

From: Gregg, Deb

<Deb.Gregg@state.sd.us>

Date: Friday, October 16, 2015

Subject: Message from the SD PUC

To:



Dear Chad and Sarah,

This is in response to your email and information regarding the charges billed by MidAmerican Energy to George Custom Building to extend natural gas services to your new residence.

According to MidAmerican Energy Company's attached South Dakota Gas Tariff Schedule No. 2, SD P.U.C. Sec. No. 5, Original Sheet No. 72: " When a Residential Customer will not be using natural gas as the Primary Heat Source, the Company may require a Nonrefundable Contribution in aid of construction for the gas Service

Line."

MidAmerican Energy's investment in installing facilities to provide natural gas to a new customer is significant. Annual revenue generated from a non-heating gas customer is minimal. For natural gas heating customers, MidAmerican Energy only provides a limited number of feet of service line at no charge to the applicant, anything above that would also incur a nonrefundable contribution in aid of construction. It is important to be mindful of the fact that the costs not paid by one customer for a utility must be covered by the funds of the other utility customers. Therefore, the individual or project that causes the expense is typically identified as the rightful entity to cover the expense.

It is important to note that MidAmerican Energy billed George Custom Building, the contractor for building site, whose representative signed the facility agreement for the installation of the service and agreed to the fee.

I have contacted MidAmerican about the different explanations you received from the utility. However, MidAmerican relayed that the contacts they have regarding this matter were between the utility's representatives and George Custom Building representatives.

Sincerely,  
Deb Gregg, Consumer Affairs  
Manager  
South Dakota Public Utilities  
Commission [www.puc.sd.gov](http://www.puc.sd.gov)

<Superseded Tariff.pdf>