

South Dakota Public Utilities Commission
Docket GE13-001
MidAmerican Energy Company
Data Request No. 1

Responder Name: Charles B. Rea
Job Title: Manager-Regulatory Strategic Analyst
Phone: 563-333-8868

1-1 Are reported energy savings gross or net? If they are gross, are net savings data available?

Response:

Reported energy savings are gross savings. Net savings data are not available. As part of MidAmerican's Iowa impact and process review, MidAmerican's contractor evaluated free ridership for selected programs, but did not develop sufficient information to estimate net savings.

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1-2 budgeted 2013 administrative costs for the electric program appear to be larger than actual administrative costs incurred during past years. Please explain the increase in administrative expenses expected for 2013.

Response:

The budgeted administrative costs for 2013 in the approved 2013-2017 energy efficiency plan were developed by using 2011 total administrative costs as a starting point. These costs were reduced by an amount that reflects a lower number of total measures expected to be installed in 2013 compared to previous years based on the original assumption of the elimination of furnaces and ground source heat pumps from the program, and the remainder was allocated between electric and gas based on the total number of expected measures in each program for 2013. The increase in 2013 in electric administrative costs and the significant decrease in 2013 in gas administrative costs are a reflection of the allocation process used for 2013 total administrative costs.

MidAmerican is proposing to increase the electric budget for 2013 by \$20,524 and to increase the gas budget by \$864,695 to reflect MidAmerican's proposed re-inclusion of ground source heat pumps and furnaces. \$240 of the proposed \$20,524 increase is allocated to administrative costs for the electric program and \$33,850 of the proposed \$864,695 is allocated to administrative costs for the gas program.

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1-3 The measure level statistics for the residential audit program identifies there was only 15,274.5 kWh of savings in 2012, whereas page 6 of the annual report identifies 16,218 kWh was achieved from the program. Where does the difference of 943.5 kWh of stated savings come from?

Response:

The savings of 15,274.5 kWh identified in the measure level statistics for the residential audit program are measured at the customer meter level. The 16,218 kWh appearing on page 6 of the annual report is reported at the generation level and includes estimated transmission and distribution line losses.

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1-4 What is MidAmerican's method for forecasting energy savings?

Response:

Forecasted energy savings for MidAmerican's energy efficiency programs are calculated on a measure level basis. Forecasted energy savings are a combination of the forecasted participation in each measure and the forecasted average savings per participant for each measure.

The forecasted participation in each measure is based on an analysis of historical participation in each measure. The forecasted energy savings per participant is based on measure-level data provided by the 2014-2018 Iowa Assessment of Energy Efficiency Potential adjusted for normal climate conditions in MidAmerican's South Dakota electric and gas service territory. For simple measures, savings are taken directly from the Assessment data. For measures that can have multiple levels of efficiency above the standard baseline efficiency, savings information from the Assessment is applied to historical levels of equipment efficiencies installed by MidAmerican's South Dakota customers.

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- 1-5 Why is the 2013 forecasted savings in the Residential Load Management Program of 575 kWh so low compared to 2011 and 2012 actuals? As more LCRs are installed, one would think there should be greater savings if the number of cycling days are relatively consistent from year to year.

Response:

Despite the increasing levels of expected participation in the Residential Load Management program, forecasted savings in the Residential Load Management program for the 2013-2017 plan are based on a design level of three events per year, which is significantly less than the number of events in 2011 and 2012.

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- 1-6 It appears that Variable Speed Drive installs had the largest energy savings return per dollar invested out of all the programs. Can one reasonably expect these types of returns continuing in the future? Does MidAmerican have plans to grow this program?

Response:

One can reasonably expect that variable speed drive (VSD) installs will continue to have similar energy savings return per dollars invested as seen today. However, the eligible pool of customers able to participate in this program is limited in South Dakota. MidAmerican has only 830 nonresidential retail customers in its South Dakota service territory and a smaller pool within this class would be interested in VSDs. In 2011, there were no VSD projects and in 2012 all VSD projects installations were completed by one customer. Today, MidAmerican's Nonresidential Equipment program allows prescriptive participation for variable speed drives placed on pumps, fans and other HVAC applications while variable-speed drives used in process applications must be evaluated for cost effectiveness and receive pre-approval prior to installation. Annually, MidAmerican will review its program delivery methods and completed custom VSD projects to identify appropriate applications for variable-speed drives in process applications that may be transitioned to the Nonresidential Equipment prescriptive program.

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1-7 Please provide new benefit-cost tests for the 2013 plan as a result of adding furnaces and ground source heat pumps back in. Specifically, provide TRC ratios for each of the new programs as well as how those impact the overall ratios in both the electric and natural gas programs.

Response:

Please see GE13-001 Attachment 1-7.