

DIRECT TESTIMONY

of

Cheri Harden  
Rate Analyst

Rates Department  
Financial Analysis Division  
Illinois Commerce Commission

MidAmerican Energy Company

Petition for Approval of Tariffs Implementing Rider to Recover  
Procurement Costs pursuant to Section 16-111.5(l)

Docket No. 15-0564

January 20, 2016

1 **Q. Please state your name and business address.**

2 A. My name is Cheri Harden. My business address is 527 E. Capitol Avenue,  
3 Springfield, Illinois 62701.

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

6 A. I am currently employed by the Illinois Commerce Commission (“ICC” or  
7 “Commission”) as a Rates Analyst in the Rates Department of the Financial  
8 Analysis Division. My responsibilities include rate design and cost of service  
9 analyses for electric, gas, water and sewer utilities and the preparation of  
10 testimony on rates and rate related matters.

11

12 **Q. Please briefly state your qualifications.**

13 A. My experience includes over fifteen years of employment at the Commission  
14 where I have provided testimony and performed related ratemaking tasks. My  
15 testimony has addressed cost of service, rate design and various tariff issues that  
16 concern electric, gas, sewer and water utilities.

17

18 Previously, I worked for the Wyoming Public Service Commission for almost seven  
19 years. The last two positions I held with the Wyoming Public Service Commission  
20 were as the Consumer Services Coordinator and as a Rate Analyst. I graduated  
21 from the University of Maryland in 1993, with a Bachelor of Science degree in  
22 Management Studies.

23

24 **Q. What is the purpose of your direct testimony?**

25 A. The purpose of my testimony is to present my analysis regarding MidAmerican  
26 Energy Company's ("MEC" or "Company") proposal for Rider PE - Purchased  
27 Electricity to recover reasonable costs incurred to implement a procurement plan.  
28 The procurement plan is currently pending before the Commission in Docket No.  
29 15-0541.

30

31 **Q. Are you sponsoring any schedules or attachments as part of your**  
32 **testimony?**

33 A. No, I am not sponsoring any schedules or attachments as part of my testimony in  
34 this docket.

35

36 **Q. Please summarize your recommendations.**

37 A. I recommend that the Commission accept the Company's Rider PE proposal to  
38 recover reasonable costs incurred to implement a procurement plan. I also  
39 recommend that the Company file tariffs proposed in MEC Revised Schedule A.

40

41 **Q. Please describe Rider PE.**

42 A. The purpose of the Company's Rider PE proposal is to recover all the reasonable  
43 incremental costs incurred by MEC to implement the procurement plan. The  
44 procurement plan was developed by the Illinois Power Agency as approved, or  
45 modified, by the Commission in Docket No. 15-0541 as allowed under Section 16-  
46 111.5(l) of the Public Utilities Act. (MEC Ex. NGC 1.0, 3.) The procurement plan

47 will acquire the additional electric supply that MEC will need to serve its Illinois  
48 customers.

49  
50 However, because some electric supply costs are already included in MEC's base  
51 rates, the amounts to be recovered through Rider PE must be reduced by the  
52 portion of the electric supply costs that are already recovered in base rates. The  
53 electric supply costs that are already recovered in base rates are set forth on the  
54 Company's Schedule B. The Company filed Schedule B to illustrate how all the  
55 reasonable costs of generation that were identified in Docket No. 14-0066 ("the  
56 Company's last electric rate case"), will be removed from the costs to be recovered  
57 through Rider PE, if approved by the Commission. (MEC Ex. NGC 1.0, 5.)

58

59 **Q. Please provide a brief description of your analysis.**

60 A. My analysis verifies that the amounts to be recovered through the proposed Rider  
61 PE are reduced for the portion of the electric supply costs that are already  
62 recovered in base rates. In order to accomplish this, I confirm that the generation  
63 costs included in base rates in the Company's last electric rate case are removed  
64 from the base rate component in the Rider PE formula proposed in this docket. I  
65 further verify this by comparing the cost of service study in MEC's compliance filing  
66 from the Company's last electric rate case to MEC's Schedule B filed in this docket  
67 to validate that the electric supply costs match. I also confirm that the supply  
68 groups proposed for Rider PE correspond to the base rate customer classes and  
69 that the allocation factors used in Rider PE also match those used in the

70 Company's last electric rate case.

71

72 **Q. Did the Company file supplemental direct testimony in this docket?**

73 A. Yes. MEC witness Naomi G. Czachura filed MEC Exhibit NGC 2.0, including a  
74 Revised Schedule A, the Company's tariff proposal for Rider PE. Revised  
75 Schedule A clarifies and sets forth specific amounts for the costs included in base  
76 rates from the Company's last electric rate case that will reduce the amounts to be  
77 recovered through Rider PE. The base rate amounts in Revised Schedule A are  
78 expected to remain constant until the next electric rate case proceeding before the  
79 Commission. (MEC Ex. NGC 2.0, 2-3.)

80

81 **Q. What is your recommendation regarding the Company's proposal to**  
82 **implement Rider PE?**

83 A. I recommend that the Commission approve the Company's Rider PE proposal to  
84 recover reasonable costs incurred to implement a procurement plan and the tariffs  
85 (MEC Revised Schedule A) associated with Rider PE.

86

87 **Q. Does this conclude your prepared direct testimony in this proceeding?**

88 A. Yes.