

South Dakota Public Utilities Commission
Docket EL15-026
MidAmerican Energy Company
Data Request No. 1-1

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1-1) Refer to page 1 of attachment 1. Explain the significant increase in estimated gas usage from 2018 to 2019 and then again from 2019-2020.

Response:

MidAmerican's generating unit fuel requirements were estimated based on dispatching MidAmerican generating units against a market price simulating the MISO market. MidAmerican bids its generating units into the MISO market based on their variable operating costs. MidAmerican develops electric market price forecasts based on forward price market indices adjusted for the basis to the MidAmerican generator for the first four years of the forecast period. Modeled prices are estimated for the remaining years based on projecting the MISO marginal cost for the generators in the MISO market versus the load requirements in the MISO market. A significant rise in forecasted electric market prices from 2018 to 2019 drove the increase in production from MidAmerican's combined cycle gas unit. In 2020, a 484 MW intermediate resource fueled by natural gas was projected to be included in MidAmerican's sources of generation. This resource accounted for the increase in natural gas fuel requirements in 2020.