

South Dakota Public Utilities Commission
Docket GE20-002
MidAmerican Energy Company
First Data Requests

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For each response where it is necessary, separate amount between Natural Gas and Electric and describe any differences between Natural Gas and Electric. For responses where the Company's answer is the same for both Natural Gas and Electric, please indicate so.

- 1-3. Provide a complete listing of all cost increases (and cost decreases) the Company plans to include in the regulatory asset. For each of these items, include:
- a. The date the Company began incurring (or saving) the additional expense.
 - b. The amount of actual additional expense (or savings) to date.
 - c. The amount of additional expense (or savings) the Company estimates it will ultimately incur.
 - d. The actions the Company has taken to ensure the additional costs are kept to a minimum and cost savings are maximized.

Response:

The following list outlines the adverse financial impacts MidAmerican has experienced as a result of the COVID-19 emergency, as well as MidAmerican's best estimate of the types of these impacts it may experience going forward. Given the unprecedented, sudden and evolving nature of the current situation, MidAmerican may incur additional, unforeseen costs and detrimental financial impacts resulting from the emergency, should they occur.

- Increased uncollectible accounts/bad debts
- Financial assistance costs
 - Foregone reconnection fees
 - Foregone forfeited discounts (late payment fees) revenue
- Changes in revenues (decreased sales) associated with lower demand resulting from restrictions placed on normal business operations
- Labor Costs
 - Labor associated with providing safe and reliable service in response to the pandemic and any associated emergency directives, such as response to emergency directives, programming changes, training, education, outreach and payroll related to revisions in credit and collection practices

- Overtime/premium time associated with providing safe and reliable service in response to the pandemic and any associated emergency directives, such as altered shift schedules and hazard pay
 - Incremental sick time, including extended sick leave in compliance with the Families First Coronavirus Response Act
 - Shifts in labor costs from capital projects to O&M activities resulting from emergency-related capital project deferrals
 - Outsourcing and staff augmentation
 - Sequestration related labor and premiums, including: (1) contingency planning associated with each operator-dependent plant and component of critical infrastructure, (2) additional compensation for sequestration staffing/labor, including union premiums and increased security/facilities personnel, at each sequestered location in the event such measures are required
- Non-labor O&M Costs:
 - Additional communication materials, including: (1) emergency related customer messaging, such as bill inserts/onserts, (2) communications with employees and vendors
 - Material/inventory purchases and associated freight costs, including: (1) incremental sanitizer and personal protective equipment (PPE), (2) additional medical equipment, such as employee COVID-19 testing and infrared thermometers, and (3) additional office equipment and supplies to enable remote work
 - Increased transportation/fleet expense, such as maintenance and fuel costs, associated with social distancing
 - Outside services from vendors, including: (1) additional sanitation/deep-cleaning of facilities, (2) installation of facility containment improvements, such as hand sanitizer stations, and (3) contact tracing services
 - Employee expense, including: (1) reimbursement for additional personal vehicle use associated with social distancing and (2) reimbursement/employee stipend for company use of personal internet and cellphone service
 - Non-labor sequestration costs, including: (1) contingency planning related costs, such as the advance procurement of food, drink, cleaning supplies, and creature comforts, (2) lodging expense, such as contracts with local hotels or on-site solutions, and (3) meal expense

MidAmerican began recording incremental costs as of March 5, 2020. Through mid-May South Dakota direct and allocated pandemic-related O&M costs are approximately \$200,000. MidAmerican believes that costs related to bad debt and flexible payment arrangements will be the majority of the costs to be recovered. The magnitude of these costs are directly related to the length of the disconnection moratorium and the degree of

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flexibility afforded customers for payment of past due bills. These costs are difficult to predict until the details of these practices are settled. MidAmerican cannot provide meaningfully accurate estimates of cost at this point. MidAmerican has not identified any apparent sources of COVID-related cost savings at this point. MidAmerican is open to discussion on areas the Commission views may experience COVID-related cost savings.

MidAmerican's first priority is the safety and welfare of its customers and employees. As always, MidAmerican strives to provide excellent reliability and customer service at the lowest possible cost, a goal that is not suspended during these unprecedented times.