

STATE OF IOWA  
DEPARTMENT OF COMMERCE  
UTILITIES BOARD

---

IN RE:  MIDAMERICAN ENERGY COMPANY	DOCKET NO. PGA-04-39
------------------------------------------	----------------------

---

**ORDER APPROVING ANNUAL RECONCILIATION FILING**

(Issued November 24, 2004)

On September 29, 2004, MidAmerican Energy Company (MidAmerican) filed its annual reconciliation of gas costs for the 12-month period ending August 31, 2004, in accordance with 199 IAC 19.10(7). The filing has been identified as Docket No. PGA-04-39. On October 19, 2004, the Consumer Advocate Division of the Department of Justice (Consumer Advocate) filed a conditional objection to the filing. Consumer Advocate indicated it needed additional time to review the filing. On October 22, 2004, the Board issued an order docketing the annual reconciliation for further review. On November 16, 2004, Consumer Advocate withdrew its objection.

MidAmerican is required to file each year, on or before October 1, a reconciliation of the net invoiced cost of purchased gas for each customer class with the actual revenue collected, net of the prior year's reconciliation dollars plus any undistributed refunds. If this calculation shows that MidAmerican has undercollected from customers for the cost of purchased gas, the total uncollected dollars are normally divided by the anticipated sales volumes for the prospective ten-month

period beginning November 1. The result is included in the customer class PGA factor that is recovered from customers.

If the calculation shows that MidAmerican has overcollected from customers and that overcollection is greater than 3 percent of the annual cost of purchased gas subject to recovery, the overcollection must be refunded to customers by bill credit or check. If the overcollection is 3 percent or less, the overcollection may be refunded by bill credit or check, or by an adjustment to the PGA factor for the ten-month period beginning November 1.

On November 19, 2004, MidAmerican filed a revision to its annual reconciliation filing. The revision provides recalculated factors based upon the anticipated sales volumes for the prospective nine-month period beginning December 1, 2004. The factors were recalculated because the review of the annual reconciliation was not completed until after November 1, 2004.

The Board has reviewed the annual reconciliation, including the revisions filed November 19, 2004, as filed by MidAmerican for the 12-month period ending August 31, 2004. The Board finds that the filing appears to comply with 199 IAC 19.10(7) and shows that MidAmerican undercollected from customers for the cost of purchased gas. The appropriate factor will be included in the calculation of the price of gas in the monthly PGA and recovered from customers. The adjustment will be implemented over a nine-month period beginning on December 7, 2004.

**IT IS THEREFORE ORDERED:**

The annual reconciliation filed by MidAmerican Energy Company on August 31, 2004, as revised on November 19, 2004, is approved.

**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 24<sup>th</sup> day of November, 2004.