



FACSIMILE TRANSMISSION COVER SHEET**MIDAMERICAN ENERGY COMPANY**106 East Second Street, P. O. Box 4350  
Davenport, Iowa 52808*Law & Regulatory Affairs*TO: Name:     Dave Jacobson      
    South Dakota PUC      
                                    FROM: Name:     Dibbie Kutsumis      
Phone No.:     319-333-8222    Number of Pages  
(including cover sheet):     3    

TO FAX TO US, CALL 319/333-8021

TO CONFIRM TRANSMITTAL OR REPORT TROUBLE, CALL 319/333-8014

COMMENTS:

In an attempt to reduce the volatility in the ECA factor (and customer bills), MidAmerican Energy Company (MEC) has now recognized the portion of the cumulative over/under recovery which is being returned to/collected from customers in the month immediately prior to the month in which the energy adjustment would be applied. With this April ECA filing, MEC has begun to estimate that prior month's refund or collection and adjust the accumulated over/under collection by that amount. The estimate is highlighted on the attached workpapers.

MIDAMERICAN ENERGY COMPANY  
 ENERGY ADJUSTMENT CLAUSE - SOUTH DAKOTA  
 April 1996

FILED WITH S DAKOTA P U C

	February 1996
FUEL COST -\$	15,159,102
GENERATED KWH'S	1,636,468,931
POWER PURCHASED -\$	-
POWER PURCHASED KWH'S	-
POWER RECEIVED -\$	3,315,119
POWER RECEIVED KWH'S	387,470,066
SUBTOTAL -\$	18,474,221
SUBTOTAL KWH'S	2,023,938,997
COST/KWH (REC'D & GEN)	0.00913
POWER DELIVERED -\$	6,474,954
POWER DELIVERED KWH'S	709,195,451
NET -\$ (TOTAL COMPANY)	11,999,267
NET -\$ (SOUTH DAKOTA)	78,008
TOTAL KWH'S	1,314,743,546
SALES KWH'S (TOTAL COMPANY)	1,365,557,846
SALES KWH'S (S DAKOTA)	8,877,572

CUMULATIVE ADJUSTMENT

MONTH	COST	REVENUE	(OVER)/UNDER	CUMULATIVE
Jan-96				\$ 59,268
Feb-96	\$ 78,008	\$ 73,629	\$ 4,379	\$ 63,647
Mar-96 est	77,473	136,741	(59,268)	\$ 4,379

*Indicating  
 1996  
 1/27/96*

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1996-001 P.2/3  
EL 96-001



MidAmerican Energy Company  
One RiverCenter Place  
100 East Second Street  
Davenport, Iowa 52801  
319 333-8870 Telephone  
319 333-8021 Facsimile

March 27, 1996  
Via FAX

Gregory C. Schaefer  
Manager  
Electric Rates and Regulation

Electric Advice Letter No. 1

Marshall Damgaard  
Executive Director  
South Dakota Public Utilities Commission  
500 East Capitol Avenue  
Pierre, SD 57501

Dear Mr. Damgaard:

Under the provisions of ARSD §20:10.13-20, MidAmerican requests a waiver from the Commission's 30-day notice provision and proposes to make the tariff revisions effective with the April 1996 billing cycle.

Electric Tariff No. 1

Section No. 3  
1st Revised Sheet No. C-1 Canceling Original Sheet No. C-1

In an attempt to reduce the volatility in the Electric Energy Cost Adjustment factor (and customer bills), MidAmerican has now recognized the portion of the cumulative over/under recovery which is being returned to collected from customers in the month immediately prior to the month in which the energy adjustment would be applied. With this tariff filing, MidAmerican proposes to estimate the immediately preceding month's refund or collection and adjust the accumulated over/under collection by that amount.

Notice of the proposed tariff change will be posted in each area office.

An original and two copy of this Electric Advice Letter No. 1 and accompanying tariff sheet are submitted herewith. Please return one file-stamped copy in the enclosed, self-addressed envelope.

Sincerely,

cn  
Encl.  
c. Greg Rislov - SDPUC



MIDAMERICAN ENERGY COMPANY  
ELECTRIC TARIFF NO. 1  
FILED with the SOUTH DAKOTA P.U.C.

Section No. 3  
1st Revised Sheet No. C-1  
Canceling Original Sheet No. C-1

**Price Adjustment Clause** Electric Energy Cost Adjustment

**Applicable** In the Company's South Dakota electric service area in each MidAmerican Energy price where energy costs are collected as part of the pricing.

**Adjustment** The charges for all kilowatthours of energy supplied in a period covered by any bill shall be increased by the energy adjustment charge to the nearest 0.001¢ per kilowatthour computed in accordance with the following formula.

$$F_0 = \frac{EC_0}{EQ_0} \cdot \frac{EA_1}{EJ_2}$$

$$D = [C_2 \times \frac{J_2}{Q_2}] - [J_2 \times F_2]$$

Where:

Subscripts 0, 1, and 2 are used to denote the applicable billing month or calendar month. Subscript 0 means the month the energy adjustment will be applied. Subscript 1 means the month prior to month 0, and subscript 2 means the second prior month.

Where the letter E precedes the letters C, Q, or J, this indicates the quantity is estimated.

All references to accounts means the Uniform System of Accounts for Electric Utilities.

**F** is the energy adjustment charge applied to kilowatthour sales for billing.

**C** is the cost of energy, including fuel costs for natural gas, fossil fuels transferred from Account 151 to Account 501 or 547, and nuclear fuel shown in Account 518, Purchased power costs for energy purchased as entered in Account 555, less the cost of fuel and energy associated with sales for resale.



MidAmerican Energy Company  
 100 Westgate Plaza  
 1901 East Second Street  
 Sioux Falls, SD 57103  
 (605) 336-8870 Telefax  
 (605) 336-8871 Telex

March 27, 1996

Gregory C. Schaefer  
 Manager  
 Electric Rates and Regulation

Electric Advice Letter No. 1

Marshall Damgaard  
 Executive Director  
 South Dakota Public Utilities Commission  
 500 East Capitol Avenue  
 Pierre, SD 57501

RECEIVED

APR 01 1996

SOUTH DAKOTA PUBLIC  
 UTILITIES COMMISSION

Dear Mr. Damgaard:

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Sincerely,

cn  
 Encl.  
 c: Greg Rislov - SDPUC



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$$F_0 = \frac{EC_0}{EQ_0} - \frac{EA_1}{EJ_0}$$

$$D = [C_2 \times \frac{J_2}{Q_2}] - [J_2 \times F_2]$$

C

Where

Subscripts 0, 1, and 2 are used to denote the applicable billing month or calendar month. Subscript 0 means the month the energy adjustment will be applied. Subscript 1 means the month prior to month 0, and subscript 2 means the second prior month.

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MidAmerican Energy Company  
 The Rialto Center Plaza  
 500 East Capitol Street  
 P.O. Box 4396  
 Pierre, South Dakota 57506

April 1, 1996

Mr. Dave Jacobson  
 South Dakota P.U.C.  
 500 East Capitol  
 Pierre, SD 57501

RECEIVED  
 APR 11 1996  
 PUBLIC UTILITIES  
 DIVISION

Dear Dave:

On March 27, 1996, MidAmerican filed its April energy cost adjustment. In this filing, MidAmerican refined the method of calculating the ECA in order to reduce the volatility in this factor. This letter is in response to your request for a specific reason in accordance with SDPUC 20-10:13:20 for the Company's request to make this change on less than 30 days' notice.

A large cumulative undercollection as of the end of January 1996 was reflected in the March 1996 ECA. As a result, the March factor increased over 100% from the February factor (\$0.0184 vs. \$0.0090). As the current ECA calculation method only reflects activity through the second month prior to the effective month, the elimination of the undercollection that occurred during March would not be reflected in the April ECA. Therefore, the April factor would be artificially high as it assumes that the January undercollection still exists, resulting in a significant cumulative overcollection as of the end of April. This overcollection would then be reflected in the June ECA factor by reducing the factor significantly.

In order to avoid this roller coaster effect on the ECA, MidAmerican is proposing to enhance the accuracy of the ECA calculation beginning with the April factor by including an estimate of March's ECA revenues and costs. This will eliminate the need to return overcollections through the June factor.

Please note that these proposed changes will only affect the timing of the collection of ECA revenues, not the final reconciled amount.

Sincerely,

Stephen P. Stratton  
 Senior Rates Analyst

0136.11.9

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

IN THE MATTER OF THE FILING BY )  
MIDAMERICAN ENERGY COMPANY TO REVISE )  
ITS ENERGY ADJUSTMENT CLAUSE TARIFF )

ORDER APPROVING  
TARIFF REVISION  
EL96-001

On March 27, 1996, MidAmerican Energy Company (MidAmerican), filed with the Public Utilities Commission (Commission) a new tariff in Section No. 3, 1st Revised Sheet No. C-1 cancelling Original Sheet No. C-1.

In an attempt to reduce the volatility in the Electric Energy Cost Adjustment factor (and customer bills), MidAmerican has now recognized the portion of the cumulative over/under recovery which is being returned to/collected from customers in the month immediately prior to the month in which the energy adjustment would be applied. With this tariff filing, MidAmerican proposes to estimate the immediately preceding month's refund or collection and adjust the accumulated over/under collection by that amount.

At its regularly scheduled April 2, 1996, meeting, the Commission discussed final approval of the application. Commission Staff recommended approval.

The Commission finds that it has jurisdiction over this matter pursuant to SDCL Chapter 49-34A, specifically 49-34A-4, 49-34A-6, 49-34A-8, 49-34A-10 and 49-34A-12. Further, the rates are just and reasonable and shall be approved. As the Commission's final decision in this matter, it is therefore

ORDERED, that MidAmerican's aforementioned revised tariff is approved and shall be effective April 2, 1996. The Commission finds that in making the proposed tariff revision that MidAmerican has complied with ARSD 20:10:13:20 and that it may be implemented on less than thirty days notice.

Dated at Pierre, South Dakota, this 9th day of April, 1996.

<b>CERTIFICATE OF SERVICE</b>	
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.	
By	<u>Alfred J. Kuhn</u>
Date	<u>4/10/96</u>
(OFFICIAL SEAL)	

BY ORDER OF THE COMMISSION:

Kenneth Stofferahn  
KENNETH STOFFERAHN, Chairman

James A. Burg  
JAMES A. BURG, Commissioner

Laska Schoenfelder  
LASKA SCHOENFELDER, Commissioner