

STATE OF IOWA
DEPARTMENT OF COMMERCE
UTILITIES BOARD

IN RE: MIDAMERICAN ENERGY COMPANY	DOCKET NO. RPU-94-3
--	---------------------

**ORDER ALLOWING INCENTIVE GAS SUPPLY
PROCUREMENT PLAN AWARD**

(Issued October 31, 2007)

On September 21, 2007, 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 November 2006 through April 2007. 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 on December 18, 2006, the IGSPP has been extended through October 2010. Under the terms of the settlement, MidAmerican's sharing is limited by a declining cap through the end of the extension.

The IGSPP was originally approved in a "Final Decision and Order" issued May 19, 1995, and an "Order Granting Rehearing in Part and Denying Rehearing in Part" issued June 30, 1995. The plan, as originally approved, consisted of four primary components in which MidAmerican's actual gas supply costs were measured against market-based benchmarks. The benchmarks are natural gas commodity costs, pipeline reservation costs, storage costs, and transportation costs. The Board has extended the IGSPP, with certain modifications, several times including the latest extension through October 2010.

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 the benchmarks. The plan operates as an incentive for MidAmerican to continually improve its gas purchasing methods and practices. To earn an award, MidAmerican's actual cost must be 1/4 of 1 percent below the benchmark cost.

The results filed by MidAmerican on October 21, 2007, show that costs were below the benchmark cost and MidAmerican is entitled to retain a portion of those savings, calculated pursuant to the IGSPF formula. MidAmerican's share of the savings will be reflected as an IGSPF factor in the purchased gas adjustment factor from November 2007 through April 2008.

IT IS THEREFORE ORDERED:

MidAmerican Energy Company is allowed to add the IGSPF factor from its September 21, 2007, filing to its purchased gas adjustment filings for November 2007 through April 2008.

UTILITIES BOARD

/s/ John R. Norris

/s/ Krista K. Tanner

ATTEST:

/s/ Judi K. Cooper
Executive Secretary

Dated at Des Moines, Iowa, this 31st day of October, 2007.