

South Dakota Public Utilities Commission
Docket EL16-023
MidAmerican Energy Company
Data Request No. 1-1

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- 1-1) Refer to the Informational Compliance Filing Required by 18 CFR 292.302, pages 1 and 2. Regarding the separation of Illinois jurisdictional costs and South Dakota/Iowa jurisdictional costs data used in the market dispatch methodology:
- a) Provide the differences between the Illinois and South Dakota/Iowa jurisdictional costs and the impact this has on the avoided energy costs. Is this difference a significant reason why the proposed energy credits have decreased from the current credits?
 - b) Regarding the remaining generation that is allocated to all three jurisdictions, are these generation resources used for the entire system?
 - c) Regarding the docket references in the footnote on page 1, provide the applicable citations from these dockets regarding the new generation being allocated to the Iowa/South Dakota jurisdiction and not the Illinois jurisdiction.

Response:

- a) See attached Excel file “EL 16-023 Response 1-1 Attachment 1 – CompareRatesQuestions SD PURPA 1-1 7-12-16” for a comparison of the current approved South Dakota energy credit, the proposed South Dakota energy credit and the Illinois proposed energy credit. The proposed South Dakota energy credit decreased from the currently approved South Dakota energy credit due to three primary factors: i) the current South Dakota energy credit approved in 2015 included an assumption of \$3.40 per MWh proxy for potential market price impact value associated with additional emissions-free generation beginning January 2016. This assumption has been delayed for MidAmerican planning purposes beyond the reporting period due to recent court action involving the Clean Power Plan and uncertainty surrounding potential carbon legislation; ii) the switch from a total system view of energy credits to a jurisdiction specific view allocates zero energy cost wind resources to Iowa and South Dakota and none of these resources to Illinois; iii) the final primary factor for the decrease in energy credits is a

decrease in the total retail energy requirement from the projection included in the approved energy credit due to lower demographic and economic indicators for retail energy needs.

- b) All MidAmerican generating resources are used to serve the actual retail energy requirements of MidAmerican's customers, however, for ratemaking purposes the Illinois Commerce Commission excludes the production and costs of all MidAmerican wind resources, Walter Scott Energy Center Unit 4 and the Greater Des Moines Energy Center.
- c) Please see the attached Iowa Utilities Board (Board) orders and associated settlements. The listing of specific references are listed below by docket number.

The Board orders and settlements allow MidAmerican to reallocate to Iowa electric customers all of the capital costs and expenses from New Generation (Greater Des Moines Energy Center, CBEC-4, and wind generation) that had been allocated to MidAmerican's Illinois customers. *See* Docket Nos. SPU-05-9, SPU-05-12 at page 4, citing RPU-01-9, RPU-02-10, RPU-03-1, and RPU-04-3.

The Board orders and settlements do not change any allocation to the South Dakota jurisdiction. The New Generation allocated to the South Dakota jurisdiction reflects the South Dakota jurisdictional allocation only.

References

See Docket Nos. SPU-05-9, SPU-05-12 at page 4, citing RPU-01-9, RPU-02-10, RPU-03-1, and RPU-04-3, and page 5 and page 11 approving Settlement Agreement, and pages 2-3 of the Settlement Agreement.

See also RPU-05-4 at page 16 approving Settlement Agreement and page 2 of Settlement Agreement (Iowa Jurisdictional Allocation).

See RPU-07-2 at page 8 and page 23 approving Stipulation; and page 2 of the Stipulation (Iowa Jurisdictional Allocation).

See also RPU-08-2 at page 10 approving Settlement; and page 2 of Settlement (Iowa Jurisdictional Allocation).

See also RPU-08-4 at page 10 and page 11 approving Settlement; and page 1 of Settlement (Iowa Jurisdictional Allocation).

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See also RPU-2009-0003 at pages 69, 90 and 92; and page 1 of Settlement (Iowa Jurisdictional Allocation).

See also RPU-2014-0002 at page 9 and page 20 and page 1 of Settlement (Iowa Jurisdictional Allocation).

See also RPU-2015-0002 at page 9 and page 18; page 1 of Settlement (Iowa Jurisdictional Allocation).