

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>MidAmerican Energy Company</p> <p>Reconciliation of revenues collected under Rider EECR with actual costs associated with energy efficiency</p>	<p>Docket No. 15-0140</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 2010 Plan Year, which began January 1,
21 2010 and ended on December 31, 2010. Additionally, I demonstrate that the costs
22 associated with the EEP, specifically the costs for 2010, 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 2010 and an explanation of
27 the reasonableness and prudence of the programs costs for 2010.

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 - 2010 Annual Reconciliation Report filed March 18, 2011, and
31 supporting verification¹

32 MidAmerican Exhibit 3.2 - 2010 Audit Report (confidential)

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¹ For Plan year 2010, MidAmerican combined its 2010 Annual Reconciliation Report and Annual Report since the two reports are similar and duplicate program spending and results.

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Summary of MidAmerican’s 2008-2012 Illinois Energy Efficiency Plan and Programs

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

A. On June 1, 2008, MidAmerican began offering energy efficiency programs (EE Programs) in its Illinois service territory pursuant to the Commission’s Order on May 21, 2008, in Docket Nos. 08-0107 and 08-0108 (Consolidated). The EE Programs covered in the 2010 reconciliation year are the EE Programs approved by the Commission in Docket Nos. 08-0107 and 08-0108 (Consolidated). For an overview of the programs offered, please see the attached Exhibit 3.1, MidAmerican Energy Company’s 2010 Annual Reconciliation Report filed March 18, 2011.

Q. Please summarize the conclusions of your testimony.

A. The costs associated with MidAmerican’s Illinois energy efficiency programs for the program year 2010 are consistent with the EE Plan, as updated in December 17, 2009, and are reasonable and prudent. As explained in further detail below, MidAmerican acted reasonably and prudently in implementing the Commission-approved plan and incurring the related costs described in its 2010 Annual Reconciliation Report. *See* Exhibit 3.1.

Overview of 2010 Final Year-End Plan Results

Q. Please summarize the 2010 Energy Savings for MidAmerican’s Illinois energy efficiency programs.

A. Overall, the total 2010 savings significantly exceeded the natural gas goals for therms and peak therm savings, but fell short of meeting the electric savings goals. *See* Exhibit 3.1 at page 2.

56 On the residential program side, customer participation in the residential
57 equipment and energy audit programs exceeded program goals and significantly exceeded
58 both natural gas and electric savings goals as well. In addition the CFL promotion in 2010
59 was very successful. The availability of attractive 2010 federal tax credits likely helped
60 drive positive savings results in equipment and insulation. The residential New
61 Construction program did not meet goal as the slowdown in the housing market
62 continued. MidAmerican's savings in the Low Income program exceeded both the natural
63 gas and electric program goals.

64 On the nonresidential program side, MidAmerican exceeded the total natural gas
65 programs goals, including both therm and peak therm savings even though only one
66 program, Nonresidential Energy Analysis, actually exceeded the program's gas goal. The
67 Nonresidential Custom, Small Commercial Energy Audit and Nonresidential Energy
68 Analysis programs exceeded the electric savings goals. While the Nonresidential
69 Equipment, Commercial New Construction and Nonresidential Load Management
70 programs fell short of the program goals. Overall kilowatt-hour savings were 59 percent
71 of goal and kilowatt demand savings were only 60 percent of goal. However, even with
72 the economic downturn that began in late 2008, MidAmerican's overall achieved electric
73 savings were 29% higher than 2009 achieved electric savings demonstrating that
74 customers are becoming more aware and engaged with MidAmerican's energy efficiency
75 offerings.

76 **Explanation of the Reasonableness and Prudence of MidAmerican's 2010 Energy**

77 **Efficiency Programs Costs**

78 **Q. Were the costs incurred for MidAmerican's 2010 energy efficiency program**
79 **reasonable and prudent?**

80 A. Yes.

81 **Q. Please summarize the actual expenditures for the 2010 Plan Year.**

82 A. MidAmerican incurred \$5,619,131 in incremental costs for the 2010 Plan Year. Of those
83 total incremental costs, \$3,123,939 was spent on electric programs and \$2,495,192 was
84 spent on gas programs. The cost breakdown by program and fuel are provided by
85 MidAmerican witness Cade Simmons in MidAmerican's Revised Exhibits 1 and 2. These
86 exhibits provide more detail about how the incremental costs are broken down by fuel type
87 and program.

88 **Q. Please explain the steps MidAmerican took to ensure its energy efficiency program**
89 **costs were reasonable and prudent.**

90 A. The costs associated with MidAmerican's Illinois energy efficiency programs in 2010,
91 while greater in some cases than those contained in MidAmerican's original filed EE Plan,
92 are the result of greater-than-expected customer participation, and are reasonable and
93 prudent. The residential budgets for electric and gas were amended in the December 17,
94 2009, energy efficiency cost recovery update to reflect this greater-than-expected customer
95 participation in the 2010 year.

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

101 MidAmerican's procurement and supply chain processes and procedures include a
102 requirement to re-bid contracts at regular intervals (i.e., usually about every three years) to
103 ensure that fees and charges related to the EE programs and costs and expenses related to
104 equipment and services for the EE programs are competitively priced and, therefore, cost
105 effective for Illinois customers. In 2010, request for proposals (RFPs) for all EE programs
106 were distributed and new contracts awarded based on proposals received from these RFPs.

107 MidAmerican also regularly monitors and examines its expenses for wages,
108 salaries and benefits of all employees, including those engaged in energy efficiency
109 activities. Additionally, MidAmerican followed its internal accounting procedures and
110 ensured that "incremental costs [will] not include any expenses for wages, salaries and
111 benefits of Company employees, employed either before or after the effective date of
112 Section 8-408 of the Act, that are otherwise recovered under other approved tariffs." *See*
113 Exhibit 3.1, page 11.

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

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

120 **Q. Please explain the reasonableness and prudence of MidAmerican's 2010 natural gas**
121 **program costs.**

122 A. The natural gas therm and peak therm savings goals for 2010 were exceeded by
123 approximately 76 percent and 14 percent, respectively. MidAmerican exceeded its 2010

124 budget for gas energy efficiency program expenditures by \$414,192 or 20%. Participation
125 and spending for the Residential Equipment and Nonresidential Energy Analysis exceeded
126 both the electric and natural gas budgets in 2010. Nonresidential electric and natural gas
127 spending increased due to several large rebates being paid for efficient projects which
128 provided significant savings to the program and additional engineering, technical review
129 and rebates to the customers. Both Residential and Nonresidential New Construction
130 programs were under budget, reflecting continued weakness in the construction market. The
131 economic downturn significantly affected MidAmerican's other nonresidential programs, as
132 businesses continue to be reluctant to make new investments in equipment.

133 **Q. Please explain the reasonableness and prudence of MidAmerican's 2010 electric**
134 **program costs.**

135 A. MidAmerican's total electric EE program expenditures, in contrast to gas, were \$71,061
136 or two percent below its 2010 budget. Expenditures for the electric residential equipment
137 program were greater than budgeted as customers took advantage of generous federal tax
138 credits available through the end of 2010. Spending in the nonresidential programs was
139 inconsistent, with some programs under budget and some over budget. Spending on the
140 Nonresidential Load Management program was slightly over budget, reflecting a
141 successful 2010 recruitment effort. While the Residential Load Management program was
142 under budget, due to lower than anticipated recruitment of new participants. The electric
143 Residential Low Income program, like its gas counterpart, was also under budget.

144 The shortfall in actual savings compared to budget continues to be greater than the
145 shortfall in expenditures. Electric savings are heavily dependent on nonresidential
146 programs, where projects tend to be more complicated and have longer lead times before

147 savings are realized. However, although the economy is only now starting to slowly show
148 improvement, savings from our nonresidential comprehensive audit programs are
149 increasing each year.

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

151 **A. Yes.**

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Docket No. 15- 0140

AFFIDAVIT OF
TINA M. YODER

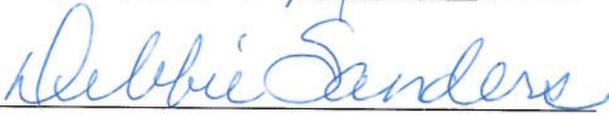
STATE OF IOWA)
) ss.
 COUNTY OF SCOTT)

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

