

South Dakota Public Utilities Commission
Docket GE17-002
MidAmerican Energy Company
Second Data Request

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2-3 **South Dakota Data Request**

Referring to Exhibit 2, please explain how the average customer cost was determined for each measure.

Response:

Average customer costs also refers to the average incremental cost for each measure. Generally, average customer costs are determined for each measure by calculating a weighted average for each measure based on the number of items expected to be in the program and the calculated incremental cost (per Iowa TRM) for each item. This is true for Central Air Conditioners (CAC), Air Source Heat Pumps (ASHP), Furnace, Boiler, Variable Speed Drives (VSD), and LED Lighting measures. For other measures, average costs are calculated as follows:

Furnace Fans and Smart Thermostats

Incremental costs are taken directly from the Iowa TRM.

Refrigerator and Freezer Recycling

Incremental costs are MidAmerican's contract costs with the appliance recycling vendor.

Direct Load Control

Incremental costs are set equal to incentives paid to customers.

Custom Electric and Custom Gas

Incremental costs are based on average incremental costs for actual 2013-2016 custom projects.