Attachment 1

June 26, 2011

Elizabeth A. Rolando, Chief Clerk
Illinois Commerce Commission
527 East Capitol Avenue
Springfield, Illinois 62796

Re: Filing required by 83 Ill. Adm. Code
430.50(a)(3) and (4)

Dear Ms. Rolando:

Pursuant to the above-referenced rule, MidAmerican Energy Company (MidAmerican) submits the following data.

1. Section 430.50(a)(3)(A): Estimates of coal, oil and gas usage on a BTU per year basis for the next five years from the current year.

Estimates of coal, oil and gas usage for the next five years are provided in the following table.

Year	Coal (MMBtu)	Oil (MMBtu)	Gas (MMBtu)
2011	149,602,000	446,000	2,296,000
2012	138,471,000	420,000	2,021,000
2013	132,875,000	492,000	2,316,000
2014	138,218,000	799,000	2,283,000
2015	142,081,000	615,000	2,166,000
2016	143,617,000	528,000	1,718,000

2. Section 430.50(a)(3)(B): Estimates of coal, oil, and gas usage on a Btu per year basis for the current year made five years ago pursuant to the requirements of the Illinois Commerce Commission.

Year	Coal (MMBtu)	Oil (MMBtu)	Gas (MMBtu)
2011	169,861,700	131,700	2,521,800

3. Section 430.50(a)(3)(C): Actual oil and gas usage on a Btu per month basis for the twelve calendar months ending at least at the end of the first quarter of the current year.

Actual oil and gas usage for the twelve calendar months ending at the first quarter of 2011 are provided in the following table.

Month	Oil (MMBtu)	Gas (MMBtu)
April 2010	21,879	199,539
May 2010	69,536	401,311
June 2010	18,721	709,052
July 2010	6,936	1,921,477
August 2010	7,238	2,023,202
September 2010	13,312	296,811
October 2010	12,669	115,485
November 2010	34,173	197,875
December 2010	15,531	350,273
January 2011	6,616	206,244
February 2011	26,490	164,329
March 2011	9,726	183,350

4. Section 430.50(a)(4): On June 30, 1983, and not less than every two years thereafter, each electric utility shall examine and update the data required under subparagraphs (a)(1) of this Section. This data shall be filed with the Illinois Commerce Commission and be made available to all qualifying facilities.

a. Section 430.50(a)(l)(A) and (B): Data described in 18 CFR 292.302 (b).

Avoided energy costs for various levels of purchase from qualifying facilities based on MidAmerican's generating costs were estimated using a chronological Monte Carlo simulation production costing model, PROMOD IV. Tables of the resulting avoided energy costs by block for the 0 megawatt level through the 200 megawatt level for 2011 through 2016 are shown on Exhibit A, attached hereto and made a part hereof.

Five levels of purchases were evaluated: 0 megawatts, 50 megawatts, 100 megawatts, 150 megawatts and 200 megawatts. Avoided energy costs for other levels of purchases were calculated using linear interpolation between those values.

MidAmerican's costs were based on current and committed generating units and forecasts of fuel and variable operation and maintenance costs through 2016. Avoided energy costs were calculated as the difference in energy costs reflected by the difference in generation energy requirements between the specified level of purchase and no purchase.

The avoided energy cost calculations were made for the summer and winter seasons for each year. The summer season is June through September, with all other months in each year in the winter season. The on-peak periods are weekdays from hour ending 7:00 A.M. to 10:00 P.M. All other hours are off-peak.

The forecast firm peak demand and system net requirements for regulated native load customers used in the calculation of avoided energy costs are shown in the following table.

Year	Firm Summer Peak (MW)	Firm Winter Peak (MW)	System Net Requirements Native Load (MWh)
2011	4,149	3,469	22,846,700
2012	4,203	3,513	23,239,800
2013	4,255	3,557	23,615,200
2014	4,321	3,609	23,991,000
2015	4,372	3,647	24,341,100
2016	4,405	3,672	24,651,000

Purchases of firm capacity and energy, other than the anticipated cogeneration purchases discussed in the response to Section 430.50(a)(1)(C), during the six-year period from 2011 through 2016 are a result of a power purchase contract from the output from a 112.5 MW wind farm. The wind farm is projected to provide 9 MW of summer capacity based on MISO operating guidelines.

Year	July Accredited (MW)	Annual Energy (MWh)
2011	9	267,700
2012	9	271,200
2013	9	269,600
2014	9	267,000
2015	9	265,900
2016	9	268,600

MidAmerican continues to actively pursue additional wind production projects and has 591 MW of nameplate wind capacity under construction with an in-service date scheduled in the fourth quarter of 2011. Depending upon market conditions, an additional 251 MW of nameplate wind capacity is planned with an in-service date of December 2012. These wind projects were included in the 2011-2016 avoided energy cost forecast. No other generating unit additions or retirements were included in the avoided energy cost projections.

All of MidAmerican's generating units are included in the avoided cost calculations. However, costs for certain of MidAmerican's generating units have not been allocated to Illinois in accordance with Docket Nos. 03-0496 and 06-0736.

b. Section 430.50(a)(1)(C): Anticipated cogeneration levels and anticipated avoidable capacity costs.

MidAmerican receives energy from two small power producers in Illinois under Rate 57. The following schedule shows historical and projected MWh energy purchases by MidAmerican.

Year	Producer 1	Producer 2
2006	-	25,249
2007	-	27,466
2008	-	30,649
2009	-	29,868
2010	21	25,897
Projection	-	28,000

MidAmerican continually reviews its capacity needs. This review includes the projecting of forecast load growth, forecast demand side management programs, renewable capacity availability, new regional capacity additions and FERC orders relative to RTO formation, transmission ownership and economic costs.

MidAmerican has used the economic carrying charges on a new combustion turbine to calculate the avoidable capacity cost. Using this methodology, the annual cost in 2011 is $92.97/kW. The installed cost of this unit is estimated to be $894.12/ kW (based on summer capacity rating) in 2011 dollars. This cost is based on a combination of cost data from the EPRI TAG (Technical Assessment Guide) and assessment of the current combustion turbine market and construction costs.

The following parameters were used to calculate the economic carrying charges and annual revenue requirements for a new 171 MW combustion turbine (summer rating): a weighted-average capital cost of 9.25%; after tax discount rate of 7.81%; 15 year tax life; tax-depreciation basis of 100%; book life of 40 years; and fixed operation and maintenance cost of $9.17/kW/year in 2011 escalating at 1.9% per year. The present value of revenue requirements for the new combustion turbine is estimated to be $1,368/kW installed.

Economic carrying charges for the new combustion turbine are calculated by the formula:

Where ECC_t = Economic carrying charge in year "t"

k = Present value rate of revenue requirement

n = Expected life of investment

i = Inflation rate

r = Discount rate

$$ECC_t = k \; x \; (r - i) \; x \; \frac{(1+r)^n}{(1+r)^n - (1+i)^n} \; x \; (1+i)^{(t-1)}$$

Due to additional capacity currently available in the region, the market value of capacity in MidAmerican's service area is approximately $15.00/kW for the entire summer season, which is lower than the equivalent cost of a new combustion turbine. The Environmental Protection Agency has issued several policies for comment during the past few months that are expected to result in a number of generating unit closures; thus resulting in a tightening of supply. Therefore, MidAmerican reflected this tightening of supply by increasing the avoided capacity cost to 25%, 50% and 100% of the annual economic carrying charge for a new combustion turbine unit for 2013, 2014 and 2015, respectively.

The avoidable new generation capacity costs are as follows.

Year	Avoidable New Generating Capacity Costs ($/kW/yr.)
2011	$ 15.00
2012	$ 15.00
2013	$ 24.13
2014	$ 49.19
2015	$ 100.24
2016	$ 102.14

A copy of this letter is being made available to all qualifying facilities having a contract with MidAmerican for service under tariff Rate No. 57.

The original and four copies of this letter are enclosed. Please date-stamp one copy of the letter as "received" or "filed" and return it to me in the enclosed preaddressed, postage paid envelope.

Sincerely,

Encl.

cc: City of Rock Island
ZAPCO Inc.