

From: Chad A. Kurtenbach

[REDACTED]
Sent: Sunday, October 18, 2015 9:20 PM

To: Gregg, Deb; Nelson, Chris

Cc: Sarah Kurtenbach

Subject: Fwd: Message from the SD PUC

Deb Gregg and Chris Nelson:

Good afternoon. Thank you for your reply. We appreciate your time, but feel that the intent of our letters was misinterpreted. It is not the cost of the fee, the wording of an abstract tariff, or the "signed agreement" that is in dispute. This is a larger and more important principal that needs to be reviewed and modified. This fee directly contradicts efforts to promote renewable energy options and these policies should be updated/changed to reflect today's energy crisis and more accurately represent responsible energy decisions.

MidAmerican has been given large amounts of Federal funding to promote green energy options and to ensure environmental responsibility. The Presidential debates focus significant amounts of time dedicated to the importance of green and renewable energy

options. The issues surrounding energy conservation and efficiency will continue to be at the forefront of crucial discussions for decades to come. How does a fee for a "non-heating gas line" promote and encourage renewable energy options? We would like the SD Public Utility Commission and the executives at MidAmerican to look at the broader issue and the outdated policies that exist.

"Annual revenue generated from a non-heating gas customer is minimal." What is the AVERAGE annual revenue generated per household for MidAmerican? As a reminder, we have SEVEN gas sources in our home (Heater in garage, gas range, 3 fireplaces, gas grill, gas firepit). Our bill is currently approximately \$50/month and we haven't even gotten into the colder months where most of the gas will be consumed. If we project a very low estimate, that will translate to a minimum of \$600/year. Our house will be standing on this property for 100+ years. If MidAmerican never raises their rates in the next 100 years, that would be equivalent to \$60,000.

"For natural gas heating customers, MidAmerican Energy only provides a limited number of feet of service line at no charge to the applicant, anything above that would also incur a nonrefundable contribution in aid of construction." What extra costs were incurred by MidAmerican when they installed our gas line? Can you please outline those additional expenses that they incurred? We live in a well established and rapidly expanding community in Sioux Falls. There are houses within feet of ours that do not have geothermal and most certainly were installed for free. This fee has

nothing to do with "extra feet of gas line" and is directly related to fact that we have a geothermal unit.

"It is important to be mindful of the fact that the costs not paid by one customer for a utility must be covered by the funds of the other utility customers." Does BP Oil send a bill to every Tesla customer? I'm certain they are losing millions of dollars in potential revenue with the increased use of electrical and hybrid automobiles. As far as I know, it is not customary practice for Tesla owners to pay a fee that keeps our gasoline and oil costs at a reasonable rate. How does Midcontinent operate? I'm quite certain that it costs Midcontinent a significant amount of money to bury cable line, wire houses, install TV boxes, maintain equipment, etc. These costs are not directly put on each individual consumer. They have a business model that generates enough revenue as a whole to not penalize those that don't use their services as primary entertainment. If you have internet service with them, they don't charge you a large fee because you have your TV service with DirecTV.

Our state currently allows regulated monopolies in the energy industry and this should/will continue to be scrutinized. Several states on the east and west coast are facing deregulation. Many key industries such as airlines, railroads, telecommunications, etc were deregulated in the 1980s and the energy industry will eventually face the same competition nationwide.

As stated above, MidAmerican has received millions of dollars in Federal funding to promote green energy and environment responsibility. The Government has interceded in several other industries

when a company's practices were not consistent with the direction of federally sponsored programs. As an example, SunTrust and other banks were severely penalized when they failed to properly administer the Home Affordable Modification Program (HAMP). They were penalized because of "misrepresentations and omissions in certain communications to SunTrust customers regarding how the HAMP program would work." <https://www.suntrushampsettlement.com>

"According to MidAmerican Energy Company's attached South Dakota Gas Tariff Schedule No. 2, SD P.U.C. Sec. No. 5, Original Sheet No. 72:" We have looked at the 210 page MidAmerican Tariff Document and it is IMPOSSIBLE to actually find specific information about this fee on their website. It is full of legal jargon and is not consumer friendly. If they truly care about consumer education, they should update their website and create something that can be easily found and understood.

MidAmerican did send the bill to our general contractor, George Custom Building, but this is an issue with the homeowners. We have spoken to MidAmerican numerous times explaining that we are the representatives of this account/fee. George Custom Building has called MidAmerican to make us authorized users on the account and to confirm with them that we are the main representatives. We are surprised that there is still confusion with MidAmerican about this. It is a very simple concept and should no longer be used as a tactic by MidAmerican to avoid discussing the issue.

As the Public Utility Commission, we are asking that you view this issue from the consumer point of view instead of automatically siding with MidAmerican. Do you think this fee benefits consumers or is consistent with the current position of South Dakota energy policies? We understand that we may legally be forced to pay this fee, but this fee should be eliminated by MidAmerican to avoid unnecessarily penalizing families in South Dakota. This fee goes beyond us and impacts thousands of families in our region.

Thank you for your consideration.

Dr. Chad A. Kurtenbach