

STATE OF IOWA
DEPARTMENT OF COMMERCE
UTILITIES BOARD

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

(Issued May 1, 2006)

On February 28, 2006, 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) for the period May 2005 through October 2005. The filing was identified as Docket No. RPU-94-3. The IGSPP is designed to allow MidAmerican to share in any savings in actual gas procurement costs that may occur during this period as compared to a benchmark cost amount. Under a settlement approved by the Board in November 2004, an annual cap was placed on cost sharing at \$1.5 million.

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 results filed by MidAmerican on February 28, 2006, show that although costs were below the benchmark, MidAmerican had already received the maximum

amount of sharing allowed on an annual basis. On October 28, 2005, the Board approved an award for the period November 2004 through April 2005 that exhausted the \$1.5 million annual cap. Since MidAmerican has already received the maximum annual shared savings allowed, it is not entitled to any additional sharing of savings under the IGSP. The filing made by MidAmerican on February 28, 2006, will be approved and MidAmerican will not receive any additional reward for the period May 2005 through October 2005.

IT IS THEREFORE ORDERED:

The filing made by MidAmerican Energy Company on February 28, 2006, is approved.

UTILITIES BOARD

/s/ John R. Norris

/s/ Diane Munns

ATTEST:

/s/ Judi K. Cooper
Executive Secretary

/s/ Curtis W. Stamp

Dated at Des Moines, Iowa, this 1st day of May, 2006.