

STATE OF IOWA
DEPARTMENT OF COMMERCE
UTILITIES BOARD

IN RE: MIDAMERICAN ENERGY COMPANY	DOCKET NO. TF-08-149
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**ORDER APPROVING FLOOD-RELATED
NATURAL GAS LINE EXTENSION TARIFF**

(Issued September 22, 2008)

On September 11, 2008, MidAmerican Energy Company (MidAmerican) filed a proposed tariff with the Utilities Board (Board) that would allow persons and businesses in downtown Cedar Rapids, Iowa, to pool estimated base revenues to offset the cost of construction of gas line extensions. The proposed tariff would only apply to a certain prescribed area in downtown Cedar Rapids affected by the 2008 flood. MidAmerican states that the downtown steam system, owned and operated by Interstate Power and Light Company (IPL) and used as the primary heat source in downtown buildings, may not be able to provide service this coming winter because of flood damage and that some of these customers have contacted MidAmerican requesting natural gas service.

MidAmerican currently provides limited gas service to the downtown area and under the existing extension tariff each customer would be required to pay for an extension with an offset for an estimated five years of base revenues for that customer. The proposed pool arrangement would allow all customers in the pool to combine their estimated five years of base revenues to offset the cost of construction. Each customer would be required to agree to take the gas service for five years and,

if the combined base revenues did not cover the costs of the extensions, each customer would pay a prorated advance for construction and receive a prorated refund if additional customers attached later. These provisions are generally intended to make it less burdensome for customers affected by the flood to change to natural gas heating.

MidAmerican states that it has discussed the proposed tariff with the Consumer Advocate Division of the Department of Justice (Consumer Advocate) and IPL and neither objected to the proposed tariff. MidAmerican requests that the tariff be approved in less than 30 days to ensure construction is completed prior to the winter heating season and has committed to filing a report on the results of the pool arrangement.

The Board has worked with both MidAmerican and IPL to provide relief to those customers of each company affected by the extreme weather and flooding that occurred earlier this year. The Board has previously approved waivers of tariff provisions and Board rules regarding bill payments, refusal or disconnection of service, and meter testing. The Board considers MidAmerican's proposed tariff another effort on the part of Iowa utilities to provide some relief to those affected by the extreme weather and in this case provide an additional option to those persons and businesses affected by the flooding in downtown Cedar Rapids.

The proposed tariff is designed to allow MidAmerican to aggregate the cost of construction of natural gas lines to those customers in downtown Cedar Rapids in the designated area that wish to switch to natural gas as a heating source and to offset those costs by the aggregated base revenues calculation. The goal is that the

aggregated base revenues calculation for pooled customers will either cover the cost of construction or significantly reduce the cost to each customer desiring to receive natural gas service. The pooling of the costs and estimated base revenues should make gas service more affordable and will give customers another option for a source of heat before this coming winter.

IPL and Consumer Advocate have indicated they do not have an objection to the proposed tariff, so the Board will allow it to become effective as proposed. However, the Board will allow any other interested persons the opportunity to file an objection within the 20 days allowed by subrule 199 IAC 26.5(3), and any such objections will be considered as if the tariff were not yet effective.

IT IS THEREFORE ORDERED:

1. The proposed 2008 Flood-Related Areas tariff filed by MidAmerican Energy Company on September 11, 2008, and identified as TF-08-149, is approved effective September 24, 2008.
2. Objections to the 2008 Flood-Related Areas tariff may be filed on or before October 1, 2008.

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 22nd day of September, 2008.