

1 **Introduction**

2 **Q. Please state your name and business address and position.**

3 A. My name is Cathy S. Woollums. My business address is 106 East Second Street,
4 Davenport, Iowa. My position is senior vice president of environmental services
5 and chief environmental counsel for MidAmerican Energy Holdings Company
6 (MEHC). PacifiCorp is a subsidiary of MEHC.

7 **Qualifications**

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

9 A. I received a Bachelor of Arts Degree in Political Science from
10 WinonaStateUniversity and a Juris Doctorate from DrakeUniversityLawSchool. I
11 was admitted by examination to practice law in Iowa and Illinois and maintain my
12 licensure in both states. Following law school, I served a one-year appointment as
13 a law clerk in the 7th Judicial District in Iowa and then entered the private practice
14 of law for approximately three years. I joined Iowa-Illinois Gas and Electric
15 Company, a predecessor of MidAmerican Energy Company and MEHC, in 1991
16 where I served in the capacity of an attorney within the general counsel's office
17 and handled environmental matters, among others. I became the manager of
18 environmental services in 1995 and have held increasing positions of
19 responsibility for environmental issues within MEHC. In my current role as the
20 senior vice president of environmental services, I have responsibility for the
21 development and implementation of MEHC's worldwide corporate environmental
22 policy, strategy and programs, including the development of comments on
23 proposed state and federal laws and regulations, integrating environmental

24 assessments of existing and anticipated environmental regulations into planning
25 and operating decisions of business units, and advising management of the impact
26 of proposed regulations and developing potential compliance strategies. In
27 addition, I oversee the organization's environmental compliance assurance
28 management program, environmental permitting and reporting, and
29 environmental litigation.

30 I have served on the Iowa State Bar Association's Environmental and
31 Natural Resources Section Council, the Edison Electric Institute's Environment
32 Executive Advisory Committee, the Iowa Climate Change Advisory Council, the
33 Midwestern Governors' Association Power Sector Working Group, the
34 Midwestern Governors' Renewable Electricity Advanced Coal with Carbon
35 Capture Advisory Group, and The Climate Registry Advisory Committee. I was
36 appointed to serve two terms as the Iowa governor's appointee to the Clean Air
37 Act Compliance Advisory Panel, chaired the Iowa Association of Business and
38 Industry's Environmental Committee for four years, and was recently invited to
39 serve on the GHG Reporting and Mitigation Advisory Committee, a partnership
40 of The Climate Registry and the Greenhouse Gas Management Institute.

41 **Purpose of Testimony**

42 **Q. What is the purpose of your surrebuttal testimony in this proceeding?**

43 A. My testimony responds to issues raised by the testimony of Ms. Cheryl Murray of
44 the Office of Consumer Services in rebuttal testimony suggesting that a "new
45 development" may have an impact on the compliance deadlines associated with

46 the Company's compliance deadlines and creates additional uncertainty as to
47 whether the Company's proposal is the least-cost compliance option.

48 **Q. What is the development referenced that the Office of Consumer Services**
49 **suggests may impact the deadlines for compliance with Environmental**
50 **Protection Agency (EPA) requirements?**

51 A. The Office of Consumer Services is relying on the entry of an order by the U.S.
52 District Court for the District of Colorado to modify the deadlines for EPA to take
53 action on the Wyoming State Implementation Plan (SIP).

54 **Q. Please describe the nature of the court's order.**

55 A. The court was responding to an unopposed motion filed by EPA to extend the
56 deadlines it had previously agreed to in the settlement of a lawsuit by certain
57 environmental groups to take action on the Wyoming Regional Haze SIP. The
58 parties, WildEarth Guardians, National Parks Conservation Association, the
59 Environmental Defense Fund and EPA had originally entered into a consent
60 decree, entered by the court on September 27, 2011 (see, WildEarth Guardians v.
61 Lisa Jackson, Case 1:11-cv-00001-CMA-MEH) requiring EPA to sign by October
62 15, 2012, a notice of final rulemaking on the Wyoming regional haze
63 implementation plan requirements. The parties had already stipulated to a 60 day
64 extension of the deadline from October 15, 2012 to December 14, 2012. The most
65 recent extension, entered by the court December 13, 2012, extended the deadline
66 for EPA to take action on the Wyoming Regional Haze SIP.

67 **Q. What is the EPA's current deadline to take action on the Wyoming Regional**
68 **Haze SIP?**

69 A. The EPA is required to sign a notice of re-proposed rulemaking on the Wyoming
70 Regional Haze SIP by March 29, 2013, and to sign a notice of final rulemaking by
71 September 27, 2013.

72 **Q. Is there anything in the court's order that indicates the timing of the**
73 **installation of the Jim Bridger Units 3 and 4 selective catalytic reduction**
74 **controls is changed?**

75 A. No. The court order merely states that in its re-proposal, "EPA will propose to
76 determine, for each source subject to BART, the period of time for BART
77 compliance that is as expeditious as practicable, as required by 42 U.S.C. §7491."

78 **Q. Does that mean will have five years from the time the EPA takes action on**
79 **the Wyoming SIP to install controls on Jim Bridger Units 3 and 4?**

80 A. No. The statute means that the controls are required to be installed as
81 expeditiously as practicable, but no later than five years after the SIP or FIP is
82 approved.

83 **Q. Did the Company have any discussions with EPA regarding whether its**
84 **deferral and re-proposed action would have any impact on the timing of the**
85 **Company's obligations to install controls at Jim Bridger Units 3 and 4?**

86 A. Yes. The Company met with EPA December 11, 2012, the day after EPA filed its
87 motion to extend its deadlines under the consent decree. I specifically raised the
88 issue with EPA, pointing out that because the Company had near-term deadlines
89 to install the controls at Jim Bridger Units 3 and 4, any changes in those
90 requirements were a concern.

91 **Q. Did EPA respond to this concern?**

92 A. EPA did not directly respond to the concern, saying only that they understood the
93 concerns but did not provide further direction on the issue. The Company filed a
94 Freedom of Information Act (FOIA) Request January 17, 2013, seeking, among
95 other things, communications about modifications to the consent decree, as
96 reflected in Exhibit RMP__(CSW-1SR). Documents received in response to the
97 FOIA request from EPA, included as Exhibit RMP__(CSW-2SR), clearly suggest
98 that “deadlines do matter,” the environmental groups were frustrated about the
99 number of extensions EPA had requested from the consent decree deadlines, and
100 that the issue of the timing of controls was subject to significant negotiation
101 between the parties to the consent decree, evidencing their desire to force the
102 installation of controls as soon as possible.

103 **Q. Are there other issues that drive the Company to install the controls at Jim**
104 **Bridger Units 3 and 4 earlier than 2018?**

105 A. Yes. As Company witness Chad Teply has previously indicated in his rebuttal
106 testimony, the Wyoming Regional Haze SIP, the Settlement Agreement between
107 the Wyoming Department of Environmental Quality and the Company, and the
108 Environmental Quality Commission’s order require the installation of controls at
109 Jim Bridger Unit 3 by December 31, 2015 and Jim Bridger Unit 4 by December
110 31, 2016. Unless and until all three of these requirements are changed, the
111 Company remains under an obligation to install the controls notwithstanding
112 EPA’s action.

113 **Q. Has the Company sought to change those three requirements?**

114 A. No. The Company cannot, on its own, change the 2015 and 2016 deadlines. The
115 Company met with the Wyoming Department of Environmental Quality and the
116 Wyoming Attorney General's office January 4, 2013, to discuss the deadlines and
117 the agency's position on extending the deadlines. The Company was advised that
118 the state of Wyoming views the deadlines as being independently legally
119 enforceable under the Wyoming SIP, the Settlement Agreement and
120 Environmental Quality Council's Order, and Chapters 6 and 9 of the Wyoming
121 Air Quality Standards and Regulations. The state's position was confirmed at the
122 Wyoming Environmental Quality Council's meeting on January 10, 2013.

123 **Q. Did the Wyoming Environmental Quality Council express an interest in**
124 **extending the compliance deadlines at its January 10, 2013, meeting?**

125 A. After receiving a briefing on the status of the Company's progress toward meeting
126 the terms and conditions of the Settlement Agreement by the Attorney General's
127 office, two council members indicated that it may be reasonable to extend the
128 deadlines given EPA's intention to re-propose action on the Wyoming Regional
129 Haze SIP. However, the Wyoming Attorney General's office cautioned the
130 council that doing so would also require a change in the SIP that had been
131 submitted by the state. The Attorney General's office indicated that even if an
132 extension may sound reasonable on its face, part of what goes into the SIP is the
133 timing and quantity of the emission reductions.

134 **Q. Why doesn't the Company request an extension in the compliance deadlines?**

135 A. As discussed, the Company cannot unilaterally effectuate a change in the
136 deadlines. Further, both the Company and the Wyoming Department of

137 Environmental Quality are obligated to adhere to the terms and conditions of the
138 November 2010 Settlement Agreement, included as Exhibit RMP__(CSW-3SR),
139 which provides, in part, “[u]nless EPA affirmatively disapproves such portions of
140 the Wyoming Regional Haze SIP in a final rulemaking, the parties shall continue
141 to abide by the terms of this Settlement Agreement.”

142 **Q. Has EPA affirmatively disapproved the provisions of the Wyoming Regional**
143 **Haze SIP in a final rulemaking relating to the Jim Bridger NO_x emissions**
144 **controls?**

145 A. No. As a matter of fact, EPA published in the Federal Register on June 4, 2012,
146 its proposal to approve those provisions of the Wyoming Regional Haze SIP
147 relating to Jim Bridger Units 3 and 4 at 77 Fed. Reg. 33022. Rather than taking
148 final action on that proposal, EPA intends to re-propose action on the Wyoming
149 Regional Haze SIP. As a result, the Company and the Wyoming Department of
150 Environmental Quality continue to be bound to the terms of the Settlement
151 Agreement, including those relating to the deadlines for controls at Jim Bridger
152 Units 3 and 4.

153 **Q. Doesn’t the Settlement Agreement contain a provision for a change in**
154 **circumstances?**

155 A. Yes. The provisions of paragraph 7 of the Settlement Agreement address a change
156 in circumstances that would allow the parties (i.e., the Company and the
157 Wyoming Department of Environmental Quality) the ability to request an
158 amendment to the Settlement Agreement under two circumstances – if federal or
159 state requirements change or if technology would materially alter the emissions

160 controls and rates that are otherwise required. Neither of those circumstances has
161 occurred.

162 **Q. Do you believe, as OCS Witness Murray contends, that the EPA’s decision to**
163 **re-propose action on the Wyoming Regional Haze SIP constitutes “a new**
164 **development that may have an impact on the compliance deadlines and**
165 **creates additional uncertainty as to whether the Company’s proposal is the**
166 **least-cost option for compliance”?**

167 A. No. As previously indicated, the Company has independent obligations under the
168 Wyoming Regional Haze SIP, the November 2010 Settlement Agreement, the
169 Environmental Quality Council’s Order approving the November 2010 Settlement
170 Agreement and the Wyoming Air Quality Regulations to install the controls.
171 EPA’s action to re-propose its action has not changed any of these requirements.
172 There is no uncertainty regarding the compliance deadlines; even if EPA were to
173 change the deadlines – which is unlikely – the Wyoming Department of
174 Environmental Quality is under no requirement to change its deadlines. The
175 OCS’s use of the alleged uncertainty created by the EPA’s action or lack of action
176 is misplaced and has the potential to place the Company in a position of being
177 unable to timely meet its compliance obligations under Wyoming law.

178 **Q. Does that conclude your testimony?**

179 A. Yes.