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October 10, 2014

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 Petition to Update Program Costs for Energy

Efficiency Plan

Docket Nos. GE14-001

Dear Ms. Van Gerpen:

On May 2, 2014, the South Dakota Public Utilities Commission (Commission) approved MidAmerican's 2014 Energy Efficiency Plan Update, which is an update to the five year Energy Efficiency Plan approved in Docket GE12-005.

Since the time of the 2014 budget approval, MidAmerican's Gas Residential Equipment program has experienced significant increased participation. The actual participation is much higher than projected participation through the end of August, 2014. The increased participation has already significantly surpassed the participation and savings goals for 2014 and as a result, MidAmerican will have to suspend its Gas Residential Equipment program. MidAmerican's approved 2014 budget for the South Dakota Gas Residential Equipment program is \$827,023, with 232,227 therms savings. Spending for the Gas Residential Equipment program through the end of August is \$839,503 which is 102% of budget. Savings for the program is 212,248 therms which is 89% of goal.

MidAmerican is seeking approval to adjust its Gas Residential Equipment program and increase the program budget to reflect this increased customer participation and continue program operation. Based on 2014 historical participation trends and assuming no changes in program marketing or delivery strategy, MidAmerican's forecast for year-end for this program is \$1,377,165 in spending and 348,183 therms saved. To ensure program stability and the uninterrupted availability of program measures, MidAmerican respectfully requests authorization to increase its spending budget for this program by \$573,662 for a total 2014 budget of \$1,337,165. Total expected savings for the program will be 348,183 therms. MidAmerican

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believes continuing the Gas Residential Equipment Program until the end of 2014 will encourage customers to continue to invest in energy efficiency savings.

To date, the Residential Equipment program is cost-effective as measured by the Total Resource Cost Test. TRC statistics for the program to date are shown below:

Program Benefits: \$2,362,330

Program Costs: \$1,854,319

Net Benefits: \$508,011

TRC Ratio: 1.27

MidAmerican respectfully requests the Commission to authorize additional spending of \$573,662 in the Gas Residential Equipment, which brings the proposed revised 2014 budget amount to \$1,377,165.

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