

**MidAmerican Energy Company**  
**South Dakota Energy Efficiency**  
**2013 Plan Update**

Pursuant to the South Dakota Public Utilities Commission's (Commission) order in Docket No. GE12-005 entered on November 27, 2012, MidAmerican Energy Company (MidAmerican) submits its proposed spending budget and savings targets for its energy efficiency programs in South Dakota. This report provides MidAmerican's expected participation levels, savings impacts, and spending levels for 2013 programs. The 2013 Plan Update includes:

1. Budgets and anticipated participation levels for 2013
2. Revisions to specific program details with no impacts to expected savings or spending levels

**1. Expected Budgets and Participation for 2013**

Expected participation levels and savings for MidAmerican's energy efficiency programs for 2013 are provided in Exhibit A. MidAmerican's proposed spending budget and savings targets for its energy efficiency programs in South Dakota during 2013 are consistent with the approved Energy Efficiency Plan in Docket No. GE12-005 with the exception of two proposed Plan modifications detailed below.

- MidAmerican proposes to add natural gas furnaces back into the residential equipment program. High efficiency furnaces were excluded from the 2013 residential equipment program because new furnace efficiency standards scheduled to become effective in May 2013 made furnaces not cost effective for the program. However, these new furnace standards will not take effect as scheduled due to a court settlement that was reached with the United States Department of Energy. Information currently available to MidAmerican indicates it may be at least another five years before the efficiency standards change from the current 78% efficiency standard. Therefore, MidAmerican is proposing to resume the natural gas furnace program previously available in South

Dakota for the entire 2013-2017 Plan. Our data shows that natural gas furnaces are a cost effective measure under the current standards and there are substantial natural gas savings associated with furnaces, approximately 204,318 therms per year. However, in order to add this measure, the plan budget for 2013 and beyond would need to be increased. MidAmerican anticipates the approved residential gas budget would need to be increased by approximately \$865K per year for natural gas furnaces if this measure were added to the approved Plan. The typical bill impact of the increased budgets would be approximately \$0.90 per month.

- MidAmerican also proposes to include ground-source heat pumps in its residential equipment program, a measure not currently included in the plan. Based on additional research, MidAmerican now believes there is data to support ground source heat pumps as a cost-effective measure in the plan. MidAmerican had previously not included in its calculation the savings associated with foregoing a backup furnace or electric heating system when a geothermal heat pump is installed over a regular heat pump, savings that are appropriate to include in the savings calculation. Therefore, MidAmerican is proposing ground-source heat pumps be included in the residential equipment program for the entire 2013-2017 plan. This cost effective measure would result in additional electric savings, approximately 97,319 kWh per year. MidAmerican anticipates the approved residential electric budget would need to be increased by approximately \$20,500 per year for ground-source heat pumps if this measure were added to the approved Plan. The typical bill impact if the budgets were increased by this amount would be approximately \$0.46 per month.

2. **Revisions to specific program details with no impacts to expected savings or spending levels**

After further review of Exhibit 1 and Exhibit 1 -Appendix A of the filed Plan, it was discovered that some erroneous or potentially confusing information was unintentionally included in the documents. The erroneous information does not impact the Plan's filed savings and spending levels but may result in confusion as to what equipment or services are included in

programs or how incentives are calculated. Such confusion may create customer dissatisfaction with MidAmerican's energy efficiency programs and requires clarification. Therefore, MidAmerican proposes to make the following changes listed below and shown in redline in the Revised Exhibit 1 and Revised Exhibit 1 – Appendix A.

Revised Exhibit 1 Changes:

- Page 1 – Under the heading of Nonresidential Equipment - remove motor and commercial kitchen equipment and add variable-speed drives (VSDs)
- Page 2 – Under the heading Appliance Recycling – add the word “residential” in front of the word “customers”.
- Page 15 – In the first sentence, add the word “residential” in front of the word “customers”.

Also reword the third paragraph to read, “The program targets residential electric customers. Program measures must save energy supplied directly by MidAmerican.”

- Page 18 – In the second paragraph, first sentence after the word “buildings” add the words, “where not required by local building code”.
- Page 24 – In the fourth bullet, delete the last sentence, “Rebate amounts are also capped at 70 percent of installed cost.”

Revised Exhibit 1 – Appendix A Changes:

- Page 45 – Metal Halide Fixtures – Pulse Start, under the heading HOURS: replace 100 with 1000
- Page 47 – T-5 High Bay Fluorescent Lighting, under the heading HOURS: replace 100 with 1000
- Page 48 – T-8 Fluorescent Lighting, under the heading HOURS: replace 100 with 1000
- Page 49 – T-8 High Bay Fluorescent Lighting, under the heading HOURS: replace 100 with 1000

If the Commission approves the changes outlined above and grants the request to include gas furnaces to the Residential Equipment Program, MidAmerican will file a Revised South Dakota Energy Efficiency Plan incorporating the changes and inclusion of gas furnaces.