

STATE OF IOWA
DEPARTMENT OF COMMERCE
UTILITIES BOARD

IN RE: MIDAMERICAN ENERGY COMPANY	DOCKET NO. WRU-05-11-156
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ORDER GRANTING WAIVER FOR 2005 AND 2006

(Issued April 7, 2005)

On March 10, 2005, MidAmerican Energy Company (MidAmerican) filed with the Utilities Board (Board) a request for waiver of 199 IAC 20.11, which provides that each electric utility is to inform its customers of the significance of reduction in the consumption of electricity during hours of peak demand. MidAmerican asked for a permanent waiver of the peak alert rules to include the requirement to file an annual report on April 1 and the requirement to deliver a notice to customers between May 1 and June 15. No objections to the request were filed.

The Board granted MidAmerican a similar waiver on June 23, 2004, in Docket No. WRU-04-18-156. The waiver was for calendar year 2004 only. MidAmerican, in its current filing, said the reasons for the waiver request remained unchanged. In support of its 2004 request, MidAmerican said that it is making significant additions to its generation and transmission systems in Iowa. Because of the August 2003 blackout in the eastern United States and Ontario, MidAmerican believes it is important to reassure customers that MidAmerican has sufficient generation and transmission resources and that the peak alert notice could result in unnecessary

confusion and concern. Particularly because MidAmerican has a revenue freeze in place through 2010, it is concerned that the peak alert notice would convey conflicting messages to customers. The peak alert notice indicates that conservation may delay the need for construction of facilities, when in fact MidAmerican is building significant generation now. The notice also indicates that conservation may delay future rate increases, when in fact MidAmerican has a revenue freeze in place until 2010. MidAmerican also notes that because the peak alert has been given for many years, a break from the notice for a time may add freshness to future peak alert notices.

The Board agrees that language in the peak alert notice regarding delaying the need to build generating facilities or buy additional power could be confusing to customers in light of the publicity surrounding MidAmerican's recent generation investments, which include coal, gas, and wind facilities. Any additional language would likely increase confusion and send a mixed message to customers. The Board will grant the waiver for calendar years 2005 and 2006. The standards for a waiver contained in 199 IAC 1.3 have been satisfied.

The Board will not, however, grant a permanent waiver. A permanent waiver is not appropriate because MidAmerican's new coal plant is scheduled for completion in 2007. This is a significant change that necessitates a review to determine if the waiver should continue and MidAmerican will be required to file another waiver

request if it wants the waiver to continue for 2007. MidAmerican has offered no compelling reasons why a periodic or annual waiver is impractical. 199 IAC 1.3.

As it did in last year's order, the Board encourages MidAmerican to continue to educate customers about the benefits of energy efficiency programs that conserve energy throughout the year, not just at times of peak usage. MidAmerican, in its waiver request, confirmed that it had satisfied the Board's request and attached examples of its efforts in 2004.

IT IS THEREFORE ORDERED:

MidAmerican Energy Company is granted a waiver of 199 IAC 20.11 for the calendar years 2005 and 2006.

UTILITIES BOARD

/s/ John R. Norris

/s/ Diane Munns

ATTEST:

/s/ Sharon Mayer
Executive Secretary, Assistant to

/s/ Elliott Smith

Dated at Des Moines, Iowa, this 7th day of April, 2005.