

STATE OF IOWA
DEPARTMENT OF COMMERCE
UTILITIES BOARD

IN RE: MIDAMERICAN ENERGY COMPANY	DOCKET NO. EEP-03-1
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ORDER APPROVING ADDENDUM TO ENERGY EFFICIENCY PLAN

(Issued October 23, 2007)

On September 26, 2007, MidAmerican Energy Company (MidAmerican) filed with the Utilities Board (Board) a petition for approval of an addendum to its current energy efficiency plan, identified as Docket No. EEP-03-1. MidAmerican states that under the proposed addendum, non-residential customers who participate in certain energy efficiency programs and receive a rebate of \$5,000 or more will be required to continue to pay the energy efficiency cost recovery factor for natural gas even if they subsequently leave MidAmerican's gas system and become gas transportation customers; currently, those customers do not pay the energy efficiency cost recovery factor for natural gas once they leave the system and become gas transport customers. No objections to the proposed addendum were filed.

In support of the proposed addendum, MidAmerican said that it is aware that certain customers receive energy efficiency incentives, such as air conditioning rebates, but move out of MidAmerican's service territory before they pay what MidAmerican terms their "fair share" of energy efficiency cost recovery for those rebates. However, MidAmerican notes that in most of those circumstances the

energy efficiency device, such as the new air conditioner, remains at the location within MidAmerican's service territory and the benefits from the upgrade continue to accrue to the system. MidAmerican does not propose to change the cost recovery of such programs.

MidAmerican does want to change cost recovery for non-residential customers who purchase natural gas from MidAmerican. MidAmerican states that if one of these customers receives a large rebate for a gas energy efficiency program and thereafter switches to gas transportation, that customer no longer pays the energy efficiency cost recovery factor for natural gas, leaving other customers in the class with a higher cost recovery factor. Unlike the situation with the air conditioner, MidAmerican argues that system benefits of the significant gas energy efficiency upgrade are lost because the customer has left MidAmerican's gas system and become a transport customer. The proposed addendum would alert non-residential gas customers that if they participate in certain programs (Commercial New Construction, Nonresidential Equipment, Nonresidential Custom, Nonresidential Energy Analysis, and Efficiency Bid) and receive a rebate of \$5,000 or more, they will be required to continue to pay the energy efficiency cost recovery factor for natural gas even if they subsequently leave MidAmerican's gas system and become gas transport customers.

The Board will approve the proposed addendum. Non-residential customers who receive significant rebates but later switch to gas transport should be required to continue to pay the energy efficiency cost recovery factor for natural gas. When

those customers become transport customers, the direct benefits of their energy efficiency measures no longer benefit the remaining gas customers in their class, who nevertheless are currently required to make up the energy efficiency cost recovery differential. The proposed addendum puts these customers on notice that, in certain instances, they will be required to continue to pay the energy efficiency cost recovery factor for natural gas if they leave MidAmerican's system and become gas transport customers. The proposed addendum makes it more likely that these customers will pay what MidAmerican has termed their "fair share" of the cost of the rebates they received.

IT IS THEREFORE ORDERED:

1. The addendum to MidAmerican Energy Company's energy efficiency plan filed on September 26, 2007, is approved.
2. MidAmerican shall file compliance tariffs implementing the changes to its energy efficiency plan within 20 days of the date of this order.

UTILITIES BOARD

/s/ John R. Norris

/s/ Krista K. Tanner

ATTEST:

/s/ Judi K. Cooper
Executive Secretary

Dated at Des Moines, Iowa, this 23rd day of October, 2007.