

NG 98-006

NG 98-006

CH/DJ

NG 98-006

DOCKET NO. _____

In the Matter of ...

IN THE MATTER OF THE FILING BY
MIDAMERICAN ENERGY COMPANY
FOR APPROVAL OF WAIVER OF
REFUND PLAN RELATING TO KANSAS
AD VALOREM TAX REFUNDS
RECEIVED FROM NORTHERN
NATURAL GAS COMPANY

Public Utilities Commission of the State of South Dakota

DATE	MEMORANDA
6/18 98	Filed and Docketed;
7/9 98	Additional Information from MidAmerican;
8/5 98	Order Allowing Referral of Refund;
8/5 98	Docket Closed.
7/16 99	Reopened;
8/26 99	Order Allowing Referral of Refund;
8/26 99	Docket Closed.
7/17 00	Reopened;
8/3 00	Webb's Filing;
8/16 00	Order Allowing Referral of Refund;
8/16 00	Docket Closed.



RECEIVED

JUN 18 1998

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSIONMidAmerican Energy Company
401 Douglas Street
P. O. Box 778
Sioux City, Iowa 51102
712 277-7580 Telephone

June 17, 1998

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

**Subject: Northern Natural Gas Supplier Refund for Kansas Ad Valorem Taxes
Request for Waiver of Refund Plan**

Dear Mr. Bullard:

MidAmerican Energy Company (MidAmerican) is requesting a waiver of supplier refund rules based on MidAmerican tariff, SD P.U.C. Section No. III, First Revised Sheet No. 5, Part 6 Refund Procedure for the filing of a refund plan for a refund received from Northern Natural Gas Company in Docket Nos. RP97-369-000 for distribution of Kansas Ad Valorem Taxes.

On January 29, 1998 and April 6, 1998, Northern Natural Gas Company (Northern) issued checks to MidAmerican for a total of \$4,450,770.55 representing a refund of Kansas Ad Valorem Taxes for the years of 1984 through 1989. This refund was made pursuant to an order issued by the Federal Energy Regulatory Commission (FERC) in Docket Nos. RP97-369-000 et al., on September 10, 1997.

This proceeding is not yet final, and application for rehearing has been filed with the FERC. Northern acknowledged, when it refunded these amounts, that there were issues in the refund proceeding that had not been finally resolved by the FERC or in the courts and that there was a possibility that the refunds might have to be returned in whole or part.

The amount and ultimate disposition of the refund amounts that MidAmerican has received are not final at this time. MidAmerican cannot with any certainty provide a refund plan for the amount of refund due to the South Dakota customers. Because of this uncertainty, MidAmerican believes that it is in the best interests of its customers to request the Commission to permit retention of the refund amounts until such time as MidAmerican believes that it can be under no possible obligation to return all or any portion of the refund received.

MidAmerican Request for Waiver/June 17, 1998
Page 2

MidAmerican Energy Company respectfully requests the South Dakota Commission to permit retention of the refund amount received from Northern Natural Gas Company until such time as MidAmerican determines that the amount received constitutes a final refund. At that time, MidAmerican will file a refund plan and calculate accrued interest on the refund amounts at the rate of 9.429%. The interest rate is based on the rate of return in the last rate case in Docket No. NG95-006.

If you have any questions, please contact me at (712) 277-7611.

Sincerely,



Gene Harrison
Pricing Analyst

cc: Greg Rislov - SDPUC



Northern Natural Gas
Company

O. Box 3330

Omaha, NE 68103-0330

323 398-7200

January 29, 1998

Re: Northern Natural Gas Company
Distribution of Kansas Ad Valorem Tax Refunds

To: The Party Addressed

Northern Natural Gas Company (Northern) is enclosing a check along with supporting workpapers relating to the refund of Kansas Ad Valorem Taxes. These refunds are being made pursuant to the Commission's Order in Public Service Company of Colorado et al. Docket Nos. RP97-369-000, et al., issued September 10, 1997. The refunds relate to Producer refunds received by Northern through December 31, 1997.

Schedule No. 1 shows, in detail, the allocation of the refund amounts to the specific jurisdictional customers. The allocation factors are based upon the sales volumes which were taken from each year's F.E.R.C. Form 2. The refund amounts for each specific year were multiplied by the appropriate allocation factor for that year to arrive at the refund amounts applicable to each customer by year. The customer amounts were then added across to arrive at the resulting total.

In accepting this check, please understand that the issues have not been finally resolved in these dockets and are subject to further Commission action. It is therefore possible that the recipients of the refunds ultimately may have to refund all or a part of the refund amount, along with interest, at some future date.

Respectfully submitted,

Tim Küster for

Mary Kay Miller
Vice President, Rates and Certificates

Attachment

Natural gas. Electricity. Endless possibilities.

NORTHERN NATURAL GAS COMPANY
P.O. Box 1188
Houston, TX 77251-1188

**ENRON
CORP**

MIDAMERICAN ENERGY CO
P O BOX 778
SIOUX CITY, IA
51102

01/29/98

PAGE 1 OF 1

VENDOR NO: 0000392001
REMITTANCE STATEMENT

ENDORSE NO.	INVOICE DATE	INVOICE NO.	PURCHASE ORDER	AMOUNT		
				GROSS	DISCOUNT	NET
0001000177	01/29/98	CKR012898		3,854,533.21		3,854,533.21
REFUNDS PURSUANT TO COMMISSION ORDER DOCKET NOS. RP97-399 ETAL ISSUED SEPTEMBER 10, 1997						
				TOTAL		3,854,533.21

SPECIAL INSTRUCTIONS:
PICK UP BY HARRY WALTERS X31548

DETACH AND RETAIN THIS STUB FOR YOUR RECORDS. CHECK # 1793300230 ATTACHED BELOW

**ENRON
CORP**

NORTHERN NATURAL GAS COMPANY
P.O. Box 1188
Houston, TX 77251-1188

No. 1793300230

01/29/98

PAY TO THE ORDER OF
MIDAMERICAN ENERGY CO
P O BOX 778
SIOUX CITY, IA
51102

\$3,854,533.21

NOT VALID AFTER 1 YEAR

Three million eight hundred fifty four thousand five hundred thirty three and 21/100 Dollars

William D. Hartman

AUTHORIZED SIGNATURE

CITIZENE-DELAWARE

THE FACE OF THIS DOCUMENT HAS A BLUE BACKGROUND ON WHITE PAPER - THE BACK CONTAINS AN ARTIFICIAL WATERMARK - HOLD AT AN ANGLE TO VIEW

⑆1793300230⑆

⑆036800209⑆

⑆9809956⑆



Northern Natural Gas
Company
P.O. Box 3330
Omaha, NE 68103-0330
(402) 398-7200

April 8, 1998

Re: Northern Natural Gas Company
Distribution of Kansas Ad Valorem Tax Refunds

To: The Party Addressed

Northern Natural Gas Company (Northern) is enclosing a check along with supporting workpapers relating to the refund of Kansas Ad Valorem Taxes. These refunds are being made pursuant to the Commission's Order in Public Service Company of Colorado et al. Docket Nos. RP97-369-000, et al., issued September 10, 1997. This distribution reflects additional refunds received by Northern from Producers.

Schedule No. 1 shows, in detail, the allocation of the refund amounts to the specific jurisdictional customers. The allocation factors are based upon the sales volumes which were taken from each year's F.E.R.C. Form 2. The refund amounts for each specific year were multiplied by the appropriate allocation factor for that year to arrive at the refund amounts applicable to each customer by year. The customer amounts were then added across to arrive at the resulting total.

In accepting this check, please understand that the issues have not been finally resolved in these dockets and are subject to further Commission action. It is therefore possible that the recipients of the refunds ultimately may have to refund all or a part of the refund amount, along with interest, at some future date.

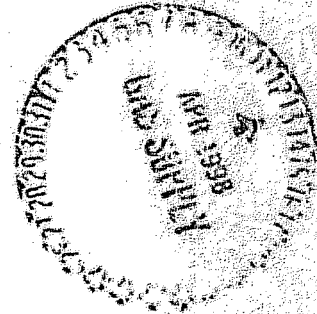
Respectfully submitted,

Tim Kinner for

Mary Kay Miller
Vice President, Rates and Certificates

Attachment

h:4_08.doc



Natural gas. Electricity. Endless possibilities.

NORTHERN NATURAL GAS COMPANY
P.O. Box 1188
Houston, TX 77251-1188



MIDAMERICAN ENERGY CO
P O BOX 778
SIOUX CITY, IA
51102

04/06/98

PAGE 1 OF 1

VENDOR NO: 0000392001
REMITTANCE STATEMENT

VOUCHER NO	INVOICE DATE	INVOICE NO.	PURCHASE ORDER	AMOUNT		
				GROSS	DISCOUNT	NET
000000048	04/06/98	KISSNER		596,237.34		596,237.34
REFUNDS PURSUANT TO COMMISSION ORDER DOCKET NOS. RP97-369 ET AL. ISSUED SEPTEMBER 10, 1997						
				TOTAL		596,237.34

SPECIAL INSTRUCTIONS:
OVERNIGHT TO TIM KISSNER - OMA745

DETACH AND RETAIN THIS STUB FOR YOUR RECORDS. CHECK # 1793300308 ATTACHED BELOW



NORTHERN NATURAL GAS COMPANY
P.O. Box 1188
Houston, TX 77251-1188

№. 1793300308

04/06/98

PAY TO THE ORDER OF
MIDAMERICAN ENERGY CO
P O BOX 778
SIOUX CITY, IA
51102

Copy

\$596,237.34
NOT VALID AFTER 1 YEAR

Five hundred ninety six thousand two hundred thirty seven and 34/100 Dollars

CITIBANK-DELAWARE

William C. Gathman
AUTHORIZED SIGNATURE

THE FACE OF THIS DOCUMENT HAS A BLUE BACKGROUND ON WHITE PAPER - THE BACK CONTAINS AN ARTIFICIAL WATERMARK - HOLD AT AN ANGLE TO VIEW

⑈ 1793300308 ⑆ ⑆ 031600209 ⑆ ⑆ 39109951 ⑆



MidAmerican Energy Company
45" Douglas Street
P. O. Box 778
Sioux City, Iowa 51102
712 277-7500 Telephone

July 8, 1998

RECEIVED

JUL 09 1998

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

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

Subject: Supplier Refund Plan Based on Estimated Refund Obligation for Northern Natural Gas Kansas Ad Valorem Tax Refunds

Dear Mr. Bullard:

On January 29, 1998 and April 6, 1998, Northern Natural Gas Company (Northern) issued refund checks to MidAmerican for a total of \$4,450,770.55 representing a refund of Kansas ad valorem taxes for the years of 1984 through 1989. These refunds were made pursuant to an order issued by the Federal Energy Regulatory Commission (FERC) in Docket Nos. RP 97-369-000 et al., on September 10, 1997.

On June 18, 1998 MidAmerican requested the Commission to defer the filing of a refund plan for the Kansas ad valorem taxes. This request was made because Northern had acknowledged, when it refunded these amounts, that there were issues in the refund proceeding that had not been finally resolved by FERC or in the courts and that there was a possibility that the refunds might have to be returned in whole or part. Because of this uncertainty, MidAmerican requested the Commission to permit retention of the refund until such time as MidAmerican believes that it can be under no further obligation to return all or any portion of the refund. This request has been assigned Docket No. NG 98-006.

On June 30, 1998, the Commission, at an agenda session asked MidAmerican to file a refund plan based on the current refund amounts before further action would be taken on this request to defer refunds.

To date, MidAmerican has received \$4,450,770.55 from Northern and estimates the potential refund obligation for the South Dakota customers to be \$627,577. This amount represents \$75,758 for refunds received by MidAmerican for the former Iowa Public Service Company and \$551,819 for refunds received by Minnegasco for South Dakota customers. Minnegasco and MidAmerican exchanged utility properties pursuant to an Exchange Agreement completed August 3, 1993. The detail support schedules to the estimated refund are included.



Continued Page 2
Mr. William Bullard

Based on annual sales as of May 31, 1998, the average annual residential refund per customer is \$6.70 and the average annual commercial customer is \$28.40. MidAmerican will calculate accrued interest on the final refund amounts at the rate of 9.429%. The interest rate is based on the overall rate of return in the most recent rate case in Docket No. NG 95-006 and is the current carrying charge rate for the Gas Cost Reconciliation.

MidAmerican respectfully requests the Commission to defer the making of this refund until such time as MidAmerican determines that the amount received constitutes a final refund, or, alternatively for one (1) year. MidAmerican will update its refund plan at that time.

Please file stamp one copy and return in the attached self-addressed envelope.

If you have any questions, please contact me at (712) 277-7611.

Sincerely,

Gene Harrison By *MKS*
Gene Harrison
Pricing Analyst

GH/lkc

Cc: Greg Rislov - SDPUC

ESTIMATED

ALLOCATION OF KANSAS AD VALOREM REFUNDS

For Name of Refund
 MINNECABCO

Date	Natural Gas Purchases:				Refund Allocation:			
	Minnesota	NE	SD	TOTAL	Minnesota	NE	SD	TOTAL
Oct - Dec 83	39,369,349	7,059,199	3,023,600	49,452,147				
1984	111,148,946	20,129,679	8,295,991	139,574,615	\$520,342.73	\$84,589.56	\$39,354.16	\$644,286.45
1985	118,640,839	20,489,366	8,489,363	147,619,568	\$6,345.97	\$1,114.60	\$411.93	\$7,872.50
1986	69,175,210	18,383,939	7,228,025	94,787,174	\$4,273,880.51	\$705,040.24	\$311,488.44	\$5,290,409.19
1987	68,799,256	13,740,656	6,543,189	93,083,101	\$1,850,317.71	\$268,412.82	\$135,357.85	\$2,254,088.38
Jan - June 1988	46,818,789	8,778,523	2,925,174	58,522,486	\$14,842.61	\$2,782.50	\$827.86	\$18,453.97
Refund #1 Total	509,959,369	96,577,422	38,506,742	645,043,533	\$8,678,995.26	\$1,143,829.83	\$482,356.13	\$10,305,181.22

Note: Northern's 1984 amount was allocated using purchases from October 1983-December 1984. 1985, 1986, and 1987 were allocated using purchases recorded that year. Spot purchases removed. 1988 refund was allocated using MNG sales from January-June 1988 - Spot purchases removed.

Date	Natural Gas Purchases:				Refund Allocation:			
	Minnesota	NE	SD	TOTAL	Minnesota	NE	SD	TOTAL
Oct - Dec 83	39,369,349	7,059,199	3,023,600	49,452,147				
1984	111,148,946	20,129,679	8,295,991	139,574,615	\$27,484.76	\$14,688.92	\$9,654.74	\$51,828.42
1985	118,640,839	20,489,366	8,489,363	147,619,568	\$110,548.39	\$18,416.33	\$8,948.89	\$137,913.61
1986	69,175,210	18,383,939	7,228,025	94,787,174	\$232,850.29	\$38,418.69	\$18,969.19	\$290,238.17
1987	68,799,256	13,740,656	6,543,189	93,083,101	\$139,878.76	\$52,878.96	\$26,837.80	\$219,595.52
1988	78,998,789	14,253,482	4,891,981	98,144,252	\$481.51	\$80.59	\$28.84	\$590.94
1989					\$218,373.73	\$48,807.58	\$19,838.56	\$287,020.87
Refund #2	831,238,169	164,443,582	59,631,728	1,055,313,479	\$877,363.45	\$163,185.81	\$69,483.18	\$1,109,932.44
Refund #3 - MN						\$307,004.15		\$307,004.15
Grand Total					\$7,599,238.74	\$1,705,129.41	\$631,519.22	\$9,935,887.37

TOTAL P. 82

DC 71

INFORMATION

DC 71

DISTRIBUTION TYPE SALES BY STATES

1. Report in total for each State, sales by classes of service.
 2. Report main line sales to residential and commercial consumers in total by States. Do not include field and main line sales to industrial consumers; these should be reported on page 305, Field and Main Line Industrial Sales of Natural Gas.

Line No.	Name of State (a)	Total Residential, Commercial and Industrial		Residential Operating Revenues (g)
		Operating Revenues (Total of (b), (f) and (h)) (b)	Met (14.73 mil at 60%) (Total of (e), (g) and (i)) (c)	
1	IOWA	\$200,705,143	51,712,842	\$111,177,179
2	Nebraska	3,824,167	1,169,278	1,602,956
3	South Dakota	6,446,047	1,608,044	3,146,390
4	Minnesota	32,552,698	7,970,407	21,047,206
5	Florida	13,000,079	3,842,936	675,010
6	Total Company	<u>\$256,528,134</u>	<u>66,303,507</u>	<u>\$137,648,741</u>
7	Less Florida Lines			
8	Total Iowa Public Service Co.		<u>(3,842,936)</u>	
9			<u>69,449,571</u>	
10	IOWA			
11	Nebraska			
12	South Dakota			
13	Minnesota			
14	Florida			
15	Total Company			
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STATE ALLOCATIONS
 STATE PERCENT ALLOCATIONS

Towa Public Service Co. NMS Refund

IOWA 51,712,842 82.74%

Nebraska 1,169,278 1.88%

South Dakota 1,608,044 2.57%

Minnesota 7,970,407 12.76%

Total Iowa Public Service 62,460,571 100.00%

STATE PERCENT ALLOCATIONS

South Dakota STATE PERCENT

South Dakota (IPS Amount) \$ 75,758

MidAmerican Energy Company
 NNG Kansas Ad Valorem Tax Refund Received in 1998
 Refund Plan: Iowa WRU-98-9-156

Line No	Description	(1) 1984	(2) 1985	(3) 1986	(4) 1987	(5) 1988	(6) 1989	(7) Total
1	Iowa Public Service	\$ 131,574.86	\$ 1,596.84	\$ 1,425,697.26	\$ 934,369.44	\$ 8,299.26	\$ -	\$ 2,501,557.66
2	Iowa Gas Company	75,575.93	1,470.22	610,697.16	0.00	0.00	0.00	687,743.31
3	Iowa Illinois	27,568.66	328.79	215,044.78	64,520.79	620.01	0.00	308,083.03
4	North Central	45,073.53	570.58	256,575.26	0.00	0.00	0.00	302,219.37
5	Iowa Power	54,929.84	0.00	0.00	0.00	0.00	0.00	54,929.84
6		0.00	0.00	0.00	0.00	0.00	0.00	0.00
7	Total Ck Dated 1-29-98	\$ 334,722.82	\$ 3,966.43	\$ 2,508,014.46	\$ 998,910.23	\$ 8,919.27	\$ -	\$ 3,854,533.21
8								
9								
10	Iowa Public Service	\$ 19,592.95	\$ 27,816.89	\$ 77,579.12	\$ 171,532.92	\$ 258.06	\$ 149,460.16	\$ 446,240.10
11	Iowa Gas Company	11,254.09	25,611.16	33,231.00	0.00	0.00	0.00	70,096.25
12	Iowa Illinois	4,105.28	5,727.44	11,701.63	11,844.57	19.28	7,710.16	41,108.36
13	North Central	6,711.95	9,939.52	13,961.50	0.00	0.00	0.00	30,612.97
14	Iowa Power	8,179.66	0.00	0.00	0.00	0.00	0.00	8,179.66
15		0.00	0.00	0.00	0.00	0.00	0.00	0.00
16	Total Ck Dated 4-6-98	\$ 49,843.93	\$ 69,095.01	\$ 136,473.25	\$ 183,377.49	\$ 277.34	\$ 157,170.32	\$ 596,237.34
17								
18								
19								
20	Iowa Public Service	\$ 151,187.81	\$ 29,413.73	\$ 1,503,276.38	\$ 1,105,922.36	\$ 8,557.32	\$ 149,460.16	\$ 2,947,797.76
21	Iowa Gas Company	86,830.02	27,081.38	643,928.16	0.00	0.00	0.00	757,839.56
22	Iowa Illinois	31,673.94	6,056.23	226,746.41	76,865.36	639.29	7,710.16	349,191.39
23	North Central	51,785.48	10,510.10	270,536.76	0.00	0.00	0.00	332,832.34
24	Iowa Power	63,109.50	0.00	0.00	0.00	0.00	0.00	63,109.50
25		0.00	0.00	0.00	0.00	0.00	0.00	0.00
26	Total	\$ 384,566.75	\$ 73,061.44	\$ 2,644,487.71	\$ 1,182,287.72	\$ 9,196.61	\$ 157,170.32	\$ 4,450,770.55
27								
28								
29								
30								

1793300 230# 003 1100 209# 39109951#

THE FACE OF THIS DOCUMENT HAS A BLUE BACKGROUND ON WHITE PAPER. THE BACK CONTAINS AN ARTIFICIAL WATERMARK - HOLD AT AN ANGLE TO VIEW.

CITIZENS DELAWARE

AUTHORIZED SIGNATURE

Three million eight hundred fifty four thousand five hundred thirty three and 21/100 Dollars

NOT VALID AFTER 1 YEAR

53,854,533.21

PAY TO THE
0 BOX 778
SIOUX CITY, IA
ORDER ON
\$1102
MIDAMERICAN ENERGY CO

01/29/98

Houston, TX 77251-1128

NORTHERN NATURAL GAS COMPANY
P.O. Box 1188

NO. 179300230

EMERON
CORP

DETACH AND RETAIN THIS SLIP FOR YOUR RECORDS. CHECK # 179300230 ATTACHED BELOW

SPECIAL INSTRUCTIONS:
PICK UP BY HARRY WALTERS X31548

VOUCHER NO.	INVOICE DATE	INVOICE NO.	PURCHASE ORDER	GROSS	DISCOUNT	NET	AMOUNT
5001000107	01/28/98	CEM012898		3,854,533.21		3,854,533.21	
							TOTAL
							3,854,533.21

REMARKS PURSUANT TO COMMISSION ORDER DOCKET NOS. P97-399 ETAL ISSUED SEPTEMBER 10, 1997

VENDOR NO: 000032201
REMITTANCE STATEMENT

PAGE 1 OF 1

01/29/98

MIDAMERICAN ENERGY CO
0 BOX 778
SIOUX CITY, IA
51542

EMERON
CORP

NORTHERN NATURAL GAS COMPANY
P.O. Box 1188
Houston, TX 77251-1128



Northern Natural Gas
Company

O. Box 3330

Wichita, NE 67103-0330

(316) 398-7200

January 29, 1998

Re: Northern Natural Gas Company
Distribution of Kansas Ad Valorem Tax Refunds

To: The Party Addressed

Northern Natural Gas Company (Northern) is enclosing a check along with supporting workpapers relating to the refund of Kansas Ad Valorem Taxes. These refunds are being made pursuant to the Commission's Order in Public Service Company of Colorado et al. Docket Nos. RP97-369-000, et al., issued September 10, 1997. The refunds relate to Producer refunds received by Northern through December 31, 1997.

Schedule No. 1 shows, in detail, the allocation of the refund amounts to the specific jurisdictional customers. The allocation factors are based upon the sales volumes which were taken from each year's F.E.R.C. Form 2. The refund amounts for each specific year were multiplied by the appropriate allocation factor for that year to arrive at the refund amounts applicable to each customer by year. The customer amounts were then added across to arrive at the resulting total.

In accepting this check, please understand that the issues have not been finally resolved in these dockets and are subject to further Commission action. It is therefore possible that the recipients of the refunds ultimately may have to refund all or a part of the refund amount, along with interest, at some future date.

Respectfully submitted,

Tim Kramer for

Mary Kay Miller
Vice President, Rates and Certificates

Attachment

Natural gas. Electricity. Endless possibilities.

Northern Natural Gas Company
Kansas Ad Valorem Tax Refund
Amount by Customer by year to be Refunded
Based on Sales volumes for the years 1984 - 1988

Customer	1984			1985			1986			1987			1988			Total Refund
(a)	Volume (b)	% (c)	Amount (d)	Volume (e)	% (f)	Amount (g)	Volume (h)	% (i)	Amount (j)	Volume (k)	% (l)	Amount (m)	Volume (n)	% (o)	Amount (p)	(q)
ANR Pipeline	19,802,348	4.14%	\$93,139.43	3,308,842	0.73%	\$182.00		0.00%	\$0.00		0.00%	\$0.00	340,851	0.11%	\$59.27	\$93,381.70
Austin	2,068,114	0.43%	9,731.00	1,961,783	0.43%	108.51	1,844,970	0.36%	66,022.71	1,092,202	0.26%	22,314.51	739,009	0.24%	143.19	101,220.60
Brooklyn	74,074	0.02%	348.40	77,031	0.02%	4.30	69,110	0.01%	2,895.64	55,238	0.01%	1,326.43	40,744	0.01%	7.93	4,284.71
Cascade	86,068	0.02%	400.05	88,188	0.02%	4.93	82,812	0.02%	3,473.04	59,594	0.02%	1,421.75	44,474	0.01%	8.65	6,316.32
Cedar Falls	1,617,474	0.34%	7,607.71	1,838,325	0.38%	80.82	1,420,478	0.31%	59,893.79	850,815	0.24%	19,604.31	613,445	0.20%	\$77.71	87,374.14
Circle Pines	244,913	0.05%	1,151.84	228,879	0.05%	12.88	171,200	0.04%	7,175.89	168,921	0.04%	3,448.88	286,698	0.10%	67.80	11,847.88
City of Ilean	69,424	0.01%	312.42	70,478	0.02%	3.00	65,533	0.01%	2,745.77	58,485	0.01%	1,184.40	55,043	0.02%	10.51	4,287.20
Coon Rapids	189,237	0.04%	890.07	238,371	0.05%	13.07	182,288	0.04%	6,884.93	82,353	0.02%	1,886.70	80,167	0.03%	\$7.94	6,607.44
Crown, Lloyd	103,208	0.02%	485.43	110,043	0.02%	6.09	97,488	0.02%	4,083.92	82,581	0.02%	1,897.07	65,129	0.03%	\$8.55	6,278.67
DJB, Inc.	20,067	0.01%	128.86	20,253	0.01%	1.59	20,730	0.00%	808.94	14,654	0.00%	289.37	12,548	0.00%	2.44	1,299.30
Durbin	4,811,078	0.97%	21,604.81	4,690,508	1.01%	253.00	4,450,880	0.90%	189,895.18	3,782,633	0.97%	77,278.40	2,347,824	0.77%	488.73	286,543.02
Elroy Gas	142,910	0.03%	672.20	177,050	0.03%	7.58	111,247	0.02%	4,601.15	82,327	0.02%	1,821.60	69,229	0.03%	19.60	7,042.60
Emmetsburg	200,092	0.04%	1,303.82	307,377	0.07%	17.00	272,520	0.06%	11,419.33	224,187	0.06%	4,578.07	143,854	0.05%	27.88	17,407.28
Frontier		0.00%	0.00		0.00%	0.00	1,061,420	0.34%	60,700.38	1,770,830	0.45%	30,285.40	1,679,370	0.61%	305.61	102,881.27
Gas Co of New Mexico	123,048	0.03%	582.97	147,950	0.03%	8.10	105,713	0.02%	85,849	4,428.28	0.02%	1,748.75	31,585	0.01%	6.14	6,778.32
Gilmore City	43,181	0.01%	283.01	43,230	0.01%	2.30	40,042	0.01%	1,877.72	34,830	0.01%	719.74	19,118	0.01%	3.82	2,598.36
GreatWings	47,880	0.01%	225.15	80,833	0.01%	3.35	51,547	0.01%	2,168.77	26,625	0.01%	507.41	28,214	0.01%	6.10	3,200.64
Great Plains Nat Gas	2,531,028	0.53%	11,908.80	3,004,834	0.68%	171.18	2,578,144	0.50%	100,021.83	1,881,771	0.49%	32,314.41	1,395,006	0.48%	271.41	162,887.62
Grady Gas Company	189	0.00%	0.87	174	0.00%	0.81	164	0.00%	6.45	280	0.00%	5.72	1,287	0.00%	0.28	12.28
Guthrie Center	134,865	0.03%	523.59	138,038	0.03%	7.62	129,886	0.03%	5,080.33	107,835	0.03%	2,188.00	46,461	0.01%	7.87	7,914.07
Hallen	414,398	0.08%	1,040.00	435,724	0.09%	23.55	380,475	0.08%	15,041.55	344,493	0.08%	7,037.53	273,307	0.08%	63.17	28,004.69
Hawarden	181,890	0.04%	851.33	198,723	0.04%	10.88	170,240	0.04%	7,133.27	142,338	0.04%	2,805.84	84,145	0.03%	18.32	10,818.83
Hubbing	358,835	0.07%	1,687.88	398,869	0.09%	21.40	385,652	0.08%	15,299.38	338,785	0.08%	8,680.02	213,977	0.07%	41.45	23,965.11
High Plains Natural Gas	773,744	0.16%	3,639.27	989,769	0.20%	21.58	8	0.00%	0.00	67,223	0.02%	1,373.32	78,118	0.03%	15.20	5,048.34
Intermountain	1,185,214	0.23%	5,188.32	1,432,850	0.23%	67.13	935,850	0.20%	39,216.43	822,468	0.24%	18,845.18	820,305	0.20%	121.85	63,437.88
Inter City Gas Corporation	3,722,411	0.78%	17,566.19	3,784,882	0.83%	208.22	2,665,538	0.58%	111,883.35		0.00%	0.00		0.00%	0.00	128,288.88
Interstate Power Co	7,517,137	1.57%	35,356.51	7,253,520	1.58%	401.18	6,221,551	1.34%	260,677.18	6,151,109	1.57%	125,692.59	6,181,926	2.02%	1,382.67	423,380.13
Iowa Electric	19,984,370	3.97%	89,293.88	19,724,174	4.34%	1,090.94	17,708,038	3.83%	741,868.50	14,658,675	3.74%	269,426.04	13,272,772	4.33%	3,882.21	1,134,258.67
Iowa Gas Company	18,058,178	3.36%	75,575.93	28,581,823	6.84%	1,478.22	14,575,436	3.15%	610,697.16		0.00%	0.00		0.00%	0.00	887,743.31
Iowa Illinois	5,861,364	1.23%	27,583.68	6,644,482	1.31%	328.78	5,132,449	1.11%	215,844.78	3,159,254	0.81%	64,828.79	3,160,800	1.04%	629.82	308,063.03
Iowa Power and Light	11,876,517	2.44%	54,828.84		0.00%	0.00		0.00%	0.00		0.00%	0.00		0.00%	0.00	64,828.84
Iowa Public Service	27,074,093	5.85%	121,574.86	28,879,833	6.35%	1,598.24	24,028,844	7.35%	1,425,897.28	45,737,800	11.07%	624,388.44	42,858,852	13.82%	8,269.20	2,501,657.69
Iowa Southern	886,924	0.15%	3,274.87	738,287	0.16%	38.82	585,200	0.11%	21,187.78	407,319	0.13%	10,181.79	811,080	0.29%	118.69	34,784.14
Midland Gas	89,439	0.02%	463.06	89,728	0.02%	4.88	83,213	0.02%	3,488.55	70,470	0.02%	1,439.65	52,835	0.03%	18.12	5,410.28
MH Energy	1,485,458	0.31%	6,953.77		0.00%	0.00		0.00%	0.00		0.00%	0.00		0.00%	0.00	6,953.77
Midwest Electric	52,807	0.01%	285.41	55,469	0.01%	3.82	367,835	0.08%	15,412.78	30,048	0.01%	516.11	64,424	0.02%	13.53	18,640.45
MH Energy - PA	2,727,648	0.57%	12,806.85	30,218	0.01%	1.67	18,104	0.00%	758.54	18,846	0.00%	344.15	72,707	0.02%	14.35	13,874.87
MP&L	250,887	0.05%	1,178.14	238,182	0.05%	13.08	203,873	0.04%	8,548.28	184,482	0.05%	2,573.33	218,085	0.07%	48.67	13,762.68
MP&L PA	1,565,041	0.32%	7,368.01	518,000	0.11%	28.71		0.00%	0.00		0.00%	0.00		0.00%	0.00	7,368.01
Lake Park		0.00%	0.00	47,450	0.01%	2.83	129,744	0.03%	5,438.15	17,272	0.00%	352.55	50,024	0.02%	8.75	6,601.38
Lake Superior	3,186,488	0.65%	14,811.13	3,175,502	0.70%	175.54	3,186,838	0.68%	135,278.33	895,214	0.18%	14,202.71		0.00%	0.00	162,287.81
Liberal Gas Company	1,237	0.00%	5.82		0.00%	0.18		0.00%	0.00		0.00%	0.00		0.00%	0.00	6.00
Lycow	88,412	0.02%	415.25	88,483	0.02%	4.80	77,581	0.02%	3,250.50	88,678	0.02%	1,402.58	78,537	0.02%	14.77	6,688.58
Manhattan	44,748	0.01%	313.54	77,125	0.03%	4.27	84,087	0.01%	3,804.35	47,381	0.01%	873.25	38,371	0.01%	7.89	3,883.31
Manning	240,086	0.05%	1,227.31	383,857	0.09%	21.74	218,508	0.05%	6,165.27	142,072	0.04%	2,802.43	229,501	0.04%	25.18	12,752.38
Midwestern Gas Co		0.00%	0.00		0.00%	0.00	5,218,928	1.15%	272,732.08	3,547,088	0.93%	74,513.37	3,728,240	1.23%	724.74	284,278.17

Northern Natural Gas Company
Kansas Ad Valorem Tax Refund
Amount by Customer by year to be Refunded
Based on Sales volumes for the years 1984 - 1988

Customer	\$2,247,407.91			\$25,184.28			\$18,393,438.38			58,005,458.63			659,564.27			Total Refund
	1984		Amount	1985		Amount	1986		Amount	1987		Amount	1988		Amount	
	Volume	%		Volume	%		Volume	%		Volume	%		Volume	%		
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)
Michigan Power	5,293,258	1.11%	24,888.69	5,432,721	1.18%	300.48		0.00%	0.00		0.00%	0.00		0.00%	0.00	26,187.00
Midwest Natural Gas	852,134	0.20%	4,525.35	1,047,173	0.23%	57.92	858,847	0.21%	40,168.41	768,428	0.20%	16,127.43	1,011,294	0.24%	38.24	60,812.37
Minnesota	139,118,162	29.11%	654,326.45	143,241,155	31.40%	7,822.60	128,287,333	27.20%	5,281,321.31	111,267,735	28.30%	2,273,117.66	88,889,476	21.13%	18,883.36	8,248,241.20
MUD	31,119,652	6.51%	148,388.85	31,437,589	6.91%	1,738.80	28,280,810	5.90%	1,101,611.78	28,668,500	6.54%	523,168.38	18,244,865	4.28%	3,744.88	1,718,828.88
Natural Gas, Inc.	318,540	0.07%	1,488.83	339,049	0.07%	18.25	310,135	0.07%	12,804.37	232,240	0.05%	4,744.49	197,868	0.04%	0.00	18,288.00
Nebraska Natural Gas Co	1,050,795	0.22%	4,842.37	2,407,433	0.53%	133.15	672,823	0.16%	28,182.38		0.00%	0.00		0.00%	0.00	33,257.60
New Lin	1,379,401	0.27%	6,017.60	1,388,850	0.30%	76.38	1,388,832	0.30%	57,280.60	888,273	0.25%	28,383.88	888,871	0.25%	116.32	83,863.00
NIGAS	33,954,194	6.92%	155,488.88	31,688,201	6.97%	1,753.10	31,388,084	6.70%	1,313,888.04	38,888,163	8.95%	718,355.77	15,881,884	3.68%	3,027.38	2,188,861.07
North Central Public Service	9,583,070	2.01%	45,873.53	10,318,147	2.27%	578.58	8,123,651	1.32%	256,575.20		0.00%	0.00		0.00%	0.00	302,718.37
Northern Minnesota		0.00%	0.00		0.00%	0.00	328,558	0.07%	13,768.18	1,888,871	0.45%	38,878.24	1,888,888	0.41%	388.32	51,888.88
Northern States Power	58,188,383	12.18%	273,314.88	65,252,888	14.34%	3,688.11	58,755,884	12.80%	2,481,888.71	42,848,358	10.89%	871,212.88	38,311,843	8.41%	5,888.32	3,818,888.88
Northern States Power-PA	3,383,485	0.71%	15,881.10		0.00%	0.00		0.00%	0.00		0.00%	0.00		0.00%	0.00	18,888.88
Northern States Power Co	787,482	0.15%	3,327.51	2,848,888	0.62%	182.88	2,223,178	0.48%	83,188.75	18,888	0.00%	388.88		0.00%	0.00	87,888.38
Northern Public Serv	8,122,587	1.28%	28,787.21	8,451,188	1.42%	388.81	5,848,888	1.28%	244,715.18	5,848,888	1.28%	102,448.17	4,888,818	1.31%	778.88	377,887.33
NSP-Mac	4,488,888	0.93%	21,888.78	4,743,743	1.04%	287.37	4,148,888	0.88%	173,748.88	4,148,888	0.88%	4,388.73	3,888,888	1.08%	888.88	218,887.87
Orange	388,888	0.08%	1,457.14	338,888	0.07%	18.51	338,888	0.07%	14,155.81	273,748	0.07%	6,888.48	288,888	0.07%	68.88	21,278.44
Owensboro	1,788,388	0.38%	8,881.18	1,888,488	0.40%	88.88	1,848,888	0.38%	88,888.88	1,441,388	0.32%	28,448.37	1,388,888	0.32%	288.13	188,743.88
Pennsylvania Eastern	284,388	0.06%	1,337.82	288,888	0.06%	13.88	288,888	0.06%	8,788.28	288,888	0.06%	8,888.88	288,888	0.06%	8.88	18,388.88
Pennsylvania	128,517	0.03%	568.85	138,888	0.03%	8.58	132,588	0.02%	3,718.54	88,888	0.02%	1,888.88	88,888	0.02%	8.88	7,143.55
Producers Gas	818,724	0.18%	2,872.58	818,541	0.18%	34.88	882,571	0.19%	24,488.18	428,184	0.11%	8,881.37	238,388	0.06%	48.78	38,312.88
Producers Gas Utilities		0.00%	0.00	3,238,888	0.71%	178.78	88,288,884	14.87%	2,888,888.37	53,814,881	13.78%	1,181,448.55	37,311,823	12.75%	7,388.74	4,812,587.38
Producers Gas	58,888	0.01%	287.48	57,483	0.01%	3.18	58,742	0.01%	2,128.04	43,572	0.01%	888.14	82,384	0.02%	18.15	3,288.88
Producers Gas	188,713	0.04%	788.34	178,557	0.04%	8.88	131,285	0.03%	5,588.72	128,817	0.03%	2,831.64	88,888	0.03%	18.78	6,888.88
Producers Gas Utilities		0.00%	0.00		0.00%	0.00	128,518	0.03%	5,384.84	133,748	0.03%	2,425.93	133,748	0.03%	28.88	7,288.88
Producers Gas Utilities	174,423	0.04%	828.38	112,858	0.02%	8.23		0.00%	0.00		0.00%	0.00		0.00%	0.00	828.38
Producers Gas	118,843	0.02%	543.82	118,888	0.03%	5.82	118,487	0.02%	4,878.48	88,888	0.02%	1,787.84	32,888	0.01%	8.48	6,888.32
Rocky Mountain		0.00%	0.00		0.00%	0.00	154,888	0.03%	8,488.32	118,718	0.03%	2,384.42	77,888	0.02%	18.18	8,878.88
Rocky Mountain Natural G	0	0.00%	0.00	837	0.00%	0.03	888	0.00%	27.48	887	0.00%	18.12	341	0.00%	8.88	48.88
Rocky	58,728	0.01%	288.88	48,887	0.01%	3.87	53,554	0.01%	2,243.85	21,888	0.01%	852.84	17,888	0.01%	3.82	3,188.88
Rocky	38,881	0.01%	173.47	37,348	0.01%	2.85	37,811	0.01%	1,558.73	23,842	0.01%	678.22	28,888	0.01%	8.84	2,488.88
San City	184,748	0.04%	818.88	181,488	0.04%	18.88	182,284	0.04%	7,842.14	182,888	0.04%	3,143.43	118,888	0.04%	23.31	11,288.44
Sanborn	172,747	0.04%	812.51	181,253	0.04%	18.82	145,718	0.03%	6,188.78	44,458	0.01%	888.24	17,888	0.01%	3.48	7,848.04
Sioux County	344,478	0.08%	1,458.88	388,432	0.08%	21.21	288,888	0.06%	12,128.88	288,752	0.07%	8,328.88	288,888	0.08%	31.25	18,388.88
Sioux County Gas Corp	118,781	0.03%	1,828.48	148,482	0.03%	8.27	192,888	0.04%	8,845.74	173,288	0.04%	3,888.88	183,745	0.05%	37.88	12,888.88
St. Clair Valley Natural Gas	814,588	0.18%	2,888.27	841,481	0.14%	25.48	888,888	0.13%	28,114.88	428,888	0.11%	8,788.48	388,458	0.12%	71.88	31,281.25
Stromsburg	88,452	0.02%	74,888	88,488	0.02%	4.88	74,887	0.02%	2,178.28	87,812	0.02%	2,887.38	74,888	0.02%	18.88	4,888.38
Superior Water Light & Po	1,888,888	0.39%	8,781.48	1,817,812	0.41%	187.88	1,788,133	0.37%	71,234.82	1,844,888	0.41%	34,118.51	1,838,423	0.41%	281.54	114,711.45
Tipton	288,781	0.06%	872.22	218,888	0.05%	11.88	181,748	0.04%	8,117.88	174,888	0.04%	3,543.23	132,382	0.04%	28.75	12,888.38
Two Rivers	311,488	0.06%	1,278.88	277,888	0.06%	12.88	277,888	0.06%	11,323.88	238,818	0.06%	4,888.24	43,888	0.01%	8.34	17,881.18
Wapella	177,848	0.04%	838.88	181,811	0.04%	18.88	124,318	0.04%	7,213.43	111,888	0.04%	3,517.71	87,188	0.02%	42.87	31,277.88
Waverly	888,888	0.06%	388,388	888,888	0.06%	17.88	278,114	0.06%	11,217.82	284,128	0.06%	8,888.28	228,388	0.06%	88.47	18,817.88
Waverly	1,138,881	0.24%	5,437.28	1,217,818	0.27%	63.28	1,828,818	0.37%	42,887.31	872,888	0.24%	18,888.88	188,888	0.04%	128.28	68,737.73
Waverly	114,487	0.02%	418.28	117,557	0.03%	6.88	112,548	0.03%	4,831.52	85,881	0.02%	1,887.28	78,248	0.02%	14.84	7,142.34
West Bend	182,278	0.04%	888.28	178,888	0.04%	8.88	88,348	0.02%	4,182.88	82,818	0.02%	1,888.88	81,888	0.02%	18.77	8,282.43
West Bend	1,488,888	0.31%	8,888.88	1,488,888	0.31%	38.88	1,488,888	0.31%	18,113.21	1,488,888	0.31%	21,888.88	1,488,888	0.31%	81.88	12,888.43
Wesley	28,888,341	6.17%	88,118.88	4,842,881	0.08%	223.58	48,131	0.00%	13,888.82	4,137,717	1.08%	42,143.58	4,888,118	1.38%	881.88	28,748.87

Northern Natural Gas Company
Kansas Ad Valorem Tax Refund
Amount by Customer by year to be Refunded
Based on Sales volumes for the years 1984 - 1988

Customer		1984			1985			1986			1987			1988			Total Refund
(e)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)	
Amount by year to be Refunded:		\$2,247,407.01			825,164.20			\$10,393,439.36			\$9,028,459.69			\$15,226.22			
Western Gas Utilities	238,850	0.05%	1,114.01	274,103	0.03%	15.16	271,005	0.06%	11,354.86	251,925	0.08%	5,148.64	705,724	0.07%	60.02		17,273.59
Whittoware	69,243	0.01%	325.68	78,318	0.02%	4.39	33,213	0.01%	2,648.57	51,300	0.01%	1,948.14	61,468	0.02%	11.60		4,039.74
Wisconsin Gas Co	9,409,976	1.87%	40,250.45	9,399,548	2.11%	530.39	8,878,527	1.82%	372,001.99	9,669,323	1.71%	136,635.45	8,977,783	1.85%	1,104.81		654,623.69
Wisconsin Power & Light	3,760,704	0.78%	17,688.72	4,049,523	0.69%	223.88	3,068,714	0.80%	167,450.58	3,723,480	0.85%	76,047.51	3,512,707	0.82%	488.84		281,897.84
Wisconsin Southern Gas	531,408	0.11%	2,499.45	571,103	0.13%	31.59	538,116	0.12%	22,546.58	228,050	0.00%	4,405.85	123,450	0.04%	76.93		29,007.47
Woodbine	75,523	0.02%	355.22	78,519	0.02%	4.34	68,868	0.01%	2,801.71	58,854	0.02%	1,202.34	46,278	0.02%	0.00		4,372.62
Total	477,839,809	100.00%	82,247,407.01	454,871,713	100.00%	825,164.20	482,860,874	100.00%	\$10,393,439.36	391,854,377	100.00%	\$9,028,459.69	389,318,658	100.00%	\$15,226.22		\$28,731,104.33

NORTHERN NATURAL GAS COMPANY
P.O. Box 1188
Houston, TX 77251-1188

**ENRON
CORP**

MIDAMERICAN ENERGY CO
P.O. BOX 778
SIOUX CITY, IA
51102

04/06/98

PAGE 1 OF 1

VENDOR NO: 0000592001
REMITTANCE STATEMENT

VOUCHER NO.	INVOICE DATE	INVOICE NO.	PURCHASE ORDER	AMOUNT		
				GROSS	DISCOUNT	NET
9204000043	04/06/98	KISSNER		396,237.34		396,237.34
REFUNDS PURSUANT TO COMMISSION ORDER DOCKET NOS. RP97-369 ET AL ISSUED SEPTEMBER 10, 1997						
TOTAL						396,237.34

SPECIAL INSTRUCTIONS:
OVERNIGHT TO TIM KISSNER - OMA745

DETACH AND RETAIN THIS STUB FOR YOUR RECORDS. CHECK # 1793306308 ATTACHED BELOW

**ENRON
CORP**

NORTHERN NATURAL GAS COMPANY
P.O. Box 1188
Houston, TX 77251-1188

No. 1793306308

04/06/98

FAY TO THE
ORDER OF

MIDAMERICAN ENERGY CO
P.O. BOX 778
SIOUX CITY, IA
51102

Caf

\$596,237.34

NOT VALID AFTER 1 YEAR

Five hundred ninety six thousand two hundred thirty seven and 34/100 Dollars

CITIBANK-DELAWARE

William D. Hartman

AUTHORIZED SIGNATURE

THE FACE OF THIS DOCUMENT HAS A BLUE BACKGROUND ON WHITE PAPER • THE BACK CONTAINS AN ARTIFICIAL WATERMARK • HOLD AT AN ANGLE TO VIEW

⑈ 1793306308 ⑈ ⑆03160209⑆ 39109951⑈



Northern Natural Gas
Company
P.O. Box 3330
Omaha, NE 68103-0330
(402) 398-7700

April 8, 1998

Re: Northern Natural Gas Company
Distribution of Kansas Ad Valorem Tax Refunds

To: The Party Addressed

Northern Natural Gas Company (Northern) is enclosing a check along with supporting workpapers relating to the refund of Kansas Ad Valorem Taxes. These refunds are being made pursuant to the Commission's Order in Public Service Company of Colorado et al. Docket Nos. RP97-369-000, et al., issued September 10, 1997. This distribution reflects additional refunds received by Northern from Producers.

Schedule No. 1 shows, in detail, the allocation of the refund amounts to the specific jurisdictional customers. The allocation factors are based upon the sales volumes which were taken from each year's F.E.R.C. Form 2. The refund amounts for each specific year were multiplied by the appropriate allocation factor for that year to arrive at the refund amounts applicable to each customer by year. The customer amounts were then added across to arrive at the resulting total.

In accepting this check, please understand that the issues have not been finally resolved in these dockets and are subject to further Commission action. It is therefore possible that the recipients of the refunds ultimately may have to refund all or a part of the refund amount, along with interest, at some future date.

Respectfully submitted,

Mary Kay Miller for

Mary Kay Miller
Vice President, Rates and Certificates

Attachment

hM_08.doc



Natural gas. Electricity. Endless possibilities.

July 1, 1998

BEFORE THE PUBLIC UTILITIES COMMISSION
STATE OF SOUTH DAKOTA

IN THE MATTER OF THE FILING BY MIDAMERICAN ENERGY
FOR APPROVAL OF WAIVER OF REFUND PLAN RELATING TO
KANSAS AD VALOREM TAX REFUNDS RECEIVED FROM
NORTHERN NATURAL GAS COMPANY
DOCKET NG98-006

DISSENT OF COMMISSIONER NELSON

The Public Utilities Commission (PUC) agenda of Tuesday, June 30, 1998, included two natural gas refund plan dockets. One is named above. The other, Docket NG98-004, was filed by Northwestern Public Service Company (NWPS). The dockets arose because each respective company received a refund from their wholesale supplier, Northern Natural Gas, and both companies are required to receive (PUC) approval of a plan to refund to their customers.

The refunds come as a result of a Federal Energy Regulatory Commission filing. It was determined that wholesale rates had included excessive ad valorem tax payments to the state of Kansas. These overpayments were made from 1983 to 1988. Although ten years have elapsed as this matter has wound its way through the legal system, apparently the appeals process has not yet been exhausted. There is still a possibility of a reverse ruling at the federal level.

If a refund is made prior to a final federal ruling, there is a possibility that a reverse federal ruling will negate the refund, and customers may be forced to repay amounts refunded. NWPS considered this possibility, yet filed to refund now. MidAmerican Energy Company (MEC) considered the same possibility, but filed to delay the refund until the matter was finalized.

Although the matter is not finalized, it seems reasonable to expect after a decade of litigation that the refund will prevail. Perhaps the cautious approach of waiting until the matter is finalized, no matter how slim the odds of reversal, appeals to some. I understand that. I also understand that fifteen years have elapsed since the overpayment began, and ten years since it ended. No one wants to incur the time and expense of returning the money, dollar-for-dollar, to those who overpaid ten to fifteen years ago. In ten years' time many customers have moved, dropped off service, or passed away. The longer we delay the refund means more people moving, dying, and fewer of those who deserve it will actually receive it.

Too much time has already passed, and fairness is better served by refunding as soon as possible. Yes, there is a chance that the refund may have to be repaid. If that happens I expect the interval between refund and repayment will be much less than ten years. Most customers will have no net loss. I wish I could say the same for those who paid the bills ten to fifteen years ago and will never see a refund. The circumstances are already unfair, and becoming moreso by the day. The majority should have ordered MEC to refund now.

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

IN THE MATTER OF THE FILING BY)	ORDER ALLOWING
MIDAMERICAN ENERGY COMPANY FOR)	DEFERRAL OF REFUND
APPROVAL OF WAIVER OF REFUND PLAN)	
RELATING TO KANSAS AD VALOREM TAX)	NG98-006
REFUNDS RECEIVED FROM NORTHERN)	
NATURAL GAS)	

On June 18, 1998, MidAmerican Energy Company (MidAmerican) filed for approval of a waiver of refund plan relating to Kansas ad valorem tax refunds received from Northern Natural Gas Company (Northern) with the South Dakota Public Utilities Commission (Commission). To date MidAmerican has received \$4,450,770.55 in total Kansas ad valorem tax refunds from Northern. These refunds are being made pursuant to the FERC's Order in Docket No. RP97-369-000. MidAmerican respectfully requested that the Commission permit retention of the refund amount received from Northern until such time as MidAmerican determines that the amount received constitutes a final refund. At such time, MidAmerican will file a refund plan and calculate accrued interest on the refund amounts at the rate of 9.429%.

On June 30, 1998, at its duly noticed meeting, the Commission considered this application and directed MidAmerican to file a specific refund plan. On July 9, 1998, MidAmerican filed a further request that the refund be retained by MidAmerican until MidAmerican determined the final refund or, alternatively, for one year at which time they will update the plan.

On July 23, 1998, the Commission considered MidAmerican's request allowing MidAmerican to defer the refund until MidAmerican determines whether the amount received constitutes a final refund or for a maximum of one year. Commission Staff recommended that the Commission grant MidAmerican the refund deferral subject to the condition that MidAmerican initiate the refund at the time it considers the FERC's and possibly the appellate court's decision final or at the maximum for a period of one year, at which time MidAmerican would update its refund plan.

The Commission finds that it has jurisdiction over this matter pursuant to SDCL Chapter 49-34A, specifically, 49-34A-2, 49-34A-6, 49-34A-8, 49-34A-10, and 49-34A-25. Further, the Commission finds that the refund deferral is just and reasonable and shall be granted. It is therefore

ORDERED, that MidAmerican's proposal to defer the Kansas ad valorem tax refunds until MidAmerican determines that the amount received constitutes a final refund or for a maximum of one year from July 23, 1998, whichever comes first, is granted.

Dated at Pierre, South Dakota, this 5th day of August, 1998.

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: *Alaine Kelso*

Date: 8/7/98

(OFFICIAL SEAL)

BY ORDER OF THE COMMISSION:

James A. Burg
JAMES A. BURIG, Chairman

Pam Nelson
PAM NELSON, Commissioner

Laska Schoenfelder
LASKA SCHOENFELDER, Commissioner

FAX Received JUL 16 1999



RECEIVED

JUL 19 1999

MidAmerican Energy
401 Douglas Street
Sioux City, Iowa 51101

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

Susan M. Stewart
Managing Attorney

July 16, 1999

BY TELEFAX & U.S. MAIL DELIVERY

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

RE: Docket No. NG98-006

Dear Mr. Bullard:

On August 5, 1998, the South Dakota Public Utilities Commission ("Commission") issued an Order allowing MidAmerican Energy Company ("MidAmerican") to defer making Kansas ad valorem tax refunds until MidAmerican determines that the amount received constitutes a final refund or for a maximum of one year from July 23, 1999, whichever comes first. You will remember that MidAmerican received refunds of Kansas ad valorem taxes from Northern Natural Gas Company pursuant to a directive in an order issued by the Federal Energy Regulatory Commission ("FERC") in Docket No. RP97-369-000. MidAmerican hereby respectfully requests the Commission to continue to permit MidAmerican to defer making refunds of the Kansas ad valorem tax amounts, for another year, or until final resolution of this obligation, whichever comes first. The Commission required MidAmerican to calculate accrued interest on the refund amounts at the rate of 9.429%. For the reasons set forth herein, MidAmerican requests the Commission to change that interest rate to 8.61%, effective May 1, 1999.

Section 110 of the Natural Gas Policy Act of 1978 established maximum lawful prices ("MLP") for natural gas purchased by first purchasers (mainly interstate pipelines) from gas producers at the wellhead. FERC subsequently authorized natural gas producers to require the first purchasers to pay an amount above the maximum lawful price to reimburse them for ad valorem taxes imposed by the State of Kansas on production within that state. In *Public Service Company of Colorado v. FERC*, 91 F. 3d 1478 (D.C. Cir. 1996), cert. denied, 117 S. Ct. 1723 (1997), the U.S. Court of Appeals held that FERC erred in permitting gas producers to collect amounts for the Kansas ad valorem taxes in excess of the MLP. In compliance with the court order, FERC subsequently issued an order in Docket No. RP-97-369-000 directing the return of these amounts to the pipelines (i.e., "first purchasers"), and establishing conditions for the refunds. After issuance of FERC's order, Northern returned refund amounts to MidAmerican.



Page 2
 Mr. William Bullard
 July 16, 1999

As of this date, there has been no final resolution of the Kansas ad valorem tax issue. Indeed, at this time, there are fifteen pending appeals of FERC's various pipeline orders that are active in the United States Court of Appeals for the District of Columbia Circuit. Additionally, legislative efforts are ongoing to relieve small producers of their obligations to pay interest on the Kansas ad valorem refunds and Representative Jerry Moran has introduced H.R. 1117. Hearings were held on this bill on June 8, 1999 before the House Commerce Committee's Energy and Power Subcommittee.

Due to the continuing uncertainty surrounding the status of the Kansas ad valorem refunds, MidAmerican believes that it is appropriate to continue to defer the refund amounts. MidAmerican proposes to retain the refund amounts until such time as MidAmerican is under no possible obligation to return all or a portion of the refund, or, for one year, whichever is earlier.

In its August 8, 1999 order, the Commission ordered MidAmerican to file a refund plan at the time of making the final refund, calculating accrued interest at the rate of 9.420%. This rate is based on the overall rate of return held reasonable in MidAmerican's previous rate case, Docket No. NG95-006. In the event the Commission approves MidAmerican's continued deferral of the refund amounts, MidAmerican would request that the Commission state that the interest calculation in a refund plan is to be based on the applicable overall rates of return as modified from time to time during the refund deferral period. In this manner, the refund plan will reflect changes in the overall rate of return approved by the Commission. Effective May 1, 1999, pursuant to the Commission's order in general rate case Docket No. NG98-011, MidAmerican's authorized overall rate of return was changed to 8.61%.

The potential refund obligation for South Dakota customers has not changed from 1998, and is \$627,577, consisting of \$551,819 attributable to former Minnegasco properties and \$75,758 attributable to former Iowa Public Service Company customers. On July 3, 1998, MidAmerican estimated that the average annual residential refund per customer was \$6.70 and the average commercial refund obligation was \$28.40. MidAmerican estimates that as of July 31, 1999, the refund obligation per residential customer, including interest was \$7.60 and, for commercial customers, averaged \$32.29.

Thank you for your consideration of this application.

Very truly yours,

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

IN THE MATTER OF THE FILING BY)	ORDER ALLOWING
MIDAMERICAN ENERGY COMPANY FOR)	DEFERRAL OF REFUND
APPROVAL OF WAIVER OF REFUND PLAN)	
RELATING TO KANSAS AD VALOREM TAX)	NG98-006
REFUNDS RECEIVED FROM NORTHERN)	
NATURAL GAS COMPANY)	

On June 18, 1998, MidAmerican Energy Company (MidAmerican) filed for approval of a waiver of refund plan relating to Kansas ad valorem tax refunds received from Northern Natural Gas Company (Northern) with the South Dakota Public Utilities Commission (Commission). As of that date, MidAmerican had received \$4,450,770.55 in total Kansas ad valorem tax refunds from Northern. These refunds are being made pursuant to the FERC's Order in Docket No. RP97-369-000. MidAmerican requested that the Commission permit retention of the refund amount received from Northern until such time as MidAmerican determines that the amount received constitutes a final refund. At such time, MidAmerican would file a refund plan and calculate accrued interest on the refund amounts at the rate of 9.429%.

On June 30, 1998, at its duly noticed meeting, the Commission considered this application and directed MidAmerican to file a specific refund plan. On July 9, 1998, MidAmerican filed a further request that the refund be retained by MidAmerican until MidAmerican determined the final refund or, alternatively, for one year at which time they will update the plan.

On July 23, 1998, the Commission considered MidAmerican's request allowing MidAmerican to defer the refund until MidAmerican determines whether the amount received constitutes a final refund or for a maximum of one year. Commission Staff recommended that the Commission grant MidAmerican the refund deferral subject to the condition that MidAmerican initiate the refund at the time it considers the FERC's and possibly the appellate court's decision final or at the maximum for a period of one year, at which time MidAmerican would update its refund plan. On August 5, 1998, the Commission ordered the deferral be approved.

On July 16, 1999, MidAmerican filed for another deferral of the refund amounts and that MidAmerican continue to retain them until "MidAmerican is under no possible obligation to return all or a portion of the refund, or, for one year, whichever is earlier." Commission Staff recommended that such a deferral be granted.

At a regularly scheduled meeting of August 17, 1999, the Commission considered MidAmerican's most recent filing and heard comments from MidAmerican and Commission Staff. The following provisions were proposed to be added as conditions to the deferral:

1. Effective May 1, 1999, the accrued interest on the money subject to refund shall be calculated on the basis of the Commission's order in general rate case Docket No. NG98-011 which set MidAmerican's authorized overall rate of return of 8.61%.

2. Interest calculations in the refund plan are to be based on the applicable overall rate of return allowed in the most current gas rate case, as modified from time to time during the refund deferral period.

The Commission finds that it has jurisdiction over this matter pursuant to SDCL Chapter 49-34A, specifically, 49-34A-2, 49-34A-6, 49-34A-8, 49-34A-10, and 49-34A-25. Further, the Commission finds that the refund deferral is just and reasonable and shall be granted. It is therefore

ORDERED, that MidAmerican's proposal to defer the Kansas ad valorem tax refunds, subject to the two conditions stated above, until MidAmerican determines that the amount received constitutes a final refund or for a maximum of one year from August 17, 1999, whichever comes first, is granted.

Dated at Pierre, South Dakota, this 26th day of August, 1999.

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:	<u>Helaine Kalbo</u>
Date:	<u>8/27/99</u>
(OFFICIAL SEAL)	

BY ORDER OF THE COMMISSION:

James A. Burg
JAMES A. BURG, Chairman

Pam Nelson
PAM NELSON, Commissioner

Laska Schøenfelder
LASKA SCHØENFELDER, Commissioner



MidAmerican Energy
401 Douglas Street
Sioux City, Iowa 51101
712 277-2587 Telephone
712 277-7373 Fax
smstewart@midamerican.com

Suzan M. Stewart
Senior Managing Attorney

July 14, 2000

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

Dear Mr. Bullard:

On August 5, 1998 the South Dakota Public Utilities Commission ("Commission") issued an Order allowing MidAmerican Energy Company ("MidAmerican") to defer making Kansas ad valorem tax refunds (the "Kansas refund") until MidAmerican determines that the amount received constitutes a final refund, or for a maximum of one year, whichever came first.

On August 26, 1999, the Commission issued an Order authorizing MidAmerican to defer the Kansas refund until the the earlier of the passage of another year, or until the refund was final.

The current status of the Kansas refund as of June 27, 2000 is shown on attachment Schedule A, Pages 1 and 2. This report reflects an ongoing settlement process.

Due to the continuing uncertainty surrounding the status of the Kansas refund, MidAmerican respectfully requests authority to continue to defer the Kansas refund amounts. MidAmerican proposes to retain the Kansas refund amounts until such time as MidAmerican is under no possible obligation to return all or a portion of the refund or, for one year, whichever is earlier.

FAX Received JUL 17 2000

RECEIVED

JUL 19 2000

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

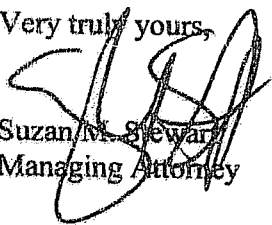


Continued Page 2
Mr. William Bullard

Due to refinement in the allocation to states of the Kansas refund, MidAmerican has increased the principle refund amount to South Dakota from \$627,577 to \$688,726. As a result of this change in allocation, the average annual refund obligation amount, with interest, to customers has changed as follows:

	<u>1999</u>	<u>2000</u>
Residential	\$ 5.36	\$ 6.59
Commercial	\$28.15	\$34.58

Thank you for your consideration of this application.

Very truly yours,

Suzan M. Stewart
Managing Attorney

Attachments

Kansas Ad Valorem Tax Issue - Status Report
June 27, 2000

Northern Natural Gas Company has refunded approximately \$38 million to its shippers, including MidAmerican Energy Company. All of the refunded amounts was received from producers. Approximately \$31 million of the \$38 million was received from one producer, Mobil.

Northern has represented that the calculation of the amounts to be refunded that it provided to the well operators and working interest owners who sold their production to companies such as Mobil were based off of incomplete information. Since that time, Northern has found that its data contain errors as a result of issues such as working interest owners dying, transfers of wells, and simply passage of time. It is easy to imagine the difficult task Northern has to contact not only operators but also working interest owners and royalty interest owners that sold gas to Northern during 1983 to 1987. Northern states that it would be a much easier task to simply bill the operators. However, FERC has required pipelines to bill operators and working interest owners. To do so, Northern is reliant upon the producers providing certain contract and sale information. Not all producers have been so forthright. The data problem briefly described above is at the heart of the massive confusion over how much money should be ultimately refunded.

Two things seem to be for sure: (1) Northern has not received refund dollars from all producers (only received an estimated 60 out of 80 million dollars); and (2) the amounts previously billed by Northern to the producers (the amount upon which a few producers including Mobil have submitted refunds), is not wholly accurate.

In recent weeks, the following has transpired concerning the Kansas Ad Valorem tax refund issue on various pipelines:

- CIG interstate pipeline has filed a proposed settlement with the FERC. Joining CIG in the proposed settlement were a few of its major LDC customers. The state regulatory commissions that regulate such LDCs reportedly support the offer of settlement.
- The Kansas Legislature held hearings regarding a proposed tax that would be assessed on pipelines for all volumes transported through the state of Kansas. The proceeds of the tax would be used to reimburse producers for refunds. Although MidAmerican has received conflicting reports, recent reports suggest that the \$.02 per MMBtu tax is still very much alive in both Houses of the Kansas Legislature.
- The Kansas Corporation Commission convened a settlement conference pursuant to FERC settlement rules, with producers and interested parties to begin the process of resolving the amounts producers had to refund. MidAmerican participated in the first settlement conference along with many other interested parties.

RECEIVED

JUL 19 2000

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

- On March 23, Northern held a customer meeting in Omaha to, *inter alia*, discuss Kansas Ad Valorem tax issues.
- Kansas Corporation Commission on March 28 convened a second settlement conference to discuss refunds including whether the CIG proposed settlement represented a basis upon which to begin settlement discussions. Northern has reported that it committed during the settlement discussions to hold a meeting in May (most likely in Kansas City) with producers, state regulators and customers to discuss resolution of the outstanding refunds on Northern Natural. MidAmerican would like to meet with the Board prior to the May Meeting.
- May 9, 2000, Northern in conjunction with the Federal Energy Regulatory Commission's dispute resolution staff convened a settlement conference in Kansas City to discuss potential settlement. The various positions of each party were set forth. Many of the small producers argued that although FERC said they had a refund obligation, there was no way to determine such obligation based upon the data available. Other producers argued FERC's findings, and the fact that the refund obligation is made up of roughly 50% principal and 50% interest, is unreasonable. The LDCs argued that its customers have paid the unlawful amounts above the maximum lawful price and therefore the dollars must be refunded. Little agreement was achieved except to meet again.
- On May 20, 2000, Northern Natural Gas and the Federal Energy Regulatory Commission's dispute resolution staff convened another settlement conference in Kansas City. The large producers and two groups of local distribution companies proposed settlement offers all including some discounting of the refund obligation. The parties agreed that better information was needed on the total refund obligation. A small working group was established to work with Northern to develop the actual refund obligation.
- Once the working group established to review the refund obligation issue has developed a recommendation, it is anticipated the parties will reconvene again in Kansas City.

South Dakota Public Utilities Commission
WEEKLY FILINGS
For the Period of July 27, 2000 through August 2, 2000

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

CONSUMER COMPLAINTS

CT00-091 In the Matter of the Complaint filed by Earl M. Briggs, Rapid City, South Dakota, against Starlink Communications, LLC Regarding Unauthorized Billing of Services.

The Complainant claims that he began to receive billings for service he did not authorize in March. The Complainant requests credit of all charges, \$1000 as provided by law, and compensation for his time and travel expenses if required to attend a hearing.

Staff Analyst: Leni Healy
Staff Attorney: Karen Cremer
Date Docketed: 07/27/00
Intervention Deadline: NA

CT00-092 In the Matter of the Complaint filed by Darrell and Bette Johnson, Brookings, South Dakota, against Sprint Communications Company L.P. Regarding Unauthorized Switching of Services and Unauthorized Billing of Long Distance Services.

The complainants allege that their phone service was switched without authorization and that they continued to receive bills after the account had been closed. The complainants request that all Sprint charges are cancelled, to reinstate their good credit rating and compensation of \$500.00 by Sprint for the unauthorized switch if a hearing is not required. If a hearing is held they are requesting \$1000.00 compensation to have the matter resolved.

Staff Analyst: Charlene Lund
Staff Attorney: Karen Cremer
Date Docketed: 08/01/00
Intervention Deadline: NA

CT00-093 In the Matter of the Complaint filed by Terry and Regina Van Dyke, Sioux Falls, South Dakota, against Telco Long Distance Wholesale Regarding a Dispute Over Raising Long Distance Telephone Rates Without Notice.

The complainants allege that they had agreed to a rate plan for telephone services and the rates were increased without notice, which is a violation of ARSD 20:10:34:10. The complainants are requesting an adjustment of \$203.20 by the company which is equal to the rates provided by the rate plan they had originally signed up for and a letter of apology.

Staff Analyst: Charlene Lund
Staff Attorney: Karen Cremer
Date Docketed: 08/01/00
Intervention Deadline: NA

NATURAL GAS

NG98-006 In the Matter of the Filing by MidAmerican Energy Company for Approval of Waiver of Refund Plan Relating to Kansas Ad Valorem Tax Refunds Received from Northern Natural Gas Company.

On June 18, 1998, MidAmerican Energy Company (MidAmerican) filed for approval of a waiver of refund plan relating to Kansas ad valorem tax refunds received from Northern Natural Gas Company (Northern) with the Commission. On August 5, 1998, the Commission approved MidAmerican's proposal to defer the Kansas ad valorem tax refunds, until MidAmerican determines that the amount received constitutes a final refund or for a maximum of one year, whichever comes first. On August 26, 1999, the Commission again granted deferral of the Northern Natural Gas Company refund with the same condition. On July 14, 2000 MidAmerican again filed to defer the Northern Refund until MidAmerican determines that the amount received constitutes a final refund or for a maximum of one year, whichever comes first.

Staff Analyst: Dave Jacobson
Staff Attorney: Karen Cremer
Date Filed: 07/17/00
Intervention Deadline: NA

TELECOMMUNICATIONS

TC00-116 In the Matter of the Application of Telergy Network Services, Inc. for a Certificate of Authority to Provide Telecommunications Services, Including Local Exchange Services, in South Dakota.

Telergy Network Services, Inc. (Telergy) filed an application with the Commission for a Certificate of Authority to provide facilities-based and resold local exchange and interexchange telecommunications services within South Dakota.

Staff Analyst: Heather Forney
Date Docketed: 08/02/00
Intervention Deadline: 08/18/00

TC00-117 In the Matter of the Joint Petition filed by Sully Buttes Telephone Cooperative, Inc. and Qwest Corporation for Designation as an Eligible Telecommunications Carrier for Sully Buttes Telephone Cooperative, Inc. in the Sisseton Exchange and for Relinquishment of Qwest Corporation's Designation as an Eligible Telecommunications Carrier in the Sisseton Exchange.

Sully Buttes Telephone Cooperative, Inc. (Sully Buttes) and Qwest Corporation, formerly U S WEST Communications, Inc. (Qwest), filed a Joint Petition for ETC Designation and Relinquishment with the Commission. The petitioners are asking the Commission to designate Sully Buttes as an eligible telecommunications carrier (ETC) within the local exchange of Sisseton, South Dakota, the exchange Sully Buttes recently purchased from Qwest. The petitioners are simultaneously asking the Commission to relinquish and transfer Qwest's ETC designation and accompanying universal service obligations to Sully Buttes in the same exchange.

Staff Analyst: Keith Senger

Staff Attorney: Karen Cremer

Date Docketed: 08/02/00

Intervention Deadline: 08/18/00

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

IN THE MATTER OF THE FILING BY)	ORDER ALLOWING
MIDAMERICAN ENERGY COMPANY FOR)	DEFERRAL OF REFUND
APPROVAL OF WAIVER OF REFUND PLAN)	
RELATING TO KANSAS AD VALOREM TAX)	NG98-006
REFUNDS RECEIVED FROM NORTHERN)	
NATURAL GAS COMPANY)	

On June 18, 1998, MidAmerican Energy Company (MidAmerican) filed for approval of a waiver of refund plan relating to Kansas ad valorem tax refunds received from Northern Natural Gas Company (Northern) with the South Dakota Public Utilities Commission (Commission). As of that date, MidAmerican had received \$4,450,770.55 in total Kansas ad valorem tax refunds from Northern. These refunds are being made pursuant to the FERC's Order in Docket No. RP97-369-000. MidAmerican requested that the Commission permit retention of the refund amount received from Northern until such time as MidAmerican determines that the amount received constitutes a final refund. At such time, MidAmerican would file a refund plan and calculate accrued interest on the refund amounts at the rate of 9.429%.

On June 30, 1998, at its duly noticed meeting, the Commission considered this application and directed MidAmerican to file a specific refund plan. On July 9, 1998, MidAmerican filed a further request that the refund be retained by MidAmerican until MidAmerican determined the final refund or, alternatively, for one year at which time they will update the plan.

On July 23, 1998, the Commission considered MidAmerican's request allowing MidAmerican to defer the refund until MidAmerican determines whether the amount received constitutes a final refund or for a maximum of one year. Commission Staff recommended that the Commission grant MidAmerican the refund deferral subject to the condition that MidAmerican initiate the refund at the time it considers the FERC's and possibly the appellate court's decision final or at the maximum for a period of one year, at which time MidAmerican would update its refund plan. On August 5, 1998, the Commission ordered the deferral be approved.

On July 16, 1999, MidAmerican filed for another deferral of the refund amounts and that MidAmerican continue to retain them until "MidAmerican is under no possible obligation to return all or a portion of the refund, or, for one year, whichever is earlier." Commission Staff recommended that such a deferral be granted, and on August 17, 1999, at a regularly scheduled meeting, the Commission approved the deferral with the following conditions:

1. Effective May 1, 1999, the accrued interest on the money subject to refund shall be calculated on the basis of the Commission's order in general rate case Docket No. NG98-011 which set MidAmerican's authorized overall rate of return of 8.61%.

2. Interest calculations in the refund plan are to be based on the applicable overall rate of return allowed in the most current gas rate case, as modified from time to time during the refund deferral period.

On July 17, 2000, MidAmerican again asked for a deferral due to the continuing uncertainty surrounding the status of the Kansas refund. At a regularly scheduled meeting of August 9, 2000, the Commission considered MidAmerican's most recent filing and heard comments from MidAmerican and Commission Staff.

The Commission finds that it has jurisdiction over this matter pursuant to SDCL Chapter 49-34A, specifically, 49-34A-2, 49-34A-6, 49-34A-8, 49-34A-10, and 49-34A-25. Further, the Commission finds that the refund deferral is just and reasonable and shall be granted. It is therefore

ORDERED, that MidAmerican's proposal to defer the Kansas ad valorem tax refunds, subject to the two conditions stated above, until MidAmerican determines that the amount received constitutes a final refund or for a maximum of one year from August 9, 2000, whichever comes first, is granted.

Dated at Pierre, South Dakota, this 16th day of August, 2000.

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:	<u>Melaine Kalbs</u>
Date:	<u>8/17/00</u>
(OFFICIAL SEAL)	

BY ORDER OF THE COMMISSION:

James A. Burg
JAMES A. BURG, Chairman

Pam Nelson
PAW NELSON, Commissioner

Laska Schoenfelder
LASKA SCHOENFELDER, Commissioner