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September 3, 2004

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Ms. Pamela Bonrud
 Executive Director
 South Dakota Public Utilities Commission
 500 East Capital
 Pierre, SD 57501

**SOUTH DAKOTA PUBLIC
 UTILITIES COMMISSION**

Subject: **Confidential Filing**
 Request to Withdraw IGSPF Six-month Report for November 2003
 through April 2004 and Replace with Revised Report

Docket No.: NG02-007

Dear Ms. Bonrud:

On about August 31, 2004, MidAmerican Energy Company ("MidAmerican") filed with the Commission its six-month Incentive Gas Supply Procurement Plan ("IGSPF") filing reflecting results for the period of November 2003 through April 2004 ("August 31 Filing"). The August 31 filing contains the IGSPF factor proposed to be included in the monthly Purchased Gas Adjustment calculation for the months of November 2004 through April 2005 and follows calculation methods adopted by the Commission in its Final Decision and Order approving the IGSPF issued in Docket No. NG02-007 on October 28, 2002.

The monthly factor shown at Page 1, Line 33 reflects proposed interstate pipeline transportation rates filed by Northern Natural Gas Company ("Northern") and currently being collected subject to refund. As a result of the use of **interim** rates in the IGSPF calculation, the shareholder portion of savings under the IGSPF program shown on Page 1, Line 31 is more than twice as large as the same factor approved for the November 2003 through April 2004 period. The reason for this increase is because the interim rates alter the reference rate used by the IGSPF program to measure cost savings.

MidAmerican expects final Northern rates to be lower than the proposed rates used in the August 31 filing. Final lower Northern rates will reduce the shareholder portion of savings. In order to minimize potential refunds from changes in the factor caused by different final Northern rates, MidAmerican respectfully requests permission to withdraw the August 31 filing and replace it with the attached IGSPF filing that reflects estimated final Northern rates. This filing approach will minimize the need for a subsequent refund or recovery. The attached Revised Exhibit 1 IGSPF Schedules are calculated to include a reference price based on MidAmerican's estimate of Northern's final rates in Docket Nos. RP03-398-000 and RP04-155-000.

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With the first six-month IGSPF factor filing after Northern's rates become final MidAmerican will include a true-up of the IGSPF factor that reflects the difference between the estimated and final Northern rates. If the amount of the award to be returned/recovered based on this difference is significant, MidAmerican would propose to collect the amount over the next like period (November-April). If the amount is not significant, MidAmerican would propose to make the adjustment with the next IGSPF factor revision. MidAmerican will consult with the Commission and its Staff for direction before making this determination.

If the amount to be returned/recovered is not determinable before the current IGSPF program expires, any amount to be returned/recovered as a result of implementation of final Northern rates will be included as an adjustment to the PGA.

MidAmerican requests this filing be accorded confidential treatment in accordance with South Dakota Public Utilities Commission Rules 20:10:01:39 through 10:10:01:42.

In accordance with Rule 20:10:01:41, the following information is provided:

- (1) Description of information: Six-month IGSPF filing November 2003-April 2004
- (2) Length of time: Twenty (20) years
- (3) Identification of contact person: Dick Augustine, Sioux City, Iowa (712) 277-7526
- (4) and (5) Statutory and factual grounds for confidential treatment: The IGSPF filing consists of Summary Schedules, Reference Prices, Actual Gas Costs and other gas and interstate pipeline transportation information provided for the six-month period. The filing includes trade secrets, which are of significant commercial value to MidAmerican, its customers and its competitors. The open access of this information to the general public and specifically to other gas suppliers, pipelines, brokers and customers with fuel switching alternatives, including transportation, could result in increased costs to MidAmerican and its customers when it contracts for gas supplies and gas transportation services.

MidAmerican has expended considerable effort to negotiate the terms set forth in the IGSPF filing. If the information in this filing was subject to public disclosure, an unfair advantage would result to MidAmerican's competitors and its transportation and potential transportation customers and others who would not have to exhaust the same resources as was necessary for MidAmerican.

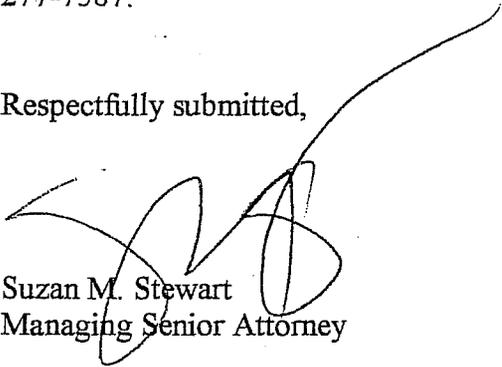
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In the present natural gas industry, such an unfair advantage could give gas purchasers with access to the price information a competitive edge. Such an advantage would work to the detriment of a competitive market and thus seriously impede the potential benefits derived from the Incentive Gas Supply Procurement Plan. Moreover, MidAmerican's core customers, the potential beneficiaries of the IGSP, would not realize the potential benefits of the IGSP. If revealed, it could seriously impact Company's ability to compete and negotiate favorable gas purchases. It is therefore confidential and a trade secret as recognized by SDCL 37-29-1(4).

Enclosed are the original and three copies of this Revised Filing plus an additional copy to be file stamped and returned in the stamped envelope. Also enclosed is one copy of the Confidential workpapers for your reference. If the Commission approves MidAmerican's request to withdraw its August 31 filing, MidAmerican would ask that filing be returned as well.

If you have any questions regarding this filing, please contact the undersigned at (712) 277-7587.

Respectfully submitted,



Suzan M. Stewart
Managing Senior Attorney

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Summary
Impact of NNG Rate Case

Change in Reference

<u>Month/Yr</u>	<u>Reference Filing</u>	<u>New Reference based on 10/31/03 increased by 13.25%</u>	<u>Reduction in Reference</u>
Nov-03	\$ 8,444,486	\$ 7,487,807	\$ 956,680
Dec-03	\$ 8,444,486	\$ 7,487,807	\$ 956,680
Jan-04	\$ 8,440,807	\$ 7,484,127	\$ 956,680
Feb-04	\$ 8,440,807	\$ 7,484,127	\$ 956,680
Mar-04	\$ 8,440,807	\$ 7,484,127	\$ 956,680
Apr-04	\$ 3,254,222	\$ 2,922,588	\$ 331,634
Total	\$ 45,465,614	\$ 40,350,582	\$ 5,115,032

Change in Actuals

<u>Month/Yr</u>	<u>Actual Filing</u>	<u>Actuals Adj for 13.25% on Max Rate Contracts</u>	<u>Reduction in Actuals</u>
Nov-03	\$ 4,204,263	\$ 4,132,172	\$ 72,091
Dec-03	\$ 4,204,263	\$ 4,132,172	\$ 72,091
Jan-04	\$ 4,200,984	\$ 4,128,893	\$ 72,091
Feb-04	\$ 4,200,984	\$ 4,128,893	\$ 72,091
Mar-04	\$ 4,200,984	\$ 4,128,893	\$ 72,091
Apr-04	\$ 1,797,095	\$ 1,762,231	\$ 34,864
Total	\$ 22,808,572	\$ 22,413,253	\$ 395,319

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R A T E S C H E D U L E T F

RESERVATION RATES	MARKET-TO-MARKET			FIELD-TO-FIELD/MARKET DEMARCATION	
	TF12 Base	TF12 Variable	TF5	TFF	
Base Tariff Rates 1/					
Summer (Apr-Oct)	4.563	4.563	-0-	4.474	
Winter (Nov-Mar)	8.214	11.134	12.168	8.055	
=====					
SBA Surcharge	0.131	0.131	0.131	0.000	
=====					
Stranded Acct. 858 Surcharges					
Stranded 858 Surcharge 2/	0.000	0.000	0.000	0.000	
=====					
COMMODITY RATES 3/ TF12 Base, TF12 Var., TF5 & TFF		Market Area 4/		Field Mileage 6/ Rate per 100 miles	Carlton Surcharge 5/
Receipt Point	Delivery Point	Maximum	Minimum	Maximum	Minimum
Market	Market	0.0271	0.0211		
Field	Market	0.0271	0.0211	0.009	0.004
Market	Field			0.009	0.004
Field	Field			0.009	0.004

- 1/ Base tariff rates exclude GRI Demand Fee of \$0.050 for high-load factor shippers and \$0.0310 for low-load factor shippers; minimum reservation rate is equal to zero.
- 2/ Applies to firm Part 284 shippers as stipulated in Sheet Nos. 245.
- 3/ The applicable Mileage Indicator Districts (MIDs) billing rate will be added to the TF rates for volumes received in the Field Area, or received in the Market Area and delivered to the Field Area. The MIDs rates shown on Sheet Nos. 59-60 represent the total maximum Field Area throughput commodity rates for any transaction involving MIDs.
- 4/ Maximum and Minimum rates include ACA of \$0.0021 and Market Area Electric Compression Surcharge of \$0.000 where applicable. GRI fee of \$0.0040 is excluded.
- 5/ Applicable to Market Area shippers as provided for in the Carlton Settlement filed in Docket No. RP96-347 dated October 28, 1996.
- 6/ Surcharges including Field Area Electric Compression Surcharge of \$0.0000 and ACA not applied on mileage basis; added to maximum rates after mileage has been considered where applicable.

R A T E S C H E D U L E S T F X a n d L F T 9/

RESERVATION RATES	MARKET-TO-MARKET		FIELD-TO-FIELD	
	Apr-Oct	Nov-Mar	Apr-Oct	Nov-Mar
Base Tariff Rates 1/	\$4.563	\$12.168	\$4.474	\$8.055
SBA Surcharge	0.131	0.131	0.000	0.000
Stranded Acct. 858 Surcharges				
Stranded 858 Surcharge 2/	0.000	0.000	0.000	0.0000

COMMODITY RATES 3/ TFX and LFT		Market Area 4/		Field Mileage 7/ Rate per 100 miles		Carlton Surcharge 6/	
Receipt Point	Delivery Point	Maximum	Minimum	Maximum	Minimum	Maximum	Minimum
Market	Market	0.0271	0.0211			0.0175	0.0000
Field	Market	0.0271	0.0211	0.009	0.004	0.0175	0.0000
Market	Field			0.009	0.004		
Field	Field			0.009	0.004		

GULF COAST	Reservation 1/ 5/		Commodity 8/	
	Maximum	Minimum	Maximum	Minimum
Matagorda Offshore Pipeline	2.2190	0.0000	0.0083	0.0022
Tivoli - Downstream	0.5860	0.0000	0.0078	0.0022
Seagull Line	0.4822	0.0000	0.0032	0.0022
Other Gulf Coast	4.1347	0.0000	0.0040	0.0022

- 1/ Base tariff rates exclude GRI Demand Fee of \$0.050 for high-load factor shippers and \$0.0310 for low-load factor shippers; minimum reservation rate is equal to zero.
- 2/ Applies to firm Part 284 shippers as stipulated in Sheet Nos. 245.
- 3/ The applicable Mileage Indicator Districts (MIDs) billing rate will be added to the TF rates for volumes received in the Field Area, or received in the Market Area and delivered to the Field Area. The MIDs rates shown on Sheet Nos. 59-60 represent the total maximum Field Area throughput commodity rates for any transaction involving MIDs.
- 4/ Maximum and Minimum rates include ACA of \$0.0021 and Market Area Electric Compression Surcharge of \$0.0000 where applicable. GRI fee of \$0.0040 is excluded.
- 5/ The Stranded Surcharges will be billed if applicable.
- 6/ Applicable to Market Area shippers as provided for in the Carlton Settlement filed in Docket No. RP96-347 dated October 28, 1996.
- 7/ Surcharges including Field Area Electric Compression Surcharge of \$0.0000 and ACA not applied on mileage basis; added to maximum rates after mileage has been considered where applicable.
- 8/ Maximum and Minimum rates include ACA of \$0.0021. GRI fee of \$0.0040 is excluded.
- 9/ LFT Service is available year round in the Field Area and during the months of April through October in the Market Area.

South Dakota Public Utilities Commission
WEEKLY FILINGS
For the Period of September 2, 2004 through September 8, 2004

If you need a complete copy of a filing faxed, overnight expressed, or mailed to you, please contact Delaine Kolbo within five business days of this report. Phone: 605-773-3201

NATURAL GAS

NG04-010 **In the Matter of the Request of MidAmerican Energy Company to Withdraw its IGSP Six Month Filing for November 2003 through April 2004 and Replace with Revised Report.**

Application by MidAmerican Energy Company to revise the calculation of actual costs in the November 2003 through April 2004 Incentive Gas Supply Procurement Program. MidAmerican proposes to utilize estimated final interstate pipeline rates for Northern Natural Gas Company in place of actual interim rates now in effect in an effort to more accurately reflect costs that will result from Northern's current rate case proceeding before the FERC.

Staff Attorney: Dave Jacobson
Staff Analyst: Karen Cremer
Date Filed: 09/08/04
Intervention Deadline: 09/24/04

TELECOMMUNICATIONS

TC04-192 **In the Matter of the Filing for Approval of an Adoption Agreement between Qwest Corporation and Southwestern Bell Communications Services, Inc. d/b/a SBC Long Distance.**

On September 2, 2004, the Commission received a Filing for Approval of an Adoption Agreement between Qwest Corporation and Southwestern Bell Communications Services, Inc. d/b/a SBC Long Distance (Southwestern). According to the parties, Southwestern has chosen "to adopt, in its entirety, the terms and conditions of Qwest Corporation's Statement of Generally Accepted Terms (SGAT) and Associated Exhibits for the State of South Dakota." Any party wishing to comment on the Agreement may do so by filing written comments with the Commission and the parties to the Agreement no later than September 22, 2004. Parties to the Agreement may file written responses to the comments no later than twenty days after the service of the initial comments.

Staff Attorney: Rolayne Ailts Wiest
Date Filed: 09/02/04
Initial Comments Due: 09/22/04

TC04-193 **In the Matter of the Filing for Approval of an Adoption Agreement between Qwest Corporation and Talk America Inc.**

On September 2, 2004, the Commission received a Filing for Approval of an Adoption Agreement between Qwest Corporation and Talk America Inc. (Talk America). According to the parties, Talk America has chosen "to adopt, in its entirety, the terms and conditions of Qwest Corporation's

Statement of Generally Accepted Terms (SGAT) and Associated Exhibits for the State of South Dakota." Any party wishing to comment on the Agreement may do so by filing written comments with the Commission and the parties to the Agreement no later than September 22, 2004. Parties to the Agreement may file written responses to the comments no later than twenty days after the service of the initial comments.

Staff Attorney: Rolayne Ailts Wiest
Date Filed: 09/02/04
Initial Comments Due: 09/22/04

TC04-194 In the Matter of the Request of Dickey Rural Telephone Cooperative for Certification Regarding its Use of Federal Universal Service Support.

On September 7, 2004, Dickey Rural Telephone Cooperative (Dickey Rural) provided information constituting Dickey Rural's plan for the use of its federal universal service support and to otherwise verify that Dickey Rural will use all federal universal service support received in a manner that is consistent with the federal universal service provisions of 47 U.S.C. Section 254.

Staff Analyst: Harlan Best
Staff Attorney: Karen E. Cremer
Date Filed: 09/07/04
Intervention Deadline: 09/17/04

TC04-195 In the Matter of the Request of Dickey Rural Communications, Inc. for Certification Regarding its Use of Federal Universal Service Support.

On September 7, 2004, Dickey Rural Communications, Inc. (Dickey Rural) provided information constituting Dickey Rural's plan for the use of its federal universal service support and to otherwise verify that Dickey Rural will use all federal universal service support received in a manner that is consistent with the federal universal service provisions of 47 U.S.C. Section 254.

Staff Analyst: Harlan Best
Staff Attorney: Karen E. Cremer
Date Filed: 09/07/04
Intervention Deadline: 09/17/04

TC04-196 In the Matter of the Filing for Approval of a Reciprocal Interconnection, Transport and Termination Agreement between WWC License LLC and Sioux Valley Telephone Company.

On September 8, 2004, the Commission received a Filing for Approval of a Reciprocal Interconnection, Transport and Termination Agreement between Sioux Valley Telephone Company and WWC License LLC. According to the parties, the "Agreement sets forth the terms, conditions and prices under which (a) the Parties agree to directly interconnect the networks of the CMRS Provider and the Telephone Company for the purposes of the exchange of telecommunications traffic between the Parties' networks or (b) the Parties will transport and terminate the telecommunications traffic originated by the other Party and delivered via the network of a Third Party Provider." Any party wishing to comment on the Agreement may do so by filing written comments with the Commission and the parties to the Agreement no later than September 28, 2004. Parties to the Agreement may file written responses to the comments no later than twenty days after the service of the initial comments.

Staff Attorney: Rolayne Ailts Wiest
Date Filed: 09/08/04
Initial Comments Due: 09/28/04

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**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA**

IN THE MATTER OF THE REQUEST OF) MIDAMERICAN ENERGY COMPANY TO) WITHDRAW ITS IGSPP SIX MONTH FILING) FOR NOVEMBER 2003 THROUGH APRIL 2004) AND REPLACE WITH REVISED REPORT)	ORDER APPROVING) WITHDRAWAL OF IGSPP) REPORT AND REPLACING) WITH REVISED REPORT) NG04-010
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On September 8, 2004, the Commission received an application by MidAmerican Energy Company (MidAmerican) requesting that it be permitted to withdraw its IGSPP report for November 2003 through April 2004 and replace it with a revised report. MidAmerican proposes to utilize estimated final interstate pipeline rates for Northern Natural Gas Company in place of actual interim rates now in effect in an effort to more accurately reflect costs that will result from Northern's current rate case proceeding before the FERC.

On September 9, 2004, the Commission electronically transmitted notice of the filing and the intervention deadline of September 24, 2004, to interested individuals and entities. No parties sought formal intervention.

On October 12, 2004, at a regularly scheduled meeting, the Commission considered whether to approve the withdrawal and replacement of the IGSPP report. Commission Staff recommended approval. The Commission voted unanimously to approve the filing.

The Commission has jurisdiction over this matter pursuant to SDCL Chapter 49-34A, specifically 49-34A-4, 49-34A-6, 49-34A-8, 49-34A-10, 49-34A-11, 49-34A-12, 49-34A-13, 49-34A-19, 49-34A-19.2 and 49-34A-21.

It is therefore

ORDERED, that MidAmerican shall be permitted to withdraw its IGSPP report for November 2003 through April 2004 and replace it with a revised report.

Dated at Pierre, South Dakota, this 26th day of October, 2004.

<p>CERTIFICATE OF SERVICE</p> <p>The undersigned hereby certifies that this document has been served today upon all parties of record in this docket, as listed on the docket service list, by facsimile or by first class mail, in properly addressed envelopes, with charges prepaid thereon.</p> <p>By: <u><i>Alfredo Kaelbo</i></u></p> <p>Date: <u>10/27/04</u></p> <p align="center">(OFFICIAL SEAL)</p>

BY ORDER OF THE COMMISSION:

Robert K. Sahr
ROBERT K. SAHR, Chairman

Gary Hanson
GARY HANSON, Commissioner

James A. Burg
JAMES A. BURG, Commissioner