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January 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 CN10-001
In the Matter of the Complaint filed by Jeff Danz, Zandbroz Inc., Sioux Falls, South Dakota, against MidAmerican Energy Company Regarding a Billing Dispute

Dear Ms. Van Gerpen:

Enclosed for filing please find the Answer of MidAmerican Energy Company in the above-captioned proceeding.

Thank you for your assistance.

Sincerely,

A handwritten signature in blue ink that reads "Jennifer S. Moore". The signature is written in a cursive style and is enclosed in a light gray rectangular box.

Encl.

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA

Jeff Danz,)	
)	
Complainant)	
)	
vs.)	Docket No. CN10-001
)	
MidAmerican Energy Company,)	
)	
Respondent.)	

ANSWER

MidAmerican Energy Company (MidAmerican) hereby provides its Answer to the above-captioned Complaint:

1. MidAmerican denies that it has violated any law, statute, order or rules in connection with Complainant’s statements about his account at 209 S Phillips Avenue, Sioux Falls, South Dakota, Account 63500-52014.

2. MidAmerican admits that on October 18, 1995, the American 425 natural gas meter, A00588001, was set with an Encoder Receiver Transmitter (ERT) device at 209 S Phillips Avenue, Sioux Falls, South Dakota.

3. MidAmerican admits that Account 63500-52014 was opened on October 18, 1995, in the business name Zandbroz Inc. at 209 S Phillips Avenue, Sioux Falls, South Dakota.

4. MidAmerican admits that on March 18, 2009, a MidAmerican contractor replaced the existing meter A00588001 with a new meter and installed an additional meter at the property as requested by the property owner. Further, MidAmerican admits

that on May 27, 2009, a representative in its meter shop confirmed that the ERT device was programmed incorrectly while serving this property. The ERT device must be programmed to match the meter's drive rate in order for the gas consumption to be recorded properly. MidAmerican admits that the ERT device drive rate on the American 425 natural gas meter, A00588001, was programmed at one cubic foot per revolution instead of two, which resulted in the device reporting only half of the actual gas consumption used at the property.

5. MidAmerican further admits that on June 23, 2009, it mailed the Complainant a bill in the amount of \$7,087.07, which included \$7,060 in back-billed charges for the period of April 2004 to March 2009.

6. MidAmerican admits that it has no records that indicate the ERT device was reprogrammed or changed since 1999. MidAmerican further admits on April 27, 2004, a representative responded to an emergency gas order at the property. The representative found and repaired a gas leak; however, a reading from the meter's index was not recorded at that time, as it should have been. Therefore, the back-billed charges on this account were only for the period of April 2004 to March 2009 instead of from March 1999 to March 2009, even though MidAmerican retains billing records for a period of ten years.

7. MidAmerican also admits that ARSD § 20:10:17:09 states that:

“If a customer has been overcharged or undercharged as a result of an incorrect reading of the meter, incorrect application of the rate schedule, incorrect connection of the meter, application of an incorrect multiplier or constant or other similar reason, the overcharge shall be refunded to the customer or the undercharge may be billed to the customer. The refund or charge shall not exceed one year, unless the date of the error can be fixed with reasonable certainty, in which case the refund or charge shall be computed from that date.”

8. MidAmerican admits that since April 2004, there have been four separate occasions when a representative has visited the property. MidAmerican admits that on September 21, 2004, a representative was sent to the property to investigate why there was not any usage on the gas meter the prior month. The representative indicated they spoke with someone at the property and was informed that the only gas appliance at the property was a furnace and the pilot was out, which explained the zero consumption. The representative did not inspect the meter or obtain a reading. MidAmerican further admits in January 2007, March 2008, and February 2009, public building surveys were completed at the property in accordance with federal pipeline safety regulations. The public building survey is an investigation to determine if there are any gas leaks or migrating gas in the building or corrosion on the gas equipment. Meter index readings are not obtained during these investigations.

9. MidAmerican also admits in 2004, a programming problem was identified with a different series of gas meters in South Dakota. At that time, MidAmerican tested 64 American 425 natural gas meters in the field, which is the same meter size and manufacturer as the Complainant's meter. All 64 meters tested were found to be programmed accurately. Therefore, there was no indication that additional testing was warranted. Consequently, MidAmerican did not include this group of meters in its 2004 waiver filed with the Commission to not back-bill customers.

10. Based on the foregoing information, MidAmerican believes with reasonable certainty that the programming error for the ERT device occurred when the natural gas meter A00588001 was set at the property in 1995. However, the Complainant

has raised an issue of fact regarding meter accuracy testing that can only be resolved through additional meter investigations.

11. MidAmerican plans to complete an investigation of just over 12 percent of the meters in this series and expects to have it completed within three months. Therefore, MidAmerican respectfully requests that the Commission suspend action on this complaint until such sampling can be completed. If MidAmerican finds that five percent or more of the meters are programmed incorrectly, then additional meters will be investigated to determine the scope of the programming errors with this series of meters. MidAmerican will report back to the Commission with its findings. Based upon the findings, MidAmerican will either seek a waiver to not back-bill the Complainant, or MidAmerican will request that the Commission proceed with the Complaint and decide whether it is reasonable for MidAmerican to back-bill the Complainant in compliance with ARSD § 20:10:17:09.

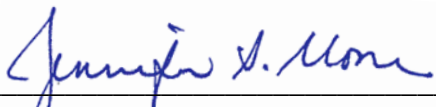
12. Upon receiving this complaint from Commission Staff, MidAmerican admits that in good faith, it tried to resolve the complaint with the Complainant. However, the Company was not able to reach an agreement with the Complainant. MidAmerican did contact the Complainant regarding the request to suspend the Complaint and the Complainant did not object to suspending the Complaint until the investigation is completed.

WHEREFORE, as MidAmerican has not violated any law, statute, order or rule in connection with the matters set forth in the instant Complaint, MidAmerican Energy Company requests the Commission suspend the Complaint until the audit is completed and a determination can be made.

Dated this 21st day of January, 2010.

Respectfully submitted,

MIDAMERICAN ENERGY COMPANY

By: 

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CERTIFICATE OF SERVICE

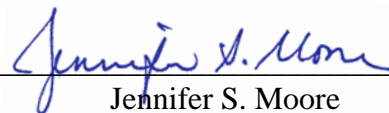
I certify that on this 21st day of January, 2010, a true and correct copy of the attached Answer in Commission Docket No. CN10-001 was sent in accordance with the Administrative Rules of the South Dakota Public Utilities Commission.

Ms. Patricia Van Gerpen
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Ms. Deb Gregg
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Jeff Danz
Zandbroz Inc.
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Ms. Kara Semmler
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