



MidAmerican Energy
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February 15, 2018

VIA ELECTRONIC FILING

Patricia Van Gerpen
Executive Director
South Dakota Public Utilities Commission
500 East Capitol Avenue
Pierre, South Dakota 57501-5070

RE: MidAmerican Energy Company Gas Energy Efficiency Cost Recovery Factor

Dear Ms. Van Gerpen:

MidAmerican Energy Company (MidAmerican) transmits the accompanying gas tariff sheet for filing.

South Dakota Gas Tariff
Section No. 3:

4th Revised Sheet No. 72

Canceling 3rd Revised Sheet No. 72

Effective: March 2, 2018

With this filing, MidAmerican proposes to change the gas Energy Efficiency Cost Recovery (EECR) factor to zero with the March, 2018 bills. MidAmerican proposes this factor change because a large over-recovery is accumulating in 2018 for residential gas energy efficiency programs. Below, MidAmerican has identified a number of reasons for the over-recovery. MidAmerican requests to set the factor to zero to discontinue the over-recovery, and allow time to review the reconciliation timing and calculation in order to reduce future volatility. MidAmerican will file revised EECR factors upon completing that review.

MidAmerican's 2018 approved residential gas budget is \$503,925, which is significantly less than the 2017 budget. While the energy efficiency budget is for a calendar year, the effective period for the EECR factor is April through March, which causes the first three months of 2018 to be billed on the factor based on the prior year budget. MidAmerican projects that this time period mismatch will result in a large over recovery of the residential gas energy efficiency costs in the first three months of 2018. Additionally, MidAmerican's residential gas programs were \$199,971 over recovered at the end of 2017.

The nonresidential gas program is experiencing an under-recovery in 2018 that will similarly result in volatility in the EECR, although to a smaller magnitude than discussed above. MidAmerican proposes to set the nonresidential rate to zero for consistency and for the reasons described above: to prevent volatility for customers and allow for a review of the timing and calculation.

MidAmerican includes with this filing a work paper that demonstrates the over-collection explained above. In order to avoid increased volatility to our gas customer bills, MidAmerican respectfully

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requests that the Commission approve this tariff change on less than 30 days' notice with an effective date of March 2, 2018. MidAmerican's annual report for 2017 and electric Energy Efficiency Cost Recovery reconciliation will be filed by February 28, 2018.

Please contact me if you have any questions.

Sincerely,

/s/ Renee D White

Renee D White
Rates Analyst