

STATE OF IOWA
DEPARTMENT OF COMMERCE
UTILITIES BOARD

IN RE: MIDAMERICAN ENERGY COMPANY	DOCKET NO. RPU-94-3
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ORDER ALLOWING INCENTIVE GAS SUPPLY PROCUREMENT PLAN AWARD

(Issued April 26, 2005)

On March 1, 2005, MidAmerican Energy Company (MidAmerican) filed with the Utilities Board (Board) its six-month report of the results of the Incentive Gas Supply Procurement Plan (IGSPP). The filing was identified as Docket No. RPU-94-3. The six-month period included in the report is May 2004 through October 2004. Depending upon the results, MidAmerican may earn a share of certain gas supply cost savings, which would be reflected in the purchased gas adjustment factor from May 2005 through October 2005.

On March 18, 2005, the Consumer Advocate Division of the Department of Justice (Consumer Advocate) filed a conditional objection to allow additional time to review the report. On April 18, 2005, Consumer Advocate withdrew its objection.

The IGSPP was originally approved in 1995 and consisted of four primary components in which MidAmerican's actual gas supply costs were measured against market-based benchmarks. The components used were natural gas commodity costs, pipeline reservation costs, storage costs, and transportation costs. Since 1995, the Board has extended the IGSPP several times with the last extension continuing the plan until October 31, 2006.

The plan is designed to share savings from efficient gas purchasing practices between MidAmerican's shareholders and its ratepayers. To continue to earn a share of the savings, MidAmerican must keep negotiating more favorable rates in relation to a benchmark. Thus, the plan operates as an incentive for MidAmerican to continually improve its purchasing methods and practices.

The results filed by MidAmerican on March 1, 2005, show that costs were below the benchmark. Based upon these results, MidAmerican is entitled to a share of the savings, which will be reflected as an IGSP factor in the purchased gas adjustment factor from May 2005 through October 2005.

IT IS THEREFORE ORDERED:

MidAmerican Energy Company is allowed to add the IGSP factor from its March 1, 2005, filing to its purchased gas adjustment filings for May 2005 through October 2005.

UTILITIES BOARD

/s/ John R. Norris

/s/ Diane Munns

ATTEST:

/s/ Judi K. Cooper
Executive Secretary

/s/ Elliott Smith

Dated at Des Moines, Iowa, this 26th day of April, 2005.