

NG01-007

KC/DE

NG01-007

9 pgs.

DOCKET NO.

In the Matter of

IN THE MATTER OF THE FILING BY  
MIDAMERICAN ENERGY COMPANY  
FOR APPROVAL TO PRORATE  
MONTHLY PURCHASED GAS  
ADJUSTMENT RATES

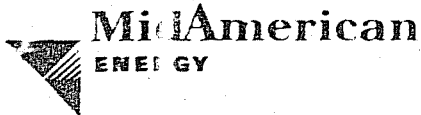
Public Utilities Commission of the State of South Dakota

DATE

MEMORANDA

DATE	MEMORANDA
7/19/01	Filed and Docketed;
7/26/01	Weekly Edisp;
7/31/01	Final Tariff Sheet;
7/27/01	Order approving Request to Prorate Monthly Purchased Gas <sup>Adjustment</sup>
7/27/01	Docket Closed

NG01-007



July 19, 2001

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

RECEIVED

JUL 23 2001

SOUTH DAKOTA PUBLIC  
UTILITIES COMMISSION

Subject Purchased Gas Adjustment Proration

FAX Received JUL 19 2001

Dear Ms. Elofson:

MidAmerican Energy Company (MidAmerican) requests Commission approval to prorate monthly Purchased Gas Adjustment (PGA) rates on customer bills. This proposal is to be implemented with the August 2001 PGA. The proration change would begin with the first billing as reflected on the PGA tariff, "For Services on and After August 2, 2001."

The PGA prorating change is to allow the Company to prorate the customer's monthly usage according to the PGA rates that were in effect during the customer's billing cycle. Therefore, the prorated usage would be billed on two different monthly PGA rates, weighted by the number of days during the billing cycle as applicable to each of the PGA rates in effect.

The following are the reasons and benefits for prorating the PGA on customer bills:

1. The Customer would be billed for the portion of usage applicable to the PGA rate in effect when the gas was delivered.
2. The change avoids billing all the customer's monthly usage on a single PGA rate if some of the usage occurred outside the current month and the current PGA in effect.
3. The change would avoid the swings in PGA rates going into the winter season or when there are large changes in PGA rates from one month to the next, by leveling the charges.
4. The PGA proration eliminates some customer concerns of all usage being billed at a single higher/lower monthly PGA rate if usage and meter readings cover two different months.

MidAmerican requests to implement proration of monthly PGA rates starting August 2001. The PGA prorating would begin using both the July 2001 and August 2001 PGA rates in cycle billings. The PGA rates for July and August are expected to have a very small

July 19, 2001

Page 2

difference in price, which should not have much impact on customer bills. Also, the customer's usage will be low due to the summer period so this change should have an insignificant effect on customers.

MidAmerican is proposing to implement the PGA prorate change in all state jurisdictions at the same time.

MidAmerican requests the Commission's approval of the change prior to filing the August 2001 PGA rate due to timing needed to implement the change.

MidAmerican requests that this filing be included with the July 24, 2001 Commission Agenda Meeting.

If you have any questions, please contact me at (712) 277-7704.

Sincerely,



Marvin G. Sorensen  
Gas Pricing Strategist

**South Dakota Public Utilities Commission**  
**WEEKLY FILINGS**  
For the Period of July 19, 2001 through July 25, 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

**CONSUMER COMPLAINTS**

**CT01-033** In the Matter of the Complaint filed by Thomas C. Harbeson, Sioux Falls, South Dakota,  
against Direct One Com.Long Distance Regarding Unauthorized Billing for Services.

Complainant states that his Credit Card was charged by Direct One Com.Long Distance for unauthorized billing. Complainant believes that his credit card was fraudulently accessed by Direct One Com.Long Distance after he purchased a video that was offered on television. Complainant requests that he be compensated for his time in resolving this matter and that he be awarded \$1,000.00 as stated by South Dakota law. He also would like the Commission to assess a penalty on Direct One Com.Long Distance for its actions and because Direct One Com.Long Distance does not have a Certificate of Authority from the SD Public Utilities Commission.

Staff Analyst: Mary Healy  
Staff Attorney: Kelly Frazier  
Date Filed: 7/19/01  
Intervention Deadline: N/A

**NATURAL GAS**

**NG01-007** In the Matter of the Filing by MidAmerican Energy Company for Approval to Prorate  
Monthly Purchased Gas Adjustment Rates.

Application by MidAmerican Energy to prorate monthly purchased gas adjustments by applying each month's purchased gas adjustment to service used during its effective date. Currently a single purchased gas adjustment is applied to the entire monthly billed usage of a customer. MidAmerican requested that the change be effective for August, 2001 billings. The Commission approved the requested change at its regular meeting held July 24, 2001.

Staff Analyst: Dave Jacobson  
Staff Attorney: Karen Cremer  
Date Filed: 07/19/01  
Date Decided: 07/24/01

**NG01-008** In the Matter of the Filing by MidAmerican Energy Company for Approval of Petition for  
Extension of Test Period.

Application by MidAmerican Energy to utilize a test period for determining rates which ends more than six months prior to the date the rate case is expected to be filed. South Dakota Administrative Rule 20:10:13:44 requires the use of a test period consisting of 12 months of actual experience ending no earlier than six months before the date of filing for a rate change unless good cause for extension is shown. MidAmerican states the extension will allow them to reflect actual costs incurred during the 2001 construction season.

Staff Analyst: Dave Jacobson  
Staff Attorney: Karen Cremer  
Date Filed: 07/20/01  
Intervention Deadline: 08/15/01

TELECOMMUNICATIONS

TC01-094 In the Matter of the Filing for Approval of an Agreement for Terms and Conditions for Interconnection, Unbundled Network Elements, Ancillary Services and Resale of Telecommunication Services between Qwest Corporation and Ciera Network Systems, Inc.

On July 19, 2001, the Commission received a Filing for approval of an Agreement for Terms and Conditions for Interconnection, Unbundled Network Elements, Ancillary Services and Resale of Telecommunication Services between Qwest Corporation (Qwest) and Ciera Network Systems, Inc. (Ciera). According to the parties the Agreement is a negotiated agreement which sets forth the terms, conditions and prices under which Qwest will provide services for resale to Ciera for the provision of local exchange services. 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 August 8, 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 Frazier  
Date Document: 07/19/01  
Initial Comments Due: 08/08/01

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

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MidAmerican Energy Company  
401 Douglas Street  
P.O. Box 778  
Sioux Falls, South Dakota  
57101-0778

July 30, 2001

RECEIVED

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

SOUTH DAKOTA PUBLIC  
UTILITIES COMMISSION

RE: Gas Tariff Compliance Docket No. NG01-007

Dear Ms. Elofson:

The attached gas tariff sheet issued by MidAmerican Energy Company is transmitted to you for filing.

South Dakota Gas Sales Tariff  
SD P.U.C. Section III

Second Revised Sheet No. 5

Canceling First Revised Sheet No. 5


Effective Date: August 2, 2001

This tariff change eliminates the sentence referring to Purchased Gas Adjustment with no pro-ration. The pro-ration of the purchased gas adjustment will begin August 2, 2001. This tariff is filed in compliance with the Commission's decision in Docket No. NG01-007.

Enclosed are the original and 5 copies of the tariff sheet filing. Please file stamp the extra copy and return in the enclosed stamped self-addressed envelope.

If you have any questions, please call me at (712) 277-7704.

Sincerely,

  
Martin G. Sorensen  
Gas Pricing Strategist

Cc: Suzan Stewart/MidAmerican Energy company





MIDAMERICAN ENERGY COMPANY  
P.O. Box 78  
Sioux City, Iowa 51102

SOUTH DAKOTA GAS SALES TARIFF  
SD P.U.C. Section No. III  
Second Revised Sheet No. 5  
Cancels First Revised Sheet No. 5

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**CLASS OF SERVICE: Cost of Purchased Gas Adjustment**

**1. Application**

Applicable in all service areas in South Dakota and to all sales customers of the Company.

**2. Implementation of Purchased Gas Adjustment**

In the event the delivered costs for natural gas purchased for resale on a firm and/or interruptible basis increase or decrease, and result in a billing rate change that exceeds \$.003 per therm either temporarily or permanently, the retail gas rates in effect may be increased or shall be decreased correspondingly to reflect the change in the delivered cost of purchased gas. A gas cost change that does not total \$.003 per therm will be withheld until a change in the delivered cost of purchased gas exceeds \$.003 per therm from the current billing rate level.

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**3. Annual Gas Cost Reconciliation**

Annually, on or before October 1st, the Company shall file a "Gas Cost Reconciliation" (GCR) with the Commission. The filing will compare the cost of gas purchased (including propane) with actual billed revenue arising from the components of retail sales which are attributable to the cost of gas purchased. Each such comparison shall be for the year ended the immediately preceding August 31st. The filing will specify a reconciliation rate adjustment to become effective on November 1. This GCR adjustment will correct for any difference between gas cost incurred and gas cost recovered for the reconciliation year ended August 31st and will correct for the previous year's reconciliation adjustment. The reconciliation adjustment will include carrying charges at the overall rate of return allowed by the South Dakota Public Utilities Commission in the most recent rate case for the Company.

**4. PGA Over / (Under) Recovery Factor**

A factor may be calculated monthly and applied to each Purchased Gas Adjustment Clause to obtain a reasonable balance between gas recoveries and gas costs ending with the final month in the gas reconciliation period. If the Purchased Gas Adjustment balance represents costs in excess of revenues, a factor shall be assigned a positive value. If the Purchased Gas Adjustment balance represents revenues in excess of costs, a factor shall be assigned a negative value.

**5. Summary of Purchased Gas Adjustments**

The billing rates set forth on Page 3 of Section III include all Purchased Gas Adjustments to date, and will be revised to reflect any increase or decrease described in the above two paragraphs.

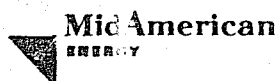
**6. Refund Procedure**

Any refund of \$500,000 or less plus applicable interest thereon, if any, received by the Company from its supplier in respect of increased rates paid by the Company subject to refund and applicable to natural gas purchased for resale shall be passed on to presently served customers by an appropriate adjustment to the Gas Cost Reconciliation, or by a refund plan proposed by the Company and approved by the Commission. Any refund greater than \$500,000 plus applicable interest thereon, if any, received by the Company from its supplier in respect of increased rates paid by the Company, shall be subject to refund. This refund shall be applicable to natural gas purchased for resale and refunded to customers according to a refund plan proposed by the Company and approved by the Commission.

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Date Filed: July 30, 2001 Effective Date: August 2, 2001

Issued by: James J. Howard  
Vice President



MIDAMERICAN ENERGY COMPANY  
 P.O. Box 718  
 Sioux City, Iowa 51102

SOUTH DAKOTA GAS SALES TARIFF  
 SD P.U.C. Section No. III  
 Second First Revised Sheet No. 5  
 Cancels First Revised Original Issue Sheet No. 5

**CLASS OF SERVICE: Cost of Purchased Gas Adjustment**

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Date Filed July 30, 2001 April 1, 1997 Effective Date: August 2, 2001 October 17, 1996

Issued By: James J. Howard, Vice President  
 Gas Administrative Services



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

IN THE MATTER OF THE FILING BY )	ORDER APPROVING
MIDAMERICAN ENERGY COMPANY FOR )	REQUEST TO PRORATE
APPROVAL TO PRORATE MONTHLY )	MONTHLY PURCHASED
PURCHASED GAS ADJUSTMENT RATES )	GAS ADJUSTMENT RATES
)	NG01-007

On July 19, 2001, the Public Utilities Commission (Commission) received an application from MidAmerican Energy Company (MidAmerican) requesting approval to prorate its monthly Purchased Gas Adjustment rates on customer bills. According to the filing, the change will allow the company to prorate the customer's monthly usage according to the PGA rates that were in effect during the customer's billing cycle. The prorated usage would be billed on two different monthly PGA rates, weighted by the number of days during the billing cycle as applicable to each of the PGA rates in effect. MidAmerican is requesting that the change begin with the first billing as reflected on the PGA tariff, "[f]or Services on and After August 2, 2001." The revised tariff sheets reflecting changes are

Section No. III, PGA Sixty-Ninth Revised Sheet No. 3 cancels PGA Sixty-Eighth Revised Sheet No. 3

Second Revised Sheet No. 5 cancels First Revised Sheet No. 5

At its regularly scheduled meeting of July 24, 2001, the Commission discussed final approval of the application. Commission Staff noted that in the past customers have requested such a prorating of the monthly PGA and recommended approval.

The Commission finds that it has jurisdiction over this matter pursuant to SDCL Chapter 49-34A, specifically, 49-34A-2, 49-34A-4, 49-34A-6, 49-34A-8, and 49-34A-10 and ARSD 20:10:17.03. The Commission finds the prorating of the monthly PGA is just and reasonable and approves the change. It is therefore

ORDERED, that the prorating of the monthly Purchased Gas Adjustment rates on customers' bills, as found in the above-referenced tariffs, is approved and is effective for service rendered on and after August 2, 2001.

Dated at Pierre, South Dakota, this 27<sup>th</sup> day of July, 2001.

<b>CERTIFICATE OF SERVICE</b>	
<p><i>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</i></p>	
By	<u>Melaine Kelso</u>
Date	<u>8/3/01</u>
(OFFICIAL SEAL)	

BY ORDER OF THE COMMISSION:

James A. Burg  
 JAMES A. BURG, Chairman

Pam Nelson  
 PAM NELSON, Commissioner