

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>Docket No. 15-0141</p>
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DIRECT TESTIMONY
OF
TINA M. YODER

- 1 **Q. Please state your name and business address for the record.**
- 2 A. My name is Tina M. Yoder. 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 Manager, Energy Efficiency.
- 7 **Q. What is your educational and employment experience?**
- 8 A. I received my undergraduate degree from Marycrest College, where I received a Bachelor
- 9 of Arts Degree in Accounting and Business Administration in 1983. I received a Master
- 10 of Business Administration Degree in 1999 from St. Ambrose University. I have been
- 11 employed by MidAmerican for 19 years. In that time, I have held positions in energy
- 12 efficiency, key accounts, and customer accounting (billing and credit). I have held my

13 current position since August 2012. I am responsible for development and management of
14 energy-efficiency programs for all customer classes in Iowa, Illinois, South Dakota and
15 Nebraska.

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

17 A. The purpose of my testimony is to provide an overview of MidAmerican's Energy
18 Efficiency Plan (EEP or Plan) for Illinois, which was approved by the Illinois Commerce
19 Commission (Commission) on May 21, 2008. I also explain the energy efficiency
20 measures MidAmerican implemented for the 2011 Plan Year, which began January 1,
21 2011 and ended on December 31, 2011. Additionally, I demonstrate that the costs
22 associated with the EEP, specifically the costs for 2011, are reasonable and prudent.

23 **Q. How is your testimony organized?**

24 A. I have organized my testimony in the following sections: summary of MidAmerican's
25 2008-2012 Illinois Energy Efficiency Plan and programs, overview of savings achieved
26 through the major energy efficiency measures implemented in 2011 and an explanation of
27 the reasonableness and prudence of the programs costs for 2011.

28 **Q. Are you presenting any Exhibits to your direct testimony?**

29 A. Yes, I am including the following exhibits:

30 MidAmerican Exhibit 3.1 - 2011 Annual Reconciliation Report filed March 16, 2012 and
31 supporting verification

32 MidAmerican Exhibit 3.2 - 2011 Audit Report (confidential)

33 **Summary of MidAmerican's 2008-2012 Illinois Energy Efficiency Plan and Programs**

34 **Q. Please provide an overview of the 2008-2012 Plan.**

35 A. On June 1, 2008, MidAmerican began offering energy efficiency programs (EE

36 Programs) in its Illinois service territory pursuant to the Commission's Order on May 21,
37 2008, in Docket Nos. 08-0107 and 08-0108 (Consolidated). The EE Programs covered in
38 the 2011 reconciliation year are the EE Programs approved by the Commission in Docket
39 Nos. 08-0107 and 08-0108 (Consolidated). For an overview of the programs offered,
40 please see the attached Exhibit 3.1, MidAmerican Energy Company's 2011 Annual
41 Report filed March 16, 2012.

42 **Q. Please summarize the conclusions of your testimony.**

43 A. The costs associated with MidAmerican's Illinois energy efficiency programs for the
44 program year 2011 are consistent with the EE Plan, as updated in December 17, 2010,
45 and are reasonable and prudent. As explained in further detail below, MidAmerican acted
46 reasonably and prudently in implementing the Commission-approved plan and incurring
47 the related costs described in its 2011 Annual Reconciliation Report. *See* Exhibit 3.1.

48 **Overview of 2011 Final Year-End Plan Results**

49 **Q. Please summarize the 2011 Energy Savings for MidAmerican's Illinois energy**
50 **efficiency programs.**

51 A. Overall, the total 2011 electric and natural gas savings achieved by MidAmerican's
52 Illinois energy efficiency programs were less than projected. *See* MidAmerican Exhibit
53 3.1 at Exhibit A.

54 On the residential program side, customer participation in the residential energy
55 audit program was the biggest driver of the electric results. All other electric residential
56 programs except the equipment program exceeded budgeted savings by at least eight
57 percent. Additionally, the 2011 CFL promotion was very successful. In 2011, savings
58 achieved from CFL were twice as much as 2010 savings from CFLs. Among residential

59 gas programs, the residential equipment and energy audit programs were the biggest
60 drivers, with savings that were 48 and 23 percent over budget. The residential new
61 construction and low income programs offset these results with lower than anticipated
62 savings of 23 percent and 62 percent of budget, respectively.

63 Savings projections were not met by the nonresidential programs. The
64 Nonresidential Custom, Small Commercial Energy Audit and Nonresidential Energy
65 Analysis programs exceeded the electric savings goals. While the Nonresidential
66 Equipment, Commercial New Construction and Nonresidential Load Management
67 programs fell short of the program goals. Overall kilowatt-hour savings were 62 percent
68 of goal and kilowatt demand savings were 71 percent of goal. The economic downturn
69 that began in late 2008 continued to impact nonresidential programs savings results
70 compared to goal in 2011. However, each year the overall electric savings achieved by the
71 programs continues to grow. MidAmerican's 2011 overall achieved electric program
72 savings were 27 percent higher compared to 2010.

73 **Explanation of the Reasonableness and Prudence of MidAmerican's 2011 Energy**

74 **Efficiency Programs Costs**

75 **Q. Were the costs incurred for MidAmerican's 2011 energy efficiency program**
76 **reasonable and prudent?**

77 A. Yes.

78 **Q. Please summarize the actual expenditures for the 2011 Plan Year.**

79 A. MidAmerican incurred \$4,879,827 in incremental costs for the 2011 Plan Year. Of those
80 total incremental costs, \$3,246,540 was spent on electric programs and \$1,633,287 was
81 spent on gas programs. The cost breakdown by program and fuel are provided by

82 MidAmerican witness Cade Simmons in Revised MidAmerican Exhibits 1 and 2. These
83 exhibits provide more detail about how the incremental costs are broken down by fuel type
84 and program.

85 **Q. Please explain the steps MidAmerican took to ensure its energy efficiency program**
86 **was reasonable and prudent.**

87 A. The costs associated with MidAmerican's Illinois energy efficiency programs in 2011,
88 while greater in some cases than those contained in MidAmerican's original filed EE Plan,
89 are the result of greater-than-expected customer participation, and are reasonable and
90 prudent. The residential budgets for electric and gas were updated in the December 17,
91 2010 energy efficiency cost recovery filing to reflect this greater-than-expected customer
92 participation.

93 As indicated in the initial EE Plan filing, fees, charges, billings and costs and
94 expenses associated with equipment, devices, or services, including contracted services
95 and/or consultative services, are based on competitive bidding processes and procedures
96 developed and consistently administered by MidAmerican's procurement and supply chain
97 department.

98 MidAmerican's procurement and supply chain processes and procedures include a
99 requirement to re-bid contracts at regular intervals (i.e., usually about every three years) to
100 ensure that fees and charges related to the EE programs and costs and expenses related to
101 equipment and services for the EE programs are competitively priced and, therefore, cost
102 effective for Illinois customers.

103 MidAmerican also regularly monitors and examines its expenses for wages,
104 salaries and benefits of all employees, including those engaged in energy efficiency

105 activities. Additionally, MidAmerican followed its internal accounting procedures and
106 ensured that “incremental costs [will] not include any expenses for wages, salaries and
107 benefits of Company employees, employed either before or after the effective date of
108 Section 8-408 of the Act, that are otherwise recovered under other approved tariffs.” *See*
109 Exhibit 3.1, page12.

110 **Q. Did MidAmerican conduct an internal audit of its program spending as required by**
111 **the Energy Efficiency Cost Recovery Rider?**

112 A. Yes, consistent with the Rider EECR, MidAmerican’s Internal Audit Department
113 performed an internal audit. *See* Exhibit 3.2. As outlined in MidAmerican Exhibit 3.2, the
114 audit found that MidAmerican is in compliance with the provisions of the Commission
115 approved Energy Efficiency Plan Filing in Docket No. 08-0107/8-0108 (Consol.).

116 **Q. Please explain the reasonableness and prudence of MidAmerican’s 2011 natural gas**
117 **program costs.**

118 A. The natural gas therm and peak therm savings for 2011 were 86 percent and 63 percent of
119 goal, respectively. MidAmerican’s gas program spending for 2011 was \$1,633,287, which
120 was 74 percent of overall planned 2011 spending. Total spending for gas residential
121 programs was \$1,321,441, which was lower than projected spending by 18 percent.
122 Although all residential gas programs were underspent in 2011, all residential gas
123 programs, except the residential new construction, did exceed their planned savings goals.
124 Total spending for gas nonresidential programs was \$311,846 or 53 percent of the 2011
125 plan. Nonresidential natural gas spending for the nonresidential equipment program
126 exceeded projected spending by 77 percent. The increase was due to higher than anticipated
127 participation in variable speed drives, lighting and HVAC equipment. The residential new

128 construction program was under budget, reflecting continued weakness in the housing
129 market. The commercial new construction and small commercial energy audit programs
130 exceeded their projected budgets by 37 percent and 12 percent, respectively. The new
131 construction program had seven new projects enroll and one rebate processed in 2011. The
132 number of small commercial energy audit continues to grow each year along with the
133 number of converted projected identified during the audit. However, only a small number
134 of measures are gas related. Businesses continued to be reluctant to make new investments
135 in equipment.

136 **Q. Please explain the reasonableness and prudence of MidAmerican's 2011 electric**
137 **program costs.**

138 A. MidAmerican's total electric EE program expenditures were \$3,246,540 or 12 percent
139 below its 2011 budget. Expenditures for the electric residential equipment program were
140 less than budgeted in part due to the elimination of the generous federal tax credits on
141 December 31, 2010. Spending in the nonresidential programs was inconsistent, with some
142 programs under budget and some over budget. Spending on the Nonresidential Load
143 Management program was slightly over budget, reflecting a successful 2011 recruitment
144 effort, while the Residential Load Management program was under budget, due to lower
145 number of new participants than anticipated. The electric Residential Low Income
146 program, like its gas counterpart, was also under budget.

147 The shortfall in actual savings compared to budget continues to be greater than the
148 shortfall in expenditures. Electric savings are heavily dependent on nonresidential
149 programs, where projects tend to be more complicated and have longer lead times before
150 savings are realized. However, the economy is now starting to slowly show signs of

151 improvement and nonresidential customers are beginning to look at investing in higher-
152 efficient equipment and buildings as indicated by the increase participation in our
153 nonresidential programs in 2011.

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

155 **A. Yes.**

STATE OF ILLINOIS

ILLINOIS COMMERCE COMMISSION

Illinois Commerce Commission)
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 vs.)
 MidAmerican Energy Company)
 Reconciliation of revenues collected)
 under Rider EECR with actual costs)
 associated with energy efficiency)

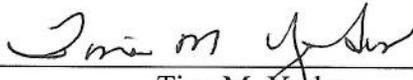
Docket No. 15- 0141

AFFIDAVIT OF
TINA M. YODER

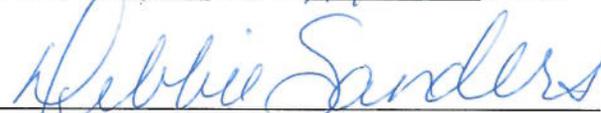
STATE OF IOWA)
) ss.
 COUNTY OF SCOTT)

I, Tina M. Yoder, being first duly sworn on oath, depose and state that I am the same Tina M. Yoder identified in the foregoing Direct Testimony; that I have caused the attached Direct Testimony to be prepared and am familiar with the contents thereof; and that the foregoing Direct Testimony is true and correct to the best of my knowledge and belief as of the date of this Affidavit.

Further affiant sayeth not.


 Tina M. Yoder

Subscribed and sworn to before me,
 a Notary Public in and for said County and
 State, this 4th day of March, 2015.


 Notary Public

