

**STATE OF ILLINOIS**

**ILLINOIS COMMERCE COMMISSION**

<b>MidAmerican Energy Company</b>	:	
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	:	
	:	<b>12-0645</b>
<b>Petition for Waiver pursuant to 8-408(c)</b>	:	
<b>of the Public Utilities Act</b>	:	
	:	

**ORDER**

**I. Procedural History**

MidAmerican Energy Company (“MidAmerican” or “Company”) began offering energy efficiency programs on June 1, 2008, pursuant to the Illinois Commerce Commission’s (“Commission”) final order in Docket 08-0107/08-0108 (Consol.). On February 23, 2012, the Commission issued an order initiating Docket 12-0132 in order to make a determination by October 31, 2012, pursuant to Section 8-408(d) of the Public Utilities Act (“Act”), as to whether MidAmerican’s energy efficiency (“EE”) programs should be continued beyond calendar year 2012. In its final Order issued October 17, 2012, the Commission found that MidAmerican’s EE programs, except the Residential New Construction program, should continue until December 31, 2013. The Commission also directed MidAmerican to file by December 3, 2012, a waiver pursuant to 8-408(c) requesting that it be permitted to eliminate measures under the Residential Home Equipment Energy Efficiency Program (“Residential Equipment Program”) that are cost-ineffective.

On December 3, 2012, MidAmerican filed a Petition for Waiver pursuant to Section 8-408(c) of the Act as ordered in Docket 12-0132. MidAmerican’s Petition for Waiver included measures that would be discontinued along with measures that would either be continued or added in its Residential Equipment Program.

Pursuant to notice as required by law and the rules and regulations of the Commission, this matter came before a duly authorized Administrative Law Judge of the Commission for a hearing at its offices in Chicago, Illinois on December 17, 2012. At the status hearing, Commission Staff indicated it had concerns related to the continuation of room air conditioners in the program and the addition of programmable thermostats to the program. After discussions with Commission Staff, MidAmerican filed an Amended Verified Petition for Waiver on January 11, 2013. On January 14, 2013, MidAmerican filed a joint Proposed Draft Order.

## II. MidAmerican's Position

In the Company's petition for waiver to modify its Residential Equipment Program, MidAmerican requests to eliminate certain measures that were found to be below the 1.0 threshold for the Societal Test based on MidAmerican's recent Energy Efficiency Assessment for Potential Study. Specifically, MidAmerican requests that it be allowed to eliminate the following measures:

### Electric

- Ground source heat pumps
- Desuperheater

### Gas

- Furnaces
- Boilers
- Water heaters – storage, condensing and tankless

After discussions with Commission Staff, MidAmerican filed an Amended Petition on January 11, 2013. MidAmerican's Amended Petition accepts Staff's recommended changes to the Residential Equipment Program by excluding room air conditioners and programmable thermostats. On February 8, 2013, MidAmerican filed responses to a data request that explained this change. They explained that "[p]rogrammable thermostats were included in the original filing inadvertently [as they] are not currently a part of MidAmerican's Illinois energy efficiency program." MidAmerican does plan to include them in their next plan to be filed by July 1, 2013. With regard to the room air conditioner measure, MidAmerican reiterated that the measure is cost effective and that it was dropped in response to an indication from Staff that they would recommend removal of the measure. MidAmerican also indicated that the "Societal Test results in [their] Exhibit A are accurate [and that] no technical errors in applying these tests" caused MidAmerican to decide to drop the room air conditioner measure.

MidAmerican also proposes that its 2013 Residential Equipment Program include the following cost-effective measures:

### Electric

- Central air conditioner
- Air source and add-on heat pump

### Gas

- No measures

In its Amended Petition, MidAmerican states that the changes reflected in the Residential Equipment Program will reduce its 2013 energy efficiency budget approved in Docket 12-0132. Exhibit B of the Amended Petition updates the Company's 2013 total EE budget. MidAmerican further states it will update its Energy Efficiency Cost Recovery Rider (EECR) to reflect the new changes on January 20, 2013, to take effect in the February billing cycle.

## III. Commission Analysis and Conclusions

Based on the record, the Commission finds that most of MidAmerican's proposed changes to its Residential Equipment Program, for both natural gas and electric, for

January 1, 2013, through December 31, 2013, are reasonable and MidAmerican's waiver request should be granted with one exception. The record reflects that the room air conditioner measure is cost effective. Given that waivers were to be requested only for those measures that were not deemed cost-effective, the Commission finds that the removal of that measure is inappropriate. As such, the Commission orders that the room air conditioner measure remain in place, although it looks forward to a more robust measure with greater levels of benefits in the July 1, 2013 filing.

#### **IV. FINDINGS AND ORDERING PARAGRAPHS**

The Commission, having reviewed the entire record herein and being fully advised in the premises, is of the opinion and finds that:

- (1) MidAmerican Energy Company is an Iowa corporation engaged in the generation, transmission, sale and distribution of electricity and storage, transmission, distribution and sale of natural gas at retail in Illinois and as such is a public utility within the meaning of the Public Utilities Act;
- (2) the Commission has jurisdiction over the parties and over the subject matter herein;
- (3) the statements of fact set forth in the prefatory portion of this Order are supported by the evidence and record and are hereby adopted as findings of fact; and
- (4) the relief requested by MidAmerican in the Amended Petition shall be granted, with the exception that the room air conditioner measure remain in place.

IT IS THEREFORE ORDERED that the MidAmerican Energy Company's amended waiver request filed pursuant to Section 8-408(c) of the Public Utilities Act is hereby granted, with the exception that the room air conditioner measure remain in place.

IT IS FURTHER ORDERED that subject to the provisions of Section 10-113 of the Public Utilities Act and 83 Ill. Adm. Code Section 200.880, this Order is final; it is not subject to the Administrative Review Law.

By order of the Commission this 14<sup>th</sup> day of February, 2013.

(SIGNED) DOUGLAS P. SCOTT

CHAIRMAN