



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

December 17, 2010

**BY: E-filing**

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

RE: RM09-002 – In the Matter of the Adoption of Rules Regarding Renewable,  
Recycled and Conserved Energy

Dear Ms. Van Gerpen:

MidAmerican Energy Company (MidAmerican) respectfully submits the following limited comments on the above-captioned rules. MidAmerican appreciates the Commission's approach of allowing informal initial comment on proposed rules and appreciate the opportunity to provide additional comments to MidAmerican's June 30, 2010, comments.

MidAmerican's June 30<sup>th</sup> comments supported the proposed rules and offered a few questions regarding the annual report requirements in the May 23, 2010, proposed rule requirements in Section 20:10:38:06. The revisions made in the revised and renumbered Section 20:10:38:07 address MidAmerican's questions regarding the scope of the reporting requirements. MidAmerican, however, encourages the Commission to consider substituting "expenditures" for "capital spent" in subsection (8) and (9) since energy efficiency costs and demand response costs are contemporaneously recovered through energy efficiency cost recovery factors and are not capitalized expenditures.

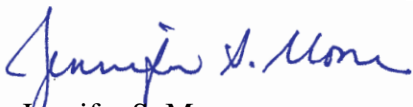
MidAmerican also notes that the revised rules changed the Measurement and Verification of Energy Efficiency Measures in the new Section 20:10:38:03. Section 20:10:38:03 states that "validated by the use of an energy efficiency impact evaluation. An energy efficiency impact evaluation shall be performed at appropriate periodic intervals and shall be consistent with generally accepted industry guidelines for measurement and verification." (emphasis added) Section 20:10:38:06 also contains similar language related to demand response impact evaluations. These changes, however, create uncertainty related to the definition of "Demand response impact evaluation" and Energy efficiency impact evaluation" in Section 20:10:38:01.

The intent of the rules imply that these impact evaluations are intended to verify through some generally accepted means the savings that are initially claimed through energy efficiency programs either through a deemed savings approach or a measured savings approach as defined in the proposed rule. However, without further clarification in the definitions of “Energy efficiency impact evaluation and Demand response impact evaluation,” the rules may be difficult to apply.

MidAmerican notes that Section 20:10:38:07 (10) requires “A general explanation of each energy efficiency impact evaluation or estimate and the rationale for using each (emphasis added) energy efficiency impact evaluation or estimate.” Section 20:10:38:07 (11) contains similar language related to demand response impact evaluations. The term “each,” however, implies that there may be more than one impact evaluation applicable to claimed savings reported in the annual reporting requirements for energy efficiency. It appears the intent of the rules is to conduct an evaluation only once a year or once during a multi-year plan, and that only one impact evaluation would be done. The language could be clarified by applying the requirement to deemed savings estimates or algorithms used to calculate savings where there would be different estimates or algorithms applied to different measures for which an explanation of how the savings estimate or algorithm was determined would be appropriate. A general explanation of each deemed savings approach, measured savings approach, and savings algorithm used and the rationale for using each deemed savings approach, measured savings approach, and savings algorithm would help clarify the expectations of the rules and make the reporting among utilities consistent.

Thank you for the opportunity to comment in this matter.

Very truly yours,

A handwritten signature in blue ink that reads "Jennifer S. Moore". The signature is written in a cursive style.

Jennifer S. Moore  
Senior Attorney