

GE 98-002

GE 98-002

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DOCKET NO.

In the Matter of

IN THE MATTER OF THE  
APPLICATION OF MIDAMERICAN  
ENERGY COMPANY FOR A  
STATEMENT TO THE SECURITIES  
AND EXCHANGE COMMISSION  
REGARDING INVESTMENT IN A  
FOREIGN UTILITY

Public Utilities Commission of the State of South Dakota

DATE

MEMORANDA

DATE	MEMORANDA
4/27/98	Filed and Packaged.
4/21/98	Proposed Form of Certification,
4/27/98	Monthly Filings;
4/21/98	Certification letter to Securities and Exchange Commission;
4/21/98	Project Closed.

GE 98-002

**MidAmerican**  
ENERGY  
FAX Received SEP 17 1998

RECEIVED  
SEP 21 1998

SOUTH DAKOTA PUBLIC  
UTILITIES COMMISSION

Missouri  
400 State Office  
P.O. Box 700  
Springfield, MO 65804  
761.233.3333  
Suzan M. Stewart  
Administrative Services

September 17, 1998

BY TELEFAX & MAIL DELIVERY

Mr. William Bullard  
Executive Secretary  
South Dakota Public Utilities  
Commission  
500 East Capitol Avenue  
Pierre, South Dakota 57501

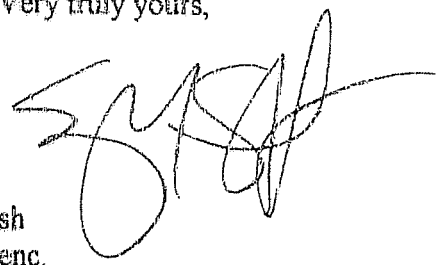
In Re: MidAmerican Energy Company  
Application for Statement

Dear Mr. Bullard:

Enclosed for filing please find an original and eleven copies of an Application for Statement of MidAmerican Energy Company regarding the above-captioned matter.

Please file stamp the extra copy and return it in the self-addressed stamped envelope enclosed.

Very truly yours,



sh  
enc.

STATE OF SOUTH DAKOTA

SEP 17 1998

BEFORE THE PUBLIC UTILITIES COMMISSION

SOUTH DAKOTA PUBLIC UTILITIES COMMISSION

MidAmerican Energy Company,	)	
Application for a Statement to	)	DOCKET NO. _____
The Securities and Exchange	)	
Commission Regarding Investment	)	APPLICATION FOR STATEMENT
In a Foreign Utility.	)	

MidAmerican Energy Company ("MidAmerican") applies to the South Dakota Public Utilities Commission ("Commission") pursuant to SDCL 49-34A for an order authorizing the issuance of a certification statement to the Securities and Exchange Commission ("SEC"), and states in support thereof:

1. MidAmerican is in the business of distributing electrical energy and providing natural gas sales and transportation services to residential and business customers in the State of South Dakota. MidAmerican Energy Holdings Company ("Holdings"), parent holding company of MidAmerican, has entered into an Agreement and Plan of Merger, dated as of August 11, 1998 ("Agreement"), providing for a series of transactions pursuant to which Holdings will become a wholly owned subsidiary of CalEnergy Company, Inc. ("CalEnergy"). CalEnergy has various direct and indirect interests in foreign public utility properties. As a consequence of this series of transactions, MidAmerican will become a domestic public utility associated with CalEnergy's existing and future direct and indirect ownership interests in foreign utility companies within the meaning of Section 33 of the Public Utility Holding Company Act of 1935 ("PUHCA"), 15 U.S.C. §79z-5b.

This filing seeks a statement from the Commission, which will be submitted to the SEC, that the Commission has reviewed the proposed transaction and determined that it

has the authority and resources to protect ratepayers subject to its jurisdiction and that it intends to exercise its authority to the fullest extent allowed by law.

### **Description of Parties and Transaction**

2. MidAmerican, an Iowa corporation, provides electric service to approximately 648,000 customers and natural gas service to approximately 619,000 customers in South Dakota, Iowa, Illinois and Nebraska. Its principal office and place of business is at 666 Grand Avenue, Des Moines, Iowa 50309.

3. CalEnergy, a Delaware corporation, is a global energy company that directly or indirectly manages and owns interests in approximately 5,000 net megawatts of power generation facilities in operation, construction and development worldwide. Through its United Kingdom subsidiary, Northern Electric, CalEnergy supplies and distributes electricity and gas to approximately 2.0 million customers in the United Kingdom. CalEnergy conducts business in the United States, United Kingdom, Philippines, Indonesia, Poland and Australia and employs more than 4,200 people worldwide. In the year ended December 31, 1997, CalEnergy generated revenues of over \$2.2 billion and had assets of approximately \$7.5 billion. The principal executive offices of CalEnergy are located at 302 South 36<sup>th</sup> Street, Suite 400, Omaha, Nebraska 68131.

4. Pursuant to the Agreement, CalEnergy will acquire all of the outstanding common stock of Holdings for \$27.15 per share, and through a merger of Holdings with a subsidiary of CalEnergy, Holdings will become a wholly owned subsidiary of CalEnergy. As a part of the transaction, CalEnergy will merge with a reincorporation subsidiary incorporated in Iowa and change its name to "MidAmerican Energy Holdings Company" ("New MidAmerican"). Following completion of the transaction, New MidAmerican

will qualify as an exempt public utility holding company under the PUHCA. New MidAmerican will be headquartered in Des Moines, Iowa, and MidAmerican's utility operation will remain headquartered in Des Moines, Iowa. CalEnergy does not own or operate utility properties in the State of South Dakota.

### **Regulatory Approval Requested**

5. After completion of the transaction outlined in Paragraph 4 hereof, New MidAmerican will own both CalEnergy's interests in its foreign utility properties and MidAmerican, a domestic public utility. Accordingly, MidAmerican will have an indirect interest in these foreign utility properties. PUHCA generally provides that foreign utility companies will not be subject to regulation as utilities thereunder, and thus will not affect the status of an exempt holding company if certain state certifications are filed with the SEC.

6. Section 33(a)(2) of PUHCA permits an exemption from all provisions of PUHCA for foreign utility companies if every state regulatory authority having jurisdiction over retail electric and gas rates of every associated or affiliated domestic public utility company certifies that it has the authority and resources to protect ratepayers subject to its jurisdiction and that it intends to exercise such authority. MidAmerican respectfully requests the Commission to issue such certification, and attaches a copy of a proposed certification hereto, which proposed certification is incorporated by reference into this Application. This certification may be in the form of a letter or an order signed by all members of the regulatory authority.

7. The certification that MidAmerican requests the Commission to issue in this docket will be subject to review at a later time if MidAmerican's indirect interests in

foreign utility properties changes as a result of a future acquisition. Section 33(a)(2) of PUHCA empowers the Commission to revise or withdraw its certification in the event that MidAmerican's indirect interest in foreign utility properties changes as a result of a future foreign utility acquisition. PUHCA Section 33(e)(2) provides for notice to be given to state regulatory authorities within 30 days after the consummation of the acquisition of an interest in a foreign utility company by an associate of MidAmerican. Additionally, PUHCA Sections 33(f) and 33(g) stringently limit the extent of any direct interest that a domestic public utility, such as MidAmerican, may have in foreign utility investments.

8. MidAmerican does not anticipate that this transaction will significantly impact its operations in South Dakota in any way. MidAmerican's customers will see no change in their utility service as a result of the transaction, and the customers will continue to be served effectively and efficiently by MidAmerican. No South Dakota properties will be encumbered as a result of the transaction.

9. The Commission's authority is fully adequate to protect South Dakota customer interests with respect to the proposed transaction. In future MidAmerican rate cases, the Commission and any intervenors have the authority to fully investigate any significant transactions between MidAmerican and other affiliated interests to verify the accuracy and appropriateness of all utility charges.

WHEREFORE, MidAmerican Energy Company respectfully requests the South Dakota Public Utilities Commission to certify to the U. S. Securities and Exchange Commission that it has the authority and resources to protect ratepayers subject to its

jurisdiction and that it intends to exercise such authority to the fullest extent allowed by law.

DATED this 17<sup>th</sup> day of September, 1998.

Respectfully submitted,

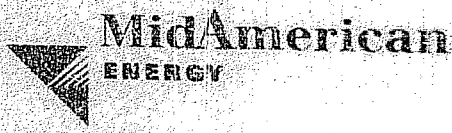
MIDAMERICAN ENERGY COMPANY

By: 

Suzan M. Stewart  
Managing Attorney  
P O. Box 778  
Sioux City, IA 51102  
(712) 277-7587 (voice)  
(712) 252-7371 (fax)



48-45-002



Steven M. Stewart

September 21, 1998

By Telefax and Mail Delivery

Mr. William Bullard  
Executive Secretary  
South Dakota Public Utilities  
Commission  
500 East Capitol Avenue  
Pierre, SD 57501

FAX Received SEP 21 1998

RECEIVED

SEP 21 1998

SOUTH DAKOTA PUBLIC UTILITIES COMMISSION

In Re: MidAmerican Energy Company  
Application for Statement

Dear Mr. Bullard:

On September 17, 1998, MidAmerican Energy Company provided, by telefax and mail, an Application captioned as indicated above. MidAmerican did not provide the proposed certification form referenced in Paragraph 6 thereof.

Accordingly, MidAmerican provides the original and eleven copies of a document captioned "Proposed Form of Certification" for inclusion in this docket.

Please file stamp the extra copy and return it in the self-addressed stamped envelope enclosed for your convenience.

Very truly yours,

enc.

Proposed Form of Certification

South Dakota Public Utilities Commission Letterhead

September \_\_, 1998

RECEIVED

SEP 23 1998

SOUTH DAKOTA PUBLIC  
UTILITIES COMMISSION

Securities and Exchange Commission  
450 Fifth Street, N.W.  
Washington, D.C. 20549

Ladies and Gentlemen:

We are writing to you with respect to MidAmerican Energy Holdings Company ("MidAmerican") and its affiliated public utility company, MidAmerican Energy Company ("MidAmerican Energy"). The South Dakota Public Utilities Commission has jurisdiction over the regulated retail gas rates of MidAmerican Energy in the State of South Dakota.

MidAmerican has represented that it has entered into an Agreement and Plan of Merger providing for a series of transactions pursuant to which MidAmerican will become a wholly owned subsidiary of CalEnergy Company, Inc. ("CalEnergy") and, as a result, MidAmerican Energy will become a domestic public utility associate with respect to (i) CalEnergy's existing direct and indirect ownership interests in foreign utility companies within the meaning of Section 33 of the Public Utility Holding Company Act of 1935, as amended (the "Act"), and (ii) any future CalEnergy MidAmerican system, either directly or through other entities, in one or more foreign countries. We submit this letter pursuant to the requirements of Section 33(a)(2) of the Act.

The South Dakota Public Utilities Commission hereby certifies to you that we have the authority and resources to protect ratepayers subject to our jurisdiction and that we intend to exercise such authority to the fullest extent allowed by law.

Sincerely,  
The South Dakota Public Utilities  
Commission

BY: \_\_\_\_\_  
Title

South Dakota Public Utilities Commission

**WEEKLY FILINGS**

For the Period of September 16, 1998 through September 24, 1998

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 filing.  
Phone: 605-773-3705. Fax: 605-773-3809

**GAS AND ELECTRIC**

**GE98-002** In the Matter of the Application of MidAmerican Energy Company for a Statement to the Securities and Exchange Commission Regarding Investment in a Foreign Utility.

Application by MidAmerican Energy Company for an order by the Commission claiming jurisdiction over MidAmerican in order to be exempt from the Public Utility Holding Company Act. MidAmerican is being acquired by CalEnergy and as a result will have an indirect interest in several foreign utility properties. PUHCA provides that foreign utility companies will not be subject to regulation as utilities if certification by Regulatory Commissions is received by the Securities and Exchange Commission stating the Commission has the authority and resources to protect ratepayers subject to its jurisdiction and that it intends to exercise its authority to the fullest extent allowed by law.

Staff Attorney: Camron Hoseck  
Staff Analyst: Dave Jacobson  
Date Filed: 09/17/98  
Intervention Deadline: NA

**TELECOMMUNICATIONS**

**TC98-158** In the Matter of Cypress Telecommunications Corporation's Failure to Submit a Report and Pay the Gross Receipts Tax.

Cypress Telecommunications Corporation shall appear on October 20, 1998, at 1:30 p.m. in the Cactus Conference Room, State Capitol Building, Pierre, SD, to show cause why action should not be taken against the company for failure to comply with SDCL Chapter 49-1 A.

Staff Attorney: Camron Hoseck  
Deputy Executive Director: Sue Cichos  
Date Opened: 09/21/98  
Hearing Date: 10/20/98

TC98-159 In the Matter of Freedom Communications Corp.'s Failure to Submit a Report and Pay the Gross Receipts Tax.

Freedom Communications Corp. shall appear on October 20, 1998, at 1:30 p.m. in the Cactus Conference Room, State Capitol Building, Pierre, SD, to show cause why action should not be taken against the company for failure to comply with SDCL Chapter 49-1A.

Staff Attorney: Camron Hoseck  
Deputy Executive Director: Sue Cichos  
Date Opened: 09/21/98  
Hearing Date: 10/20/98

TC98-160 In the Matter of Global Telemedia International, Inc.'s Failure to Submit a Report and Pay the Gross Receipts Tax.

Global Telemedia International, Inc. shall appear on October 20, 1998, at 1:30 p.m. in the Cactus Conference Room, State Capitol Building, Pierre, SD, to show cause why action should not be taken against the company for failure to comply with SDCL Chapter 49-1A.

Staff Attorney: Camron Hoseck  
Deputy Executive Director: Sue Cichos  
Date Opened: 09/21/98  
Hearing Date: 10/20/98

TC98-161 In the Matter of Host Network, Inc.'s Failure to Submit a Report and Pay the Gross Receipts Tax.

Host Network, Inc. shall appear on October 20, 1998, at 1:30 p.m. in the Cactus Conference Room, State Capitol Building, Pierre, SD, to show cause why action should not be taken against the company for failure to comply with SDCL Chapter 49-1A.

Staff Attorney: Camron Hoseck  
Deputy Executive Director: Sue Cichos  
Date Opened: 09/21/98  
Hearing Date: 10/20/98

TC98-162 In the Matter of Long Distance Direct Holdings, Inc.'s Failure to Submit a Report and Pay the Gross Receipts Tax.

Long Distance Direct Holdings, Inc. shall appear on October 20, 1998, at 1:30 p.m. in the Cactus Conference Room, State Capitol Building, Pierre, SD, to show cause why action should not be taken against the company for failure to comply with SDCL Chapter 49-1A.

Staff Attorney: Camron Hoseck  
Deputy Executive Director: Sue Cichos  
Date Opened: 09/21/98  
Hearing Date: 10/20/98

TC98-163 In the Matter of Meridian Telecom Corporation's Failure to Submit a Report and Pay the Gross Receipts Tax.

Meridian Telecom Corporation shall appear on October 20, 1998, at 1:30 p.m. in the Cactus Conference Room, State Capitol Building, Pierre, SD, to show cause why action should not be taken against the company for failure to comply with SDCL Chapter 49-1A.

Staff Attorney: Camron Hoseck  
Deputy Executive Director: Sue Cichos  
Date Opened: 09/21/98  
Hearing Date: 10/20/98

TC98-164 In the Matter of Micro-Comm, Inc.'s Failure to Submit a Report and Pay the Gross Receipts Tax.

Micro-Comm, Inc. shall appear on October 20, 1998, at 1:30 p.m. in the Cactus Conference Room, State Capitol Building, Pierre, SD, to show cause why action should not be taken against the company for failure to comply with SDCL Chapter 49-1A.

Staff Attorney: Camron Hoseck  
Deputy Executive Director: Sue Cichos  
Date Opened: 09/21/98  
Hearing Date: 10/20/98

TC98-165 In the Matter of Polar Communications Corporation's Failure to Submit a Report and Pay the Gross Receipts Tax.

Polar Communications Corporation shall appear on October 20, 1998, at 1:30 p.m. in the Cactus Conference Room, State Capitol Building, Pierre, SD, to show cause why action should not be taken against the company for failure to comply with SDCL Chapter 49-1A.

Staff Attorney: Camron Hoseck  
Deputy Executive Director: Sue Cichos  
Date Opened: 09/21/98  
Hearing Date: 10/20/98

TC98-166 In the Matter of Professional Communications Management Services, Inc. d/b/a PROCOM's Failure to Submit a Report and Pay the Gross Receipts Tax.

Professional Communications Management Services, Inc. d/b/a PROCOM shall appear on October 20, 1998, at 1:30 p.m. in the Cactus Conference Room, State Capitol Building, Pierre, SD, to show cause why action should not be taken against the company for failure to comply with SDCL Chapter 49-1A.

Staff Attorney: Camron Hoseck  
Deputy Executive Director: Sue Cichos  
Date Opened: 09/21/98  
Hearing Date: 10/20/98

TC98-167 In the Matter of Providian Group, LLC's Failure to Submit a Report and Pay the Gross Receipts Tax.

Providian Group, LLC shall appear on October 20, 1998, at 1:30 p.m. in the Cactus Conference Room, State Capitol Building, Pierre, SD, to show cause why action should not be taken against the company for failure to comply with SDCL Chapter 49-1A.

Staff Attorney: Camron Hoseck  
Deputy Executive Director: Sue Cichos  
Date Opened: 09/21/98  
Hearing Date: 10/20/98

TC98-168 In the Matter of SmarTel Communications, Inc.'s Failure to Submit a Report and Pay the Gross Receipts Tax.

SmarTel Communications, Inc. shall appear on October 20, 1998, at 1:30 p.m. in the Cactus Conference Room, State Capitol Building, Pierre, SD, to show cause why action should not be taken against the company for failure to comply with SDCL Chapter 49-1A.

Staff Attorney: Camron Hoseck  
Deputy Executive Director: Sue Cichos  
Date Opened: 09/21/98  
Hearing Date: 10/20/98

TC98-169 In the Matter of The Phonco, Inc. d/b/a Network Services Long Distance's Failure to Submit a Report and Pay the Gross Receipts Tax.

The Phonco, Inc. d/b/a Network Services Long Distance shall appear on October 20, 1998, at 1:30 p.m. in the Cactus Conference Room, State Capitol Building, Pierre, SD, to show cause why action should not be taken against the company for failure to comply with SDCL Chapter 49-1A.

Staff Attorney: Camron Hoseck  
Deputy Executive Director: Sue Cichos  
Date Opened: 09/21/98  
Hearing Date: 10/20/98

TC98-170 In the Matter of TW Communications, Inc.'s Failure to Submit a Report and Pay the Gross Receipts Tax.

TW Communications, Inc. shall appear on October 20, 1998, at 1:30 p.m. in the Cactus Conference Room, State Capitol Building, Pierre, SD, to show cause why action should not be taken against the company for failure to comply with SDCL Chapter 49-1A.

Staff Attorney: Camron Hoseck  
Deputy Executive Director: Sue Cichos  
Date Opened: 09/21/98  
Hearing Date: 10/20/98

TC98-171 In the Matter of United Wats, Inc.'s Failure to Submit a Report and Pay the Gross Receipts Tax.

United Wats, Inc. shall appear on October 20, 1998, at 1:30 p.m. in the Cactus Conference Room, State Capitol Building, Pierre, SD, to show cause why action should not be taken against the company for failure to comply with SDCL Chapter 49-1A.

Staff Attorney: Camron Hoseck  
Deputy Executive Director: Sue Cichos  
Date Opened: 09/21/98  
Hearing Date: 10/20/98

TC98-172 In the Matter of V.I.P. Telephone Network, Inc.'s Failure to Submit a Report and Pay the Gross Receipts Tax.

V.I.P. Telephone Network, Inc. shall appear on October 20, 1998, at 1:30 p.m. in the Cactus Conference Room, State Capitol Building, Pierre, SD, to show cause why action should not be taken against the company for failure to comply with SDCL Chapter 49-1A.

Staff Attorney: Camron Hoseck  
Deputy Executive Director: Sue Cichos  
Date Opened: 09/21/98  
Hearing Date: 10/20/98

TC98-173 In the Matter of XIEX Telecommunications, Inc.'s Failure to Submit a Report and Pay the Gross Receipts Tax.

XIEX Telecommunications, Inc. shall appear on October 20, 1998, at 1:30 p.m. in the Cactus Conference Room, State Capitol Building, Pierre, SD, to show cause why action should not be taken against the company for failure to comply with SDCL Chapter 49-1A.

Staff Attorney: Camron Hoseck  
Deputy Executive Director: Sue Cichos  
Date Opened: 09/21/98  
Hearing Date: 10/20/98

TC98-174 In the Matter of the Application of PremierCom, Inc., for a Certificate of Authority to Provide Telecommunications Services in South Dakota.

Application by PremierCom, Inc., for a certificate of authority to provide intrastate, interexchange switched inbound, switched outbound, and calling card services on a resale basis.

Staff Attorney: Camron Hoseck  
Staff Analyst: Dave Jacobson  
Date Filed: 09/22/98  
Intervention Deadline: 10/09/98

TC98-175 In the Matter of the Complaint filed by John R. Steele, Plankinton, South Dakota, against MCI Telecommunications Corporation Regarding Fraudulent Marketing Practices.

Complaint by John R. Steele, Plankinton against MCI. Complainant alleges that actual rates charged by MCI were higher than rates promised for intra and interstate long distance calls. Complainant is requesting that MCI honor a \$.12 per minute rate along with a 20 percent rebate at the end of the first year; or that MCI switch his service back to DTG and rerate his current bill at the promised rate.

Staff Attorney: Karen Cremer  
Consumer Representative: Leni Healy  
Date Filed: September 14, 1998  
Intervention Deadline: N/A

TC98-176 In the Matter of the Complaint filed by Randy Kieffer, Sturgis, South Dakota, against U S WEST Communications, Inc., Regarding Service Problems.

On September 21, 1998, the Commission received a complaint from Randy Kieffer, Sturgis, SD, against U S WEST regarding service problems. The complaint states

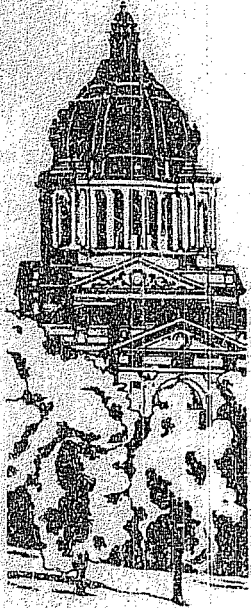


several incidents of ongoing service problems and poor or slow response by U S WEST. The phone outages require the complainant to drive 26 miles to Sturgis to report the outage and to make necessary phone calls. The complainant paid \$2,500 last year to have a telephone line installed. The complainant asks that U S WEST reimburse time and travel expenses for past and future phone outages or that U S WEST provide two cellular phones free of cost to be used when the outages occur.

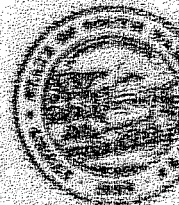
Staff Attorney: Camron Hoseck  
Consumer Representative: Leni Healy  
Date Filed: 09/21/98  
Intervention Deadline: N/A

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You may subscribe to the PUC mailing list at  
<http://www.state.sd.us/state/executive/puc/puc.htm>



# South Dakota Public Utilities Commission



State Capitol Building, 500 East Capitol Avenue, Pierre, South Dakota 57501-5070

October 21, 1998

Ms. Suzan M. Stewart  
Managing Attorney  
MidAmerican Energy Company  
P. O. Box 778  
Sioux City, IA 51101

Re: MidAmerican Energy Company  
Application for Statement  
Docket GE98-002

Dear Ms. Stewart:

Enclosed please find a copy of the letter written in the above mentioned docket for your records. A copy was also mailed to Robert Wason of the Securities and Exchange Commission. It was mailed on October 21, 1998.

If there is anything further that I can do for you, please don't hesitate to let me know.

Very truly yours,

Camron Hoseck  
Staff Attorney

CH:dk  
Enc.

Capitol Office  
Telephone (605)773-3201  
FAX (605)773-3809

Transportation/  
Warehouse Division  
Telephone (605)773-3280  
FAX (605)773-3225

Consumer Hotline  
1-800-332-1782

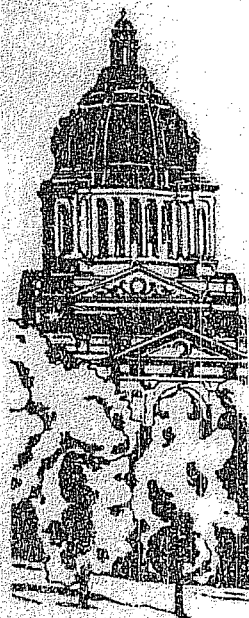
TTY Through  
Relay South Dakota  
1-800-877-1113

Internet  
billb@puc.state.sd.us

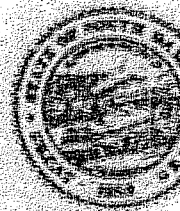
Jim Burg  
Chairman  
Paul Nelson  
Vice-Chairman  
Laska Schoenfelder  
Commissioner

William Bullard Jr.  
Executive Director

Edward R. Anderson  
Harlan Best  
Martin C. Bettmann  
Charlie Bolle  
Sue Cichos  
Karen E. Cremer  
Marlette Fischbach  
Shirleen Fugitt  
Lewis Hammond  
Katie Hartford  
Leni Healy  
Camron Hoseck  
Dave Jacobsen  
Bob Knadle  
Delaine Kolbo  
Jeffrey P. Lorensen  
Terry Norum  
Gregory A. Rislov  
Tammie Stangohr  
Steven M. Wegman  
Roiayne Allts Wiest



# South Dakota Public Utilities Commission



State Capitol Building, 500 East Capitol Avenue, Pierre, South Dakota 57501-5070

October 19, 1998

Securities and Exchange Commission  
450 Fifth Street N.W.  
Washington, D.C. 20549

Re: MidAmerican  
Docket GE98-002

Ladies and Gentlemen:

The South Dakota Public Utilities Commission is writing to you with respect to MidAmerican Energy Holdings Company ("MidAmerican") and its affiliated public utility company, MidAmerican Energy Company ("MidAmerican Energy"). The South Dakota Public Utilities Commission has jurisdiction over the regulated retail electricity and gas rates of MidAmerican Energy in the state of South Dakota.

MidAmerican has represented to the South Dakota Public Utilities Commission that it has entered into an Agreement and Plan of Merger providing for a series of transactions pursuant to which ~~MidAmerican will become a wholly owned subsidiary of CalEnergy Company, Inc. ("CalEnergy") and, as a result, MidAmerican Energy will become a domestic public utility associate with respect to (i) CalEnergy's existing direct and indirect ownership interests in foreign utility companies within the meaning of Section 33 of the Public Utility Holding Company Act of 1935, as amended (the "Act"), and (ii) any future CalEnergy MidAmerican system, either directly or through other entities, in one or more foreign countries.~~ This letter is submitted pursuant to the requirements of Section 33(a)(2) of the Act.

The South Dakota Public Utilities Commission hereby certifies to you that it has the authority and resources to protect ratepayers subject to our jurisdiction and that it intends to exercise such authority to the fullest extent allowed by law.

Sincerely,

James A. Burg  
Chairman

Pam Nelson  
Commissioner

Laika Schoenfelder  
Commissioner

cc: Mr. Robert Wason  
Securities and Exchange Commission  
Office of Public Utility Regulation  
Division of Investment Management  
450 Fifth Street N.W.  
Washington, D.C. 20549

Capitol Office  
Telephone (605)773-3201  
FAX (605)773-3809

Transportation/  
Warehouse Division  
Telephone (605)773-5280  
FAX (605)773-3225

Consumer Hotline  
1-800-332-1782

TTY Through  
Relay South Dakota  
1-800-877-1113

Internet  
http://puc.state.sd.us

Jim Burg  
Chairman  
Pam Nelson  
Vice-Chairman  
Laika Schoenfelder  
Commissioner

William Bullard Jr.  
Executive Director

Edward R. Anderson  
Harlan Best  
Martin C. Bettmann  
Charlie Belle  
Sue Cichos  
Karen E. Cremer  
Marlette Fischbach  
Shirleen Fugitts  
Lewis Hammond  
Katie Harford  
Leni Healy  
Cameron Hoseck  
Dave Jacobson  
Bob Knadle  
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Jeffrey P. Lorensen  
Terry Norum  
Gregory A. Rislov  
Tammi Stangohr  
Steven M. Wegman  
Rosalynne Aults Wiest