

STATE OF IOWA  
DEPARTMENT OF COMMERCE  
UTILITIES BOARD

IN RE:  MIDAMERICAN ENERGY COMPANY AND CITY OF ORANGE CITY, IOWA	DOCKET NO. SPU-02-10
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**ORDER APPROVING APPLICATION FOR DISCONTINUANCE  
OF NATURAL GAS SERVICE**

(Issued August 7, 2002)

On July 8, 2002, MidAmerican Energy Company (MidAmerican) and the City of Orange City, Iowa (Orange City) filed a joint application for discontinuance of natural gas service by MidAmerican in Orange City pursuant to 199 IAC 7.12. The application states that under the provisions of Iowa Code § 6B.46 Orange City exercised its power of eminent domain and filed a petition to condemn the natural gas distribution system owned and operated by MidAmerican in Orange City. On May 25, 2001, a court determined the damages to MidAmerican and Orange City is proposing to take possession of MidAmerican's natural gas distribution system. Orange City proposes to operate the system for its residents.

Orange City indicates that it has adopted the necessary ordinances, manuals, and service tariffs for the operation of the gas distribution system and is ready, willing, and able to provide comparable service to the residents of Orange City. MidAmerican joined in the application.

Board staff has been aware of the condemnation action and on March 5 and 6, 2002, contacted Orange City concerning the operation of the system. Board staff discussed the requirements of Federal regulations concerning gas pipeline safety standards with the gas superintendent for Orange City. With the purchase of the proper equipment and proper training for Orange City personnel, the Board finds that Orange City is ready, willing, and able to operate the gas distribution system.

Iowa Code § 476.20(1) requires a utility to obtain Board permission to discontinue service to a community or part of a community. Board subrule 199 IAC 7.12(3) requires the Board to approve the application for discontinuance of service within 30 days of filing or docket the matter for further investigation. The subrule also provides that the failure of the Board to act within 30 days is deemed approval of the application.

Board subrule 199 IAC 7.12(5) provides that the application for discontinuance of service will be granted if the Board finds the utility service is no longer necessary, or if the Board finds the transferee is ready, willing, and able to provide comparable utility service. In this instance, Orange City has condemned the natural gas distribution system of MidAmerican within the Orange City corporate limits and Orange City proposes to operate the system and provide service to Orange City residents.

The Board finds that natural gas utility service by MidAmerican is no longer necessary and that Orange City is ready, willing, and able to provide natural gas

service comparable to that provided by MidAmerican. This application therefore meets the requirements of subrule 7.12(3) for discontinuance of service by MidAmerican.

**IT IS THEREFORE ORDERED:**

1 The joint application filed by MidAmerican Energy Company and the City of Orange City, Iowa, on July 8, 2002, for MidAmerican Energy Company to discontinue natural gas service to the City of Orange City, Iowa is approved.

2. The City of Orange City, Iowa, shall notify the Board within ten days of the date it begins operation of the natural gas distribution system.

**UTILITIES BOARD**

/s/ Diane Munns

/s/ Mark O. Lambert

ATTEST:

/s/ Judi K. Cooper  
Executive Secretary

/s/ Elliott Smith

Dated at Des Moines, Iowa, this 7<sup>th</sup> day of August, 2002.