STATE OF ILLINOIS

ILLINOIS COMMERCE COMMISSION

MIDAMERICAN ENERGY COMPANY	)	
	)	**DOCKET NO. 14-0066**
Proposed General Increase in Electric Rates	)	
	)	

SURREBUTTAL TESTIMONY
OF
MARY JO ANDERSON

Q. Please state your name and business address.

A. My name is Mary Jo Anderson. My business address is MidAmerican Energy Company, 666 Grand Avenue, Des Moines, Iowa 50309.

Q. Are you the same Mary Jo Anderson who previously submitted direct and rebuttal testimony in this proceeding?

A. Yes, I am.

Purpose of Testimony

Q. What is the purpose of your surrebuttal testimony?

A. The purpose of my surrebuttal testimony is to address the proposed adjustments made by Illinois Commerce Commission ("Commission") Staff ("Staff") to MidAmerican Energy Company's ("MidAmerican" or "Company") Rate Base, as summarized in Staff Exhibit 10.0, Schedule 10.04, sponsored by Staff witness Jones. Also, I will present the Company's rate base after consideration of Staff adjustments and additional Company adjustments.

Q. Are you sponsoring any schedules with your surrebuttal testimony?

A. Yes, I am sponsoring following schedules:

- Schedule B-1 Surrebuttal
- Schedule B-2A Surrebuttal
- Schedule B-2B Surrebuttal

Rate Base

Q. Are you presenting a summary of the changes to MidAmerican's rate base?

A. Yes. MidAmerican Exhibit MJA 3.1, Schedule B-1 Surrebuttal summarizes the changes to the Company's electric rate base. The adjusted rate base reflected on the schedule is $334,836,000.

Q. Does MidAmerican accept any of the rate base adjustments proposed by Staff?

A. MidAmerican accepts the Accumulated Deferred Income Tax ("ADIT") adjustment related to the over-collection of the Fuel Adjustment Charge ("FAC") as summarized on Staff Exhibit 10.0, Schedule 10.08. MidAmerican agrees with Staff witness Jones' testimony that the under-over collection of FAC does not affect cash working capital and therefore should not be included in rate base. This accepted adjustment is reflected in MidAmerican Exhibit MJA 3.1, Schedule B-2A Surrebuttal.

Q. Does MidAmerican accept the rate base adjustments for Performance Incentive Plan ("PIP") incentive compensation, payroll taxes associated with disallowed PIP incentive compensation, and pension costs associated with disallowed PIP incentive compensation proposed by Staff in rebuttal testimony?

A. No. MidAmerican witness Grannes addresses this issue of PIP incentive compensation in her surrebuttal testimony. To the extent PIP is disallowed in the final Commission Order, MidAmerican agrees with Staff's methodology for calculating the rate base adjustment for PIP incentive compensation and related payroll taxes and pension costs.

Q. Does MidAmerican accept Staff's adjustment for pension asset?

A. No. MidAmerican witness Tunning addresses this issue in his surrebuttal testimony.

Q. Staff witness Bonita A. Pearce recommends specific language be reflected in the Findings and Ordering section of the Commission Order regarding the Company's presentation of Illinois generation assets pursuant to the 1997 legislation for regulatory ratemaking purposes. (ICC Staff Ex. 11.0, 6: 115-126). Does MidAmerican accept this language?

A. Yes, MidAmerican accepts this recommended language.

Q. Please describe the cash working capital adjustment summarized on Schedule B-2.1 Surrebuttal.

A. As a result of changes to rate base and operating income, an update to cash working capital is necessary. Witness Czachura supports this adjustment.

Q. Does this conclude your surrebuttal testimony?

A. Yes, it does.