Docket Number: **NG17-004**
Subject Matter: **First Data Request**
Request to: **MidAmerican Energy Company**
Request from: **South Dakota Public Utilities Commission Staff**
Date of Request: **2/27/17**
Responses Due: **3/10/17**

1-1. Provide the calculations used to come up with the $800 average EFV Installation Charge.

MEC Response: The information supporting the $800 average EFV Installation Charge is provided in Attachment #1 to this response.

1-2. Are affected customers required to have the EFV retrofit or is it their choice to get the retrofit?

MEC Response: Pursuant to the new 49 CFR 192.383, it is the customer's choice to have an EFV retrofit. Only those customers that elect to have a retrofit will be subject to the charge proposed by MidAmerican to recover the costs of installation.

1-3. Does PHMSA require an EFV to be installed on all new construction?

MEC Response: Yes, based on the criteria listed below. Pursuant to 49 CFR 192.383, MEC is required to install EFVs on new and replacement services from systems that have an operating pressure of 10 psig or greater throughout the year that provide gas to a:

- **Single family residence with a single service line;**
- **Single family residence with a branched service line installed concurrently with a primary service line;**
- **Single family residence with a branched service line that is installed off a previously installed single family residence line that does not contain an EFV;**
- **Multifamily residences with known customer loads not exceeding 1,000 SCFH per service, at the time of service installation based on installed meter capacity, and**
- **Single, small commercial customer served by a single service line with a known customer load not exceeding 1,000 SCFH at the time of meter installation, based on installed meter capacity.**

1-4. Are new customers required to pay the $400 installation charge upfront when the new line is installed? If not, how are costs from the EFV on new installations recovered?

MEC Response: No. The cost for installing an EFV on a new service line is a rather small incremental increase in construction cost, and therefore MidAmerican does not require a separate EFV installation charge. The costs are included in the construction costs for a new service line. The retrofit situation is different as most of the cost involves excavating the line and restoring the line after the EFV is installed. Given the relatively high incremental cost for a retrofit, MidAmerican is seeking approval of the EFV installation charge to ensure that

customers have some cost responsibility and that the entire cost is not socialized to other customers.

1-5. What is the estimated cost to install an EFV on a new service?

MEC Response: The approximate incremental cost of installing an EFV on a new service is approximately $50 for the cost of the valve and the labor required to install the valve. This is a relatively low cost because the excavating costs and costs associated with repairing the land are already part of the installation.

1-6. Where are the EFVs installed? Are they installed close to the meter either before or after the meter or are they installed further upstream of the meter towards the gas main?

MEC Response: The EFV will be installed as near as practical to the service tap tee or the service pipe branch connection in the case of a branched line.

1-7. What is an example of "incidental expenses associated with adverse conditions for construction…" that will be charged to customers? Is the customer notified of the additional charges before the retrofit the EFV? Quantify the additional expense range possible with these adverse conditions.

MEC Response: This proposal is trying to capture the fact that some installations may require significantly more effort than others. For example, a customer that requests installation during a period of frost may require MidAmerican to expend additional resources to warm the ground prior to excavation. MidAmerican would make the customer aware of the potential for these additional costs prior to starting the work. It is difficult to quantify the specific costs because they are dependent on ground conditions. For example, when the ground is frosted, excavation time will be significantly higher. Typical additional costs for excavation in these conditions range from $400 to $700.

1-8. What is MidAmerican projecting for customer requests in the next 5 years?

MEC Response: MidAmerican does not have a specific projection for customer requests. Given the newness of this rule, and the unique nature of the proposed installation charge, we are seeking to gain experience in the first year(s) of implementation to identify customer response to the proposal.

1-9. Explain why the tariff page, Section 5 sheet 83, has "N" by the new sections in the redline version and "T" by the new section in the final version.

MEC Response: This is a typographical error. The final version should have "N" by the new sections, not "T". Generally, after a tariff is approved, we resubmit the tariff to include the docket number in the footer of the page. If it is acceptable with Commission Staff, we can

correct this error at that time. Or is Staff prefers, we can resubmit a corrected copy at an earlier date.

1-10. In the petition MidAmerican states that if construction costs are below the $400 charge that the difference will be refunded to the customer. Section 5 sheet 83 says the customer contribution is nonrefundable. Explain the discrepancy.

MEC Response: The non-refundable nature of the cost is meant to identify that the customer is not eligible for refunds related to new customer connections (as can be the case with extensions of service). In a situation where the cost was less than $400, MidAmerican would return the unused amounts to the customer.