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April 21, 2010

Filed by E-Filing

Ms. Patricia Van Gerpen Executive Director South Dakota Public Utilities Commission 500 East Capitol Avenue Pierre, South Dakota 57501-5070

> Re: Docket Nos. CN09-001, CN10-001, and CN10-002 <u>MidAmerican Energy Company's Supplemental Response to Commissioner</u> <u>Kolbeck's Question at the April 6, 2010 Commission Meeting.</u>

Dear Ms. Van Gerpen:

At its regularly scheduled meeting on April 6, 2010, the South Dakota Public Utilities Commission (Commission) considered the Motions to Dismiss in Docket Nos. CN09-001, CN10-001, and CN10-002. During the meeting, Commissioner Kolbeck asked MidAmerican Energy Company (MidAmerican), how many customers did not meet the threshold for backbilling and as a result would not be held liable for the charges? MidAmerican indicated that it did not have the numbers available at that time. MidAmerican has completed its audit of the American 425 meters, except for one field audit due to lack of access to the meter. MidAmerican has the following to report:

MidAmerican began auditing all 1,966 of its American 425 meters in South Dakota on February 23, 2010. Of the 1,966 meters, it was found that 21 had drive rate errors. Of those 21 customers, 20 were back-billed because they met the minimum back-bill threshold of \$500. One of the customers did not meet the \$500 minimum back-bill threshold and was not back-billed.

MidAmerican also began auditing a select group of American 250 meters on March 12, 2010, since those meters could have a one-foot or two-foot drive rate. As of this date, MidAmerican found that three customers had incorrectly programmed drive rates and were billed for double usage. MidAmerican refunded the three customers back to the time the programming error was detected. In these three cases, the programming errors began in July 2009 and September 2009, when the Encoder Receiver Transmitter (ERT) devices were installed.

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MidAmerican has implemented its validation measures and will continue to strive to comply with the manufacturer's recommendations and accepted good practice for new meters and meters removed from service. As MidAmerican completes audits or finds similar drive rate errors, it will continue to apply the cost effective threshold of the \$500 back-billing minimum and limit the back-billing for drive rate errors to one year.

Sincerely,

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