

STATE OF IOWA
DEPARTMENT OF COMMERCE
UTILITIES BOARD

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

ORDER APPROVING INCENTIVE GAS SUPPLY PROCUREMENT PLAN FILING

(Issued April 23, 2008)

On February 29, 2008, 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 May 2007 through October 2007. The IGSPP is designed to allow MidAmerican to share in any savings or pay a penalty depending on a comparison of its gas procurement costs with market and Federal Energy Regulatory Commission (FERC) benchmarks. A comparison of actual gas procurement costs to the benchmark is required every six months. Any reward or penalty is then applied over the next same six-month period. For this filing, any reward or penalty will be applied from May 2008 through October 2008. The filing was identified as Docket No. RPU-94-3.

The IGSPP was originally approved in 1995 and consisted of four primary components in which MidAmerican's actual gas supply costs were measured against a market and FERC-based benchmark. The components are natural gas commodity costs, pipeline reservation costs, storage costs, and transportation costs. Since 1995, the Board has extended the IGSPP several times, with the last extension with

modifications continuing the plan until October 31, 2010. Under the current benchmark parameters, MidAmerican will receive an award if its actual gas procurement costs are $\frac{1}{4}$ of 1 percent under the benchmark and MidAmerican will pay a penalty if its gas procurement costs are more than 1.25 percent above the benchmark.

The results filed by MidAmerican on February 29, 2008, show that the gas procurement costs for the period May 2007 through October 2007 were greater than the benchmark. However, MidAmerican's gas procurement costs were within the zone where no penalty is assessed. The costs in this filing are less than 1.25 percent over the benchmark so MidAmerican will not be assessed a penalty. The Board will approve the filing without a penalty.

IT IS THEREFORE ORDERED:

The filing made by MidAmerican Energy Company on February 29, 2008, is approved.

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 23rd day of April, 2008.