

STATE OF IOWA  
DEPARTMENT OF COMMERCE  
UTILITIES BOARD

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IN RE:  MIDAMERICAN ENERGY COMPANY	DOCKET NO. TF-08-50
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**ORDER APPROVING TARIFF AND  
REQUIRING ADDITIONAL INFORMATION**

(Issued April 29, 2008)

On March 31, 2008, MidAmerican Energy Company (MidAmerican) filed with the Utilities Board (Board) revised tariff sheets, identified as TF-08-50, for Rider No. 13, Interruptible Load Replacement Energy Service. The proposed revisions extend the option of supplying load through Mid-Continent Area Power Pool (MAPP) approved utility self-generation through April 30, 2009. This option allows a retail customer to take interruptible service with the option to "buy through" at market rates during curtailment periods, if feasible. This tariff option is closed to new customers and one customer currently utilizes the tariff rider.

On April 18, 2008, MidAmerican provided additional information in support of its proposed tariff. No objections to the proposed tariff were filed.

The Board first approved the tariff rider allowing the option of supplying load through MAPP-approved utility self-generation in an order issued June 29, 2006, in Docket No. TF-06-196. In the extension of the rider issued last year in Docket

No. TF-07-73, the Board said that MidAmerican should consider a permanent tariff change if it wanted to extend the tariff rider beyond April 30, 2008.

The proposed tariff extends the tariff through April 30, 2009. In support of the extension, MidAmerican said the existing customer utilizes the rider to meet its production requirements. MidAmerican did not believe eliminating the rider was a viable option because the customer installed special equipment that allows MidAmerican to curtail the customer's service within ten minutes in order to meet MAPP requirements; the customer used this service during the 2007 curtailment season. However, MidAmerican said it did not want to expand the service to other customers because of the large investment required by MAPP to utilize this product and the uncertainty of future requirements by reliability or market organizations that MidAmerican might join. In other words, MidAmerican does not want to expose other customers to the risk that they would invest in special equipment for this program only to have it terminated.

The Board will approve the tariff. The tariff allows the customer the flexibility needed for it to remain an interruptible customer. The buy-through option enables the customer to take advantage of the interruptible program but receive continued service by buying through at market prices if its operations warrant and if capacity is available from someone other than MidAmerican. More importantly, MidAmerican has the ability to interrupt this customer within ten minutes. This allows MidAmerican (and its other customers) to receive value from the customer's interruptible status. If

MidAmerican interrupts the customer, MidAmerican does not have to have expensive capacity available to serve the customer; if the customer exercises the buy-through option, the customer makes the purchase from someone other than MidAmerican. In the event of a system emergency, the customer can be completely taken off the system in ten minutes.

The Board will not require that the tariff change be made permanent at this time. Because of uncertainty over future requirements of reliability or market organizations that MidAmerican might join, the Board does not want to encourage the addition of expensive equipment by customers to meet the MAPP requirements, only to find soon thereafter that the requirements have changed.

However, the Board will require MidAmerican to provide additional information on whether this tariff change should be made permanent and the tariff opened to other customers. MidAmerican will be required to file within 60 days of the date of this order a complete analysis of the reasons it does not want to make the change permanent, including an estimate of costs of the equipment a typical or likely customer would need to install to qualify for the tariff. MidAmerican is also to provide in its analysis an estimate of any costs, including equipment or system upgrade costs, that MidAmerican would incur if additional customers utilized this tariff.

**IT IS THEREFORE ORDERED:**

1. Tariff filing TF-08-50 is approved, effective through April 30, 2009, subject to complaint or investigation.

2. MidAmerican shall file the additional information referenced in this order within 60 days of the date of this order.

**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 29<sup>th</sup> day of April, 2008.