

STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION

<p>Illinois Commerce Commission On its Own Motion</p> <p style="text-align: center;">vs.</p> <p>MidAmerican Energy Company</p> <p>Reconciliation of revenues collected under Rider EECR with actual costs associated with energy efficiency</p>	<p style="text-align: center;">Docket No. 12-0404</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
6 Energy Efficiency Data 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 and
9 a Masters of Business Administration degree from the University of Iowa in 2007. I have
10 been employed by MidAmerican since 2003. My first position with the Company was
11 Quality Analyst from 2003 to 2006, then Senior Customer Accounting Analyst from 2006
12 to 2008, and Rates Analyst from 2008 to 2011. My current position is Energy Efficiency

13 Data Analyst. Prior to joining MidAmerican, I was employed as an accountant in
14 commercial real estate development from 1997 to 2002 and as a Financial Analyst from
15 2002 to 2003.

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

17 A. The purpose of my testimony is to explain MidAmerican's reconciliation of revenues
18 collected under the Energy Efficiency Cost Recovery Rider (EECR) with the actual costs
19 incurred by MidAmerican associated with implementing the Energy Efficiency Plan
20 (EEP) as recorded on MidAmerican's books, for the period beginning January 1, 2009
21 and ending December 31, 2009.

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

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

24 Exhibit 1 – Illinois Electric Reconciliation and

25 Exhibit 2 – Illinois Gas Reconciliation.

26 **Q. Please explain Exhibit 1.**

27 A. Page 1, Column (b) of Exhibit 1 outlines the estimated total budgeted costs. Residential
28 budgets are as amended October 2009. (*See* MidAmerican Exhibit No. 3.2, pages 8-18
29 of 26, Exhibits 3 and 4). Nonresidential budgets are from Table 2 of the EEP filed on
30 February 13, 2008 and amended on March 17, 2008. (*See* EEP, Executive Summary,
31 Table 2, page A1-5, ICC Docket No. 08-0107/108 (Consol.)). Column (c) includes the
32 originally filed total actual energy efficiency (EE) expenditures. Lines 7 and 16 from
33 Exhibit 1 show the deduction of EE costs that were embedded in MidAmerican's 2009
34 rates. (*See* the Testimony of Diane Munns, MidAmerican Exhibit No. 3.0, pages 6-7,
35 Lines 124-132, for a more detailed discussion of embedded costs). Page 2 of Exhibit 1

36 shows the actual electric EECR dollars recovered by customer class for January 2009
37 through December 2009. Page 2 also shows the actual residential recoveries from
38 January 2010 and February 2010 and estimated residential recoveries for March 2010
39 which were attributable to the updated 2009 residential budget and included because
40 they pertain to 2009 activities. These dollars are all from internal Company reports
41 generated from the Customer Service System. On Page 3, Lines 1 and 2 of Exhibit 1, the
42 under (over) recoveries from 2008 are added to the 2009 electric EE cost recoveries from
43 Page 2, Line 13 and compared to the 2009 original actual EE expenditures from Page 1
44 to determine the 2009 under (over) recoveries for each class. The 2009 under recovery
45 for the residential class was then offset by the 2010 residential recoveries from Page 2,
46 Line 17 to determine the total under (over) recovery. The total under (over) recoveries
47 are divided by the projected April-December 2010 sales to calculate a reconciliation
48 factor (Factor A) for each class. These reconciliation factors are then added to the EECR
49 factors already in effect to determine the new EECR factors that became effective April
50 1, 2010.

51 **Q. Please explain Exhibit 2.**

52 A. Page 1, Column (b) of Exhibit 2 outlines the estimated total budgeted costs. Residential
53 budgets are as amended October 2009. (*See* MidAmerican Exhibit No. 3.2, pages 8-18
54 of 26, Exhibits 3 and 4). Nonresidential budgets are from Table 2 of the EEP filed on
55 February 13, 2008 and amended on March 17, 2008. (*See* EEP, Executive Summary,
56 Table 2, page A1-5, ICC Docket No. 08-0107/108 (Consol.)). Column (c) includes the
57 originally filed total actual energy efficiency (EE) expenditures. Lines 6 and 14 from
58 Exhibit 2, Page 1 show the deduction of EE costs that were embedded in MidAmerican's

59 2009 rates. (*See* the Testimony of Diane Munns, MidAmerican Exhibit No. 3.0, pages
60 6-7, Lines 124-132 for a more detailed discussion of embedded costs). Page 2 of Exhibit
61 2 shows the actual electric EECR dollars recovered by customer class for January 2009
62 through December 2009. Page 2 also shows the actual residential recoveries from
63 January 2010 and February 2010 and estimated residential recoveries for March 2010
64 which were attributable to the updated 2009 residential budget and included because
65 they pertain to 2009 activities. These dollars are all from internal Company reports
66 generated from the Customer Service System. On Page 3, Lines 1 and 2 of Exhibit 2, the
67 under (over) recoveries from 2008 are added to the 2009 electric EE cost recoveries from
68 Page 2, Line 13 and compared to the 2009 original actual EE expenditures from Page 1
69 to determine the 2009 under (over) recoveries for each class. The 2009 under recovery
70 for the residential class was then offset by the 2010 recoveries from Page 2, Line 17 to
71 determine the total under (over) recovery. The total under (over) recoveries are divided
72 by the projected April-December 2010 sales to calculate a reconciliation factor (Factor
73 A) for each class. These reconciliation factors are then added to the EECR factors
74 already in effect to determine the new EECR factors that became effective April 1, 2010.

75 **Q. Have there been any changes to the schedules originally filed in the reconciliation on**
76 **March 19, 2010?**

77 A. No.

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

80 A. Yes. Both the electric and gas tariffs require MidAmerican, on or before March 20th of
81 each year, to submit an Annual Reconciliation Report that summarizes the operation of

82 the Energy Efficiency Cost Recovery Adjustment rider and reconciles EECR rate
83 revenues with recorded EE program costs for the prior program year.

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

85 A. Yes, 2009 EECR Annual Reconciliation Reports for both electric and gas were filed
86 March 19, 2010.

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

88 A. Yes.