

**BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF SOUTH DAKOTA**

---

<b>IN RE:</b>	)	
<b>MIDAMERICAN ENERGY COMPANY</b>	)	
	)	<b>DOCKET NO. EL14-_____</b>
	)	

---

**DIRECT TESTIMONY  
OF  
MARY JO ANDERSON**

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

2     A.     Mary Jo Anderson. MidAmerican Energy Company (MidAmerican), 666  
3             Grand Avenue, Des Moines, Iowa 50309.

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

5     A.     I am employed by MidAmerican as a Senior Technical Accountant – Property  
6             Accounting. My responsibilities in that position are to review the analysis,  
7             adjustments, unitization and closing of distribution, general plant, intangible  
8             construction and retirement projects. In addition, I prepare or oversee the  
9             preparation of data required for rate base valuations as well as data needed for  
10            management, government agencies, budgets, and forecasts.

11    **Q.     Please describe your education and business experience.**

12    A.     I am a graduate of Saint Ambrose College with a Bachelor of Arts degree in  
13             Accounting. I worked at the Davenport Bank and Trust Company in various  
14             finance related positions until 1992. At that time I started to work for Iowa-  
15             Illinois Gas and Electric Company (“IIGE”), a MidAmerican predecessor  
16             company, as a fuel accountant. In 1993, I became a Senior Plant Accountant  
17             and in 1994 was promoted to Supervisor – Mass Plant Accounting. With the  
18             merger of IIGE and Midwest Power Systems Inc., I became a Senior  
19             Accountant. In 2004, I received my most recent promotion to my current  
20             position as Senior Technical Accountant.

21    **Q.     Have you testified before the South Dakota Public Utilities Commission or**  
22             **other regulatory bodies previously?**

23 A. Yes, I testified before the South Dakota Public Utilities Commission in Docket  
24 Nos. NG01-010 and NG04-001. I have also testified in general rate proceedings  
25 in Illinois and Iowa.

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

27 A. The purpose of my testimony is to support MidAmerican's South Dakota  
28 electric jurisdictional rate base components and rate base adjustments.

29 **Q. Are you sponsoring any exhibits in the filing?**

30 A. Yes. I am sponsoring Exhibit MJA 1.1, which includes the following schedules:

- 31 • Schedule 1: South Dakota Electric Rate Base with Pro Forma  
32 Adjustments
- 33 • Schedule 2: South Dakota Electric Rate Base Pro Forma Adjustments
- 34 • Schedule 3: Environmental Projects
- 35 • Schedule 4: Wind VIII
- 36 • Schedule 5: Capital Projects in Service by 05/31/2015
- 37 • Schedule 6: Sales Growth Adjustment 2013
- 38 • Schedule 7: Depreciation Study
- 39 • Schedule 8: Generating Stations Retirement

40 **Q. Please describe Exhibit MJA 1.1, Schedule 1.**

41 A. Exhibit MJA1.1, Schedule 1 depicts the South Dakota jurisdictional electric  
42 rate base of \$66,588,000, including certain appropriate adjustments. Column (b)  
43 presents 12-month average balances for the year ending December 31, 2013.  
44 These balances are based on the Company's books and records. Column (c)  
45 shows the pro forma adjustments necessary to reflect the known and

46 measureable changes to rate base for rate making purposes. Column (d) shows  
47 the 12-month average rate base adjusted for pro formas.

48 MidAmerican witness Debra L. Kutsunis supports the cash working capital and  
49 advanced tax collections portions of the South Dakota jurisdictional rate base  
50 on her Exhibit DLK 1.1, Schedule F.

51 **Q. Please describe Exhibit MJA 1.1, Schedule 2.**

52 A. Exhibit MJA 1.1, Schedule 2 summarizes MidAmerican's pro forma  
53 adjustments to test year South Dakota jurisdictional electric rate base.

54 **Q. Please describe Exhibit MJA 1.1, Schedules 3 through 8.**

55 A. Exhibit MJA 1.1, Schedules 3 through 8 show the individual pro forma  
56 adjustments to the 12-month average rate base.

57 **Q. Please explain the pro forma adjustment found on Exhibit MJA 1.1,**  
58 **Schedule 3.**

59 A. The pro forma adjustment in Exhibit MJA 1.1, Schedule 3 reflects the known  
60 and measurable changes in South Dakota jurisdictional electric plant in service,  
61 accumulated depreciation and accumulated deferred income taxes ("ADIT")  
62 associated with certain environmental projects being placed in service in 2013  
63 and 2014. These projects were undertaken to reduce SO<sub>2</sub> and particulates and  
64 provide for enhanced mercury reduction to help meet pending EPA regulatory  
65 requirements.

66 **Q. Please explain the pro forma adjustment found on Exhibit MJA 1.1,**  
67 **Schedule 4.**

68 A. The adjustment found in Exhibit MJA 1.1, Schedule 4 reflects the known and  
69 measurable changes to South Dakota jurisdictional electric plant in service,  
70 accumulated depreciation and ADIT associated with the Wind VIII capital  
71 projects. These projects will construct 1,050 MW of additional wind generation.

72 **Q. Please explain the pro forma adjustment found on Exhibit MJA 1.1,**  
73 **Schedule 5.**

74 A. The adjustment found in Exhibit MJA 1.1, Schedule 5 reflects the known and  
75 measurable changes to South Dakota jurisdictional electric plant in service,  
76 accumulated depreciation and ADIT for certain capital projects scheduled to be  
77 in-service by May 31, 2015.

78 **Q. Please explain the sales growth pro forma adjustment found on Exhibit**  
79 **MJA 1.1, Schedule 6.**

80 A. The sales growth adjustment found on Exhibit MJA1.1, Schedule 6, reflects the  
81 incremental changes in electric plant in service, accumulated depreciation and  
82 ADIT associated with the increase in year-end customers over average  
83 customers. This incremental plant includes the average cost to extend a new  
84 service to the customer. These adjustments annualize the incremental increase  
85 in South Dakota jurisdictional electric plant in service, accumulated  
86 depreciation and ADIT associated with the addition of new customers in order  
87 to achieve a proper matching of costs with the associated projected sales growth  
88 revenues as shown on Exhibit RRT 1.1, Schedule 10 in the testimony of  
89 MidAmerican witness Rick Tunning.

90     **Q.     Please explain the pro forma adjustment for the Depreciation Study found**  
91           **on Exhibit MJA 1.1, Schedule 7.**

92     A.     This adjustment annualizes the effect of the depreciation study conducted by  
93           Gannett Fleming, Inc. – Valuation and Rate Division related to a change in cost of  
94           removal assumptions for steam plant and a change in the end of life assumptions  
95           for MidAmerican’s Wind I - VII. The change was finalized and implemented  
96           August 2013.

97     **Q.     Please explain the pro forma adjustment for the Generating Stations**  
98           **Retirement on Exhibit MJA 1.1, Schedule 8.**

99     A.     This pro forma adjustment presents the reductions to electric plant in service,  
100           accumulated depreciation and accumulated deferred income taxes associated  
101           with the planned closure of four generation facilities, which may occur in early  
102           2015 or in 2016.

103    **Q.     Does this conclude your prepared direct testimony?**

104    A.     Yes, it does.