



15 services division. Prior to December 1997 I held various analyst and senior analyst  
16 positions in the rates, gas supply, customer service and accounting departments. Prior to  
17 joining Iowa-Illinois I was employed in public accounting.

18 **Q. Have you testified before the Illinois Commerce Commission or other regulatory**  
19 **bodies previously?**

20 A. Yes, I testified in Docket No. 08-108, Approval of the Energy Efficiency Plan and  
21 Docket No. 00-0494, a delivery service uniformity proceeding. I also provided testimony  
22 in Iowa energy efficiency proceedings in Docket Nos. EEP-95-3 and EEP-08-2.

23 **Q. What is the purpose of your direct testimony?**

24 A. The purpose of my testimony is to provide an overview of MidAmerican's proposed  
25 Illinois gas tariffs, except for the gas transportation tariff sponsored by MidAmerican  
26 witness Tom A. Gesell.

27 **Q. Please describe the tariff changes being proposed.**

28 A. The proposed tariffs are a complete revision of the existing Illinois gas tariffs. While  
29 MidAmerican has had two gas rate cases since its formation in 1995, many of the terms  
30 and conditions of service were not updated as part of those previous gas rate cases.  
31 MidAmerican is proposing to cancel its entire gas rate schedule Ill. C. C. No. 2 (Schedule  
32 No. 2) and replace it with a new Ill. C. C. No. 9 (Schedule No. 9). Schedule No. 2  
33 separated terms and conditions from rules and regulations, but combined the terms and  
34 conditions with the rate schedules, identifying the entire section of terms and conditions  
35 as a single line in the table of contents. The rules and regulations section had an entirely  
36 different table of contents. The proposed Schedule No. 9 consolidates the terms and  
37 conditions, rules and regulations, and rate schedules and provides a single, more detailed

38 table of contents. This change in arrangement will make it easier for customers,  
39 employees and regulators to use MidAmerican's tariff.

40 **Q. Are there other changes to the tariff being proposed?**

41 A. Yes, in addition to the arrangement of the tariff, MidAmerican is proposing more  
42 extensive definitions and revised language to provide additional clarity. These changes  
43 reflect input from employees in MidAmerican's customer service and delivery  
44 organizations who work with customers on a daily basis. The changes also reflect  
45 changes to comply with revisions to 83 Ill. Admin. Code Part 500.

46 **Q. How are the proposed tariffs organized?**

47 A. The tariffs are organized into eight major sections:

- 48 1. Gas Service Policies
- 49 2. Customer Policies
- 50 3. Technical and Operational Requirements
- 51 4. Expansion of Gas Distribution System
- 52 5. Existing System Modifications
- 53 6. Gas Distribution Services (rate schedules)
- 54 7. Gas Supply Options
- 55 8. Miscellaneous Fees and Charges

56 **Q. Please describe the Gas Service Policies.**

57 A. The Gas Service Policies provide definitions of terms used throughout the tariff and  
58 identify general provisions and requirements, and limitations of liability. They also  
59 include information about service options, metering and billing.

60 **Q. Please provide an overview of the Customer Policies section.**

61 A. The Customer Policies provide information about the policies that govern the company's  
62 interaction with customers. This section includes information about bill payment options,  
63 credit requirements, disconnection and reconnection of service, and assignment of rates.  
64 This section also includes additional information about deferred payments and preferred  
65 due dates. Schedule No. 2 referenced the applicable Illinois Administrative Code  
66 sections but did not recite those requirements. Proposed Schedule No. 9 spells out the  
67 applicable requirements, relieving the reader from the need to separately reference the  
68 Illinois Administrative Code.

69 **Q. What information is included in the Technical and Operational Requirements?**

70 A. This section defines standard service, defines measurement of gas, and outlines customer  
71 and Company responsibilities. Facilities provided by the customer and Company are also  
72 described in this portion of the tariff. A new section describing alternate and backup fuel  
73 requirements has also been added.

74 **Q. Please describe the Expansion of Gas Distribution System section.**

75 A. This section of the tariff defines Company and customer obligations for expansion of the  
76 gas distribution system. The section identifies free main and service extension  
77 allowances and defines the revenue test available for non-residential main extensions.  
78 This tariff provides for temporary service, but clarifies that free extensions are not  
79 available for temporary services or intermittent use.

80 **Q. Please describe the major elements of the Existing System Modifications portion of**  
81 **the tariff.**

82 A. This portion of the tariff provides information about relocations or other modifications to  
83 facilities. The tariff requires customers to pay for such relocations or modifications when  
84 caused by the customer.

85 **Q. What are the primary elements of the Gas Distribution Service section of the tariff?**

86 A. This is the section of the tariff that provides the rate schedules and riders including the  
87 applicable rates and charges. The rate schedules and riders are identified with alphabetic  
88 designations rather than numeric designations. These alphabetic designations will be  
89 more intuitive for readers searching for a specific rate or rider. Residential Service, for  
90 example, will be designated as Rate RV - Residential Volume Service rather than Rate  
91 No. 60 Residence Gas Service. Rider PGA – Cost of Purchased Gas Adjustment will  
92 replace Rider No. 5 Cost of Purchased Gas Adjustment. Copies of the proposed tariffs  
93 are included in Section 285.5010, Schedule E-1 of the filing requirements.

94 **Q. Please describe the Gas Supply Options section of the tariff.**

95 A. The gas supply options offered include system gas service, Rider S, which is available to  
96 all customers. An additional option available to non-residential customers is the  
97 transportation of customer owned gas, Rider T. Other transportation services such as  
98 balancing and standby services are also provided. MidAmerican witness Tom Gesell  
99 provides additional testimony regarding changes to MidAmerican’s transportation  
100 service.

101 **Q. What is provided in the Miscellaneous Fees and Charges portion of the tariff?**

102 A. This section of the tariff provides a single location for other charges or fees applicable to  
103 multiple rate schedules. Examples of such charges are returned check charges and the

104 cost of meter testing. Placing all additional charges in a single section of the tariff will  
105 make it easier for customers to identify all charges which may apply to them.

106 **Q. Do the rate schedules proposed in the Gas Distribution Section of the tariff reflect**  
107 **the revised rates requested in this case?**

108 A. Yes, the proposed rate schedules include the revised rates to implement the revenue  
109 requirement described by MidAmerican witness Rick Tunning and rate design described  
110 by MidAmerican witness Melanie Acord in this case. Filing requirement 285.1015,  
111 Schedule A-3 provides a comparison of the present and proposed rates and demonstrates  
112 that the proposed rates will recover the revenue requirement.

113 **Q. Please describe the revised rate schedules.**

114 A. MidAmerican is proposing to define its rates based on size rather than customer class. In  
115 addition, a separate meter charge is proposed based on the size of meter utilized by the  
116 customer. Single step volumetric charges are proposed for each sales service and  
117 transportation rate. These rates are based on the cost of service study and rate design  
118 sponsored by MidAmerican witness Melanie Acord. MidAmerican is proposing to  
119 discontinue Rate 80 Contract Service as there are no longer customers taking service  
120 under that rate. MidAmerican is also proposing to eliminate Rate 87 Off-Peak General  
121 Service because there are only three customers taking service under that rate and those  
122 customers will not be adversely affected by transferring to other non-residential rates.

123 As described in MidAmerican witness Melanie Acord's testimony, the same  
124 charges will apply to all customers with average daily usage under 200 therms taking  
125 sales service, regardless of the customer's class. However, in order to avoid potential  
126 confusion, separate rate designations are assigned to small non-residential rates and

127 residential rates. Rate SV – Small Volume Service will be the designation for small non-  
128 residential service. The residential designation RV- Residential Volume Service will be  
129 more consistent with traditional rate designations, making it less likely to be a source of  
130 potential confusion to a residential customer.

131 **Q. Are you proposing additional changes to Energy Efficiency Cost Recovery**  
132 **Adjustment (EECR) rider?**

133 A. Yes, I am proposing to delete Factor E from the calculation and from the definition of  
134 embedded costs. Factor E was previously included to prevent double recovery of costs  
135 for MidAmerican’s on-line audit programs that may have been included in base rates  
136 established in MidAmerican’s last rate case in 2001. Factor E included costs for on-line  
137 audit services allocated to Illinois and was established by using a proxy from 2007 costs  
138 to establish the cost embedded in base rates. A proxy was used because costs related to  
139 on-line audit services in 2001, MidAmerican’s test year, were not identifiable.

140 **Q. Why are you proposing to remove the Factor E from the EECR rider at this time?**

141 A. The EECR rider defines incremental costs as:

142 “costs incurred by the Company in association with the Energy Efficiency  
143 (EE) Programs and include, but are not limited to: (a) fees, charges, billings  
144 or assessments related to the EE Programs; (b) costs or expenses associated  
145 with equipment, devices, or services that are purchased, provided, installed,  
146 operated, maintained or monitored for the EE Programs; (c) the revenue  
147 requirement equivalent of the return of and on a capital investment  
148 associated with the EE Programs; and (d) all legal, contracted services, and  
149 consultative costs associated with the EE Programs that are incurred after the  
150 effective date of Section 8-408 of the Public Utilities Act (Act).

151  
152 “Incremental Costs also include incremental expenses for wages, salaries and  
153 benefits of Company employees, including direct and indirect incremental  
154 costs associated with such Company employees, who were hired for  
155 positions that are specifically related to the programs. Incremental Costs  
156 may not include any expenses for wages, salaries, and benefits of Company

157 employees, employed either before or after the effective date of Section 8-  
158 408 of the Act, that are otherwise recovered under other approved tariffs.”

159 Section 8-408 of the Act became effective on January 1, 2008. Costs associated  
160 with energy efficiency programs incurred in 2008, the test year for this case, were  
161 charged to specific energy efficiency accounts. Consequently, the establishment of new  
162 base rates in this case exclude any costs for on-line audit services, and it will no longer be  
163 necessary to subtract any embedded costs in calculating the EECR factor.

164 **Q. Are MidAmerican’s proposed and current tariffs presented and compared**  
165 **elsewhere in this filing?**

166 A. Yes, MidAmerican’s proposed tariff sheets are included as filing requirement 285.5010,  
167 Schedule E-1. MidAmerican’s current tariffs with strike-outs are included as filing  
168 requirement 285.5015, Schedule E-2. The narrative rationale for tariff changes is  
169 included as filing requirement 285.5020, Schedule E-3. Comparisons of bills calculated  
170 with present and proposed rates are included as filing requirement 285.5135,  
171 Schedule E-9.

172 **Q. Does this conclude your direct testimony?**

173 A. Yes, it does.