative, Inc. – Regulated by Arizona Corporation Commission
- Sulphur Springs Valley Electric Cooperative, Inc. – Regulated by Arizona Corporation Comm.

- Trico Electric Cooperative, Inc. – Regulated by Arizona Corporation Commission

Arkansas

- Arkansas Valley Electric Cooperative Corporation – Regulated by Arkansas PSC and Oklahoma Corporation Commission
- Ouachita Electric Cooperative Corporation – Regulated by Arkansas PSC
- Ozarks Electric Cooperative Corporation – Regulated by Arkansas PSC

Colorado

- Colorado Rural Electric Association
- Delta-Montrose Electric Association
- Empire Electric Association, Inc.
- Grand Valley Rural Power Lines
- Holy Cross Electric Association, Inc.
- Mountain Parks Electric, Inc.
- Poudre Valley REA, Inc.
- San Luis Valley Rural Electric Cooperative, Inc.
- Yampa Valley Electric Cooperative, Inc.

Iowa

- Iowa Lakes Electric Cooperative, Inc.
- Midland Electric Cooperative, Inc.

Kansas

- Ark Valley Electric Cooperative Association
- CMS Electric Cooperative, Inc.
- Flint Hills Electric Cooperative, Inc.
- Lyon-Coffey Electric Cooperative
- City of Meade
- Ninnescah Rural Electric Cooperative Assn., Inc.
- Pioneer Electric Cooperative, Inc.
- Sedgwick County Electric Cooperative, Inc.
- Western Cooperative Electric Association, Inc.

Louisiana

- Claiborne Electric Cooperative

Mississippi

- Southern Pine EPA
- Yazoo Valley EPA

Montana

- Tongue River

Nebraska

- Dawson County Public Power District

New Mexico

- Farmers Electric Cooperative, Inc.
- Lea County Electric Cooperative, Inc.
- Mora-San Miguel Electric Cooperative, Inc.

North Carolina

- Union Power Cooperative, Inc.

Oklahoma

- City of Blackwell
- Caddo Electric Cooperative
- Canadian Valley Electric Cooperative, Inc.
- Central Rural Electric Cooperative, Inc.
- Choctaw Electric Cooperative, Inc.
- Cimarron Electric Cooperative, Inc.
- Cookson Hills Electric Cooperative, Inc.
- Cotton Electric Cooperative, Inc.
- City of Duncan
- East Central Oklahoma Electric Cooperative
- City of Ft. Supply
- Indian Electric Cooperative, Inc.
- Kay Electric Cooperative, Inc.
- City of Kingfisher
- Kiwash Electric Cooperative, Inc.
- Lake Region Electric Cooperative, Inc.
- City of Mangum
- City of Mooreland
- Northeast Oklahoma Electric Cooperative, Inc.
- Northfork Electric Cooperative
- Northwestern Electric Cooperative, Inc.
- Oklahoma Electric Cooperative, Inc.
- Peoples Electric Cooperative
- City of Ponca City
- Rural Electric Cooperative, Inc.
- Southeastern Electric Cooperative, Inc.
- Southwest Rural Electric Association
- Tri-County Electric Cooperative, Inc.
- Verdigris Valley Electric Cooperative

Texas

- Bailey County ECA
- Bandera Electric Cooperative, Inc.
- Big Country Electric Cooperative, Inc.
- Bluebonnet Electric Cooperative, Inc.
- Central Texas Electric Cooperative, Inc.
- Concho Valley Electric Cooperative, Inc.
- Cooke County Electric Cooperative Assn.
- CoServ Electric

- Deaf Smith Electric Cooperative, Inc.
- Fannin County Electric Cooperative, Inc.
- Farmers Electric Cooperative, Inc.
- Fort Belknap Electric Cooperative, Inc.
- Grayson-Collin Electric Cooperative, Inc.
- Greenbelt Electric Cooperative, Inc.
- HILCO Electric Cooperative, Inc.
- Jackson Electric Cooperative, Inc.
- Lamar County Electric Cooperative, Inc.
- Lighthouse Electric Cooperative, Inc.
- Lyntegar Electric Cooperative, Inc.
- Magic Valley Electric Cooperative, Inc.
- Medina Electric Cooperative, Inc.
- Navarro County Electric Cooperative, Inc.
- Navasota Valley Electric Cooperative, Inc.
- North Plains Electric Cooperative, Inc.
- Nueces Electric Cooperative, Inc.
- Pedernales Electric Cooperative, Inc.
- Rayburn Country Electric Cooperative, Inc.
- Rita Blanca Electric Cooperative, Inc.
- San Bernard Electric Cooperative, Inc.
- South Plains Electric Cooperative, Inc.
- Southwest Rural Electric Association, Inc., Okla.
- Southwest Texas Electric Cooperative, Inc.
- Swisher Electric Cooperative, Inc.
- Taylor Electric Cooperative, Inc.
- Texas Electric Cooperatives, Inc., Statewide Association
- Tri-County Electric Cooperative, Inc.
- Trinity Valley Electric Cooperative, Inc.
- United Cooperative Services
- Wharton County Electric Cooperative, Inc.
- Wise Electric Cooperative, Inc.

Utah

- Garkane Electric Cooperative, Inc.

Wyoming

- Big Horn REC – Regulated by Wyoming Public Service Commission until 2007
- Carbon Power & Light, Inc. – Regulated by Wyoming Public Service Commission until 2007
- High Plains Power, Inc. – Regulated by Wyoming Public Service Commission until 2007
- Powder River Energy Corporation – Regulated by Wyoming Public Service Commission
- Wyrulec Company – Regulated by Wyoming Public Service Commission until 2007

Wholesale Rate Analysis, Cost of Service and Related Analysis

- Allegheny Electric Cooperative, Harrisburg, Pennsylvania
- Arkansas Electric Cooperative Corporation, Little Rock, Arkansas
- Brazos Electric Cooperative, Waco, Texas
- Central Electric Power Cooperative, Columbia, South Carolina
- Central Iowa Electric Cooperative, Cedar Rapids, Iowa
- Cooperative Energy, Hattiesburg, Mississippi
- Corn Belt Power Cooperative, Humboldt, Iowa
- East Texas Electric Cooperative, Nacogdoches, Texas
- 1803 Electric Cooperative, Franklinton, Louisiana
- Kansas Electric Power Cooperative, Topeka, Kansas
- Golden Spread Electric Cooperative, Amarillo, Texas
- Grand River Dam Authority, Vinita, Oklahoma
- Hoosier Energy REC, Bloomington, Indiana
- Minnkota Power Cooperative, Grand Forks, North Dakota
- North Carolina Electric Membership Corporation, North Carolina
- Oklahoma Municipal Power Authority, Edmond, Oklahoma
- Old Dominion Electric Cooperative, Richmond, Virginia
- Piedmont Municipal Power Authority, Greer, South Carolina
- Rayburn Country Electric Cooperative, Rockwall, Texas
- Western Farmers Electric Cooperative, Anadarko, Oklahoma

Special Projects

Development of Distributed Generation Procedures and Guidelines Manual:

- Western Farmers Electric Cooperative, Anadarko, Oklahoma
- KAMO Electric, Vinita, Oklahoma
- Texas Electric Cooperatives, Austin, Texas

Energy Policy Act of 2005 / EISA 2007 - Testimony in Support of Cooperative Staff's Position in Consideration of new PURPA Standards:

- Central Rural Electric Cooperative, Stillwater, Oklahoma
- Cotton Electric Cooperative, Walters, Oklahoma
- Farmers Electric Cooperative, Greenville, Texas
- Grand River Dam Authority, Vinita, Oklahoma
- Grayson-Collin Electric Cooperative, Van Alstyne, Texas
- HILCO Electric Cooperative, Itasca, Texas
- Lake Region Electric Cooperative, Hulbert, Oklahoma
- Lyntegar Electric Cooperative, Tahoka, Texas
- Magic Valley Electric Cooperative, Mercedes, Texas
- Northwestern Electric Cooperative, Woodward, Oklahoma
- Oklahoma Electric Cooperative, Norman, Oklahoma
- Tri-County Electric Cooperative, Azle, Texas
- Tri-County Electric Cooperative, Hooker, Oklahoma
- United Electric Co-op Services, Cleburne, Texas

Testimony before Colorado State House and Senate Committees in support of the Colorado Rural Electrification Association with regard to HB1169, Mandating Net Metering for Electric Cooperatives, 2007.

A Fresh Look Analysis and Review of East Kentucky Power Cooperative on behalf of the members of EKPC as directed by the Kentucky Public Service Commission, 2011 -2012

Analysis of community solar resource options including vendor selection and contract negotiations. Development of community solar tariffs and member program agreements.

Testimony on behalf of the Grand Canyon Statewide Association and Sulphur Springs Valley Electric Cooperative in the Value of Solar Docket No. E-00000J-14-0023 before the Arizona Corporation Commission in 2016.

Testimony on behalf of the Texas Electric Cooperative Association in 2017, SOAH Docket No. 473-17-2691, PUC Docket No. 46734, opposing the request of Murphy Oil for the right to receive service from another utility by extension of a private network in contradiction to state law and Public Utility Commission rules.

Testimony on behalf of Northwestern Electric Cooperative in 2017 - 2019, Cause No. PUD201800021, opposing the application of Iochem for approval to switch its load to another provider.

Testimony on behalf of CK Energy Electric Cooperative in 2018-2019, Cause No. PUD 201800075, for an order enjoining OG&E from serving or constructing electric facilities to serve and electric consuming facility in violation of the retail electric supplier act.

Testimony on behalf of Oklahoma Association of Electric Cooperatives in its intervention in OG&E's rate filing in 2019, to determine fair and reasonable rates and line extension allowable expenditures for competitive loads.

Education and Training

Mr. Hedrick provides educational seminars and training for cooperative staff and boards of directors, statewide associations, and professional organizations on the topics of Rate Analysis, Cost of Service, Rate Design, Line Extension Policy, and related issues.

Expert Witness

Mr. Hedrick has provided expert testimony related to the development of revenue requirements, cost of service, rate design, and special contract issues in Arizona, Arkansas, Oklahoma, Texas, and Wyoming.

Financial Forecasting & Analysis

Mr. Hedrick prepares and provides training in the development of financial forecast models for electric cooperatives and municipal utility systems.

Software Sales & Support

Mr. Hedrick provided assistance in the development of software for GUERNSEY's 10-year Financial Forecast, Cost of Service, and Financial Performance Analysis programs. Mr. Hedrick is proficient in the use of these software packages and provides support to client users.

Strategic Planning & Analysis

Mr. Hedrick has provided assistance to electric cooperative boards of directors in the development of strategic goals and objectives.

Publications and Presentations:

Articles:

Hedrick, David W. "Retail Rate Development: The Role of the Cooperative Board." *Management Quarterly*, published by NRECA's Education and Training Department. (Spring 2005): 20-35.

Presentations Made by Mr. Hedrick:

"Assessing the Impact of DG and Evaluating Community Solar" Webinar presented by CoBank in conjunction with the National Energy Solutions Institute and Smart Energy Source Association, March 2015

"Knowledge is Power: Financial Forecasting." Seminar written and presented by Guernsey personnel annually since 2006 in Oklahoma City, Okla. Mr. Hedrick has been a presenter for this seminar numerous times.

"Knowledge is Power: Understanding Rates and Cost of Service." Seminar written and presented by Guernsey personnel annually since 2005, in Oklahoma City, Okla., as well as other locations. Mr. Hedrick has been a presenter numerous times.

"Distributed Generation Net Metering Issues." Written for and presented at *TEC Engineers Association Annual Meeting.* September 2006.

"Net Metering Issues." Written for and presented at *G&T Planners Association Meeting,* Tucson. Arizona, September 2006.

"Development of Distributed Generation Policies and Procedures." Written and presented for *Texas Electric Cooperatives' Managers Meeting.* San Antonio, Texas, December 2, 2004.

"Rate Design in a Restructured Environment." Written and presented for *Texas Electric Cooperatives Accountants Association.* Austin, Texas, April 19, 2000.