

South Dakota Public Utilities Commission
Docket GE15-001
MidAmerican Energy Company
Second Data Requests
Date of Request: March 18, 2015
Responses Due: March 26, 2015

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South Dakota Data Request

2-9 In November of 2014, MidAmerican had to increase its gas program budget in order to meet demand. Please explain to what extent the proposed budgets for 2015-2017 will prevent the need for the company to increase its budget in the middle of the program year. Further, please explain how MidAmerican plans to handle large budget overages (i.e. those greater than 110% of the approved budget) in future years should a program's demand exceed the forecast.

Response:

The proposed budgets for 2015-2017 are based on the participation levels MidAmerican has seen over the last two years and represents a realistic picture of level of participation expected to be seen during the 2015-2017 plan years. Over the last two years, MidAmerican has been engaging trade allies to help promote the benefits of energy efficiency and value received by customers purchasing higher efficient equipment like a furnace with 95% AFUE or higher and as a result program participation has increased each year. MidAmerican also believes that if approval is received from the South Dakota Public Utilities Commission to include the furnace and ground source heat pump measures in all the remaining years of the plan. We will not see that rush to purchase a furnace now before the "rebate is gone" which may have impacted the participation levels in the past years. With what is known today, MidAmerican does not believe the proposed budgets will need to be increase in the middle of the program year going forward. However, we reserve the right to request for a mid-year increase if unforeseen circumstances result in the need to do so in plan years 2015-2017.

Based on today's requirements, MidAmerican plans to handle large budget overages greater than 110% of the approved budget as a "hard stop" meaning that the program/measure would be suspended until additional funding or approval to exceed the 110% of approved budget requirement is received from the PUC. It is important to

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remember that the last months of the year, a large number of applications are received for processing and although MidAmerican's forecast does take this into consideration, it is possible that a need for additional funding or a request to exceed 110% of approved budget may not be identified until late in the fourth quarter.

Going forward, MidAmerican will notify the PUC immediately of any program forecast that is predicting additional funding may be needed prior to the end of the year. This will allow communications to begin between both parties as to the best resolution for the issue at hand.