

STATE OF IOWA  
DEPARTMENT OF COMMERCE  
UTILITIES BOARD

IN RE:  MIDAMERICAN ENERGY COMPANY	DOCKET NO. WRU-07-25-156
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**ORDER GRANTING REQUEST FOR WAIVER**

(Issued October 29, 2007)

On August 28, 2007, MidAmerican Energy Company (MidAmerican) filed with the Utilities Board (Board) a request for waiver of 199 IAC 20.6(2)"c," which requires that a meter testing program must include:

Testing of in-service meters, including any associated instruments or corrective devices, for accuracy, adjustments or repairs. This may be accomplished by periodic tests at specified intervals or on the basis of a statistical sampling plan, but shall include meters removed from service for any reason.

MidAmerican requested a waiver so that meters that are removed from service as part of the automated meter reading (AMR) system will not have be tested.

MidAmerican is also requesting a temporary waiver of the periodic and sample testing requirement for the duration of the AMR program.

In support of its request, MidAmerican states that over the next three years, over 560,000 non-transformer rated residential electric meters will be removed from service in Iowa and replaced with new meters. Furthermore, MidAmerican states that its request is limited to the testing of single phase, self-contained, non-demand

meters as well as network non-demand meters and that all remaining commercial, industrial, and transformer-rated residential electric meters would continue to be tested as they are removed from service. Also, MidAmerican states that meters routinely removed from service due to reasons other than the AMR program will continue to be tested.

MidAmerican argues that the cost of testing all the meters removed from service as part of the AMR program would substantially outweigh any benefits. MidAmerican states that 5 out of every 200 meters tested fall outside the acceptable ranges because they under-register, while only 1 of every 200 meter tests shows an over-registration that could potentially result in a refund to the customer. MidAmerican states these results have been consistent for the last five years.

Furthermore, MidAmerican argues that testing of all the meters removed for the AMR program would be unduly burdensome. It would increase the annual meter testing workload by over 750 percent, at an estimated testing cost of \$817,600. Instead, as a safeguard measure, MidAmerican proposes to hold all meters removed as part of the AMR program for a period of 120 days so that the meters will be available for testing in any instances where a customer may question whether there has been an over-registration. MidAmerican states that the 120-day holding period will allow the customer to contact MidAmerican and express concern about the meter, and will allow MidAmerican, once concern is expressed, to test the subject meter.

On September 14, 2007, the Consumer Advocate Division of the Department of Justice (Consumer Advocate) filed an answer, response, and conditional objection to the waiver request, saying it raises unique issues that require a reasonable amount of additional time for investigation.

On October 8, 2007, MidAmerican filed a reply in which it makes a revision to its request for waiver. MidAmerican says it will conduct random testing of the meters removed from service as part of the AMR program, in accordance with 199 IAC 20.6 and the company's meter testing program.

On October 9, 2007, Consumer Advocate filed a withdrawal of its conditional objection.

Based on the information provided by MidAmerican, the Board will grant MidAmerican's waiver of 199 IAC 20.6(2)"c" as modified by its filing of October 8, 2007. The Board believes the burdens of testing all the meters removed from service for the AMR program would substantially outweigh any benefits, and application of 199 IAC 20.6(2)"c" would be unduly burdensome. MidAmerican has shown the Board that its workload would be increased by 750 percent and MidAmerican's estimated cost would be increased with no cognizable benefit or detriment to its customers. In addition, MidAmerican has proposed reasonable safeguards to protect the customer if there is a dispute about over-registration, so the public interest in ensuring the accuracy of meters will be observed.

MidAmerican also requests a temporary waiver of the periodic and sample testing program for the duration of the program. In support of this request MidAmerican states that the objective of sample meter testing is to identify defective groups of meters and remove them from service. As a result of MidAmerican's AMR project, virtually all meters will be removed within a three-year period. Therefore, MidAmerican argues, there would be no benefit in continuing meter testing designed to identify defective groups of meters for removal when such meters will be removed from service anyway. Furthermore, MidAmerican states that periodic testing would be delayed for a period of up to two years, and because meter-testing intervals for the periodic meter-testing program are significantly longer than two years, the risk of failing to identify a metering error through such a testing delay is minimal.

Based on the information provided by MidAmerican, the Board finds that MidAmerican has met the waiver standards of 199 IAC 1.3 and the Board will therefore grant MidAmerican's waiver of 199 IAC 20.6(2)"c" and will waive the periodic and sample testing requirement beginning November 1, 2007, and terminating January 1, 2011. The Board does not believe that periodic testing during the AMR program will be useful considering that all meters will be removed within a three-year period. Furthermore, periodic testing will be delayed for up to two years, and meter testing intervals for the periodic meter testing program are significantly longer than two years, thus minimizing the risk of error.

**IT IS THEREFORE ORDERED:**

1. The request for waiver of 199 IAC 20.6(2)"c" filed by MidAmerican Energy Company on August 28, 2007, as modified by its filing of October 8, 2007, regarding the testing of meters removed from service as part of the automated meter reading project, is granted effective November 1, 2007, and terminating January 1, 2011, at which time MidAmerican must either file with the Board another request for waiver or resume testing all meters as they are removed from service for any reason in accordance with 199 IAC 20.6(2)"c."

2. The request for waiver of 199 IAC 20.6(2)"c" filed by MidAmerican Energy Company on August 28, 2007, regarding a waiver of the periodic and sample meter testing program for the duration of the automated meter reading project, is granted effective November 1, 2007, and terminating January 1, 2011, at which time MidAmerican must either file with the Board another request for waiver or resume its periodic and sample meter testing program.

**UTILITIES BOARD**

/s/ John R. Norris

/s/ Krista K. Tanner

ATTEST:

/s/ Judi K. Cooper  
Executive Secretary

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Dated at Des Moines, Iowa, this 29<sup>th</sup> day of October, 2007.