

STATE OF IOWA  
DEPARTMENT OF COMMERCE  
UTILITIES BOARD

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IN RE:  MIDAMERICAN ENERGY COMPANY	DOCKET NO. WRU-08-7-156 (EEP-03-1)
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**ORDER GRANTING WAIVER**

(Issued April 4, 2008)

On March 3, 2008, MidAmerican Energy Company (MidAmerican) filed with the Utilities Board (Board) a request for waiver of 199 IAC 35.6(4)"a"(2) for calendar year 2008. This subrule provides that an energy efficiency plan modification must be filed in the event expenditures for a customer class vary from the budgeted amount by more than 10 percent. MidAmerican asks the subrule be waived for 2008 only for the situations when the spending for the residential and nonresidential classes exceeds the budgeted amount by more than 10 percent. Waiver of the rule would allow MidAmerican to exceed budgeted energy efficiency spending for the residential and nonresidential classes by more than 10 percent. No objections to the waiver request were filed.

In support of its request, MidAmerican states that for 2008, projected spending for all residential programs is expected to be about the same as in 2007, which was 37 percent above plan levels. MidAmerican expects increased spending in 2008 for residential load management, residential audit, and residential equipment to be offset by decreased spending for residential new construction. MidAmerican notes that

outside factors, such as the trend in energy prices and concerns about climate change and dependence on foreign energy, could impact energy efficiency participation levels.

On the nonresidential side, MidAmerican states that the equipment program remains popular and resulted in spending in 2007 that was \$1.4 million above plan levels, largely due to lighting and variable speed drive motor rebates. MidAmerican expects this spending trend to continue. MidAmerican also points out increased participation in nonresidential load management, but states it is difficult to predict if this will continue because decisions to participate are largely based on customer-specific data.

MidAmerican says it is not asking for a program modification now because participation levels in the residential programs are vulnerable to outside factors, such as mortgage interest rates and natural gas prices, and differing combinations of external influences may affect program participation differently. MidAmerican argues that spending waivers are valuable tools to manage unanticipated program successes because utilities can fulfill the expectations of their customers and create a positive impression for energy efficiency.

The Board will grant the waiver request. Energy efficiency programs offer customers an opportunity to reduce their energy bills. A waiver is appropriate to encourage MidAmerican to expend the needed funds without increasing the budget to a level where budgeted funds in future years will go unspent. In addition,

MidAmerican will be filing a new energy efficiency plan in April of this year and the resources of all parties should be focused on the new plan, not a modification of an older plan. Granting the waiver will accommodate the increased participation levels and will not prejudice the substantial legal rights of any person. Energy efficiency spending limits are not mandated by statute and granting the waiver will not adversely affect the public health, safety, or welfare.

**IT IS THEREFORE ORDERED:**

The request for waiver filed by MidAmerican Energy Company on March 3, 2008, is granted.

**UTILITIES BOARD**

/s/ John R. Norris

/s/ Krista K. Tanner

ATTEST:

/s/ Judi K. Cooper  
Executive Secretary

/s/ Darrell Hanson

Dated at Des Moines, Iowa, this 4<sup>th</sup> day of April, 2008.