

South Dakota Public Utilities Commission
Docket GE14-001
MidAmerican Energy Company
2nd Information Data Requests
Attachment # 2-3

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2-3 South Dakota Data Request

Please explain why it is preferred to calculate incentive recoveries (column (h)) using the incentive factors (from Columns (i) and (j)) and then subtract them from total residential recoveries (column (c)) to calculate residential operating recoveries (column (d)) rather than using the operating factors (in Columns (i) and(j)) to calculate residential operating recoveries (column (d)). Further, please explain why the latter method should not be used even though it results in a negative residential operating recovery for April-13, which would be consistent with the negative operating factor used during the month.

Response:

The methodology previously approved by the SD PUC on April 4th, 2011 included calculating units (column (g)) by dividing recoveries (column (c)) by the appropriate factor (either column (i) or column (j)). For the month of April 2013 only for residential customers, this methodology did not work because the factor was negative but recoveries were positive. Using the positive recoveries divided by the negative factor would yield negative units. Hence, the actual units (kWh) were used for the month of April 2013. To be consistent, actual units (kWh) were used for nonresidential customers for the month of April as well.

Calculating operating revenues first or incentive revenues first would yield the same amount.