

STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION

<p style="text-align: center;">Illinois Commerce Commission On its Own Motion</p> <p style="text-align: center;">vs.</p> <p style="text-align: center;">MidAmerican Energy Company</p> <p style="text-align: center;">Reconciliation of revenues collected under Rider EECR with actual costs associated with energy efficiency</p>	<p style="text-align: center;">Docket No. 10-0682</p>
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DIRECT TESTIMONY
OF
MEGAN M. EARLY

1 **Q. Please state your name and business address for the record.**

2 A. My name is Megan M. Early. My business address is 106 East Second Street, Davenport,
3 Iowa, 52801.

4 **Q. By whom are you presently employed and in what capacity?**

5 A. I am employed by MidAmerican Energy Company (MidAmerican or Company) as Rates
6 Analyst.

7 **Q. What is your educational and employment experience?**

8 A. I received my undergraduate degree in Finance from the University of Illinois in 1997
9 and a Masters of Business Administration degree from the University of Iowa in 2007. I
10 have been employed by MidAmerican since 2003. My first position with the Company
11 was Quality Analyst from 2003 to 2006, then Senior Customer Accounting Analyst from
12 2006 to 2008, and I have been a Rates Analyst since 2008. Prior to joining MidAmerican,

13 I was employed as an accountant in commercial real estate development from 1997 to
14 2002 and as a Financial Analyst from 2002 to 2003.

15 **Q. What is the purpose of your testimony?**

16 A. The purpose of my testimony is to explain MidAmerican's reconciliation of revenues
17 collected under the Energy Efficiency Cost Recovery Rider (EECR) with the actual costs
18 incurred by MidAmerican associated with implementing the Energy Efficiency Plan
19 (EEP) as recorded on MidAmerican's books, for the period beginning June 1, 2008 and
20 ending December 31, 2008.

21 **Q. Are you sponsoring any exhibits?**

22 A. Yes, I am sponsoring the following exhibits:

23 Exhibit 1.0 – Illinois Electric Reconciliation and

24 Exhibit 2.0 – Illinois Gas Reconciliation.

25 **Q. Please explain Exhibit 1.0.**

26 A. Page 1 of Exhibit 1.0 shows the actual electric EECR dollars recovered by customer
27 class for June 2008 through December 2008. These numbers are from internal Company
28 reports generated from the Customer Service System. Page 2, Column (b) of Exhibit 1.0
29 outlines the estimated total budgeted costs from Table 2 of the EEP filed on February
30 13, 2008 and as amended on March 17, 2008. (*See* EEP, Executive Summary, Table 2,
31 page A1-5, ICC Docket No. 08-0107/108 (Consol.)). Column (c) includes the originally
32 filed total actual energy efficiency (EE) expenditures. Lines 7 and 16 from Exhibit 1.0
33 show the deduction of EE costs that were embedded in MidAmerican's 2008 rates (*See*
34 the Testimony of Rick Leuthauser, MEC Exhibit 3.0, page 7, Lines 149-155 for a more
35 detailed discussion of embedded costs). On Page 3, Lines 1 and 2 of Exhibit 1.0, the

36 2008 electric EE cost recoveries from Page 1 are compared with the 2008 original actual
37 EE expenditures from Page 2 to determine the under (over) recoveries for each class.
38 The under (over) recoveries are divided by the projected April-December 2009 sales to
39 calculate a reconciliation factor (Factor A) for each class. These reconciliation factors
40 are then added to the EECR factors already in effect to determine the new EECR factors
41 that became effective April 1, 2009.

42 **Q. Please explain Exhibit 2.0.**

43 A. Page 1 of Exhibit 2.0 shows the actual gas EECR dollars recovered by customer class
44 for June 2008 through December 2008. These numbers are from internal Company
45 reports generated from the Customer Service System. Page 2, Column (b) of Exhibit 2.0
46 outlines the estimated total budgeted costs from Table 2 of the EEP filed on February
47 13, 2008 and as amended on March 17, 2008. (*See* EEP, Executive Summary, Table 2,
48 page A1-5, ICC Docket No. 08-0107/108 (Consol.)). Column (c) includes the total
49 actual energy efficiency (EE) expenditures. Lines 6 and 14 from Exhibit 2.0 show the
50 deduction of EE costs that were embedded in MidAmerican's 2008 rates (*See* the
51 Testimony of Rick Leuthauser, MEC Exhibit 3.0, page 7, Lines 149-155 for a more
52 detailed discussion of embedded costs). On Page 3, Lines 1 and 2 of Exhibit 2.0, the
53 2008 gas EE cost recoveries from Page 1 are compared with the 2008 actual EE
54 expenditures from Page 2 to determine the under (over) recoveries for each class. The
55 under (over) recoveries are divided by the projected April-December 2009 sales to
56 calculate a reconciliation factor (Factor A) for each class. These reconciliation factors
57 are then added to the EECR factors already in effect to determine the new EECR factors
58 that became effective April 1, 2009.

59 **Q. Have there been any changes to the schedules originally filed in the reconciliation on**
60 **March 20, 2009?**

61 A. Yes, Exhibit 1.0 has been revised to remove a \$250 promotional expense from residential
62 electric program costs, since the promotional expense was at an event outside
63 MidAmerican's Illinois service territory. Page 2, Column (e) of Exhibit 1.0 reflects the
64 revised actual expenditures less the \$250 adjustment shown in Column (d). Page 3, Line 4
65 of Exhibit 1.0 reflects the revised actual expenditures from revised Page 2 and shows the
66 updated over-recovered amount. Page 3, Line 4 also shows that the additional over-
67 recovery would not have changed the April 2009 residential electric factor implemented.
68 However, the \$250 over-recovery will be carried forward and included in the under (over)
69 recovery in the 2010 reconciliation and the April 2011 residential electric factor. There are
70 no revisions to Exhibit 2.0.

71 **Q. Does MidAmerican have a tariff that requires the reconciliation of the Energy**
72 **Efficiency Cost Recovery?**

73 A. Yes. Both the electric and gas tariffs require MidAmerican, on or before March 20th of
74 each year, to submit an Annual Reconciliation Report that summarizes the operation of
75 the Energy Efficiency Cost Recovery Adjustment rider and reconciles EECR rate
76 revenues with recorded EE program costs for the program year.

77 **Q. Did MidAmerican comply with the tariff requirement?**

78 A. Yes, 2008 EECR Annual Reconciliation Reports for both electric and gas were filed
79 March 20, 2009.

80 **Q. Does this conclude your testimony?**

81 A. Yes.