

STATE OF IOWA  
DEPARTMENT OF COMMERCE  
UTILITIES BOARD

IN RE:  MIDAMERICAN ENERGY COMPANY	DOCKET NO. TF-08-169 (TF-07-220) (SPU-04-1)
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**ORDER APPROVING SMALL VOLUME  
GAS TRANSPORTATION COMPLIANCE TARIFF (AS REVISED)**

(Issued November 24, 2008)

On June 24, 2008, the Utilities Board (Board) issued an order in Docket No. TF-07-220 rejecting a proposed permanent small volume gas transportation compliance tariff filed by MidAmerican Energy Company (MidAmerican) and directing MidAmerican to file revised compliance tariff sheets consistent with the order on or before July 24, 2008. On July 14, 2008, MidAmerican filed a request for clarification of the June 24, 2008, order or, in the alternative, a request for rehearing and a request for stay. On September 16, 2008, the Board issued an order clarifying the June 24, 2008, order and denying modification or rehearing.

On October 16, 2008, MidAmerican filed a proposed revised permanent small volume gas transportation tariff to comply with the September 16, 2008, order. The revised compliance tariff was identified as TF-08-169 and has an effective date of December 1, 2008. On October 28, 2008, Cornerstone Energy, LLC, d/b/a Constellation NewEnergy-Gas Division, filed a pleading supporting the revised compliance tariff.

The proposed tariff implements a permanent small volume gas transportation service for MidAmerican customers that qualify for the service. MidAmerican calls the service a "Monthly Metered Transportation Service" and the service is available to customers whose usage does not exceed 2,000 therms per day. To use the service, a customer must purchase natural gas that is transported by an interstate pipeline on a firm basis and must otherwise comply with MidAmerican's administrative requirements for service.

The Board has initially capped the service at 2,500 customers to reduce the risk of capacity problems on MidAmerican's system. Enrollment in the service will be phased in by MidAmerican at 450 customers a month beginning on December 1, 2008, and ending in April 2009 in conjunction with the expiration of the small volume gas transportation Pilot Program. The switching fee proposed in the revised compliance tariff is waived for current Pilot Program customers who move to the new permanent service during this period.

The proposed permanent tariff complies with the June 24, 2008, order as clarified by the September 16, 2008, order. The proposed provisions are in substantial compliance with the Board's decisions concerning (1) the minimum term of service and the ability to switch service and pool operators, (2) metering, nominations, and forecasting, (3) daily balancing and monthly cashout, and (4) capacity release and alternative capacity release mechanisms. The fees and

charges in the proposed tariff are consistent with the Board's June 24, 2008, order as clarified in the September 16, 2008, order.

The Board will approve the revised permanent small volume gas transportation service tariff filed on October 16, 2008. Implementation of this permanent service brings to an end the extended proceedings associated with the small volume gas transportation Pilot Program and the attempt to develop a permanent small volume gas transportation service. This service is now available to all eligible small volume gas transportation customers on MidAmerican's system, in addition to the schools and governmental entities that were eligible for the Pilot Program.

In the June 24, 2008, order the Board directed MidAmerican to file certain information annually concerning the permanent service. The approved tariffs also have rates that are to be reviewed and adjusted annually. Rather than have the annual rate adjustment and other filings made on the anniversary of the effective date of the tariff, MidAmerican has agreed that the annual filings should be made on July 1 of the years subsequent to the approval of the tariff. The first of the annual filings will be due on July 1, 2009.

**IT IS THEREFORE ORDERED:**

1. The revised permanent small volume gas transportation service tariff filed by MidAmerican Energy Company on October 16, 2008, identified as TF-08-169, is approved effective December 1, 2008.

2. The annual rate updates and filings associated with the Monthly Metered Transportation Service shall be made on July 1 of each succeeding year after December 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 24<sup>th</sup> day of November, 2008.