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**BY: e-filing**

Ms. Patricia Van Gerpen  
Executive Director  
South Dakota Public Utilities Commission  
500 East Capitol Ave.  
Pierre, SD 57501

**Re: NG17-011 - In the Matter of the Filing by MidAmerican Energy Company for Approval of Tariff Revisions Regarding Farm Tap Service.**

Dear Executive Director:

MidAmerican Energy Company (“MidAmerican”) files this letter with the South Dakota Public Utilities Commission (“Commission”) to provide information on its proposal to provide safety inspection services to its farm tap customers connected to an interstate pipeline owned and operated by Northern Natural Gas Company (“Northern”).

In 2017 in Commission Docket No. NG17-011, MidAmerican assumed the responsibility to provide certain services to farm taps on Northern’s interstate pipeline previously serviced by Northwestern Energy Company (“Transitioning Farm Tap Customers”). As a part of the requirements to become a MidAmerican farm tap customer, MidAmerican’s approved tariff required Transitioning Farm Tap Customers to complete and pass specific inspections to ensure safe, reliable service.

During the Commission’s deliberations in Docket No. NG17-011, MidAmerican identified that, at that time, MidAmerican provided service to thirteen farm tap customers (“Existing Farm Tap Customers”).

MidAmerican indicated that a plan would be developed to perform testing on the Existing Farm Tap Customers similar to the inspections required of Transitioning Farm Tap Customers. The following represents MidAmerican’s proposal to ensure continued safe operation of the existing farm taps.

One of the thirteen Existing Farm Tap Customers has been retired because the property is now served from MidAmerican’s distribution system and, as such, it is no longer a farm tap customer. The remaining twelve Existing Farm Tap Customers will continue to be served under the tariff arrangements that currently correspond to their respective services.

MidAmerican owns and operates the downstream piping on three of the farm tap installations. Such MidAmerican-owned piping is subject to the same operation and maintenance procedures and inspections as MidAmerican’s distribution facilities serving all other customers; therefore, no additional safety inspections will be required for these three Existing Farm Tap Customers. For the remaining nine Existing Farm Tap Customers, MidAmerican

proposes to complete safety inspections on these customer-owned facilities as set forth in Attachment 1 to this letter.

With respect to the inspection costs for the Existing Farm Tap Customers, when the safety inspections were completed for the Transitioning Farm Tap Customers, each customer paid a one-time \$200 transition fee, and an additional \$800 per customer was allocated to MidAmerican's Purchased Gas Adjustment ("PGA") automatic adjustment clause. With the remaining Existing Farm Tap Customers, MidAmerican proposes to recover \$1,000 of inspection costs through the PGA and not charge the remaining Existing Farm Tap Customers a transition fee. The transition fee for Transitioning Farm Tap Customers was a recognition of the fact that MidAmerican did not have a history with the customers, and that inspections could be extensive. These nine Existing Farm Tap Customers are not transitioning to MidAmerican service since they are existing customers with whom MidAmerican has an operating history. As such, MidAmerican believes that it is reasonable that the \$1,000 in inspection costs be recovered from all customers through the PGA.

Consistent with the way Transitioning Farm Tap Customers were treated, the Existing Farm Tap Customers will be responsible for the cost for repairs to customer-owned facilities. For example, in the event a customer's fuel line or plumbing fails the safety inspection, the customer will be provided an opportunity to make repairs at the customer's expense. Should non-hazardous leaks, non-compliant materials, or other failures not deemed to be an immediate concern be found, the customer shall repair the items within 12 months of the notification of failure. If the customer fails to address one or more failed conditions in the timeframe indicated in the notification of failure, the customer will be shut off until such repairs can be made unless other mutually agreeable mitigations are put in place to grant an extension. If an immediate hazard is discovered, service will be shut off and the customer must make repairs before MidAmerican will continue service.

As noted above, repairs to customer-owned facilities are the sole responsibility of the customer. For repairs within the capabilities of MidAmerican employees or its contractors, upon the customer's request, MidAmerican will provide an estimate to complete said repairs at the customer's cost. However, as was true for the Transitioning Farm Tap Customers, the work can be completed by any qualified contractor.

MidAmerican welcomes the opportunity to speak with Commission staff about its proposed safety inspection process for its previously existing farm tap customers. MidAmerican appreciates the ability to work collaboratively with the Commission to ensure safe and reliable natural gas service to all its customers.

Sincerely,

*Brian J. Rybarik*

Brian J. Rybarik  
Deputy General Counsel

Attachment