

DOCKET NO.

In the Matter of _____ IN THE MATTER OF THE FILING BY
_____ MIDAMERICAN ENERGY COMPANY
FOR APPROVAL OF TARIFF
REVISIONS

Public Utilities Commission of the State of South Dakota

DATE		MEMORANDA
5/16	02	Filed and Rocketed;
5/23	02	Weekly Filing;
6/27	02	Under Approving Tariff Retentions,
6/27	02	Rocketed Glass of
7/2	02	Final Tariff Sheets;



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

RECEIVED

MAY 16 2002

**SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION**

May 15, 2002

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

RE: Interruptible Gas Tariff Change

Dear Ms. Elofson:

MidAmerican Energy Company (MidAmerican) submits for filing the following revised interruptible gas tariff Sheets.

South Dakota Gas Sales Tariff
SD P.U.C. Section No. III

Fourth Revised Sheet No. 14
Fourth Revised Sheet No. 15

Cancels Third Revised Sheet No. 14
Cancels Third Revised Sheet No. 15

MidAmerican requests the Commission's approval of the above tariff sheet revisions to become effective June 21, 2002.

MidAmerican is hereby requesting approval to limit both the Small and Large Volume Interruptible gas tariffs (Rates SVI and LVI) to existing customers as of the effective date of this tariff change.

MidAmerican initially proposed to phase out these two interruptible service rates in its recently concluded gas rate case in Docket No. NG01-010. MidAmerican had proposed to phase out over a five year period the differences between the monthly PGA rates billed to firm and interruptible sales service customers.

Continued Page 2
Ms. Debra Elofson

In the Settlement Agreement approved by the Commission in that Docket, the parties agreed that "the issue of eliminating Purchased Gas Adjustment (PGA) interruptible rates will be heard as a PGA request before the Commission prior to MidAmerican's next annual PGA reconciliation."

In that proceeding, MidAmerican stated that the interruptible customer load is too small to materially impact its gas supply portfolio decisions. Also, additional administrative effort is required to maintain customer contacts, issue curtailment requests, and ensure compliance. Therefore, there is little reason to offer different prices for interruptible service and firm service PGA rates.

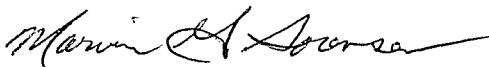
However, since Rate SVI and LVI customers will already experience a rate increase this year as a result of the delivery rates approved in Docket No. NG01-010, MidAmerican does not propose to eliminate the interruptible PGA and consolidate the firm and interruptible PGA rates at this time. Instead, the Company will continue to offer the existing separate firm and interruptible PGA rates. MidAmerican may approach the Commission with a similar proposal in the future.

While MidAmerican does not propose to consolidate the firm and interruptible PGAs at this time, MidAmerican nonetheless requests that its interruptible rates be limited to those customers already receiving service under these rates. This would prevent new customers from requesting service under rates which MidAmerican may propose to eliminate in the future.

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

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

Sincerely,



Marvin G. Sorensen
Gas Pricing Strategist

Attachment

Cc: Suzan Stewart/MidAmerican Energy Company



MIDAMERICAN ENERGY COMPANY
P.O. Box 778
Sioux City, Iowa 51102

SOUTH DAKOTA GAS SALES TARIFF
SD P.U.C. Section No. III
Fourth Revised Sheet No. 14
Cancels Third Revised Sheet No. 14

DESIGNATION: Small Volume Interruptible (SVI)
CLASS OF SERVICE: Commercial and Industrial

1. Application

Available in all service areas in South Dakota to customers receiving service on this tariff as of June 21, 2002.

N
N

Applicable to all natural gas service required by commercial and industrial customers to be supplied on an interruptible basis, having peak day requirements of less than 2,000 therms. The Company's service rules and regulations shall apply.

2. Monthly Rate

	<u>SVI</u>
Service Charge per Meter:	\$ 60.00
Non-Gas Commodity Charge per therm:	\$.07201

3. Clauses

Above rate subject to: Cost of Purchased Gas Adjustment Clause 3, (Sheet No. 3).
Tax Adjustment Clause (Sheet No. 6).
Btu Adjustment Clause (Sheet No. 7).

4. Bill Payment Provision

The rate is net. A late payment charge of 1.5% per month shall be added to the past due amount if the bill is not paid by the due date.

5. Minimum Charge

The term of this agreement is one year or as agreed. The minimum charge is the service charge plus the commodity charge for all therms used.

6. Terms of Tariff

In the event the customer orders a disconnection and a reconnection of service at the same premises within a period of twelve (12) months, the Company will collect a turn-on charge.

7. Special Provision

A customer electing interruptible service must have an alternate fuel capability or be willing to discontinue gas service during periods of curtailment.

8. Pipeline Demand Recovery

In the event an existing small or medium firm sales customer elects this service the customer shall be charged the Cost of Purchased Gas Adjustment Clause 1 until the Company is able to effectuate reduction with the interstate pipeline.

9. Optional Off Peak Firm Service

This service is available to Customers who want firm service during the off peak months of April through November for a minimum term of one year. The Customers selecting this service will be subject to a surcharge on all their consumption throughout the year. Customers must initially contact the Company by February 28 in order to sign up for this service prior to the start of the off peak season. The surcharge is included as part of the customer's Purchased Gas Adjustment clause. The actual surcharge will be available in Section III, Sheet No. 3, and will be published annually in April. Customers must contact the Company if they choose to discontinue this optional service.

Date Filed: May 15, 2002

Effective Date: June 21, 2002

Issued By: James J. Howard
Vice President



MIDAMERICAN ENERGY COMPANY
P.O. Box 778
Sioux City, Iowa 51102

SOUTH DAKOTA GAS SALES TARIFF
SD P.U.C. Section No. III
Fourth Revised Sheet No. 15
Cancels Third Revised Sheet No. 15

DESIGNATION: Large Volume Interruptible (LVI)
CLASS OF SERVICE: Commercial and Industrial

1. Application

Available in all service areas in South Dakota to customers receiving service on this tariff as of June 21, 2002.

N
N

Applicable to all natural gas service required by customers to be supplied on an interruptible basis, having peak day requirements of 2,000 therms and higher. The Company's service rules and regulations shall apply.

2. Monthly Rate

	<u>LVI</u>
Service Charge per Meter:	\$ 275.00
Commodity Charge (per therm):	\$.03526

3. Clauses

Above rate subject to: Cost of Purchased Gas Adjustment Clause 3, (Sheet No. 3).
Tax Adjustment Clause (Sheet No. 6).
Btu Adjustment Clause (Sheet No. 7).

4. Bill Payment Provision

The rate is net. A late payment charge of 1.5% per month shall be added to the past due amount if the bill is not paid by the due date.

5. Minimum Charge

The term of this agreement is one year or as agreed. The minimum charge is the service charge plus the commodity charge for all therms used.

6. Terms of Tariff

In the event the customer orders a disconnection and a reconnection of service at the same premises within a period of twelve (12) months, the Company will collect a turn-on charge.

7. Special Provisions

A customer electing interruptible service must have an alternate fuel capability or be willing to discontinue gas service during periods of curtailment.

The above rate is also available for cogeneration loads. There are no peak day requirements for these uses.

8. Pipeline Demand Recovery

In the event an existing large firm sales customer elects this service the customer shall be charged the Cost of Purchased Gas Adjustment Clause 2 until the Company is able to effectuate reduction with the interstate pipeline.

Date Filed: May 15, 2002 Effective Date: June 21, 2002

Issued By: James J. Howard
Vice President

South Dakota Public Utilities Commission
WEEKLY FILINGS
For the Period of May 16, 2002 through May 22, 2002

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

NATURAL GAS

NG02-003 In the Matter of the Application of MidAmerican Energy Company for Approval of Revisions to its South Dakota Natural Gas Tariff.

Application by MidAmerican Energy Company for approval of tariff revisions limiting the availability of Small Volume Interruptible and Large Volume Interruptible rates to existing customers as of the effective date of this tariff change. For reasons including small interruptible load and additional administrative expense, MidAmerican is proposing to limit interruptible rates to existing customers and may in the future file to eliminate the interruptible purchased gas adjustment therefore consolidating the firm and interruptible rates.

Staff Analyst: Dave Jacobson
Staff Attorney: Kelly Frazier
Date Docketed: 05/16/02
Intervention Deadline: 06/07/02

TELECOMMUNICATIONS

TC02-049 In the Matter of the Application of Houlton Enterprises, Inc. d/b/a Guaranteed Phone Service for a Certificate of Authority to Provide Local Exchange Services in South Dakota.

On May 20, 2002, the Commission received an application from Houlton Enterprises, Inc. d/b/a Guaranteed Phone Service (GPS) for a certificate of authority to provide local exchange telecommunications services in South Dakota. GPS intends to provide basic local exchange services with customer calling features in Qwest territory. Most of GPS' subscribers are high credit risk customers who fail to qualify for basic local exchange services from the incumbent local exchange carriers and who do not qualify for Universal Service programs such as Lifeline and Link Up.

Staff Analyst: Keith Senger
Staff Attorney: Kelly Frazier
Date Docketed: 05/20/02
Intervention Deadline: 06/07/02

**TC02-050 In the Matter of the Filing for Approval of an Amendment to an
Interconnection Agreement between Qwest Corporation and NPCR,
Inc. d/b/a Nextel Partners.**

On May 20, 2002, the Commission received for approval a Filing of Internet Service Provider Bound Traffic Amendment to the Type 2 Wireless Interconnection Agreement between NPCR, Inc. d/b/a Nextel Partners (Nextel) and Qwest Corporation (Qwest). According to the parties, the Amendment is made in order to implement the requirements of the FCC Order on Remand and Report and Order in CC Docket No. 99-68 regarding intercarrier compensation for ISP bound traffic. The original Agreement was approved by the Commission on September 14, 2001, in Docket No. TC01-072. 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 June 10, 2002. 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 Docketed: 05/20/02
Initial Comments Due: 06/10/02

**TC02-051 In the Matter of the Filing for Approval of an Interconnection
Agreement between McLeodUSA Telecom Development, Inc.,
McLeodUSA Telecommunications Systems, Inc., McLeodUSA
Incorporated and Midcontinent Communications, Inc.**

On May 22, 2002, the Commission received for approval a filing of an Interconnection Agreement between McLeodUSA Telecom Development, Inc., McLeodUSA Telecommunications Systems, Inc., McLeodUSA Incorporated, (all three collectively "McLeodUSA") and Midcontinent Communications, Inc. (Midcontinent). According to the parties, the Agreement sets forth the terms, conditions and prices under which the parties agree to provide interconnection and reciprocal compensation for the exchange of local traffic between Midcontinent and McLeodUSA in the DKI service areas. 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 June 11, 2002. 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 Docketed: 05/22/02
Initial Comments Due: 06/11/02

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

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

IN THE MATTER OF THE FILING BY) ORDER APPROVING TARIFF
MIDAMERICAN ENERGY COMPANY FOR) REVISIONS
APPROVAL OF TARIFF REVISIONS) NG02-003

On May 16, 2002, the Public Utilities Commission (Commission) received an application from MidAmerican Energy Company (MidAmerican) requesting approval of its gas tariff sheet changes. According to the filing, MidAmerican is requesting approval to limit both the Small and Large Volume Interruptible gas tariffs (Rates SVI and LVI) to existing customers as of the effective date of this tariff change. MidAmerican proposed that the tariff change be made effective June 21, 2002. The revised tariff sheets are as follows:

SDPUC Gas Sales Tariff
Section No. III

Fourth Revised Sheet No. 14
Fourth Revised Sheet No. 15

Canceling Third Revised Sheet No. 14
Canceling Third Revised Sheet No. 15

At its regularly scheduled meeting of June 13, 2002, the Commission discussed final approval of the application. Commission Staff recommended approval of the revisions to the tariff sheets.

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 20:10:13:04. The Commission finds the revisions are just and reasonable and approves the change (Commissioner Nelson, dissenting). It is therefore

ORDERED, that the above-referenced revised tariff sheets are approved and are effective for two years from the date of this order; and it is

FURTHER ORDERED, that MidAmerican shall file a plan within two years to phase out its interruptible gas tariffs.

Dated at Pierre, South Dakota, this 27th day of June, 2002.

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: *Neldine Kaelo*

Date: 6/28/02

(OFFICIAL SEAL)

BY ORDER OF THE COMMISSION:

James A. Burg
JAMES A. BURG, Chairman

PAM NELSON, Commissioner, dissenting

Robert K. Sahr
ROBERT K. SAHR, Commissioner

STATE OF SOUTH DAKOTA

IN THE MATTER OF THE FILING BY
MIDAMERICAN ENERGY COMPANY
FOR APPROVAL OF TARIFF REVISIONS
DOCKET NG02-003

DISSENT OF COMMISSIONER NELSON

Interruptible rates are a tool that when used properly, can benefit both interruptible customers and all the other system customers. Interruptible rates can provide customers with both economic and operational efficiency incentives. Interruptible rates can give the utility beneficial timing opportunities for developing the system.

But interruptible rates do have drawbacks. The most obvious is that we have conditioned a class of customers to expect a lower rate, a rate that does not include all firm service costs. When interruptible rates are no longer justified, we must confront the unpleasant task of restoring firm service costs to all rates. However unpleasant, to do otherwise is simply unfair to every customer receiving equivalent service, yet paying more.

MidAmerican recognizes this unfairness. In Docket NG01-010, MidAmerican's recent rate case, MidAmerican had filed a rate designed to phase out interruptible service. In this filing MidAmerican requested to limit interruptible gas service to existing customers, but maintain the service until some future time.

I understand that interruptible customers may have invested in backup facilities in order to receive interruptible service, and there is concern about the fairness of withdrawing the interruptible rate given this investment. But we don't know to what extent those costs have already been recovered through rate savings and tax deductions. Even so, interruptible customers cannot be forever guaranteed unwarranted benefits at other customers' expense.

Good cause exists for MidAmerican to totally eliminate this rate. But that is not what MidAmerican asks. MidAmerican wants to "freeze" the rate class by allowing those now on the rate to stay on the rate, but allow no new customers. I think this is discriminatory and unfair. Either have the rate available to all, or eliminate it. I must therefore dissent with the majority decision to allow MidAmerican to freeze the rate class, but continue the rate.



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

July 1, 2002

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JUL 02 2002

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

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

Re: Interruptible Gas Tariffs Docket No. NG02-003

Dear Ms. Elofson:

MidAmerican Energy Company (MidAmerican) submits for filing the following compliance interruptible gas tariff sheets:

South Dakota Gas Sales Tariff
SD P.U.C. Section No. III

Fourth Revised Sheet No. 14
Fourth Revised Sheet No. 15

Cancels Third Revised Sheet No. 14
Cancels Third Revised Sheet No. 15


On June 27, 2002 the Commission issued the "Order Approving Tariff Revisions" in Docket No. NG02-003.

The text of the revised tariffs reflect the language change that shows the revisions are effective for two years from the date of the order.

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

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

Sincerely,


Marvin G. Sorensen
Gas Pricing Strategist

Attachment

Cc: Suzan Stewart/MidAmerican Energy Company



MIDAMERICAN ENERGY COMPANY
P.O. Box 778
Sioux City, Iowa 51102

SOUTH DAKOTA GAS SALES TARIFF
SD P.U.C. Section No. III
Fourth Revised Sheet No. 14
Cancels Third Revised Sheet No. 14

DESIGNATION: Small Volume Interruptible (SVI)
CLASS OF SERVICE: Commercial and Industrial

1. Application

Available in all service areas in South Dakota to customers receiving service on this tariff as of June 27, 2002 through June 26, 2004.

N
N

Applicable to all natural gas service required by commercial and industrial customers to be supplied on an interruptible basis, having peak day requirements of less than 2,000 therms. The Company's service rules and regulations shall apply.

2. Monthly Rate

	<u>SVI</u>
Service Charge per Meter:	\$ 60.00
Non-Gas Commodity Charge per therm:	\$.07201

3. Clauses

Above rate subject to: Cost of Purchased Gas Adjustment Clause 3, (Sheet No. 3).
Tax Adjustment Clause (Sheet No. 6).
Btu Adjustment Clause (Sheet No. 7).

4. Bill Payment Provision

The rate is net. A late payment charge of 1.5% per month shall be added to the past due amount if the bill is not paid by the due date.

5. Minimum Charge

The term of this agreement is one year or as agreed. The minimum charge is the service charge plus the commodity charge for all therms used.

6. Terms of Tariff

In the event the customer orders a disconnection and a reconnection of service at the same premises within a period of twelve (12) months, the Company will collect a turn-on charge.

7. Special Provision

A customer electing interruptible service must have an alternate fuel capability or be willing to discontinue gas service during periods of curtailment.

8. Pipeline Demand Recovery

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9. Optional Off Peak Firm Service

This service is available to Customers who want firm service during the off peak months of April through November for a minimum term of one year. The Customers selecting this service will be subject to a surcharge on all their consumption throughout the year. Customers must initially contact the Company by February 28 in order to sign up for this service prior to the start of the off peak season. The surcharge is included as part of the customer's Purchased Gas Adjustment clause. The actual surcharge will be available in Section III, Sheet No. 3, and will be published annually in April. Customers must contact the Company if they choose to discontinue this optional service.

Date Filed: July 1, 2002 Effective Date: June 27, 2002

Issued by: James J. Howard
Vice President



MIDAMERICAN ENERGY COMPANY
P.O. Box 778
Sioux City, Iowa 51102

SOUTH DAKOTA GAS SALES TARIFF
SD P.U.C. Section No. III
Fourth Revised Sheet No. 15
Cancels Third Revised Sheet No. 15

DESIGNATION: Large Volume Interruptible (LVI)
CLASS OF SERVICE: Commercial and Industrial

1. Application

Available in all service areas in South Dakota to customers receiving service on this tariff as of June 27, 2002 through June 26, 2004.

N
N

Applicable to all natural gas service required by customers to be supplied on an interruptible basis, having peak day requirements of 2,000 therms and higher. The Company's service rules and regulations shall apply.

2. Monthly Rate

	<u>LVI</u>
Service Charge per Meter:	\$ 275.00
Commodity Charge (per therm):	\$.03526

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Date Filed: July 1, 2002 Effective Date: June 27, 2002

Issued by: James J. Howard
Vice President