

STATE OF IOWA
DEPARTMENT OF COMMERCE
UTILITIES BOARD

IN RE: IOWA JOINT UTILITY MANAGEMENT PROGRAM, INC.	DOCKET NO. SPU-04-1
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**ORDER GRANTING MOTION AND ESTABLISHING DATE FOR FILING
RESPONSES**

(Issued May 14, 2007)

On August 12, 2004, the Utilities Board (Board) issued an order approving a settlement agreement in Docket No. SPU-04-1, In re: Iowa Joint Utility Management Program, Inc. The settlement agreement expanded the existing small volume gas transportation pilot project to include state and local governmental entities and extended the project to August 31, 2007. In the August 12, 2004, order, the Board directed Interstate Power and Light Company (IPL) and MidAmerican Energy Company (MidAmerican) to file tariffs in compliance with draft tariffs attached to the settlement agreement. The order also required MidAmerican and IPL to file reports each year during the project and a final report at the end of the pilot. On September 1, 2004, the Board approved compliance tariffs for MidAmerican and IPL that implemented the pilot project for schools and governmental entities.

MidAmerican and IPL filed reports as directed in 2005 and 2006. In these annual reports the two companies provided the information required by the Board's August 12, 2004, order. On February 14, 2007, the Board issued an order

requesting additional information concerning the pilot project from the utilities and suppliers providing service under the pilot tariffs. Responses were filed by MidAmerican, IPL, Iowa Joint Utility Management Program, Inc. (IJUMP), Cornerstone Energy, Inc. (Cornerstone), the Consumer Advocate Division of the Department of Justice (Consumer Advocate), and U.S. Energy Services, Inc. (U.S. Energy.)

On March 26, 2007, Consumer Advocate filed supplemental comments. On April 11, 2007, IJUMP filed a supplemental response and a motion to delay the effective date of any tariff changes. IJUMP states that it needs to make decisions regarding pipeline capacity and supply for the next heating season and requests that the Board extend the pilot project tariffs from August 31, 2007, to April 30, 2008, without modification. IJUMP requests that any modifications to the pilot project tariffs not be effective until May 1, 2008. IJUMP requests the pilot tariffs be extended on a month-to-month basis thereafter until the Board reaches a decision in this docket. In addition, IJUMP requests that the Board indicate that the extension does not prejudice the position of any party regarding other matters in this docket, including a further extension or expansion of the pilot projects or future tariff changes and examinations. IJUMP requests that the extension not prohibit MidAmerican from making reconciliation and adjustments of administrative charges as provided in MidAmerican's pilot project tariff.

On April 13, 2007, the Board issued an order directing that answers to the IJUMP motion be filed on or before April 23, 2007. Consumer Advocate, MidAmerican, IPL, and Cornerstone filed responses to the motion. IPL indicated it had no comments regarding the motion. Consumer Advocate indicates that it has no objection to the granting of the motion.

Cornerstone agrees with IJUMP that decisions regarding natural gas supply and pipeline capacity are being made in the near term for the winter of 2007-2008 and not knowing if the Board will make changes in the service makes planning difficult. Cornerstone supports delaying the effective date of any decisions reducing the size or scope of the service until May 1, 2008. Any decisions to increase the size or scope of the service should be made after the parties have had an opportunity to discuss the issues at a workshop and file comments.

Cornerstone reiterates its support for expanding the scope of small volume transportation service to include non-government customers with the same size and load characteristics as the current customers. Cornerstone suggest that these customers are in the same rate class as customers taking service under the pilot project tariffs and it could be considered discriminatory not to allow them to participate in the service.

In its response to IJUMP's motion, MidAmerican states that it is only addressing the motion filed by IJUMP and not IJUMP's extensive supplemental comments or the supplemental comments filed by Consumer Advocate.

MidAmerican requests that it be given the opportunity to respond to those supplemental comments before a final decision is issued by the Board.

MidAmerican points out that the motion requests the Board delay the effective date of any changes to the pilot project until after April 30, 2008, not take a position on making small volume gas transportation service permanent, and allow MidAmerican to reconcile and adjust its administrative charge in its pilot tariff during any extension. MidAmerican states that it has no objection to an extension under those conditions. MidAmerican notes that in addition to reconciling and adjusting the administrative charge, the MidAmerican tariff will need to be modified to reflect a change in the termination date. MidAmerican assumes the other parties will not object to this revision to its tariff.

MidAmerican also suggests that the Board develop a coordinated permanent resolution of monthly-metered small volume gas transportation at least six months before the end of the extension. The Board should give the utilities, marketers, and pool operators at least six months to implement the permanent resolution. This lead-time is needed to procure the necessary supply and pipeline transportation resources to implement whatever service is approved to replace the pilot.

At the time IJUMP filed its motion, the Board had completed a substantial part of its analysis addressing the issues raised in this docket. The intent of the Board was to issue an order addressing the substantive issues as soon as possible to allow the parties sufficient time to respond to the Board's decision prior to the end of the

pilot project in August 2007. The motion does not change the Board's intention to issue an order addressing the substantive issues as soon as its review is complete, however, the motion is a reasonable request based upon the need for suppliers to make decisions in advance of the winter heating season.

It is still the Board's intent to issue an order by the end of summer so the parties can take whatever action is necessary based upon that decision by April 30, 2008. A decision by the Board regarding small volume gas transportation service will bring to a close the Board's consideration of whether to allow small volume customers, other than residential customers, the options to transport gas in an amount similar to large volume customers. The pilot project allowing schools and later governmental entities to take the service has been around for some time. The Board indicated in the order approving the settlement in this docket in 2004 that it would make a decision whether to require permanent tariffs at the end of the pilot project.

The Board will grant IJUMP's motion and establish a date for filing responses to the supplemental comments of IJUMP and Consumer Advocate. The responses should be limited to addressing the positions stated by IJUMP and Consumer Advocate in the supplemental responses. MidAmerican and IPL will be directed to file revised tariffs extending the pilot project to April 30, 2008, and MidAmerican may file revisions proposing to reconcile and adjust its administrative charge.

IT IS THEREFORE ORDERED:

1. The "Motion To Delay Effectiveness Of Possible Tariff Change" filed by Iowa Joint Utility Management Program, Inc., on April 11, 2007, is granted.
2. Responses to the Supplemental Comments filed by the Consumer Advocate Division of the Department of Justice and Iowa Joint Utility Management Program, Inc., will be filed on or before May 23, 2007.
3. MidAmerican Energy Company and Interstate Power and Light Company shall file revised tariffs sheets extending the pilot project to April 30, 2008.
4. MidAmerican Energy Company may file proposed revisions reconciling and adjusting the administrative charge in its pilot project tariffs.

UTILITIES BOARD

/s/ John R. Norris

/s/ Curtis W. Stamp

ATTEST:

/s/ Judi K. Cooper
Executive Secretary

/s/ Krista K. Tanner

Dated at Des Moines, Iowa, this 14th day of May, 2007.