



MidAmerican Energy Company
106 East Second Street
P.O. Box 4350
Davenport, Iowa 52808
(563) 333-8006 Telephone
(563) 333-8021 Fax
E-mail: jsmoore@midamerican.com
Jennifer S. Moore
Senior Attorney

October 10, 2012

By Electronic Filing

Patricia Van Gerpen
Executive Director
South Dakota Public Utilities Commission
500 East Capitol Avenue
Pierre, South Dakota 57501-5070

Re: MidAmerican Energy Company's Amended Request for Approval of Energy Efficiency Plan
Docket Nos. GE12-005

Dear Ms. Van Gerpen:

On July 27, 2012, MidAmerican Energy Company (MidAmerican) filed a Request for Approval of its 2013-2017 Energy Efficiency Plan pursuant to the Order Approving Extension of Energy Efficiency Plan in EL07-015/GE-11-002. After MidAmerican filed its plan, Commission Staff sent MidAmerican a data request regarding administrative costs for both the Residential and Non-Residential Equipment programs. MidAmerican reviewed the administrative costs for these programs and discovered that some administrative costs for the programs were inadvertently included. As a result, MidAmerican is filing an Amended Request for Approval of Energy Efficiency Plan to reflect the costs that were removed from administrative budgets.

For the Residential Equipment program, MidAmerican eliminated \$22,433 from the annual rebate processing costs associated with residential gas equipment that would no longer receive incentives under the new plan. MidAmerican also removed \$6,374 for annual post-installation monitoring and verification costs for equipment that will no longer receive incentives under the new plan. For the Non-residential Equipment program, MidAmerican eliminated \$13,441 for the annual costs associated with the promotional materials used to educate customers. MidAmerican eliminated these costs by creating an overview brochure for all programs and placing the individual brochures and applications on-line; thus reducing printing costs.

The reduction to the administrative costs also had a ripple effect on the customer impacts and estimated savings. To reflect these changes, the amended filing includes the following revised exhibits:

- Revised Exhibit 1 Proposed Energy Efficiency Plan for 2013-2017, with the budget amounts adjusted along with correlating savings and net benefits.
- Revised Exhibit 2 Contains revised an analysis of the impact of MidAmerican’s proposed plan on electric and gas ratepayers broken down into residential and non-residential classes based upon the revised budgets. The revised ratepayer impact analysis provides expected bill impacts on a dollars per month, dollars per year, and percentage increase basis based upon the revised budgets.
- Revised Exhibit 3 Provides revised specific participation, savings, and incentives by measure within each program based upon the revised budgets. This exhibit also provides cost-effectiveness data and avoided cost data by measure revised to reflect the budget changes.

The revisions to Exhibit 1 include changes to the several charts outlining the over-all and individual program budgets with the reduced budget costs. These costs also impacted a few energy savings and net benefit savings. The following changes to the over-all budgets were made in red-line on page 2 of the Revised Exhibit 1:

Budgets

Anticipated five-year spending for the 2013-2017 South Dakota energy efficiency plan are shown in the table below. MidAmerican proposes a budget of nearly ~~\$3.4~~ 2.9 million in energy efficiency over the five-year period, with ~~\$2.3~~ 2.1 million of that for residential customers and ~~\$0.8~~ 0.7 million for nonresidential customers. MidAmerican’s accounting systems will ensure that costs for providing the programs are recovered from the appropriate customers.

Electric Spending	Administrative Cost	Incentive Cost	Total Cost
2013	\$56,600 <u>39,300</u>	\$64,126 <u>64,928</u>	\$120,726 <u>104,228</u>
2014	\$56,800 <u>39,500</u>	\$66,406	\$123,206 <u>105,906</u>
2015	\$57,100 <u>39,800</u>	\$67,664	\$124,764 <u>107,464</u>
2016	\$57,600 <u>40,300</u>	\$69,124	\$126,724 <u>109,424</u>
2017	\$57,800 <u>40,500</u>	\$70,443	\$128,243 <u>110,943</u>
Total	\$285,900 <u>199,400</u>	\$337,763 <u>338,566</u>	\$623,663 <u>537,966</u>

Gas Spending	Administrative Cost	Incentive Cost	Total Cost
2013	\$166,400 <u>141,500</u>	\$315,269	\$481,669 <u>456,769</u>
2014	\$166,400 <u>141,500</u>	\$319,668	\$486,068 <u>461,168</u>
2015	\$166,400 <u>141,500</u>	\$320,581	\$486,981 <u>462,081</u>
2016	\$166,400 <u>141,500</u>	\$324,007	\$490,407 <u>465,507</u>
2017	\$166,400 <u>141,500</u>	\$327,447	\$493,847 <u>468,947</u>
Total	\$832,000 <u>707,500</u>	\$1,606,972	\$2,438,972 <u>2,314,472</u>

Total Spending	Administrative Cost	Incentive Cost	Total Cost
2013	\$ 223,000 <u>180,800</u>	\$ 379,395 <u>380,198</u>	\$ 602,395 <u>560,998</u>
2014	\$ 223,200 <u>181,000</u>	\$386,074	\$ 609,274 <u>567,074</u>
2015	\$ 223,500 <u>181,300</u>	\$388,245	\$ 611,745 <u>569,545</u>
2016	\$ 224,000 <u>181,800</u>	\$393,130	\$ 617,310 <u>574,930</u>
2017	\$ 224,200 <u>182,000</u>	\$397,891	\$ 622,091 <u>579,891</u>
Total	\$ 1,117,900 <u>906,900</u>	\$ 1,944,735 <u>1,945,538</u>	\$ 3,062,635 <u>2,852,438</u>

The following red-lined changes were made to the energy savings on page 3 of the Revised Exhibit 1:

Energy Savings

MidAmerican expects to help customers install over 30,000 energy-efficiency measures in their homes and businesses over the next five years. By 2017 these measures are expected to reduce MidAmerican's annual energy requirements by over 500,000 therms of natural gas and 1.7 million kilowatt-hours of electricity. Summer peak electric demand for South Dakota customers is also expected to be reduced by nearly 500 kilowatts. Anticipated savings levels for the 2013-2017 South Dakota energy efficiency plan are as follows.

Electric Energy Programs

Electric Savings	Annual kWh	Peak kW
2013	333,325	71.6
2014	337,730	72.2
2015	341,150	72.6
2016	345,160	72.7
2017	348,580	73.1
Total	1,705,945	362.2

Electric Load Curtailment Programs

Electric Savings	Annual kWh	Peak kW
2013	575 <u>720</u>	84.6 <u>106.0</u>
2014	846	124.5
2015	967	142.4
2016	1,083	159.3
2017	1,192	175.3
Average Annual Savings	933 <u>962</u>	137.2 <u>141.5</u>

Gas Energy Programs

Gas Savings	Annual Therms	Peak Therms
2013	99,914	1,277.9
2014	100,013	1,279.2
2015	100,064	1,279.9
2016	100,141	1,280.9
2017	100,192	1,281.5
Total	500,324	6,399.4

The following red-lined changes were made to the net present value of economic benefits on page 4 of the Revised Exhibit 1:

Cost Effectiveness

The anticipated total net present value of economic benefits for the 2013-2017 South Dakota energy efficiency plan is as follows.

Program	Electric	Gas	Total
Program Benefits (NPV)	\$1,537,720 1,541,027	\$6,209,700	\$7,747,420 7,750,726
Program Costs (NPV)	\$800,994 725,656	\$3,039,350 2,930,921	\$3,840,340 3,656,577
Net Economic Benefits (NPV)	\$736,730 815,371	\$3,170,350 3,278,779	\$3,907,079 4,094,150
TRC Ratio	1.92 <u>2.12</u>	2.04 <u>2.12</u>	2.02 <u>2.12</u>

Overall the programs are expected to create net benefits to South Dakota’s customers of approximately \$3.9 ~~4.1~~ million over the next 30 years. The benefit-cost ratio for the programs is ~~2.02~~ 2.12. That translates to lower energy supply costs of \$~~2.02~~ 2.12 for every dollar invested in MidAmerican’s energy efficiency programs.

The following red-lined changes for the Residential Equipment program budgets were made on page 5 of the Revised Exhibit 1:

Budgets

Anticipated five-year spending for the Residential Equipment program is as follows.

Electric Spending	Administrative Cost	Incentive Cost	Total Cost
2013	\$20,600 <u>13,200</u>	\$36,970	\$57,570 <u>50,170</u>
2014	\$20,600 <u>13,200</u>	\$36,989	\$57,589 <u>50,189</u>
2015	\$20,600 <u>13,200</u>	\$36,985	\$57,585 <u>50,185</u>
2016	\$20,600 <u>13,200</u>	\$36,979	\$57,579 <u>50,179</u>
2017	\$20,600 <u>13,200</u>	\$36,981	\$57,581 <u>50,181</u>
Total	\$103,000 <u>66,000</u>	\$184,904	\$287,904 <u>250,904</u>

Gas Spending	Administrative Cost	Incentive Cost	Total Cost
2013	\$59,400 <u>38,000</u>	\$8,942	\$68,342 <u>46,942</u>
2014	\$59,400 <u>38,000</u>	\$9,023	\$68,423 <u>47,023</u>
2015	\$59,400 <u>38,000</u>	\$9,077	\$68,477 <u>47,077</u>
2016	\$59,400 <u>38,000</u>	\$9,158	\$68,558 <u>47,158</u>
2017	\$59,400 <u>38,000</u>	\$9,206	\$68,606 <u>47,206</u>
Total	\$297,000 <u>190,000</u>	\$45,406	\$342,406 <u>235,407</u>

Total Spending	Administrative Cost	Incentive Cost	Total Cost
2013	\$80,000 <u>51,200</u>	\$45,912	\$125,912 <u>97,112</u>
2014	\$80,000 <u>51,200</u>	\$46,012	\$126,012 <u>97,212</u>
2015	\$80,000 <u>51,200</u>	\$46,062	\$126,062 <u>97,262</u>
2016	\$80,000 <u>51,200</u>	\$46,137	\$126,137 <u>97,337</u>
2017	\$80,000 <u>51,200</u>	\$46,187	\$126,187 <u>97,387</u>
Total	\$400,000 <u>256,000</u>	\$230,311	\$630,311 <u>486,311</u>

The following red-lined changes for the Residential Equipment program were made on page 6 of the Revised Exhibit 1:

Cost Effectiveness

Anticipated total net economic benefits of the program are as follows.

Program	Electric	Gas	Total
Program Benefits	\$316,932	\$542,307	\$859,239
Program Costs	\$312,702 <u>280,478</u>	\$311,266 <u>218,078</u>	\$623,968 <u>498,556</u>
Net Economic Benefits	\$4,230 <u>36,454</u>	\$231,041 <u>324,229</u>	\$235,271 <u>360,683</u>
TRC Ratio	1.01 <u>1.13</u>	1.74 <u>2.49</u>	1.38 <u>1.72</u>

The following red-lined changes to the budget for the Residential Load Management program were made on page 12 of the Revised Exhibit 1:

Budgets

Anticipated five-year spending for the Residential Load Management program is as follows.

Electric Spending	Administrative Cost	Incentive Cost	Total Cost
2013	\$10,000	\$3,178 3,980	\$13,178 13,980
2014	\$10,200	\$4,729	\$14,929
2015	\$10,500	\$5,479	\$15,979
2016	\$11,000	\$6,241	\$17,241
2017	\$11,200	\$6,991	\$18,191
Total	\$52,900	\$26,618 27,421	\$79,518 80,321

Energy Savings

Anticipated savings levels for the Residential Load Management program are as follows.

Electric Savings	Annual kWh	Peak kW
2013	575 720	84.6 106.0
2014	846	124.5
2015	967	142.4
2016	1,083	159.3
2017	1,192	175.3
Average Annual Savings	933 962	137.2 141.5

The following red-lined changes to the cost effectiveness chart for the Residential Load Management program were made on page 13 of the Revised Exhibit 1:

Cost Effectiveness

Anticipated total net economic benefits of the program are as follows.

Program	Total
Program Benefits	\$95,200 98,506
Program Costs	\$45,873
Net Economic Benefits	\$49,327 52,633
TRC Ratio	2.08 2.15

The following red-lined changes for the Non- Residential Equipment program budgets were made on pages 18-19 of the Revised Exhibit 1:

Budgets

Anticipated five-year spending for the Nonresidential Equipment program is as follows.

Electric Spending	Administrative Cost	Incentive Cost	Total Cost
2013	\$14,000 <u>4,100</u>	\$10,115	\$24,115 <u>14,215</u>
2014	\$14,000 <u>4,100</u>	\$10,119	\$24,119 <u>14,219</u>
2015	\$14,000 <u>4,100</u>	\$10,117	\$24,117 <u>14,217</u>
2016	\$14,000 <u>4,100</u>	\$10,113	\$24,113 <u>14,213</u>
2017	\$14,000 <u>4,100</u>	\$10,114	\$24,114 <u>14,214</u>
Total	\$70,000 <u>20,500</u>	\$50,578	\$120,578 <u>71,078</u>

Gas Spending	Administrative Cost	Incentive Cost	Total Cost
2013	\$ 5,000 <u>1,500</u>	\$35,650	\$40,650 <u>37,150</u>
2014	\$5,000 <u>1,500</u>	\$35,646	\$40,646 <u>37,146</u>
2015	\$5,000 <u>1,500</u>	\$35,648	\$40,648 <u>37,148</u>
2016	\$5,000 <u>1,500</u>	\$35,652	\$40,652 <u>37,152</u>
2017	\$5,000 <u>1,500</u>	\$35,651	\$40,651 <u>37,151</u>
Total	\$25,000 <u>7,500</u>	\$178,247	\$203,247 <u>185,747</u>

Total Spending	Administrative Cost	Incentive Cost	Total Cost
2013	\$19,000 <u>5,600</u>	\$45,765	\$64,765 <u>51,365</u>
2014	\$19,000 <u>5,600</u>	\$45,765	\$64,765 <u>51,365</u>
2015	\$19,000 <u>5,600</u>	\$45,765	\$64,765 <u>51,365</u>
2016	\$19,000 <u>5,600</u>	\$45,765	\$64,765 <u>51,365</u>
2017	\$19,000 <u>5,600</u>	\$45,765	\$64,765 <u>51,365</u>
Total	\$95,000 <u>28,000</u>	\$228,825	\$323,825 <u>256,825</u>

Ms. Patricia Van Gerpen

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The following red-lined changes to the cost effectiveness for Non- Residential Equipment program were made on page19 of the Revised Exhibit 1:

Cost Effectiveness

Anticipated total net economic benefits of the program are as follows.

Program	Electric	Gas	Total
Program Benefits	\$720,124	\$1,225,123	\$1,945,247
Program Costs	\$183,851 <u>140,740</u>	\$386,070 <u>370,829</u>	\$569,920 <u>511,569</u>
Net Economic Benefits	\$536,273 <u>579,384</u>	\$839,054 <u>854,295</u>	\$1,375,327 <u>1,433,678</u>
TRC Ratio	3.92 <u>5.12</u>	3.17 <u>3.30</u>	3.41 <u>3.80</u>

MidAmerican personnel are available to meet with the Commission and Commission Staff regarding specific details of the revised filing. If you have any questions, please feel free to contact me at 563-333-8006.

Sincerely,

/s/ Jennifer S. Moore

Revised Attachments