

NG01-003

KC/DT

NG01-003

11 pgs.

DOCKET NO. _____

In the Matter of _____

IN THE MATTER OF THE FILING BY
MIDAMERICAN ENERGY COMPANY
FOR APPROVAL OF A REFUND PLAN
FOR 2001 DISTRIBUTION OF KANSAS
AD VALOREM TAX REFUND

Public Utilities Commission of the State of South Dakota

DATE

MEMORANDA

DATE	MEMORANDA
1/29/01	Filed and Docketed;
2/1/01	Stippling Filing;
2/28/01	Order Approving Refund Plan for 2001 Distribution of Kansas Ad Valorem Tax Refund.
2/28/01	Docket Closed.
5/1/01	Refund Report.

NG01-003



MidAmerican Energy Company
1111 14th Street, N.E.
Billings, Montana 59102
406.243.1234
www.midamenergy.com

January 26, 2001

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

Subject: Supplier Refund Plan for NNG Kansas Ad Valorem Tax Refunds
Final Settlement per FERC Docket No. RP98-39-00, et al.
Refund Plan Based on Estimated Refund Amounts

Dear Mr. Bullard:

On December 27, 2000, the Federal Energy Regulatory Commission ("FERC") issued an order approving Northern Natural Gas Company's ("Northern") settlement agreement resolving the issues in Docket No. RP98-39-00, et al. concerning the refund of Kansas ad valorem taxes by certain producers of natural gas during 1983-1988 to Northern.

MidAmerican Energy Company ("MidAmerican") has previously refunded amounts of Kansas ad valorem taxes that had been paid by producers at earlier stages of this proceeding and remitted to MidAmerican by Northern. These amounts were returned to MidAmerican sales customers in November 2000 by reducing the PGA under collection balances as of August 31, 2000. The South Dakota Utilities Commission ("Commission") approved this refund plan in Docket No. NG00-008.

The Settlement approved by the FERC Order provides for participation by additional producers, with a final distribution of settlement amounts to customers by Northern within 45 days of December 27, 2000. MidAmerican anticipates this process may result in additional refund amounts that can be returned to its customers, although at this time the total amount to be refunded is estimated. Since the combination of colder than normal weather and high gas prices has caused South Dakota customers to experience high winter utility bills, MidAmerican wishes to promptly return any additional refunds to its customers.

In order to facilitate the expeditious return of any additional refund amounts received by MidAmerican as a result of the Kansas ad valorem proceeding, MidAmerican is filing the attached refund plan based on an estimate of the refund amounts.

RECEIVED

JAN 29 2001

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION



MidAmerican anticipates that Northern will issue the refund checks by about February 10, 2001.

MidAmerican requests the Commission's expeditious approval of the refund plan so that it can include the actual refund amounts in the March 2001 PGA rates. MidAmerican hereby requests the Commission to allow MidAmerican to calculate the actual refund after the additional refund checks are received and return the Kansas ad valorem refund amounts to sales customers during March 2001 through the PGA in order to offset the monthly natural gas costs for March.

If MidAmerican does not receive the refund checks from Northern by February 28, 2001, the refund will not be completed in March 2001. MidAmerican will file a revised refund plan in March 2001 reflecting the distribution of the refund to the sales customers during April 2001.

Enclosed for filing is the original and ten copies of the refund plan plus an extra copy to be file-stamped and returned in the self-addressed envelope.

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

Sincerely,

A handwritten signature in cursive script that reads "Gene Harrison".

Gene Harrison
Pricing Analyst

MidAmerican Energy Company
NNG Kansas AdValorem Tax Refund 1984 thru 1989
South Dakota Refund Distribution Based On 2001 Settlement

ESTIMATED REFUND: 2001

As of January 26, 2001

Line No.	(a) State	(b) Year	(c) Iowa	(d) Nebraska	(e) So Dakota	(f) Minnesota	(g) Total
1	NNG	1984	\$ 377,933	\$ 5,110	\$ 10,994	\$ 49,730	\$ 444,067
2	Refund						
3	Amounts	1985	168,151	2,414	5,091	23,981	199,637
4	By States per						
5	Docket No. NG00-008	1986	2,177,525	35,712	67,977	378,240	2,659,454
6							
7		1987	1,000,381	7,839	18,488	170,402	1,197,110
8							
9		1988	29,528	370	680	5,057	35,635
10							
11		1989	124,730	2,035	3,897	26,506	157,168
12							
13	Total NNG Amounts		<u>\$ 3,878,248</u>	<u>\$ 53,780</u>	<u>\$ 107,127</u>	<u>\$ 653,916</u>	<u>\$ 4,693,071</u>
14	Total NNG Amt: MidAm(SD)	\$107,127					
15	Total NNG Amt: Minnegasco	\$581,599					
16	State Allocations	<u>\$688,726</u>					
17	Minnegasco % (Ln14/Ln16)	15.6%	82.6377%	1.1459%	2.2827%	13.9336%	100.0000%
18			Total 2001 Settlement	Less Prior Refund Amts	2001 Final Settlement		
19			\$ 52 million	\$ 38 million	\$ 14 million		\$ 14,000,000
20	Estimated NNG Refund:						
21							
22	MidAmerican % Share	Line 13 (g)	\$ 4,693,071	/ \$ 38 million =	12.35%		12.3500%
23							
24	MidAmerican Amount						<u>\$ 1,729,000</u>
25							
26	MidAmerican Amount:		Iowa	Nebraska	So Dakota	Minnesota	Total
27	NNG Refund Amount	\$ 1,729,000	<u>\$ 1,428,807</u>	<u>\$ 19,813</u>	<u>\$ 39,467</u>	<u>\$ 240,913</u>	<u>\$ 1,729,000</u>
28	Plus: Minnegasco Estimate	Ln 17 (b)	=15.6%		\$ 213,527		
29	South Dakota Portion of Refund			\$39,467/15.6% =	<u>\$ 252,994</u>		\$ 252,994
30		Docket No.	NG98-011				
31	MidAmerican Interest	Annual	8.61%	\$ 21,783			
32	# Days: Feb 15-Mar 15	30	\$ 59.68	\$ 1,790			1,790
33	Total South Dakota Refund						<u>\$ 254,784</u>
34							
35	Refund Distribution per March 2001 PGA Calculation:						
36			PGA Sales	Refund Factor			PGA Refund
37	PGA # 1 Customers		11,062,273	\$ 0.021763			\$ 240,745
38	PGA # 3 Customers		645,116	\$ 0.021763			\$ 14,039
39	Total March 2001 PGA		<u>11,707,389</u>				<u>\$ 254,784</u>
40	PGA Refund Factor		\$ 0.021763				
41	Average Residential Usage for March		126				
42	Reduction Res'd. Monthly PGA Costs-March		<u>\$ 2.74</u>				
43							
44							
45							
46							
47							
48							

South Dakota Public Utilities Commission

WEEKLY FILINGS

For the Period of January 25, 2001 through January 31, 2001

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

NATURAL GAS

NG01-003 In the Matter of the Filing by MidAmerican Energy Company for Approval of a Refund Plan for 2001 Distribution of Kansas Ad Valorem Tax Refund.

Application of MidAmerican Energy to refund amounts received from Northern Natural Gas Company as a result of final resolution of Kansas Ad Valorem Tax proceedings. On December 27, 2000, the Federal Energy Regulatory Commission issued an order approving a settlement between the parties relating to excessive prices paid for natural gas which included Kansas Ad Valorem taxes. As a result of the Order, final distribution of the refund by Northern is expected by February 10, 2001, and MidAmerican wishes to make the refund available to customers through its purchased gas adjustment in the month of March.

Staff Analyst: Dave Jacobson
Staff Attorney: Karen Cremer
Date Docketed: 01/29/01
Intervention Deadline: N/A

TELECOMMUNICATIONS

TC01-009 In the Matter of the Filing for Approval of a Fifth Amendment to an Interconnection Agreement between Qwest Corporation and McLeodUSA Telecommunications Services, Inc.

On January 26, 2001, a Fifth Amendment to the Interconnection Agreement between Qwest Corporation (Qwest) and McLeodUSA Telecommunications Services, Inc. (McLeodUSA) was filed with the Commission for approval. The agreement is a negotiated agreement with the parties adopting the negotiated interconnection agreement between McLeod USA and Qwest which was approved by the Commission effective July 23, 1999, in Docket TC99-057. According to the parties the Amendment adds terms, conditions and rates for xDSL-I Loop (IDSL) to Attachment 3, Section 2, on Unbundled Elements. The Amendment also adds a new section 2.9 entitled "xDSL-I Loop (IDSL)". Any party wishing to comment on the agreement may do so by filing written comments with the Commission and the parties to the agreement no later than February 15, 2001. Parties to the agreement may file written responses to the comments no later than twenty days after the service of the initial comments.

Staff Attorney: Kelly D. Frazier
Date Docketed: 01/26/01
Initial Comments Due: 02/15/01

TC01-010 In the Matter of the Application of Long Distance Billing Services, Inc. for a Certificate of Authority to Provide Interexchange Telecommunications Services in South Dakota.

Long Distance Billing Services, Inc. is seeking a Certificate of Authority to provide resold interexchange services throughout South Dakota. They intend to provide 1+ and 101XXXX outbound dialing, 800/888 toll-free inbound dialing, directory assistance, data services, and travel card service.

Staff Analyst: Michele Farris
Staff Attorney: Kelly Frazier
Date Docketed: 01/31/01
Intervention deadline: 02/16/01

11, 2001

please contact Delaine Kolbo
605-773-3809

Approval of a Refund Plan

ral Gas Company as a result
the Federal Energy
is relating to excessive prices
for final distribution of the
make the refund available to

an Interconnection Communications Services,

en Qwest Corporation
led with the Commission for
negotiated interconnection
ision effective July 23, 1999,
ions and rates for xDSL-I Loop
> adds a new section 2.9
ay do so by filing written
bruary 15, 2001. Parties to
ys after the service of the

as, Inc. for a Certificate of
ces in South Dakota.

resold interexchange services
ing 800/888 toll-free inbound

TC01-011 In the Matter of the Application of Maxtel USA, Inc. for a Certificate of Authority to Provide
Interexchange Telecommunications Services in South Dakota.

Maxtel USA, Inc. is seeking a Certificate of Authority to provide interexchange telecommunication services in
South Dakota. The applicant is a reseller which intends to offer interexchange services, including 1* and
101XXXX outbound dialing, toll-free inbound dialing, directory assistance, data services, and travel card
services.

Staff Analyst: Keith Senger
Staff Attorney: Kelly Frazier
Date Docketed: 01/31/01
Intervention Deadline: 02/15/01

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

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

IN THE MATTER OF THE FILING BY)	ORDER APPROVING
MIDAMERICAN ENERGY COMPANY FOR)	REFUND PLAN FOR 2001
APPROVAL OF A REFUND PLAN FOR 2001)	DISTRIBUTION OF KANSAS
DISTRIBUTION OF KANSAS AD VALOREM)	AD VALOREM TAX REFUND
TAX REFUND)	NG01-003

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 found that the refund deferral was just and reasonable and granted the deferral. On September 6, 2000, MidAmerican filed a Refund Plan for 2001 Distribution of Kansas Ad Valorem Tax Refund. According to the application, MidAmerican planned to refund to sales and transportation customers. MidAmerican further proposed that due to the possibility that it may have to return a portion of the refund amount received from Northern, once the issue is decided by the Federal Energy Regulatory Commission or the courts, that it be allowed to collect back from customers amounts over refunded, if any.

At its regularly scheduled September 26, 2000, meeting, the Commission considered this matter. The Commission ordered that the Refund Plan for 2000 Distribution of Kansas Ad Valorem Tax Refund should be granted as to sales customers only. It further ordered that in the event MidAmerican was required to return a portion of the current refund to Northern that it be allowed to do so after providing documentation of the amount to the Commission. Likewise, if MidAmerican received refunds in addition to those amounts returned to customers upon resolution of this issue, that MidAmerican make further refunds after providing documentation to the Commission.

On January 29, 2001, the Commission received an application from MidAmerican to refund amounts received from Northern as a result of final resolution of Kansas Ad Valorem Tax proceedings. On December 27, 2000, the Federal Energy Regulatory Commission issued an order approving a settlement between the parties relating to excessive prices paid for natural gas which included Kansas Ad Valorem taxes. As a result of the Order, final distribution of the refund by Northern was expected by February 10, 2001, and MidAmerican wished to make the refund available to customers through its purchased gas adjustment in the month of March.

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 voted to approve the refund plan to sales customers only. It is therefore

ORDERED, that the Refund Plan for 2001 Distribution of Kansas Ad Valorem Tax Refund is hereby granted as to sales customers only and it is to be reflected in the March 2001 PGA.

Dated at Pierre, South Dakota, this 28th day of February, 2001.

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

Melaine Kalbs

Date:

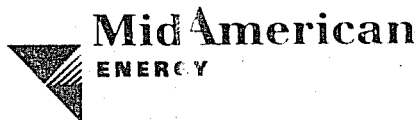
2/28/01

(OFFICIAL SEAL)

BY ORDER OF THE COMMISSION

James A. Burg
JAMES A. BURG, Chairman

Pam Nelson
PAM NELSON, Commissioner



April 27, 2001

Debra Elofson, Executive Secretary
South Dakota Public Utilities Commission
500 East Capitol Avenue
Pierre, South Dakota 57501

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MAY 01 2001

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

Subject: Docket No. NG01-003: 2001 Kansas Ad Valorem Refund
Refund Report on Actual Distribution of Kansas Ad Valorem Refund

Dear Ms. Elofson:

MidAmerican Energy Company (MidAmerican) hereby submits the refund report reflecting the distribution of the Kansas ad valorem refund to the PGA sales customers through the monthly purchased gas adjustment rates (PGA) during the month of March 2001.

On February 28, 2001, the South Dakota Public Utilities Commission approved MidAmerican's refund plan in Docket No. NG01-003 and "ORDERED, that the Refund Plan for 2001 Distribution of Kansas Ad Valorem refund is hereby granted as to sales customers only and it is to be reflected in the March 2001 PGA."

The following reflects the distribution of the refund amount to the PGA sales customers during March 2001 PGA:

A) Refund Plan:

- | | |
|---|------------|
| 1) Kansas Ad Valorem Refund Amount..... | \$ 227,611 |
| 2) PGA Forecasted Sales for March 2001..... | 11,707,384 |
| 3) PGA Refund Factor for March 2001 PGA (Credit)..... | \$ 0.01944 |

B) Refund Actual Distribution:

- | | |
|--|------------|
| 1) PGA Refund Factor for March 2001 PGA (Credit)..... | \$ 0.01944 |
| 2) PGA Actual Sales for March 2001..... | 15,301,180 |
| 3) Refund Distribution based on March 2001 PGA Actual Sales..... | \$ 297,455 |

Enclosed are the original and three copies of this filing. Also enclosed is an extra copy to be file-stamped and returned in the stamped envelope enclosed. If you have any questions, please contact me at (712) 277-7611.

Sincerely,

A handwritten signature in cursive script that reads "Gene Harrison".

Gene Harrison
Pricing Analyst

MidAmerican Energy Company
NNG Kansas AdValorem Tax Refund 1983 thru 1989: South Dakota
South Dakota Refund Distribution Based On Feb 2001 Settlement

Refund March 2001

Approved per
Docket No. NG01-003
February 28, 2001

Line No.	(a) State	(b) Year	(c) Iowa	(d) Nebraska	(e) So Dakota	(f) Minnesota	(g) Total
1	NNG	1984	\$ 938,313	\$ 13,432	\$ 27,296	\$ 123,466	\$ 1,102,507
2	Refund						
3	Amounts	1985	264,595	3,799	8,011	37,736	314,141
4	By States						
5		1986	(41,329)	(678)	(1,290)	(7,179)	(50,476)
6							
7		1987	(3,222)	(25)	(60)	(549)	(3,856)
8							
9		1988	29,893	375	689	5,119	36,076
10							
11		1989	35,264	575	1,102	7,494	44,435
12							
13		1983	60,986	946	1,923	7,477	71,332
14	Total NNG / amounts		<u>\$ 1,284,500</u>	<u>\$ 18,424</u>	<u>\$ 37,671</u>	<u>\$ 173,564</u>	<u>\$ 1,514,159</u>
15							
16							
17							
18	NNG Refund Amount:				NNG Amt.	Interest Amount as of 03/15/01	Total So Dakota
19	MidAmerican Refund Amt.		Line 13 Col (e)	Feb 2001	\$ 37,671		
20	Minnegasco Refund Amt.		Per Minnegasco	Feb 2001	181,219		
21					218,890	\$ 1,652	\$ 220,542
22	Minnegasco Refund Amt.		Per Minnegasco	1998/99 Bal	6,029	1,040	7,069
23							
24	Total South Dakota Amt.				<u>\$ 224,919</u>	<u>\$ 2,692</u>	<u>227,611</u>
25							
26					\$ 37,671		
27	MidAmerican Interest:	Docket No.	NG98-011		181,219		
28	Feb 2001 Refund Amounts:	Annual	8.61%		<u>\$ 218,890</u>	\$ 18,846	
29	# Days: Feb 12-Mar 15	32	Per Day	\$ 52		<u>\$ 1,652</u>	
30	Total South Dakota Refund						
31	Total South Dakota Refund						
32		Prev Refund Nov	Revised Amt.	Add'l Refund			
33	1998/99 Bal Refund Amount	\$ 581,599	\$ 587,628	\$ 6,029			
34	Interest Calculation Apr 99-Apr 13 99 to Apr 00	8.61%	\$ 519	\$ 6,548	\$ 519		
35	Interest Calculation Mar 11-Apr 00 to Mar 2001	337 days	\$ 1,5446	\$ 521	\$ 521		
36	Total Interest 1998/99 Bal				<u>\$ 1,040</u>		
37							
38							
39							
40	Refund Distribution per March 2001 PGA Calculation:			PGA			
41	Refund Amount	\$ 227,611	PGA Sales	Refund Factor			PGA Refund
42	PGA # 1 Customers		11,062,273	\$ 0.01944			\$ 215,069
43	PGA # 3 Customers		645,116	\$ 0.01944			\$ 12,542
44	Total March 2001 PGA		<u>11,707,389</u>		South Dakota Refund Amt.		<u>\$ 227,611</u>
45	PGA Refund Factor		\$ 0.01944				
46	Average Residential Usage for March		126				
47	Reduction Res'd. Monthly PGA Costs-March		<u>\$ 2.45</u>				
48							
49							
50							
51							
52							
53							