

STATE OF IOWA  
DEPARTMENT OF COMMERCE  
UTILITIES BOARD

---

IN RE:  MIDAMERICAN ENERGY COMPANY	DOCKET NO. PGA-08-40
--	----------------------

---

**ORDER APPROVING ANNUAL PURCHASED GAS RECONCILIATION**

(Issued December 1, 2008)

On September 30, 2008, MidAmerican Energy Company (MidAmerican) filed with the Utilities Board (Board) its annual reconciliation of purchased gas costs for the 12-month period ending August 31, 2008, in accordance with 199 IAC 19.10(7). On October 13, 2008, the Consumer Advocate Division of the Department of Justice (Consumer Advocate) filed a conditional objection to the filing. Consumer Advocate indicated that it needed additional time to complete its review of MidAmerican's filing.

On October 22, 2008, the Board issued an order docketing the reconciliation filing for further review. On November 24, 2008, Consumer Advocate filed a pleading withdrawing its conditional objection. Consumer Advocate stated that it had completed its review and had no issues requiring further action by the Board.

Each year on or before October 1, rate regulated natural gas utilities are required to reconcile the actual net invoiced cost of purchased gas for each customer class to the actual revenue collected, net of the prior year's reconciliation dollars plus any undistributed refunds. Paragraphs 19.10(7)"c" and "d" provide the method for refunding any overcollection or recovering any undercollection.

The reconciliation shows that MidAmerican overcollected \$6,996,049 from the SVF/MVF classes. Since the overcollection does not exceed 3 percent of MidAmerican's annual cost of purchased gas subject to recovery, the refunds will be made through an E factor included in the monthly purchased gas adjustment (PGA) factor. On November 26, 2008, MidAmerican filed a revised E factor to reflect that the overcollection will be refunded through the PGA factor beginning with the December 2008 billing cycle. The E factor for the SVF/MVF classes is \$(0.01321) per therm. The annual reconciliation calculation appears to comply with the Board's rules and the Board will approve the annual reconciliation filing.

**IT IS THEREFORE ORDERED:**

The annual purchased gas adjustment reconciliation filed by MidAmerican Energy Company on September 30, 2008, as revised, is approved, subject to complaint and investigation.

**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 1<sup>st</sup> day of December, 2008.