

South Dakota Public Utilities Commission
Docket GE17-002
MidAmerican Energy Company
Second Data Request

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2-9 **South Dakota Data Request**

Please explain why the gas avoided energy costs used in the benefit/cost models provided in response to Staff DR 1-5 are different the gas avoided energy costs provided in response to Staff DR 1-6.

Response:

Monthly gas avoided energy costs used in the cost effectiveness model are the same as those provided in response to Staff DR 1-6. Average annual avoided costs calculated in the model will vary by measure depending on the load shape used in each measure.

Capacity costs used in the cost-effectiveness model are slightly different than those provided in response to Staff DR 1-5. Capacity costs provided in response to Staff DR 1-5 are discrete values for each year, whereas the capacity costs used in the cost effectiveness model are smoothed over the course of the plan and are escalated at a constant percentage each year. The total stream of values between the two methods are roughly equivalent, and are further described in response to Staff DR 2-8.