

EL 02-022

KFI 03

In the Matter of _____

IN THE MATTER OF THE FILING BY
 MIDAMERICAN ENERGY COMPANY FOR
 APPROVAL OF A DEPARTURE FROM
 ELECTRIC ENERGY COST ADJUSTMENT
 TARIFF

Public Utilities Commission of the State of South Dakota

DATE	MEMORANDA
10/22 02	Received & Docketed
10/24 02	Weekly Filing
12/2 02	Order Approving Departure from Electric Energy Adjustment Clause
12/2 02	Docket Closed



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EL 02-022

RECEIVED

OCT 22 2002

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

MidAmerican Energy Company
106 East Second Street
P.O. Box 4350
Davenport, Iowa 52808
(563) 333-8006 Telephone
(563) 333-8021 Fax
E-mail: kmhuizenga@midamerican.com

Karen M. Huizenga
Attorney

October 21, 2002

By UPS Overnight

Ms. Debra Elofson
Executive Director
South Dakota Public Utilities Commission
State Capitol Building
500 East Capitol Avenue
Pierre, South Dakota 57501-5070

Re: MidAmerican Energy Company
Request for Waiver of Tariff

Dear Ms. Elofson:

Enclosed for filing are the original and 10 copies of the MidAmerican Energy Company's Petition for Approval of a Departure from Electric Energy Cost Adjustment.

Thank you for your assistance.

Sincerely,

A handwritten signature in cursive script, appearing to read "Karen M. Huizenga".

KMH-ckt
Enclosures

EL 02-022

RECEIVED

OCT 22 2002

BEFORE THE PUBLIC UTILITIES COMMISSION

SOUTH DAKOTA PUBLIC UTILITIES COMMISSION

OF THE STATE OF SOUTH DAKOTA

IN RE:)	
)	
MIDAMERICAN ENERGY COMPANY)	
)	Docket No. _____
)	
Request for Waiver of Tariff)	

PETITION FOR APPROVAL OF A DEPARTURE FROM
 ELECTRIC ENERGY COST ADJUSTMENT FOR
MIDAMERICAN ENERGY COMPANY

NOW COMES MidAmerican Energy Company ("MidAmerican") and petitions the South Dakota Public Utilities Commission ("Commission") for permission to depart from the specific wording of its Electric Energy Cost Adjustment ("EECA"), Electric Tariff No. 1, 1st Revised Sheet No. C-1 and Original Sheet No. C-1a to allow pass-through of certain purchase power cost reductions associated with MidAmerican's settlement of all disputes and litigation with Nebraska Public Power District ("NPPD"). In support of this Petition, MidAmerican states:

1. Effective August 1, 2002, MidAmerican and NPPD settled all litigation and disputes with respect to Cooper Nuclear Station (Cooper). The settlement document is attached as Exhibit No. 1. As a part of the settlement, the parties entered into Amendment No. 6 of the Power Sales Contract between them.

2. Under this amended contract, beginning in August 2002 and continuing through December 2004, MidAmerican is to receive a minimum guaranteed amount of energy and power representing 380 MW at an 85% capacity factor each year. At a minimum, if Cooper is operating at a level of 650 MW or above, MidAmerican will receive 380 MW per hour of energy. If Cooper is on line but operating at less than 650 MW, MidAmerican will, at a minimum, receive one-half of Cooper's output for that hour. If, at any time during the year, it is determined by the contract provisions that insufficient energy will be delivered from Cooper to meet the minimum annual guaranteed amount, NPPD must begin providing supplemental energy from other NPPD generating facilities or the market. In addition, NPPD has the option of providing up to 380 MW at any time Cooper is not scheduled for refueling outages as long as deliveries are levelized during peak and non-peak periods. Capacity and energy payments for power purchased will be at prices stipulated in the settlement.

3. The stipulated prices were negotiated with the intent of pricing capacity and energy provided by NPPD to be more consistent with market prices and the cost of generation from MidAmerican's own units as compared to recent costs to MidAmerican of power purchased from NPPD. To further this intent, an up-front present valued payment by NPPD to MidAmerican of \$39.1 million was negotiated as part of the settlement and paid on August 1, 2002 (August payment). The effect of this payment is to reduce the stipulated capacity and energy prices through the remainder of the term of the amended contract. Based upon the ratio of the stipulated capacity and energy prices, one-half of the August payment represents a reduction to the stipulated energy price for

power purchased under the amended contract and one-half represents a reduction to the stipulated capacity price for power.

4. As power is purchased under the amended contract over the remainder of its term, the South Dakota jurisdictional share of the energy portion of such purchases will be recorded in Account # 555130 and flowed through MidAmerican's EECA at the stipulated energy prices.

5. MidAmerican will also amortize the South Dakota jurisdictional share of the energy portion of the August payment over the remaining term of the amended contract and flow the amortized amount through the EECA. MidAmerican will also accrue interest on the declining balance of the energy portion of the August payment at a rate equal to the Fed's three-year constant maturities rate, updated monthly, and flow that interest through the EECA over the remaining term of the contract. This rate was chosen because it is a published rate that is consistent with the rate at which MidAmerican could invest these funds over approximately this time frame. The energy portion of the August payment will be recorded in Account # 555130, as will the associated interest.

6. MidAmerican recognizes that normally neither a capacity cost nor a capacity credit may be recognized in the EECA. MidAmerican does not propose to recover through the EECA the stipulated capacity price for power purchased under the amended contract. The capacity cost of such power will be recorded in Account # 555304.

7. However, MidAmerican is willing to flow the South Dakota jurisdictional share of the capacity portion of the August payment through the EECA as a credit over the remaining term of the contract. As with the energy portion of the August payment,

MidAmerican would also accrue interest on the declining balance of the capacity portion of the August payment at a rate equal to the Fed's three-year constant maturities rate, updated monthly, and credit that interest through the EECA over the remaining term of the contract. The capacity portion of the August payment and associated interest would be recorded in Account # 555130.

8. The formula for the EECA includes in "C", the cost of energy, purchased power costs for energy purchased as entered in Account 555, less the cost of fuel and energy associated with sales for resale. Therefore, for MidAmerican to flow the capacity portion of the August payment and associated interest through the EECA as a credit, the Commission will need to grant a non-permanent waiver of the tariff definition.

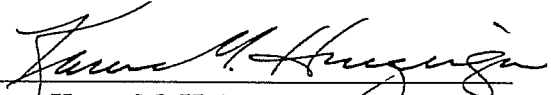
9. MidAmerican is not requesting that the Commission allow MidAmerican to permanently add to or change the components of its clause. This requested waiver will only need to remain in effect until the capacity portion of the August payment and associated interest have been flowed through the EECA, approximately March 2005.

10. If the Commission chooses not to grant the waiver requested herein, the capacity portion of the August payment and associated interest will be recorded in Account # 555304 and amortized over the remaining term of the contract.

WHEREFORE, as stated above, MidAmerican petitions to allow a waiver of its tariff to permit the South Dakota share of the capacity portion of the August payment received from NPPD to be credited to customers through the EECA, together with interest at a rate equal to the Fed's three-year constant maturities rate, updated monthly on the declining balance, over the remaining term of the contract with NPPD.

Respectfully submitted,

MIDAMERICAN ENERGY COMPANY

By 

Karen M. Huizenga, Attorney

MidAmerican Energy Company

106 East Second Street

P. O. Box 4350

Davenport, Iowa 52808

Telephone: 563/333-8006

Facsimile: 563/333-8021

kmhuizenga@midamerican.com

SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement and Release (this "Agreement") is made this 31st day of July 2002 by and between MidAmerican Energy Company ("MidAmerican") and Nebraska Public Power District ("NPPD"). Each of MidAmerican and NPPD is referred to herein as a "Party" and together are collectively referred to as the "Parties."

WHEREAS, NPPD and MidAmerican are parties to a Power Sales Contract dated as of September 22, 1967, as amended (the "Power Sales Contract"), concerning the Cooper Nuclear Station ("Cooper"); and

WHEREAS, NPPD and MidAmerican are currently involved in a lawsuit entitled Nebraska Public Power District v. MidAmerican Energy Company, Civil Action No. 4:97CV346, pending in the United States District Court for the District of Nebraska (the "Litigation"); and

WHEREAS, the Parties are desirous of settling the Litigation and other potential and threatened claims and litigation on the terms and conditions set forth in this Agreement and Exhibits A and B attached hereto and incorporated herein by this reference; and

WHEREAS, the Parties have engaged in settlement negotiations and have reached a settlement based on those negotiations.

NOW, THEREFORE, the Parties, in consideration of the mutual promises in this Agreement and in Exhibits A (the "Amendment") and B (the "Lawsuit Dismissal") attached hereto, and for good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound, hereby agree as follows:

1. **Amendment of Power Sales Contract.** The Parties shall, contemporaneous with the execution of this Agreement, execute an amendment to the Power Sales Contract in substantially the form as set forth in Exhibit A. This Agreement and the Amendment shall be effective as of August 1, 2002 (the "Effective Time").

2. **Lump Sum Payment.** As part of the consideration for MidAmerican's entering into the Amendment and the Agreement, on or before August 1, 2002, NPPD shall, without precondition, pay MidAmerican \$39.1 million by means of a wire transfer to such account as directed by MidAmerican, time being of the essence. Upon MidAmerican's execution of the Amendment and Agreement, the right of MidAmerican to be paid such lump sum payment (and any interest thereon) is absolute, unconditional, and independent, and is not subject to any abatement, reduction, setoff, defense, counterclaim, or recoupment due or alleged to be due to NPPD by reason of any past, present, or future claims which NPPD may have or claim to have against MidAmerican. If NPPD fails to pay such amount on or before August 1, 2002, NPPD shall pay MidAmerican on the unpaid portion thereof an additional amount for interest at the rate of 10% per annum from August 1, 2002, until paid.

3. **Releases.** A. MidAmerican intends to and hereby does completely release and forever discharge NPPD from any and all claims of any kind and nature whatsoever based on facts occurring anytime prior to the Effective Time, that MidAmerican might have or assert against NPPD with respect to Cooper. Without limiting the generality of the preceding sentence, MidAmerican hereby releases and forever discharges NPPD, its present and former officers, directors, employees, attorneys, agents, legal representatives, affiliates, successors, and assigns, from any and all costs, losses, damages, claims, causes of action, or right to payment, or other performance of any kind or nature that MidAmerican might have or assert (herein referred to collectively as "MidAmerican Claims") related to Cooper, the Power Sales Contract or to the Litigation, accruing at any time prior to the Effective Time, for which liability would be imposed or relief would be granted in any legal or equitable action or proceeding, whether such MidAmerican Claims be under state or federal law, sustainable or groundless, known or unknown, asserted or unasserted, liquidated or unliquidated, contingent or absolute, several, joint, or joint and several, offensive or defensive, and whether such MidAmerican Claims be in or arise in whole or in part out of contract, quasi-contract, restitution, tort (including intentional, negligent, strict liability, and breach of fiduciary duty), for breach of statutory duty, or for any other act or omission, or for breach of any other duty of any kind or nature whatsoever. The parties intend by this provision that NPPD be completely released and forever discharged from any and all claims that might be asserted by MidAmerican based on facts occurring anytime prior to the Effective Time and related to Cooper, the Power Sales Contract or the Litigation. The enumeration of specific kinds or types of claims, and the use of specific adjectives to describe their existence, basis or accrual, are intended to be illustrative and descriptive only, and are not intended to operate in any manner or degree as limitations on the matters hereby released. If at any time hereafter MidAmerican should ever assert against NPPD any claim of any kind related to matters hereinabove described, the same shall constitute a material breach of this Agreement and the Amendment, unless the non-breaching party elects otherwise.

B. NPPD intends to and hereby does completely release and forever discharge MidAmerican from any and all claims of any kind and nature whatsoever based on facts occurring anytime prior to the Effective Time, that NPPD might have or assert against MidAmerican with respect to Cooper. Without limiting the generality of the preceding sentence, NPPD hereby releases and forever discharges MidAmerican, its present and former officers, directors, employees, attorneys, agents, legal representatives, affiliates, successors, and assigns, from any and all costs, losses, damages, claims, causes of action, or right to payment, or other performance of any kind or nature that NPPD might have or assert (herein referred to collectively as "NPPD Claims") related to Cooper, the Power Sales Contract or to the Litigation, accruing at any time prior to the Effective Time, for which liability would be imposed or relief would be granted in any legal or equitable action or proceeding, whether such NPPD Claims be under state or federal law, sustainable or groundless, known or unknown, asserted or unasserted, liquidated or unliquidated, contingent or absolute, several, joint, or joint and several, offensive or defensive, and whether such NPPD Claims be in or arise in whole or in part out of contract, quasi-contract, restitution, tort (including intentional, negligent, strict liability, and breach of fiduciary duty), for breach of statutory duty, or for any other act or omission, or for breach of any other duty of any kind or nature whatsoever. The parties intend by this provision that MidAmerican be completely released and forever discharged from any and all claims that might be asserted by NPPD based on facts occurring anytime prior to the Effective Time and related to

Cooper, the Power Sales Contract or the Litigation. The enumeration of specific kinds or types of claims, and the use of specific adjectives to describe their existence, basis or accrual, are intended to be illustrative and descriptive only, and are not intended to operate in any manner or degree as limitations on the matters hereby released. If at any time hereafter NPPD should ever assert against MidAmerican any claim of any kind related to matters hereinabove described, the same shall constitute a material breach of this Agreement and the Amendment, unless the non-breaching party elects otherwise.

C. Nothing in subsection "A" or "B" shall be construed to relieve MidAmerican or NPPD of any obligations they have undertaken pursuant to the terms and conditions of this Agreement or the Amendment.

4. **Covenant to Pay Costs and Expenses and Indemnity.** Notwithstanding anything to the contrary in this Agreement or the Amendment, and as part of the consideration for entering into the Amendment and Agreement:

A. NPPD shall hold harmless and indemnify MidAmerican from and against any and all costs and expenses of every kind and nature that NPPD has accrued, incurred, or paid or will accrue, incur, or pay associated with Cooper, including, but not limited to, monthly power costs (as formerly defined in the Power Sales Contract, prior to Amendment 6), decommissioning costs, costs and expenses associated with the management, storage, or disposition of spent fuel, employee retention program costs, transition costs, and costs of post-retirement medical benefits, for all of which NPPD hereby acknowledges that MidAmerican has no liability. The foregoing NPPD obligation to hold harmless and indemnify MidAmerican shall also include the obligation to hold harmless and indemnify MidAmerican from and against third party claims associated with above-mentioned costs associated with Cooper, including, but not limited to, monthly power costs (as formerly defined in the Power Sales Contract, prior to Amendment 6), decommissioning costs, costs and expenses associated with the management, storage, or disposition of spent fuel, employee retention program costs, transition costs, and costs of post-retirement medical benefits. The foregoing sentences shall not apply to the proper charges reflected in the bills MidAmerican will incur pursuant to and consistent with the express terms and conditions of the Amendment. NPPD shall also hold harmless and indemnify MidAmerican from and against any and all costs and expenses, including reasonable attorney fees, MidAmerican may become obligated to pay in defending or enforcing this subsection "A."

B. MidAmerican shall hold harmless and indemnify NPPD against any and all claims of every kind and nature for damages of every kind and nature asserted by MidAmerican's regulators, customers or employees due to or arising out of this Agreement or the Amendment. MidAmerican shall also hold harmless and indemnify NPPD from and against any and all costs and expenses, including reasonable attorney fees, NPPD may become obligated to pay in defending or enforcing this subsection "B."

5. **Covenants Not To Sue.** NPPD covenants and agrees not to bring any claim, action, suit or proceeding, or take or cause to be taken any other civil or administrative action against MidAmerican, or to sponsor, participate in, aid or support (through its testimony or otherwise) the claim, action, suit, proceeding, or other civil or administrative action of any other person or

entity against MidAmerican, directly or indirectly, regarding or related in any manner to Cooper, the Power Sales Contract or the Litigation, to the extent the cause, whether known or unknown at the time, for such claim, action, suit, proceeding, or other civil or administrative action arose prior to the Effective Time, and this Agreement is a bar to any such claim, action, suit, proceeding or other civil or administrative action, and this Agreement may be plead as a defense to any such claim, action, suit, proceeding or other civil or administrative action. NPPD also covenants and agrees not to take or cause to be undertaken, or sponsor, participate in, aid or support any legislative effort, at any level of government, that would have the effect of directly or indirectly achieving through legislative means that which NPPD has agreed not to pursue through civil or administrative means in this Section 5 of the Agreement. The foregoing sentence shall not be construed as a limitation on any NPPD board member's obligation or duty to represent their respective constituents. NPPD further covenants and agrees to defease all bonds issued under the Nuclear Facility Resolution associated with Cooper on or before the Effective Time.

MidAmerican covenants and agrees not to bring any claim, action, suit or proceeding, or take or cause to be taken any other civil or administrative action against NPPD, or to sponsor, participate in, aid or support (through its testimony or otherwise) the claim, action, suit, proceeding, or other civil or administrative action of any other person or entity against NPPD, directly or indirectly, regarding or related in any manner to Cooper, the Power Sales Contract or the Litigation, to the extent the cause, whether known or unknown at the time, for such claim, action, suit, proceeding, or other civil or administrative action arose prior to the Effective Time, and this Agreement is a bar to any such claim, action, suit, proceeding or other civil or administrative action, and this Agreement may be plead as a defense to any such claim, action, suit, proceeding or other civil or administrative action. MidAmerican also covenants and agrees not to take or cause to be undertaken, or sponsor, participate in, aid or support any legislative effort, at any level of government, that would have the effect of directly or indirectly achieving through legislative means that which MidAmerican has agreed not to pursue through civil or administrative means in this Section 5 of the Agreement.

Nothing in this Section 5 of the Agreement shall be construed to limit MidAmerican's or NPPD's ability to comply with the terms and conditions of any order of a court or administrative agency. If either Party, or any of its officers, directors, or employees is subpoenaed for the production of records and/or to provide testimony in a proceeding of the type described above, the subpoenaed Party will, if requested by the other Party, at that requesting Party's expense, undertake reasonable efforts, if any there be, to quash said subpoena.

6. **Dismissal.** Simultaneous with the Parties' execution of this Agreement and the Amendment, MidAmerican and NPPD shall execute and within seven days thereafter file with the court the stipulation of dismissal of the lawsuit pending in the United States District Court in Nebraska recited above, with prejudice, in substantially the form as set forth in Exhibit B.

7. **Cooperation.** Each Party agrees that it will from time to time, as reasonably requested by the other Party, execute and deliver such notices, certifications, instruments, or other documents as might be reasonably required by the requesting Party and to the extent

consistent with the rights, under this Agreement and the Amendment, of the Party requested to execute and deliver such documents.

8. **No Admission.** It is expressly understood and agreed that this Agreement constitutes a negotiated settlement of disputed claims and does not constitute, and shall not at any time be used as evidence of, an admission of any fact or legal principle, including any fault or liability by either Party, except that, this Agreement and the Amendment do constitute and may be used for the limited purposes of establishing or enforcing the releases, covenants not to sue, and other provisions set forth in this Agreement and the Amendment, and may be used in any proceeding to enforce the terms of, or arising out of an alleged breach of, this Agreement or the Amendment.

9. **Binding Agreement.** The Parties intend that this Agreement create legally binding and enforceable obligations, and that each of the obligations contained herein may be legally enforced. If either Party seeks to enforce the terms of this Agreement, the prevailing Party will be entitled to collect its costs associated therewith.

10. **Representations and Warranties.** Except as set forth herein, each Party represents and warrants that it has all approvals and authority necessary, both internal and external to its corporate structure, for the execution of this Agreement, the performance of its obligations hereunder and the execution, delivery and performance of each instrument required hereby to be executed and delivered by it, including approval of its Board of Directors. Each Party further represents and warrants that there are no known impediments or duties, including without limitation other contractual obligations and applicable laws, to prevent or restrict the performance of its obligations hereunder except as set forth herein, and the execution, delivery and performance of each instrument required hereby to be executed and delivered by it.

11. **No Third Party Beneficiaries.** This Agreement may not be assigned by any Party hereto without the express written consent of the other Party hereto, which consent shall not be unreasonably withheld. The representations, warranties, covenants, and agreements contained in this Agreement are for the sole benefit of the Parties hereto and their successors and permitted assigns, and shall not be construed to confer any right or to avail any remedy to any other person.

12. **Entire Agreement.** This Agreement, including attached Exhibits A and B which form an integral part hereof, contains the entire understanding of the Parties in respect of the subject matter contained herein. There are no restrictions, promises, representations, warranties, covenants or undertakings governing the subject matter of this Agreement other than those expressly set forth or referred to herein. Neither this Agreement nor the Amendment shall have any effect whatsoever on any agreements between NPPD and MidAmerican other than the Power Sales Contract.

13. **Waiver.** Any failure of either Party to comply with any obligation, covenant, agreement or condition herein may be expressly waived in writing, to the extent permitted under applicable law, by the Party hereto entitled to the benefit of such obligation, covenant, agreement or condition. A waiver or failure to insist upon strict compliance with any representation, warranty, covenant, agreement or condition shall not operate as a waiver of, or estoppel with respect to, any subsequent or other failure.

14. **Governing Law and Dispute Resolution.** This Agreement and the Amendment shall be governed by and construed in accordance with the Laws of Nebraska.

15. **Severability.** The invalidity or unenforceability of any portion or provision of this Agreement shall in no way affect the validity or enforceability of any other portion or provision hereof. Any invalid or unenforceable portion or provision shall be deemed severed from this Agreement and the balance of the Agreement shall be construed and enforced as if the Agreement did not contain such invalid or unenforceable portion or provision. If any such provision of this Agreement is so declared invalid, the Parties shall promptly negotiate in good faith new provisions to eliminate such invalidity and to restore this Agreement as near as possible to its original intent and effect.

16. **Counterparts.** This Agreement shall be executed and delivered in counterparts, each of which when so executed and delivered (whether in person or by facsimile) shall be an original, and the counterparts taken together shall constitute one instrument.

IN WITNESS WHEREOF, each Party hereto has caused this Agreement to be executed on its behalf by its duly authorized officer.

MIDAMERICAN ENERGY COMPANY NEBRASKA PUBLIC POWER DISTRICT

By: _____
Jack L. Alexander
Senior Vice-President

By: _____
William J. Fehrman
Vice-President

South Dakota Public Utilities Commission

WEEKLY FILINGS

For the Period of October 17, 2002 through October 23, 2002

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: 605-773-3705 Fax: 605-773-3809

CONSUMER COMPLAINTS

CT02-043 In the Matter of a Complaint Filed by Guy and Linda Varud, Sioux Falls, South Dakota, against Qwest Communications, Inc. and McLeodUSA Telecommunications Services, Inc. Regarding Wiring Problems.

On October 17, 2002, the Commission received a complaint from Guy and Linda Varud (Complainants) of Sioux Falls, South Dakota, against Qwest Communications, Inc. (Qwest) and McLeodUSA Telecommunications Services, Inc. (McLeodUSA). According to the complaint, the Complainants' phone will not operate after there is rain or moisture in the air. Complainants state that Qwest has alleged it is a problem with McLeodUSA wiring. McLeodUSA has alleged it is a problem with Qwest wiring. Complainants believe that the wiring problem is a result of substandard inside wiring, which should fall within the inside wiring protection they have paid McLeodUSA for. Complainants seek to have the company responsible pay for the line repair inspection bill, pay to have the wiring fixed and provide reasonable compensation to complainants for time spent seeking resolution of the problem.

Staff Analyst: Amy Kayser
Staff Attorney: Kelly Frazier
Date Docketed: 10/17/02
Intervention Deadline: NA

ELECTRIC

EL02-022 In the Matter of the Filing by MidAmerican Energy Company for Approval of a Departure From Electric Energy Cost Adjustment Tariff.

Application by MidAmerican Energy Company for a non-permanent waiver of tariff provisions which allow only energy costs and credits to be passed on to customers through the Electric Energy Adjustment Clause. MidAmerican recently settled litigation and disputes with Nebraska Public Power District regarding the Cooper Nuclear Station. As a result of that settlement, MidAmerican has received an up-front payment representing a reduction in price for capacity from the Cooper plant. MidAmerican wishes to utilize the Electric Energy Adjustment Clause to pass on these capacity savings to customers.

Staff Analyst: Dave Jacobson
Staff Attorney: Kelly Frazier
Date Docketed: 10/22/02
Intervention Deadline: 11/08/02

TELECOMMUNICATIONS

TC02-168 In the Matter of the Filing for Approval of an Amendment to an Interconnection Agreement Between McLeodUSA Telecommunications Services, Inc. and Qwest Corporation f/k/a U S West Communications, Inc.

On October 17, 2002, the Commission received for approval a Filing For Consent To Transfer by Qwest Corporation (Qwest) for the benefit of McLeodUSA Telecom Development, Inc.(McLeodUSA), a South Dakota Corporation f/k/a Dakota Telecom, Inc. and PrairieWave Telecommunications, Inc. (PrairieWave). According the filing, PrairieWave has entered into a stock purchase agreement whereby PrairieWave will acquire the stock of McLeodUSA. McLeodUSA currently operates its business under a Negotiated Interconnection Agreement, approved by the Commission effective October 21, 1998, in Docket No. TC97-126. McLeodUSA wishes to transfer the Interconnection Agreement to PrairieWave as part of the stock purchase agreement transaction. Any party wishing to comment on the filing may do so by filing written comments with the Commission and the parties to the agreement no later than November 6, 2002. 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: Kelly Frazier
Date Docketed: 10/17/02
Initial Comments Due: 11/06/02

TC02-169 In the Matter of the Filing by Qwest Corporation for Approval of a Revision to its Deadwood-Sturgis Locality Special Rate Area Map.

Qwest Corporation submitted for Commission approval the following revised exchange boundary maps: Deadwood Locality Special Rate Area Map and Sturgis Locality Special Rate Area Map. These revisions are made to correct an error in the maps that are now on file with the Commission. No customers are affected by these revisions.

Staff Analyst: Michele Farris
Staff Attorney: Karen Cremer
Date Docketed: 10/17/02
Intervention Deadline: 11/08/02

TC02-170 In the Matter of the Filing by Northern Valley Communication for an Exemption from Developing Company Specific Cost-Based Switched Access Rates.

On October 21, 2002, Northern Valley Communications (NVC) filed a request to extend its exemption from the development of company specific cost-based intrastate switched access rates for

an additional three years. NVC was originally granted an exemption in October of 1999 which stipulated that within three years NVC must either file a petition to continue the exemption granted or file cost-based rates.

Staff Analyst: Heather Forney
Staff Attorney: Karen Cremer
Date Docketed: 10/21/02
Intervention Deadline: 11/08/02

TC02-171 In the Matter of the Application of American Long Lines, Inc. for a Certificate of Authority to Provide Interexchange Telecommunications Services in South Dakota.

Application by American Long Lines, Inc. ("ALL") for a certificate of authority to provide resold, intrastate, interexchange telecommunications service within South Dakota.

Staff Analyst: Dave Jacobson
Staff Attorney: Kelly Frazier
Date Docketed: 10/23/02
Intervention Deadline: 11/08/02

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You may subscribe or unsubscribe to the PUC mailing lists at <http://www.state.sd.us/puc>**

 *** ACTIVITY REPORT ***

ST. TIME	CONNECTION TEL	CONNECTION ID	NO.	MODE	PGS.	RESULT
*10/17 17:07	9p13033906333	MCI WESTERN PUBL	2753	TRANSMIT ECM	16	OK 04'50
*10/18 11:41	916123355841		2754	TRANSMIT ECM	1	OK 00'42
*10/18 13:07	9p2246289		2755	TRANSMIT ECM	19	OK 05'31
*10/18 14:10	9p12128476375		2756	TRANSMIT ECM	6	OK 01'41
*10/18 14:28	9p2248655		2757	TRANSMIT	0	NG 00'00
						0 STOP
*10/18 14:30	9p2248655		2758	TRANSMIT ECM	4	OK 01'21
*10/18 14:48	9p12024247643		2759	TRANSMIT ECM	1	OK 00'33
*10/18 15:27	916053395390		2760	TRANSMIT ECM	8	OK 03'22
*10/18 15:32	9p13197907901	MCLEODUSA LAW GR	2761	TRANSMIT ECM	8	OK 06'02
*10/18 16:38	916056762317		2762	TRANSMIT ECM	1	OK 00'33
*10/18 16:51	3225		2763	TRANSMIT ECM	1	OK 00'26
*10/18 16:54	3225		2764	TRANSMIT ECM	1	OK 00'26
*10/21 10:35	912127538101		2765	TRANSMIT ECM	4	OK 01'26
*10/21 13:06	6055823386		6469	AUTO FAX RX ECM	4	OK 01'15
*10/21 14:15	9p12128476375		2766	TRANSMIT ECM	6	OK 01'42
*10/21 16:24	9p16053394419		2767	TRANSMIT ECM	12	OK 05'39
*10/22 09:51	3225		2768	TRANSMIT ECM	1	OK 00'27
*10/22 10:48	9p16059952577		2769	TRANSMIT ECM	3	OK 01'21
*10/22 10:50	9p16055295498		2770	TRANSMIT ECM	3	OK 01'24
*10/22 11:18	9p16059952577		2771	TRANSMIT ECM	3	OK 01'24
*10/22 11:20	9p16055295498		2772	TRANSMIT ECM	3	OK 01'22
*10/22 11:43	9p19528871740		2773	TRANSMIT ECM	18	OK 04'59
*10/22 16:51	9p15633338021		2774	TRANSMIT ECM	8	OK 02'34
*10/23 08:27	9p18007890047		2775	TRANSMIT	0	NG 00'00
						0 #018
*10/23 12:38	9p16058421761		2776	TRANSMIT ECM	1	OK 00'29
*10/23 12:47	9p12123898877	C.E. UNTERBERG,	2777	TRANSMIT ECM	10	OK 03'46
*10/23 14:11	9p12055085542		2778	TRANSMIT	0	NG 00'00
						0 #018
*10/23 15:10	9p12025085577		2779	TRANSMIT ECM	1	OK 00'24
*10/23 15:12	97733809		2780	TRANSMIT ECM	1	OK 00'30
*10/23 15:35	914255868118	WESTERN WIRELESS	2781	TRANSMIT ECM	1	OK 00'26
*10/24 08:29	916053312340		2782	TRANSMIT G3	3	OK 01'14
*10/24 08:43	97733809		2783	TRANSMIT ECM	1	OK 00'19
*10/24 09:15	97733809		2784	TRANSMIT ECM	1	OK 01'08
*10/24 09:41	9p14023980065		2785	TRANSMIT ECM	2	OK 00'45
*10/24 09:42	9p16058692221		2786	TRANSMIT G3	2	OK 01'22
*10/24 10:01	9p19734016680		2787	TRANSMIT ECM	8	OK 02'22
*10/24 11:05	916058423875		2788	TRANSMIT ECM	1	OK 00'23
*10/24 11:32	916056658788		2789	TRANSMIT ECM	1	OK 00'29
*10/24 13:01	9p15633338021		2790	TRANSMIT ECM	2	OK 00'48
10/24 14:02	9p19184432429		2791	TRANSMIT G3	12	OK 08'15

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

IN THE MATTER OF THE FILING BY)	ORDER APPROVING
MIDAMERICAN ENERGY COMPANY FOR)	DEPARTURE FROM
APPROVAL OF A DEPARTURE FROM)	ELECTRIC ENERGY
ELECTRIC ENERGY COST ADJUSTMENT)	ADJUSTMENT CLAUSE
TARIFF)	EL02-022

On October 22, 2002, MidAmerican Energy Company (MidAmerican) filed with the Public Utilities Commission (Commission) an application requesting approval to depart from specific wording of its Electric Energy Cost Adjustment (EECA) Tariff. MidAmerican's filing stated that approval of its request would allow pass-through of certain power cost reductions associated with MidAmerican's settlement of all disputes and litigation with Nebraska Public Power District (NPPD) with respect to the Cooper Nuclear Station. On August 1, 2002, MidAmerican received an up front payment from NPPD which represented reduced energy and capacity for the life of the power purchase contract. The filing states that MidAmerican is willing to flow the South Dakota jurisdictional share of the capacity portion of the August payment through the EECA as a credit over the remaining term of the contract with interest on the declining balance of the payment.

At its regularly scheduled meeting of November 20, 2002, the Commission considered this matter.

Commission Staff recommended approval of the request with the following conditions:

1. Approval of this request is a one time, case specific approval and any future deviation from filed EECA tariffs must be filed for and approved by the Commission before implementation.
2. The EECA currently tariffed is not changed by this approval.
3. No precedent is created by approval of this request.
4. MidAmerican shall agree and respond to reporting requirements as directed by Staff.

The Commission finds it has jurisdiction over this matter pursuant to SDCL 49-34A. The Commission finds that MidAmerican's request to depart from its tariffed Electric Energy Cost Adjustment is just and reasonable and approves MidAmerican's request, subject to the conditions recommended by Commission Staff. It is therefore

ORDERED, that MidAmerican's request to depart from its Electric Energy Cost Adjustment is approved with the following conditions:

1. Approval of this request is a one time, case specific approval and any future deviation from filed EECA tariffs must be filed for and approved by the Commission before implementation.
2. The EECA currently tariffed is not changed by this approval.
3. No precedent is created by approval of this request.
4. MidAmerican shall agree and respond to reporting requirements as directed by Staff.

Dated at Pierre, South Dakota, this 2nd day of December, 2002.

CERTIFICATE OF SERVICE

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: Dellaine Kalbo

Date: 12/3/02

(OFFICIAL SEAL)

BY ORDER OF THE COMMISSION:

James A. Burg
JAMES A. BURG, Chairman

Pam Nelson
PAM NELSON, Commissioner

Robert K. Sahr
ROBERT K. SAHR, Commissioner