NG04-003

KC/DJ

NG04-003

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
6/1	04	Filed and Docketed
6/3	04	Weekly Filings;
6/30	04	Revised Tariff Pages;
6/30	04	Order Approving Tariff Revisions;
10/8	04	Revised Tariff Pages;
10/25	04	Revised Tariff Pages;
10/26	04	Order Approving Interruptible Gas Rate Plan;
10/26	04	Docket Closed.

NG04-003

MidAmerican
ENERGY
OBSESSIVELY, RELENTLESSLY *AT YOUR SERVICE*®

MidAmerican Energy
One RiverCenter Place
106 East Second Street
P.O. Box 4350
Davenport, Iowa 52808

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JUN 01 2004
SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

fax 563-333-8021

May 28, 2004

Gas Advice Letter

Ms. Pamela Bonrud
Executive Director
South Dakota Public Utilities Commission
500 East Capitol Avenue
Pierre, SD 57501

Contact: Melanie A. Acord
Telephone: 563 / 333-8047

Dear Ms. Bonrud:

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

Fifth Revised Sheet No. 14	Canceling Fourth Revised Sheet No. 14
Fifth Revised Sheet No. 15	Canceling Fourth Revised Sheet No. 15

MidAmerican requests approval of the above tariff sheet revisions to become effective June 27, 2004 on less than 30 days notice.

These tariffs currently expire on June 26, 2004. MidAmerican is requesting extension of these tariffs to 60 days after the effective date of tariffs approved by the SDPUC in Docket No. NG04-001. This extension will provide the SDPUC an opportunity to review and approve MidAmerican's South Dakota 2004 Interruptible Gas Rate Plan, as well as, provide a transition period for current interruptible gas service customers. There is no change in rates and these tariffs affect approximately 120 customers.

South Dakota 2004 Interruptible Gas Rate Plan
MidAmerican also submits its South Dakota 2004 Interruptible Gas Rate Plan (Plan) in response to Commission's June 27, 2002 Order in Docket NG02-003, wherein MidAmerican was ordered to file a plan to phase out its interruptible gas tariffs in two years. Summarizing the Plan, MidAmerican proposes new offerings for interruptible gas service customers, as well as, other South Dakota customers:

- Monthly Metered Transportation service to be available to schools as a pilot program, Attachment B
- Seasonal General Service rate, Attachment C
- Modified terms and conditions for interruptible gas service tariff rates, Attachments D and E:
  - Daily metering
  - Pricing and penalties for natural gas use during interruptible periods
- Revised interruptible purchased gas adjustment clause to include purchase of pipeline capacity costs from firm customers, Attachments A and F

MidAmerican requests approval of the Plan and will submit new tariff sheets effective coincident to and consistent with the rates and tariff sheets approved in Docket NG04-001. As such, the rates reflected in the Plan tariff sheets reflect prices filed in the above-mentioned docket.

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

If you have any questions, please contact me at (563) 333-8047.

Sincerely,

Melanie A. Acord

Melanie A. Acord
Sr. Transitional Pricing Analyst

Enclosures

cc: Suzan Stewart/MidAmerican Energy Company
Karen Huizenga/MidAmerican Energy Company

MidAmerican
ENERGY

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

SOUTH DAKOTA GAS SALES TARIFF
SD P.U.C. Section No. III
Fifth Revised Sheet No. 14
Cancels Fourth 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, until 60 days after the date of the Order issued by the Commission approving rates in Docket No. NG04-001. 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**

	SVI
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: ______, 2004 Effective Date: June 27, 2004

Issued by: James J. Howard
Vice President

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, until 60 days after the date of the Order issued by the Commission approving rates in Docket No. NG04-001. 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**

	LVI
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.

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

SOUTH DAKOTA GAS SALES TARIFF
SD P.U.C. Section No. III
Fifth ~~Fourth~~ Revised Sheet No. 14
Cancels *Fourth* ~~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, ***until 60 days after the date of the Order issued by the Commission approving rates in*** N
Docket No. NG04-001 ~~through June 26, 2004~~. 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**

	SVI
Service Charge per Meter:	$ 60.00
Non-Gas Commodity Charge per therm:	$ .07201

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Date Filed: *, 2004* ~~July 1, 2002~~ Effective Date: June 27, *2004* ~~2002~~

Issued by: James J. Howard
Vice President

MidAmerican
ENERGY

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

SOUTH DAKOTA GAS SALES TARIFF
SD P.U.C. Section No. III
Fifth ~~Fourth~~ Revised Sheet No. 15
Cancels ***Fourth*** ~~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***, until 60 days after the date of the Order issued by the Commission approving*** N
rates in Docket No. NG04-001 ~~through June 26, 2004~~. 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**

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7. **Special Provisions**
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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: ***, 2004*** ~~July 1, 2002~~ Effective Date: June 27, ***2004*** ~~2002~~

Issued by: James J. Howard
Vice President

MidAmerican Energy Company
South Dakota
2004 Interruptible Gas Rate Plan

Background.

In its Application to Increase Gas Rates in the State of South Dakota, Docket No. NG01-010, MidAmerican proposed to eliminate its interruptible rates through a phase-out period of five years. The South Dakota Public Utilities Commission (SDPUC) considered the issue to be a Purchased Gas Adjustment issue outside of the rate case and opened a separate proceeding, Docket No. NG02-003. In both cases, MidAmerican cited the interruptible load as too small to materially impact gas supply portfolio decisions and the administrative effort associated with interruptions as burdensome.

As part of NG02-003, MidAmerican filed changes to its interruptible gas tariff sheets (Rates SVI and LVI) on May 16, 2002, limiting the offerings to existing customers. On June 27, 2002, the SDPUC approved MidAmerican's tariffs. It was further ordered that MidAmerican file a plan by June 26, 2004 to eliminate interruptible rates.

Since that time, concerns have been expressed by customers regarding the elimination of interruptible rates and by MidAmerican personnel regarding the impact of changes in gas supplies and prices on customers. It was determined that

- alternatives to interruptible service should be offered
- interruptible service should be retained but any possible PGA subsidization by firm customers should end
- concerns raised by the Company and Commissioner Nelson in the prior proceedings regarding interruptible service should be addressed
  - o administrative burden (Company)
    - ▪ notifying customers
    - ▪ verifying compliance with interruptions
  - o interruptible load is too small to materially impact the Company's gas supply portfolio (Company)[1]
  - o interruptible customers receive unwarranted benefits at other customers' expense (SDPUC Dissent of Commissioner Nelson)

In response, MidAmerican has developed a plan to address the issues outlined above and to continue to provide an interruptible offering to its customers. In addition, the plan makes additional offerings intended to provide options to customers currently taking service under the interruptible tariff rates.

The plan can be separated into two parts—a) new tariff offerings and b) revised interruptible tariffs and Purchased Gas Adjustment for interruptible rates. The two parts represent the entire plan to address interruptible rates in South Dakota.

---

[1] Response to Question No. 1 in Docket NG02-003, MidAmerican clarified that curtailing interruptible demand does affect daily portfolio purchasing plans but without daily metering, it is difficult to plan for or know precisely what the relief from curtailment is. As a result, portfolio adjustment is generally immaterial.

New Tariff Offerings

MidAmerican proposes to make the following tariff services available:

a. **Pilot program patterned after the Iowa Schools Gas Transportation Project—Monthly Metered Transportation (MMT), Attachment B.**
Target Group: Schools
A pilot program will allow the schools to take advantage of gas transportation without the need to install and pay for daily metering. The pilot will be identical to the Iowa program[2] except there will be no stranded costs for schools currently on interruptible rates. The program will be proposed for three years, expiring August 31, 2007. This will allow firm service customers one year to provide notice and obtain suppliers, and give suppliers two years to contract for supply. It also provides for the future ability to have the expiration coincide with Iowa allowing aggregation with Iowa schools for supply purchases (assumes extension will be made in August 2004).
   i. Benefits
      1. Provides an alternative to schools utilizing interruptible service rates as a possible means of saving money.
      2. Leverages experience gathered and systems used in Iowa.
      3. Anticipate suppliers in Iowa are willing to add South Dakota schools to their list of customers.
      4. Reduces administrative burden for the company associated with calling interruptions for participants in this target group.
      5. Does not require daily metering.
   ii. Concerns
      1. Timing may not be right for getting customers signed up and operational prior to the end of current interruptible rates.
      2. The level of savings realized with the interruptible PGA cannot be guaranteed.

b. **Seasonal general service firm rate, Attachment C**
Target: Grain dryers, asphalt plants, swimming pools, other summer-peaking customers.
A seasonal general service firm rate is designed to be revenue neutral, where the off-peak distribution charge (April through December) is lower and the on-peak rate (balance of months) is higher. The purpose will be to utilize the Clause 1 PGA but provide alternative savings mechanisms for target group of interruptible customers.
   i. Benefits
      1. Would utilize the same PGA as firm rates.

[2] Revisions and expansion of the tariff are under consideration in Iowa. If revision and expansion occurs in Iowa, MidAmerican will likely seek to amend the program in the same fashion in South Dakota. Having programs with the same parameters in both states is advantageous to the Company and suppliers in that it promotes efficient administration and treats similar customers similarly.

2. Addresses concerns raised in the prior case regarding firm customers subsidizing interruptible customers—
    a. Uses the same firm PGA, so recovery of demand charges from interruptible customers occurs
    b. Reduces administrative burden for the company associated with calling interruptions for participants in this target group.
3. Provides an alternative for true seasonal usage.
4. Does not require daily metering.

ii. Concerns

1. May result in higher gas distribution charges to customers that use more than the average winter usage of the interruptible class.

Revise Interruptible Tariffs and PGA

Retain the interruptible rates with new requirements for service and revise the Interruptible PGA (Clause 3)

Target: Remaining interruptible customers not identified above.

- Tariff Requirements, Attachments D and E
  All customers currently taking service under interruptible rates will have a 60-day transition period during which time they will select the tariff service that best suits their operations—firm service, MMT, SGS, or interruptible service. To qualify for service on an interruptible rate, customers will be required to install daily metering at their cost and accept electronic notification of interruptions. These requirements are similar to those of gas transportation.
- Interruptible PGA, Attachment A
  Currently interruptible rates have a separate PGA that does not include recovery of demand costs. This results in a savings of approximately six cents per therm for interruptible service customers. Service to interruptible customers is subsidized by firm customers from whom the demand costs are recovered. MidAmerican proposes to revise its Interruptible PGA calculation to include a component for equivalent pipeline capacity release charges. Including this component in the calculation of the Interruptible PGA clause will incorporate a per-therm charge that is consistent with the payments credited to the firm supply customers for unused capacity that otherwise could be sold on a secondary market. The anticipated difference for interruptible PGA compared to firm PGA will be approximately two cents per therm.

MidAmerican Energy Company
South Dakota
2004 Interruptible Gas Rate Plan

The Interruptible PGA would be calculated as follows:

EXAMPLE **Average Cost Summary**	**Amount** **($/Therm)**
Commodity	$ 0.58130
Premium Commodity	0.00000
Capacity Release Factor[3]	**0.00000**
IGSPP Factor	0.00422
Prior Period Reconciliation Factor	0.03665
Refund Factor	0.00000
Monthly Reconciliation Factor (RB)	0.00000
Small & Large Volume Interruptible Based upon Forecast Sales	$ 0.67871

The proposed changes to the tariff and PGA for interruptible customers provide the following:

i. Benefits
   1. Addresses concerns raised in prior case regarding firm customers subsidizing interruptible customers—
      a. Reduces administrative burden for the company associated with notifying customers of interruptions for participants in this target group.
      b. Provides the Company with detailed information to permit modifications to the daily gas supply portfolio during interruptions.
   2. Maintains an interruptible option for customers who do not benefit from the new tariff offerings.
   3. Anticipated workload for changing to daily metering can be managed with the current staffing levels.

ii. Concerns
   1. Maintains a separate PGA for interruptible customers
   2. May create customer dissatisfaction by changing requirement for a rate on which they have been served.

[3] Capacity Release Factor is the proposed change to the current Interruptible PGA calculation. This would be updated monthly to reflect current costs. See Attachment A for Clause 3, Interruptible PGA procedures and calculations.

Attachment A

MidAmerican Energy Company
Clause 3, Interruptible PGA Factor
South Dakota
Interruptible Rate Plan

Background

MidAmerican contracts and purchases pipeline capacity on each of the four pipelines that serve South Dakota customers. This purchase of pipeline capacity reserves transportation of natural gas from the supply point to MidAmerican's city gate and the pipeline capacity must be adequate to meet the peak-day demands of MidAmerican's customers. Because there is a cost associated with the pipeline capacity, MidAmerican purchases the pipeline capacity to serve its firm customers only; no pipeline capacity is purchased for non-firm or interruptible customers. This requires MidAmerican to have interruptible customers curtail natural gas use when the customers' natural gas consumption reaches the contracted pipeline capacity. Should MidAmerican exceed its contracted pipeline capacity, penalties will be levied against the Company for the excess capacity and increasing customer costs.

The pipeline capacity charges are passed along to firm customers through the purchased gas adjustment (PGA). Under the current structure, interruptible customers do not pay for any pipeline capacity in their separate, interruptible PGA. It has been argued that non-firm customers do not benefit from the pipeline capacity since

- they are required to curtail use,
- they do not contribute to the pipeline capacity requirements, and
- the pipeline capacity costs are sunk-costs based on the peak-day requirements.

However, three of the four pipelines serving MidAmerican customers in South Dakota have capacity-release services. This provides the option for the pipeline capacity holder, MidAmerican, to release unused capacity on the open market at posted market prices and recover some of the pipeline capacity costs. On non-peak-days, MidAmerican could release some or all non-firm capacity through capacity-release and pass along the resulting dollars to the firm customers through the PGA. Because MidAmerican does not release the capacity associated with interruptible customers, an opportunity to recover a portion of the pipeline capacity costs is missed, ultimately costing the firm customers.

Since MidAmerican does not release capacity for non-firm customers, and firm customers miss the opportunity to recover a portion of the pipeline capacity through the capacity-release market, MidAmerican is proposing to have interruptible customers purchase pipeline capacity from firm customers at the capacity-release price. This will be accomplished by including a capacity-release factor in the interruptible PGA and a corresponding credit to the firm PGA.

MidAmerican Energy Company
Clause 3, Interruptible PGA Factor
South Dakota
Interruptible Rate Plan

Overview

The South Dakota interruptible PGA clause will include a new component related to pipeline capacity. The pipeline capacity will be priced at the actual weighted average pipeline capacity release price; the associated dollars will be credited to the South Dakota firm PGA and charged to the South Dakota interruptible PGA clause. Reconciliation of estimated vs. actual capacity costs will take place each month in the R_b factor of the interruptible PGA.

Methodology

1. Estimated market-based monthly capacity release prices will be established for each pipeline[1] for the upcoming month.
2. A weighted average estimated monthly capacity release price for the three pipelines will be calculated based on the winter pipeline entitlement for each of the three pipelines as a percentage of the total winter pipeline entitlement for the three pipelines.
3. For the monthly PGA filing, the weighted average estimated capacity release price as calculated in Step 2 will be added to the Interruptible PGA factor for the month.
4. The weightings used for the pipelines will be updated annually to reflect changes in entitlements.
5. At the end of the month, the actual billed interruptible gas sales volumes will be multiplied by the average actual capacity release price. The actual capacity release price will be calculated using the same methodology as the estimated price in Steps 1 and 2. This results in a dollar value that will be credited to the firm PGA and represents the capacity value of the pipelines serving the interruptible gas customers. Any over/under collections associated with this factor will be included in the following month's R_b factor for the interruptible PGA.

[1] For the purposes of this discussion, pipelines included in the capacity release be only Northern Natural Gas, Natural Gas Pipeline, and ANR. Northern Border does not utilize capacity release services, therefore, capacity values associated with Northern Border are excluded from any and all calculations for capacity release factors.

MAA
5/22/2004

MidAmerican Energy Company
Clause 3, Interruptible PGA Factor
South Dakota
Interruptible Rate Plan

Annual Gas Cost Reconciliation—Transition Period

The goal will be to "zero-out" the Interruptible PGA factor starting September 1. The over/under collections associated with the interruptible PGA factor will be addressed as follows:

- Any over collection will be included in the firm PGA factor.
- If the resulting under collection would result in a one-month billing rate change to the firm PGA factor that is less than $0.003 per therm, the under collection will be included in the firm PGA.
- If the resulting under collection would result in a one-month billing rate change to the firm PGA factor that is greater than $0.003 per therm, the under collection will be allocated based on the most recent 12-month throughput and collected as follows:
    - Customers opting transportation will pay a per therm surcharge
        - The under collection will be determined and allocated on the basis of the most recent 12-month volumes for the customers moving from interruptible to transportation service
        - The dollars allocated to the transportation service customers will be divided by the most recent 12-month volume. The resulting value will be the surcharge and will:
            - Not exceed $0.003 per therm, or
            - Not exceed six months
    - Remaining dollars associated with customer who do not opt for transportation service will be included in the firm PGA factor

MAA
5/22/2004

RATE DESIGNATION: Monthly Metered Transportation Gas Pilot Project
CLASS OF SERVICE: Gas Transportation Tariffs

I. Definitions:

Except as added or amended below, the definitions of all terms used in this document shall be the same as used in MidAmerican's tariffs on file at the Public Utilities Commission.

"***Administrative Charges***" shall mean the fee assessed to recover the incremental cost to implement and operate the Monthly Metered Transportation Gas Pilot Project.

"***Agent***" shall mean one authorized by a party to act in that party's behalf (also known as Pool Operator).

"***Balancing Charges***" shall mean the fees assessed to the Pool Operator for any volume variance between the Forecasted Daily Gas Supply Requirement and the actual physical deliveries of natural gas, to the Company's distribution system, as measured at each specified interstate pipeline delivery point.

"***Cash-out***" shall mean the process of reconciling and pricing the volume variance between Participant's actual monthly consumption at each Meter and physical deliveries to the Company's distribution system by the Pool Operator (by Receipt Point).

"***CNGP***" shall mean Competitive Natural Gas Provider.

"***Commission***" shall mean the South Dakota Public Utilities Commission.

"***Electronic Bulletin Board***" shall mean the MidAmerican internet site which is an electronic bulletin board which shall be used by the Company and the Pool Operator for communication of nominations and other miscellaneous notifications.

"***Eligible Volume***" shall mean the accumulated annual volume of Participants associated with non-transport, non-interruptible Accounts with usage less than 10,000 Dths and greater than 100 Dths per year.

"***Forecasted Daily Gas Supply Requirement***" shall mean the volume in Dths, determined necessary by MidAmerican for the Pool Operator to deliver on a daily basis at specific interstate pipeline delivery points to meet the natural gas requirements for all Participants, inclusive of retention volumes associated with distribution system losses.

RATE DESIGNATION: Monthly Metered Transportation Gas Pilot Project
CLASS OF SERVICE: Gas Transportation Tariffs

"***Meter***" or "***Account***" shall mean each delivery point where MidAmerican meters and delivers natural gas to a Participant.

"***MidAmerican***" or "***Company***" shall mean MidAmerican Energy Company.

"***Nomination***" shall mean the quantity of gas the Company is requested to transport daily from the receipt point to the Participant's Meters inclusive of retention volumes associated with distribution system losses.

"***Participant(s)***" shall mean those Schools who have elected to participate in the pilot for the purpose of purchasing their natural gas requirements. The Pilot will be limited to South Dakota schools in MidAmerican's South Dakota service territory.

"***Pilot***" or "***Test***" shall mean the program or test set forth in this document.

"***Pool Operator***" shall mean the entity responsible on the Participant's behalf, to contract for, and cause delivery of, adequate natural gas supplies and associated interstate pipeline transportation, necessary to meet the Participant's Forecasted Daily Gas Supply Requirements.

"***School***" shall mean any South Dakota private K-12 school, public school district, area education agency, community college, regents institution or private two- or four-year college.

"***Stranded Costs***" shall mean the reservation related costs associated with interstate pipeline capacity currently under contract by MidAmerican intended to serve participant peak day needs less any revenue realized through the release of said capacity to the secondary market.

"***Supplier***" shall mean the entity under contract by the Participant, or the Participant's Agent, to delivery natural gas to the Company on behalf of the Participant.

"***Swing Service***" shall mean the service provided by MidAmerican which manages the daily volume variations resulting from model inaccuracies and actual versus forecasted weather deviations.

RATE DESIGNATION: Monthly Metered Transportation Gas Pilot Project
CLASS OF SERVICE: Gas Transportation Tariffs

II. Pool Operator Eligibility:

- Pool Operators must be authorized by the Company and must comply with any applicable laws and regulations relating to CNGPs.
- The Program is limited to no more than three Pool Operators. These will be the first three Pool Operators to notify MidAmerican of signed contracts with valid participants.
- Each Pool Operator is limited to no more than 1,000 meters.
- Customers can only have one Pool Operator per Pilot Program year.
- Eligible Pool Operators will be posted on the Company's electronic bulletin board.

III. Schedules:

New members wanting to participate in the Pilot Program will notify MidAmerican 60 days prior to Participant start date. New individual meters will transition into the Pilot on the meter read date of their regular monthly billing cycle.

Participants will only be able to switch Pool Operators effective September of each year. Participants may switch back to MidAmerican's Sales Service Tariff at any time, at the end of their monthly billing cycle.

The term of the Pilot will begin September 1, 2004, and run through August 31, 2007, unless Participants become eligible for another Commission approved Small Volume/Monthly-Metered Gas Transportation tariff. If Participants are eligible to receive service under such a tariff, MidAmerican will discontinue offering service under this Pilot tariff and give Participants a choice to transition to the Small Volume/Monthly-Metered Gas Transportation tariff or return to Gas Sales Service tariffs. The Participants' Meters will be transitioned out of the Pilot on the meter read date of their regular monthly billing cycle.

IV. Contracts:

MidAmerican shall prepare a single contract for execution by each Participant, or their authorized Agent, for distribution service to all Meters that are a part of this Pilot.

MidAmerican will prepare a contract for execution by the Participant's Pool Operator addressing their obligations in respect to Nominations, Balancing Charges and Cash-out associated with the Pilot Project.

MidAmerican
ENERGY

RATE DESIGNATION: Monthly Metered Transportation Gas Pilot Project
CLASS OF SERVICE: Gas Transportation Tariffs

V. Metering:

For the purpose of this Pilot, in lieu of installing daily metering and telemetry, MidAmerican will use a model to forecast the Participants' daily gas consumption at each meter. This Forecasted Daily Gas Supply Requirement shall be used for both nominating and balancing purposes. MidAmerican and the Participants agree to consider the Forecasted Daily Gas Supply Requirement equivalent to the actual gas consumed on any given day adjusted for retention volumes associated with distribution system losses.

VI. Nominations, Swing Service Charge and Balancing Charges:

MidAmerican will utilize a forecasting system that models each of the Participant's Meters individually.

MidAmerican will utilize the forecasting system to model the Participant's load and calculate the Forecasted Daily Gas Supply Requirement.

The Forecasted Daily Gas Supply Requirement will be based on forecasted weather. It will be broken down by delivery zone and will normally be provided 23 hours before the gas day begins using the Company's electronic bulletin board.

The Forecasted Daily Gas Supply Requirement will include a gross up for retention volumes associated with distribution system losses, in accordance with MidAmerican's current gas transportation tariffs.

MidAmerican will be responsible for any imbalances between the Forecasted Daily Gas Supply Requirement and the Participant's actual consumption, caused by differences between actual weather and forecasted weather. A Swing Service charge of $0.111 per Dth on all Dths will be collected to offset the costs incurred by MidAmerican to provide this service. Based on experience gained from the Pilot, MidAmerican may re-calculate the Swing Service rate annually.

RATE DESIGNATION: Monthly Metered Transportation Gas Pilot Project
CLASS OF SERVICE: Gas Transportation Tariffs

Each Participant will be responsible for selecting a single Pool Operator.

The Participant's Pool Operator will be responsible for taking the Forecasted Daily Gas Supply Requirement and providing a Nomination to the interstate pipeline, Supplier and MidAmerican. The Nomination to MidAmerican will be done using MidAmerican's electronic bulletin board. If the Participant's Pool Operator does not delivery the Forecasted Daily Gas Supply Requirement, as calculated by MidAmerican, on any particular day, then the greater of any applicable pro-rata share of pipeline penalties or the Balancing Charges listed below will be billed to the Participant's Pool Operator:

	Non-Critical	Critical Period or OFO Period
Over Deliveries	$5.00 per Dth	$10.00 per Dth
Under Deliveries	$5.00 per Dth	*

* The greater of $30.00 per Dth or three (3) times the Chicago-LDCs, large end-users "Midpoint" Index price as reported in Gas Daily publication.

The charges for these services will be collected and the revenues will be credited to the monthly Cost of Purchased Gas Adjustment Clause.

VII. Stranded Cost Charge:

For the purpose of this Pilot, MidAmerican will replace the existing PDR (exit fees) with the Swing Service charge described above and the following Stranded Cost charge.

For new Participants served on a firm service tariff and who did not give MidAmerican notice last year of their intent to become transporters, CNGP will take assignment, through a pre-arranged release, of the applicable portion of MidAmerican's interstate pipeline capacity attributable to those participants. This pre-arranged release will be for the period of one year, and will be priced at MidAmerican's cost and under the terms and conditions of MidAmerican's contracts. By taking assignment of MidAmerican's capacity under these terms, MidAmerican will not realize any stranded costs and therefore will not collect a Stranded Cost charge from existing participants or new participants. No release of interstate pipeline capacity will be made for Participants transferring from an interruptible service tariff.

Any identifiable additional costs associated with a Participant's return to System Supply Service will be allocated to the Participant causing such costs.

RATE DESIGNATION: Monthly Metered Transportation Gas Pilot Project
CLASS OF SERVICE: Gas Transportation Tariffs

VIII. Administrative Charge:

For the purpose of this Pilot, MidAmerican will replace existing application and monthly administrative fees with the following Administrative Charge. This Administrative Charge will apply to all Dth delivered to Participants.

The Administrative charge will be capped at $0.25 per Dth, in accordance with the tariff, for the entire three-year Pilot. At the end of the Pilot period, which is assumed to be August 31, 2007, MidAmerican will true up the Administrative charges collected from the participants during the Pilot, with the actual expenses incurred to administer the Pilot less any Stranded Costs that were left uncollected from the initial year of the Pilot. The Administrative charge will be set at $0.070 per Dth for the period September 1, 2004 through August 31, 2005.

IX. Cash-out:

Cash-out of the net monthly imbalances resulting from the differences between physical volumes delivered to MidAmerican's distribution system and actual consumption for all of the Participant's Meters will be done monthly between MidAmerican and the Participant's Pool Operator.

MidAmerican will have a separate Cash-out price for each cycle separate billing period, by delivery zone. The cash-out price will be comparable to market prices. MEC will net the Cash-out amounts for each cycle billing period and either bill or credit the Participant's Pool Operator once a month.

RATE DESIGNATION: Monthly Metered Transportation Gas Pilot Project
CLASS OF SERVICE: Gas Transportation Tariffs

X. Billing:

Each Participant will pay MidAmerican distribution service charges for each Meter in accordance with applicable small transport (ST) or medium transport (MT) tariff (except application fee and Administrative charge)

Distribution service charges will be billed to each Participant. Meters will continue to be read on the regular cycle billing periods.

MidAmerican offers Participants three billing options for their Distribution service charges:

1) With a Participant's approval and the Pool Operator's request, MidAmerican will send a separate bill for each of the Participant's Meters to the Pool Operator within a few days of the Meter being read,

2) or MidAmerican will hold the separate bills as the Meters are being read and will send a single invoice to the Pool Operator monthly that summarizes the charges for each of the Participant's Meters. If the Pool Operator elects the summary bill, MidAmerican and Pool Operator will select a mutually acceptable billing cycle for MidAmerican to generate the summary bill,

3) or MidAmerican will send the monthly bill directly to the Participant within a few days of their meter being read.

Each Participant will continue to be billed the pipeline transition cost recover factor until it naturally expires.

Each Participant will pay the Swing Service charges and Administrative Charges described herein.

The Participant's Pool Operator will pay the Balancing Charges and Cash-out described herein.

For the purposes of this Pilot, MidAmerican will waive its re-connection fees associated with a customer terminating transportation service and returning to sales service.

MidAmerican ENERGY

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

DESIGNATION: **Seasonal General Service (SGS)**
CLASS OF SERVICE: **Commercial and Industrial**

1. **Application**
Available in all service areas in South Dakota.

Applicable to all firm natural gas service normally supplied through one meter at a single point of delivery for all residential, commercial, and industrial customers. Not applicable for resale, standby or supplemental service. The Company's service rules and regulations shall apply.

2. **Monthly Rate**

	SGS
Service Charge per Meter:	$ 60.00
Non-Gas Commodity Charge per therm:	
Applicable to the nine monthly billing periods of April through December	$ 0.0000
Applicable to the three monthly billing periods of January through March	$ 0.0000

3. **Clauses**
Above rate subject to: Cost of Purchased Gas Adjustment Clause 1, (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.

Date Filed: ______________________ Effective Date: ______________________

Issued by: James J. Howard
Vice President

Attachment D

MidAmerican ENERGY

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

SOUTH DAKOTA GAS SALES TARIFF
SD P.U.C. Section No. III
Original Sheet No. XX

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

1. **Application**
Available in all service areas in South Dakota.

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**

	SVI
Service Charge per Meter:	$ 60.00
Non-Gas Commodity Charge per therm:	
First 5,000 therms per them	$ .07201
Balance per therm	*$ .04675*

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

7. **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.

8. **Interruptible Conditions**
Upon e-mail notice by the Company, the customer shall curtail or discontinue the use of gas.

9. **Penalty for Unauthorized Use of Gas When Service is Interrupted**
On any day the customer takes (uses) natural gas when the Company has notified the customer that the gas is to be curtailed, the rate for such use shall be as follows:

Customer shall pay the gas cost based on the *Gas Daily* index price for the billing period for each pipeline plus applicable interstate pipeline transportation charges. The Customer will be subject to the index pricing point on the pipeline they are served by. The Company will establish the

Deleted: 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.

Deleted: 7

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Date Filed: ______ Effective Date: ______

Issued by: James J. Howard
Vice President

pricing index point and transportation used for each pipeline at the start of the gas month. In addition, the Customer shall pay a penalty of $1.00 per therm for each therm of gas used during the interruptible period.

10. Payment of Penalty
The payment of a penalty shall not be considered as giving the customer the right to take unauthorized gas, nor shall such payment be considered to exclude or limit any other remedies available to the Company, including but not limited to, switching of the customer to the appropriate firm rate schedule on a prospective basis.

11. Company Notice
Customers electing service under this Tariff will be required to provide an e-mail address that is accurate, operational, and is checked daily. The Company will utilize e-mail to notify the Customer to curtail the use of gas. Such notice will be made by 8:00 am and will include the starting hour of interruption.

12. Metering
In order to utilize the services provided under the Small Volume Interruptible Tariff, automatic metering equipment is required. All costs related to telemetering and any other facilities constructed or installed to provide any Interruptible Service will be charged to the Customer but will remain the property of the Company. The Customer will be required to provide telephone or other interfaces agreed to by the Company and electric connections to the meter and provide access to the Company for maintaining and operating such equipment.

MidAmerican ENERGY

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

SOUTH DAKOTA GAS SALES TARIFF
SD P.U.C. Section No. III
Original Sheet No. XX

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

1. **Application**
Available in all service areas in South Dakota.

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**

	LVI
Service Charge per Meter:	*$ 325.00* ~~$ 275.00~~
Commodity Charge (per therm):	*$ .03915* ~~$ .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.~~

6 ~~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.

7 ~~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 1 until the Company is able to effectuate reduction with the interstate pipeline.

8. **Interruptible Conditions**
Upon e-mail notice by the Company, the customer shall curtail or discontinue the use of gas.

9. **Penalty for Unauthorized Use of Gas When Service is Interrupted**
On any day the customer takes (uses) natural gas when the Company has notified the customer that the gas is to be curtailed, the rate for such use shall be as follows:

Customer shall pay the gas cost based on the *Gas Daily* index price for the billing period for each pipeline plus applicable interstate pipeline transportation charges. The Customer will be

Issued:______________________ Effective Date:______________________
Issued by: James J. Howard

MidAmerican ENERGY

subject to the index pricing point on the pipeline they are served by. The Company will establish the pricing index point and transportation used for each pipeline at the start of the gas month. In addition, the Customer shall pay a penalty of $1.00 per therm for each therm of gas used during the interruptible period.

10. **Payment of Penalty**
The payment of a penalty shall not be considered as giving the customer the right to take unauthorized gas, nor shall such payment be considered to exclude or limit any other remedies available to the Company, including but not limited to, switching of the customer to the appropriate firm rate schedule on a prospective basis.

11. **Company Notice**
Customers electing service under this Tariff will be required to provide an e-mail address that is accurate, operational, and is checked daily. The Company will utilize e-mail to notify the Customer to curtail the use of gas. Such notice will be made by 8:00 am and will include the starting hour of interruption.

12. **Metering**
In order to utilize the services provided under the Small Volume Interruptible Tariff, automatic metering equipment is required. All costs related to telemetering and any other facilities constructed or installed to provide any Interruptible Service will be charged to the Customer but will remain the property of the Company. The Customer will be required to provide telephone or other interfaces agreed to by the Company and electric connections to the meter and provide access to the Company for maintaining and operating such equipment.

MidAmerican ENERGY

Attachment F

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

SOUTH DAKOTA GAS SALES TARIFF
SD P.U.C. Section No. III
PGA Sheet No. 3

CLASS OF SERVICE: Statement of Purchased Gas Adjustment

Clause	Rate Schedule	Rate Codes	Billing Rate per Therm	
1	Small and Medium Volume Firm	SVF, MVF, SR1, SC1, CF1	$.65883	
~~2~~	~~Large Volume Firm~~	~~LVF~~		
	~~Demand~~		~~$.69909~~	
	~~Commodity~~		~~$.58601~~	D
3	Small and Large Volume Interruptible	SVI, LVI, CI1	$.62701	
~~4~~	~~Optional Off Peak Firm Service Rate~~		~~$.65980~~	D

~~Optional Off Peak Service Rider (PGA Clause 4):~~

~~Gas recoveries received under this rider will be returned to the firm customers through the Annual Purchased Gas Reconciliation.~~

~~Surcharge Rider Rate Applicable to PGA Clause 3 as of April 2004 - $.03279~~

Exit Fees	Rate Codes	Billing Rate per Therm
PDR	SVF, MVF	.06025
PDR	LVF	.69909 *
PTR	SVF, MVF, LVF	.00000

* Based on customer's contracted demand.

PGA Retention Factor:	Effective September 2001	.62%
PGA Retention Factor:	Effective September 2002	1.85%
PGA Retention Factor:	Effective September 2003	1.49%

Date Filed: ____________ Effective Date: ____________

Issued by: James J. Howard
Vice President

South Dakota Public Utilities Commission
WEEKLY FILINGS
For the Period of May 27, 2004 through June 2, 2004

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: 605-773-3201

ELECTRIC

EL04-020 In the Matter of the Filing by Montana-Dakota Utilities Co. for Approval of Tariff Revisions.

On June 1, 2004, Montana-Dakota Utilities Co., a Division of MDU Resources Group, Inc. (Montana-Dakota) filed updated cogeneration rates for Commission approval. Montana-Dakota is requesting approval to revise its Occasional Power Purchase Non-Time Differentiated Rate 95, Short-Term Power Purchase Time Differentiated Rate 96 and Long-Term Power Purchase Differentiated Rate 97. The filing is made in compliance with Commission Order F-3365 and in accordance with the Special Terms and Conditions of these tariffs.

Staff Analyst: Michele Farris/Keith Senger
Staff Attorney: Karen Cremer
Date Filed: 06/01/04
Intervention Deadline: 06/18/04

EL04-021 In the Matter of the Filing by Otter Tail Power Company for Approval of Tariff Revisions.

Application by Otter Tail Power Company (Otter Tail) for approval to revise its tariffed Summary List of Contracts with Deviations. The existing contract with the Village of Marvin will expire on July 2, 2004. Otter Tail states the new agreement does not contain any deviations from Otter Tail's currently filed tariff and therefore requests that reference to a contract with the Village of Marvin be removed from the Summary List of Contracts with Deviations.

Staff Analyst: Dave Jacobson
Staff Attorney: Karen Cremer
Date Filed: 06/01/04
Intervention Deadline: 06/18/04

NATURAL GAS

NG04-003 In the Matter of the Filing by MidAmerican Energy Company for Approval of Tariff Revisions.

Application by MidAmerican Energy Company for approval of revised interruptible gas tariffs. MidAmerican's Small Volume Interruptible and Large Volume Interruptible natural gas sales tariffs currently contain language which would have them expire on June 26, 2004. This expiration was the result of the Commission's Order in Docket NG02-003 which directed MidAmerican to file a plan with the Commission to phase out interruptible natural gas tariffs within a two year time period. Coincident with the proposed tariff revisions, MidAmerican is filing a 2004 Interruptible Gas Rate Plan which is proposed to address the Commission's concerns in Docket NG02-003. In the Gas Rate Plan, MidAmerican proposes to retain interruptible rates but to change the methodology used in its determination so as to increase these rates. MidAmerican's Plan also proposes to add new optional rates for customers, including those who may wish to switch rates as a result of the increase to interruptible rates. The new Gas Rate Plan is proposed to become effective 60 days after the effective date of tariffs approved in MidAmerican's current rate increase proceeding NG04-001. The interruptible rate changes which are the subject of this notice would replace the current tariff expiration date of June 26, 2004, with the proposed effective date of the 2004 Interruptible Gas Rate Plan as described above. MidAmerican has requested that these tariff revisions be approved with less than 30 days notice.

Staff Analyst: Dave Jacobson
Staff Attorney: Karen Cremer
Date Filed: 06/01/04
Intervention Deadline: 06/18/04

TELECOMMUNICATIONS

TC04-097 In the Matter of the Establishment of Switched Access Rates for PrairieWave Community Telephone, Inc.

On May 28, 2004, PrairieWave Community Telephone, Inc., Irene, South Dakota, filed a switched access cost study pursuant to the rules established by the Commission.

Staff Analyst: Harlan Best
Staff Attorney: Karen E. Cremer
Date Filed: 05/28/04
Intervention Deadline: 06/18/04

TC04-098 In the Matter of the Filing by Southwestern Bell Communications Services, Inc. d/b/a Southwestern Bell Long Distance for an Amended Certificate of Authority to Provide Interexchange Telecommunications Services in South Dakota.

On June 1, 2004, Southwestern Bell Communications Services Inc. d/b/a Southwestern Bell Long Distance (SBLD) submitted a request for an amended Certificate of Authority. The original Certificate of Authority restricted SBLD from collecting deposits, advance payments, or offering prepaid calling cards. SBLD has submitted a surety bond in lieu of the restrictions and would like the Certificate of Authority amended to reflect the change.

Staff Analyst: Michele Farris
Staff Attorney: Karen Cremer
Date Filed: 06/01/04
Intervention Deadline: 06/18/04

CONFIDENTIAL

#1

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OBSESSIVELY, RELENTLESSLY *AT YOUR SERVICE*®

MidAmerican Energy
One RiverCenter Place
106 East Second Street
P.O. Box 4350
Davenport, Iowa 52808

June 28, 2004

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JUN 30 2004
SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

Mr. Dave Jacobson
Utilities Analyst
South Dakota Public Utilities Commission
500 East Capitol Avenue
Pierre, South Dakota 57501-5070

Dear Mr. Jacobson:

Attached are the tariffs for Rates SVI and LVI as approved by the Commission in Docket No. NG04-003 on June 22, 2004. Please call me if you have any questions.

Sincerely,

Melanie A. Acord

Melanie A. Acord
Senior Transitional Pricing Analyst

MAA-ks
Encl.

MidAmerican ENERGY

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

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, until 60 days after the date of the Order issued by the Commission approving rates in Docket No. NG04-001. 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**

	SVI
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.

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, until 60 days after the date of the Order issued by the Commission approving rates in N
Docket No. NG04-001. 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**

	LVI
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.

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF SOUTH DAKOTA

IN THE MATTER OF THE FILING BY MIDAMERICAN ENERGY COMPANY FOR APPROVAL OF TARIFF REVISIONS	**)))**	**ORDER APPROVING TARIFF REVISIONS NG04-003**

On June 1, 2004, the Public Utilities Commission (Commission) received an application from MidAmerican Energy Company requesting approval of revised interruptible gas tariffs. MidAmerican's Small Volume Interruptible and Large Volume Interruptible natural gas sales tariffs currently contain language which would have them expire on June 26, 2004. This expiration was the result of the Commission's Order in Docket NG02-003 which directed MidAmerican to file a plan with the Commission to phase out interruptible natural gas tariffs within a two year time period. In this docket, coincident with the proposed tariff revisions, MidAmerican is filing a 2004 Interruptible Gas Rate Plan which is proposed to address the Commission's concerns in Docket NG02-003. In the Gas Rate Plan, MidAmerican proposes to retain interruptible rates but to change the methodology used in the applicable purchased gas adjustment so as to increase these rates. MidAmerican's Plan also proposes to add new optional rates for customers, including those who may wish to switch rates as a result of the increase to interruptible rates. The new Gas Rate Plan is proposed to become effective 60 days after the effective date of tariffs approved in MidAmerican's current rate increase proceeding NG04-001. The interruptible tariff changes which are the subject of this order replace the current tariff expiration date of June 26, 2004, with the proposed effective date of the 2004 Interruptible Gas Rate Plan which is 60 days after the effective date of the tariffs approved in NG04-001. MidAmerican has requested that these tariff revisions be approved with less than 30 days notice. The revised tariff sheets are as follows:

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

Fifth Revised Sheet No. 14	Canceling Fourth Revised Sheet No. 14
Fifth Revised Sheet No. 15	Canceling Fourth Revised Sheet No. 15

At its regularly scheduled meeting of June 22, 2004, the Commission discussed final approval of the above tariff revisions. 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 20:10:17:03. The Commission finds the revisions are just and reasonable and approves the changes. It is therefore

ORDERED, that the above-referenced revised tariffs are approved and are effective for service rendered on and after June 26, 2004, and that this docket shall remain open pending the Commission's decision on the Interruptible Gas Rate Plan.

Dated at Pierre, South Dakota, this 30th day of June, 2004.

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: Delaine Kolbo

Date: 7/1/04

(OFFICIAL SEAL)

BY ORDER OF THE COMMISSION:

ROBERT K. SAHR, Chairman

GARY HANSON, Commissioner

JAMES A. BURG, Commissioner

NG04-003

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JUL 21 2004
SOUTH DAKOTA PUBLIC UTILITIES COMMISSION

July 19, 2004

South Dakota Public Utilities Commission – SDPUC
Capitol Building, 1st Floor
500 East Capitol Avenue
Pierre, SD 57501-5070

Commissioners:
RE: Applications to Changes, Interruptible Rates – MidAmerican Energy

We are an Interruptible Customer of MidAmerican Energy. We were not informed that MidAmerican had filed for changes or proposing to phase out Interruptible Gas Service in South Dakota. We installed a new system last fall to be able to continue on our Interruptible Rate. We invested a great deal of money to be able to continue on this service. We talked to MidAmerican's representatives during our talks about installing a new system and were not told about their proposal to phase out Interruptible Gas Service.

We oppose their proposal to discontinue Interruptible Gas Service in South Dakota!

We are opposed to the proposed changes to the Interruptible Gas Rates that require the customer to install a Telemeter with a dedicated phone line. The Telemeter is not necessary and a waste of money. MidAmerican Energy states that the Telemeter is required to more accurately monitor and more efficiently administer the Interruptible Gas Service. We feel that should be their expense to improve their system.

We do not feel that they need a dedicated phone line. An existing phone line can be used as is done by many other telemetering utilities. If they require a dedicated phone line, MidAmerican Energy should be required to install and pay for this system that improves their system.

Notification by Email will work if there is an adequate lead time before curtailment. We anticipate a problem if the notification is sent on a Friday, Saturday or Sunday. We feel that several contacts need to be notified to be sure that the message is received. We operate during the day on Monday through Friday. The Notification process needs to be set-up so customers are able to discontinue the use of gas and switch to another fuel.

Thank you for your time. Please feel free to call me and discuss these concerns – 605/332-3200.

Best regards,
John D. Nelson
President
Hansen Manufacturing/Hi Roller Conveyors

MidAmerican
ENERGY
OBSESSIVELY, RELENTLESSLY *AT YOUR SERVICE.*

MidAmerican Energy
P. O. Box 778
Sioux City, IA 51102-0778

October 5, 2004

Ms. Pam Bonrud
Executive Director
South Dakota Public Utilities Commission
500 East Capitol Avenue
Pierre, SD 57502

In Re: Docket No. NG04-003

Dear Ms. Bonrud:

On September 21, 2004, Dave Jacobson of the Commission Staff provided MidAmerican Energy Company ("MidAmerican") with a copy of correspondence that had been filed with the Commission by John D. Nelson of Hansen Manufacturing of Sioux Falls regarding MidAmerican's natural gas interruptible rate program. MidAmerican provided Mr. Jacobson with the enclosed response to Mr. Nelson's complaint.

MidAmerican is hereby submitting its response to the Commission for filing in the above-captioned docket concerning its interruptible rate program.

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

Very truly yours,

Suzan M. Stewart
Managing Senior Attorney
P.O. Box 778
Sioux City, IA 51102
smstewart@midamerican.com
Voice: (712) 277-7587
Fax: (712) 252-7396

SMS/sh
Encs.

[redacted]
ENERGY
OBSESSIVELY, RELENTLESSLY *AT YOUR SERVICE.*

MidAmerican Energy
P. O. Box 778
Sioux City, IA 51102-0778

September 28, 2004

Mr. Dave Jacobson
South Dakota Public Utilities Commission
Capitol Building
500 East Capitol Avenue
Pierre, SD 57501-5070

Subject: MidAmerican Response to Hansen Manufacturing Letter dated September 21, 2004

Dear Mr. Jacobson:

MidAmerican discussed the proposed changes to the interruptible gas service tariffs with Mr. John D. Nelson on August 16, 2004. Mr. Nelson's objections primarily concerned the cost associated with the telemetering and who receives the benefit of same. As a result of this conversation, MidAmerican plans to make the following changes to the interruptible gas service tariffs:

- Provide customers opting interruptible service to
  - pay a monthly service charge ($12.86) for telemetry or
  - pay the up-front charge ($732) for telemetry.
- Revise the requirement for a dedicated phone line for the telemetry to use of a direct-dial shared phone line for the telemetry.

Telemetry utilizes technology to read meters remotely. Absent application of this technology for interruptible gas service, coupled with e-mail notification of interruptions, MidAmerican faces the administrative issues outlined in Docket No. NG02-003[1] and will not be able to continue offering interruptible gas service. Therefore, telemetry benefits interruptible gas service customers in that MidAmerican will be able to continue to offer interruptible gas service in a manner that is equitable to all customers.

In addition, telemetry provides information that can be used to assign costs caused by customers that do not curtail gas usage during interruptible periods, eliminating cost shift to firm customers. Telemetry also provides information that allows MidAmerican to quantify the available capacity it can utilize to generate margins that will further reduce gas costs to its firm service customers in South Dakota. Therefore, telemetry eliminates cross subsidization between firm and interruptible gas service customers.

[1] MidAmerican proposed to eliminate interruptible gas service and was ordered to file a plan to do so by June 26, 2004.

Currently, interruptible customers are asked to take meter readings at the beginning and at the end of the curtailment period. Some customers are better than others in providing accurate meter readings, creating inconsistency based on customer meter readings. Telemetry will provide accurate and consistent meter readings via telephone dial-up. Therefore, telemetry will provide the basis of equitable treatment under the terms of the tariffs by supplying accurate meter read information.

In reviewing contacts with Hansen Manufacturing, seven calls were made to inform them of interruptions since December 2000. Of those seven calls to interrupt, Hansen Manufacturing failed to fully comply with the requirements of curtailment six times. The non-compliance issues included improper or missing meter readings and gas usage during curtailment periods. After each curtailment, customers who failed to comply with the interruptible service requirements were reminded of same and informed of the consequences for non-compliance--a move to a firm gas service rate. Hansen Manufacturing was contacted several times for non-compliance of interruptible terms and MidAmerican attempted to work with Hansen Manufacturing to achieve compliance with the interruptible gas service tariff.

After a curtailment issued in March 2002, MidAmerican sent a meter reader to counsel the customer on how to read the meter. The meter reader indicated that the Hansen Manufacturing representative was upset that MidAmerican was checking up on them. Of three curtailments called after March 2002, one was a misread meter and two were unauthorized usage.

No record exists, nor do any MidAmerican employees recall any discussion regarding Hansen Manufacturing's new alternate fuel system installed in Fall 2003. Any customer contemplating expenditures for an alternate fuel system would have been informed of the possible phase-out of interruptible rates by the Company representative.

The only contact made by Hansen Manufacturing was in January 2004 when no gas/low gas pressure was reported. It was discovered that Hansen Manufacturing had installed new natural gas equipment (four make-up air units) without consulting MidAmerican. The added gas load was greater than that which could be served by the gas meter and service tap for Hansen Manufacturing. To remedy the no gas/low gas pressure problem, MidAmerican upgraded the service tap and the meter to increase the capacity to serve them.

Please call me if you have any further questions on this matter.

Sincerely,

Melanie A. Acord
Sr. Transitional Pricing Analyst
MidAmerican Energy Company
563-333-8047
563-333-8021 (fax)

NG04-003

Jacobson, David

From: Acord, Melanie A [MAAcord@midamerican.com]
Sent: Friday, October 08, 2004 2:40 PM
To: david.jacobson@state.sd.us
Subject: SD Interruptible Plan Tariffs

We are having technical difficulties with the tariffs, but will get these to you yet today. I am sending the tariffs that we have been able to get converted; the others will come as soon as we can get them to you.

<<1-01-ks.pdf>> <<1-01RED-ks.pdf>> <<3-01-ks.pdf>> <<3-01RED-ks.pdf>> <<3-14-ks.pdf>> <<3-14RED-ks.pdf>> <<3-28-ks.pdf>> <<3-29-ks.pdf>>

Melanie Acord

MidAmerican Energy Company

563-333-8047

563-333-8021 (fax)

Jacobson, David

From: Acord, Melanie A [MAAcord@midamerican.com]

Sent: Friday, October 08, 2004 3:01 PM

To: david.jacobson@state.sd.us

Subject: Balance of SD Interruptible Plan Tariffs

Attached is the remainder of the tariffs.

<<3-15-16-ks.pdf>> <<3-15-16RED-ks.pdf>> <<3A-03-ks.pdf>> <<3A-03RED-ks.pdf>> <<3A-14-19.pdf>> <<3A-14-19RED.pdf>>

Melanie Acord

MidAmerican Energy Company

563-333-8047

563-333-8021 (fax)

From: Acord, Melanie A
Sent: Friday, October 08, 2004 2:40 PM
To: Dave Jacobson (david.jacobson@state.sd.us)
Subject: SD Interruptible Plan Tariffs

We are having technical difficulties with the tariffs, but will get these to you yet today. I am sending the tariffs that we have been able to get converted; the others will come as soon as we can get them to you.

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Melanie Acord

MidAmerican Energy Company

563-333-8047

563-333-8021 (fax)

MidAmerican ENERGY

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

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MidAmerican ENERGY

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

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

D

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**

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

7. **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.

D

Date Filed: June 1, 2004 Effective Date: November 29, 2004

Issued by: James J. Howard
Vice President

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

8. **Interruptible Conditions** N
   Upon e-mail notice by the Company, the customer shall curtail or discontinue the use of gas.

9. **Penalty for Unauthorized Use of Gas When Service is Interrupted**
   On any day the customer takes (uses) natural gas when the Company has notified the customer that the gas is to be curtailed, the rate for such use shall be as follows:

   Customer shall pay the gas cost based on the Gas Daily index price for the billing period for each pipeline plus applicable interstate pipeline transportation charges. The Customer will be subject to the index pricing point on the pipeline they are served by. The Company will establish the pricing index point and transportation used for each pipeline at the start of the gas month. In addition, the Customer shall pay a penalty of $1.00 per therm for each therm of gas used during the interruptible period.

10. **Payment of Penalty**
    The payment of a penalty shall not be considered as giving the customer the right to take unauthorized gas, nor shall such payment be considered to exclude or limit any other remedies available to the Company, including but not limited to, switching of the customer to the appropriate firm rate schedule on a prospective basis.

11. **Company Notice**
    Customers electing service under this Tariff will be required to provide an e-mail address that is accurate, operational, and is checked daily. The Company will utilize e-mail to notify the Customer to curtail the use of gas. Such notice will be made by 8:00 a.m. and will include the starting hour of interruption.

12. **Metering**
    In order to utilize the services provided under the Small Volume Interruptible Tariff, automatic metering equipment is required. All costs related to telemetering and any other facilities constructed or installed to provide any Interruptible Service will be charged to the Customer but will remain the property of the Company. The Customer will be required to provide telephone or other interfaces agreed to by the Company and electric connections to the meter and provide access to the Company for maintaining and operating such equipment. N

MidAmerican
ENERGY

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

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

1. **Application**
   Available in all service areas in South Dakota.

   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. D

2. **Monthly Rate**

	LVI
Service Charge per Meter:	$ 275.00
Commodity Charge (per therm):	$ .03755

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. **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.

7. **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 1 until the Company is able to effectuate reduction with the interstate pipeline.

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

D

8. **Interruptible Conditions** N
Upon e-mail notice by the Company, the customer shall curtail or discontinue the use of gas.

9. **Penalty for Unauthorized Use of as When Service is Interrupted**
On any day the customer takes (uses) natural gas when the Company has notified the customer that the gas is to be curtailed, the rate for such use shall be as follows:

    Customer shall pay the gas cost based on the Gas Daily index price for the billing period for each pipeline plus applicable interstate pipeline transportation charges. The Customer will be subject to the index pricing point on the pipeline they are served by. The Company will establish the pricing index point and transportation used for each pipeline at the start of the gas month. In addition, the Customer shall pay a penalty of $1.00 per therm for each therm of gas used during the interruptible period.

10. **Payment of Penalty**
The payment of a penalty shall not be considered as giving the customer the right to take unauthorized gas, nor shall such payment be considered to exclude or limit any other remedies available to the Company, including but not limited to, switching of the customer to the appropriate firm rate schedule on a prospective basis.

11. **Company Notice**
Customers electing service under this Tariff will be required to provide an e-mail address that is accurate, operational, and is checked daily. The Company will utilize e-mail to notify the Customer to curtail the use of gas. Such notice will be made by 8:00 a.m. and will include the starting hour of interruption.

12. **Metering**
In order to utilize the services provided under the Large Volume Interruptible Tariff, automatic metering equipment is required. All costs related to telemetering and any other facilities constructed or installed to provide any Interruptible Service will be charged to the Customer but will remain the property of the Company. The Customer will be required to provide telephone or other interfaces agreed to by the Company and electric connections to the meter and provide access to the Company for maintaining and operating such equipment. N

MidAmerican ENERGY

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

SOUTH DAKOTA GAS SALES TARIFF
SD P.U.C. Section No. III
Original Sheet No. 28

DESIGNATION: **Small Seasonal Service (SSS)**
CLASS OF SERVICE: **Commercial and Industrial**

1. **Application** N
Available in all service areas in South Dakota.

Applicable to all firm natural gas service normally supplied through one meter at a single point of delivery for all commercial and industrial customers. Not applicable for resale, standby or supplemental service. The Company's service rules and regulations shall apply.

2. **Monthly Rate**

	SSS
Service Charge per Meter:	$ 60.00
Non-Gas Commodity Charge per therm:	
Applicable to the nine monthly billing periods of April through December	$ 0.05150
Applicable to the three monthly billing periods of January through March	$ 0.10036

3. **Clauses**
Above rate subject to: Cost of Purchased Gas Adjustment Clause 1 (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. N

Date Filed: June 1, 2004 Effective Date: November 29, 2004

Issued By: James J. Howard
Vice President

MidAmerican ENERGY

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

SOUTH DAKOTA GAS SALES TARIFF
SD P.U.C. Section No. III
Original Sheet No. 29

DESIGNATION: **Large Seasonal Service (LSS)**
CLASS OF SERVICE: **Commercial and Industrial**

N

1. **Application**
Available in all service areas in South Dakota.

Applicable to all firm natural gas service normally supplied through one meter at a single point of delivery for all commercial and industrial customers. Not applicable for resale, standby or supplemental service. The Company's service rules and regulations shall apply.

2. **Monthly Rate**

	LSS
Service Charge per Meter:	$275.00
Non-Gas Commodity Charge per therm:	
Applicable to the nine monthly billing periods of April through December	$ 0.02785
Applicable to the three monthly billing periods of January through March	$ 0.05760

3. **Clauses**
Above rate subject to: Cost of Purchased Gas Adjustment Clause 1 (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.

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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.

N

Date Filed: June 1, 2004 Effective Date: November 29, 2004

Issued By: James J. Howard
Vice President

MidAmerican
ENERGY

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

SECTION III-A INDEX

Date Filed: June 1, 2004 Effective Date: November 29, 2004

Issued By: James J. Howard
Vice President

RATE DESIGNATION: Monthly Metered Transportation Gas Pilot Project N
CLASS OF SERVICE: Gas Transportation Tariffs

I. Definitions:

Except as added or amended below, the definitions of all terms used in this document shall be the same as used in MidAmerican's tariffs on file at the Public Utilities Commission.

"***Administrative Charges***" shall mean the fee assessed to recover the incremental cost to implement and operate the Monthly Metered Transportation Gas Pilot Project.

"***Agent***" shall mean one authorized by a party to act in that party's behalf (also known as Pool Operator).

"***Balancing Charges***" shall mean the fees assessed to the Pool Operator for any volume variance between the Forecasted Daily Gas Supply Requirement and the actual physical deliveries of natural gas, to the Company's distribution system, as measured at each specified interstate pipeline delivery point.

"***Cash-out***" shall mean the process of reconciling and pricing the volume variance between Participant's actual monthly consumption at each Meter and physical deliveries to the Company's distribution system by the Pool Operator (by Receipt Point).

"***CNGP***" shall mean Competitive Natural Gas Provider.

"***Commission***" shall mean the South Dakota Public Utilities Commission.

"***Electronic Bulletin Board***" shall mean the MidAmerican internet site which is an electronic bulletin board which shall be used by the Company and the Pool Operator for communication of nominations and other miscellaneous notifications.

"***Eligible Volume***" shall mean the accumulated annual volume of Participants associated with non-transport, non-interruptible Accounts with usage less than 20,000 Dths and greater than 100 Dths per year. The Participant's annual volume must be heat sensitive with predictable load, as determined by MidAmerican, subject to Participant or Pool Operator appeal to the Commission.

"***Forecasted Daily Gas Supply Requirement***" shall mean the volume in Dths, determined necessary by MidAmerican for the Pool Operator to deliver on a daily basis at specific interstate pipeline delivery points to meet the natural gas requirements for all Participants, inclusive of retention volumes associated with distribution system losses.

"***Government Entities***" shall mean state, county or city government accounts that have heat sensitive natural gas accounts with predictable load.

"***Meter***" or "***Account***" shall mean each delivery point where MidAmerican meters and delivers natural gas to a Participant.

"***MidAmerican***" or "***Company***" shall mean MidAmerican Energy Company. N

RATE DESIGNATION: Monthly Metered Transportation Gas Pilot Project N
CLASS OF SERVICE: Gas Transportation Tariffs

"Nomination" shall mean the quantity of gas the Company is requested to transport daily from the receipt point to the Participant's Meters inclusive of retention volumes associated with distribution system losses.

"Participant(s)" shall mean those Schools and Government Entities who have elected to participate in the pilot for the purpose of purchasing their natural gas requirements. The Pilot will be limited to South Dakota schools and Government Entities in MidAmerican's South Dakota service territory with heat sensitive predictable load.

"Pilot" or ***"Test"*** shall mean the program or test set forth in this document.

"Pool Operator" shall mean the entity responsible on the Participant's behalf, to contract for, and cause delivery of, adequate natural gas supplies and associated interstate pipeline transportation, necessary to meet the Participant's Forecasted Daily Gas Supply Requirements.

"School" shall mean any South Dakota private K-12 school, public school district, area education agency, community college, regents institution or private two- or four-year college.

"Stranded Costs" shall mean the reservation related costs associated with interstate pipeline capacity currently under contract by MidAmerican intended to serve participant peak day needs less any revenue realized through the release of said capacity to the secondary market.

"Supplier" shall mean the entity under contract by the Participant, or the Participant's Agent, to delivery natural gas to the Company on behalf of the Participant.

"Swing Service" shall mean the service provided by MidAmerican which manages the daily volume variations resulting from model inaccuracies and actual versus forecasted weather deviations.

II. Pool Operator Eligibility:

- Pool Operators must be authorized by the Company and must comply with any applicable laws and regulations relating to CNGPs.
- Customers can only have one Pool Operator per Pilot Program year.
- Eligible Pool Operators will be posted on the Company's electronic bulletin board.

III. Schedules:

New members wanting to participate in the Pilot Program will submit a Contract/Agreement and Authorization and Release to MidAmerican prior to Participant start date. New individual meters will transition into the Pilot on the meter read date of their regular monthly billing cycle within 60 days from receipt of Contract/Agreement and Authorization and Release. N

N

Participants will only be able to switch Pool Operators effective September of each year. Participants may switch back to MidAmerican's Sales Service Tariff at any time, at the end of their monthly billing cycle.

The term of the Pilot will begin September 1, 2004, and run through August 31, 2007, unless Participants become eligible for another Commission approved Small Volume/Monthly-Metered Gas Transportation tariff. If Participants are eligible to receive service under such a tariff, MidAmerican will discontinue offering service under this Pilot tariff and give Participants a choice to transition to the Small Volume/Monthly-Metered Gas Transportation tariff or return to Gas Sales Service tariffs. The Participants' Meters will be transitioned out of the Pilot on the meter read date of their regular monthly billing cycle. MidAmerican has the right to terminate this Pilot Program within one year of the effective date of this tariff and on each anniversary thereafter. If the Pilot is terminated on any anniversary date, any existing customers will be entitled to continue to participate for the remainder of the term of the tariff.

IV. Contracts:

MidAmerican shall prepare a single contract for execution by each Participant, or their authorized Agent, for distribution service to all Meters that are a part of this Pilot.

MidAmerican will prepare a contract for execution by the Participant's Pool Operator addressing their obligations in respect to Nominations, Balancing Charges and Cash-out associated with the Pilot Project.

V. Metering:

For the purpose of this Pilot, in lieu of installing daily metering and telemetry, MidAmerican will use a model to forecast the Participants' daily gas consumption at each meter. This Forecasted Daily Gas Supply Requirement shall be used for both nominating and balancing purposes. MidAmerican and the Participants agree to consider the Forecasted Daily Gas Supply Requirement equivalent to the actual gas consumed on any given day adjusted for retention volumes associated with distribution system losses.

VI. Nominations, Swing Service Charge and Balancing Charges:

MidAmerican will utilize a forecasting system that models each of the Participant's Meters individually.

MidAmerican will utilize the forecasting system to model the Participant's load and calculate the Forecasted Daily Gas Supply Requirement.

The Forecasted Daily Gas Supply Requirement will be based on forecasted weather. It will be broken down by delivery zone and will normally be provided 23 hours before the gas day begins using the Company's electronic bulletin board. N

MidAmerican
ENERGY

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

SOUTH DAKOTA GAS TRANSPORTATION TARIFF
SD P.U.C. Section No. III-A
Second Revised Sheet No. 17
Cancels First Revised Sheet No. 17

RATE DESIGNATION: Monthly Metered Transportation Gas Pilot Project N
CLASS OF SERVICE: Gas Transportation Tariffs

The Forecasted Daily Gas Supply Requirement will include a gross up for retention volumes associated with distribution system losses, in accordance with MidAmerican's current gas transportation tariffs.

MidAmerican will be responsible for any imbalances between the Forecasted Daily Gas Supply Requirement and the Participant's actual consumption, caused by differences between actual weather and forecasted weather. A Swing Service charge of $0.111 per Dth on all Dths will be collected to offset the costs incurred by MidAmerican to provide this service. Based on experience gained from the Pilot, MidAmerican may re-calculate the Swing Service rate annually.

Each Participant will be responsible for selecting a single Pool Operator.

The Participant's Pool Operator will be responsible for taking the Forecasted Daily Gas Supply Requirement and providing a Nomination to the interstate pipeline, Supplier and MidAmerican. The Nomination to MidAmerican will be done using MidAmerican's electronic bulletin board. If the Participant's Pool Operator does not delivery the Forecasted Daily Gas Supply Requirement, as calculated by MidAmerican, on any particular day, then the greater of any applicable pro-rata share of pipeline penalties or the Balancing Charges listed below will be billed to the Participant's Pool Operator:

	Non-Critical	Critical Period or OFO Period
Over Deliveries	$5.00 per Dth	$10.00 per Dth
Under Deliveries	$5.00 per Dth	*

* The greater of $30.00 per Dth or three (3) times the Chicago-LDCs, large end-users "Midpoint" Index price as reported in Gas Daily publication.

The charges for these services will be collected and the revenues will be credited to the monthly Cost of Purchased Gas Adjustment Clause.

VII. *Stranded Cost Charge:*

For the purpose of this Pilot, MidAmerican will replace the existing PDR (exit fees) with the Swing Service charge described above and the following Stranded Cost charge.

For new Participants served on a firm service tariff and who did not give MidAmerican notice last year of their intent to become transporters, CNGP will take assignment, through a pre-arranged release, of the applicable portion of MidAmerican's interstate pipeline capacity attributable to those participants. This pre-arranged release will be for the period of one year, and will be priced at MidAmerican's cost and under the terms and conditions of MidAmerican's contracts. By taking assignment of MidAmerican's capacity under these terms, MidAmerican will not realize any stranded costs and therefore will not collect a Stranded Cost charge from existing participants or new participants. No release of interstate pipeline capacity will be made for Participants transferring from an interruptible service tariff. N

Date Filed: June 1, 2004 Effective Date: November 29, 2004

Issued By: James J. Howard
Vice President

RATE DESIGNATION: Monthly Metered Transportation Gas Pilot Project N
CLASS OF SERVICE: Gas Transportation Tariffs

Any identifiable additional costs associated with a Participant's return to System Supply Service will be allocated to the Participant causing such costs.

VIII. Administrative Charge:

For the purpose of this Pilot, MidAmerican will replace existing application and monthly administrative fees with the following Administrative Charge. This Administrative Charge will apply to all Dth delivered to Participants.

The Administrative charge will be capped at $0.25 per Dth, in accordance with the tariff, for the Pilot period. Annually, MidAmerican will true up the Administrative charges collected from the participants during the prior year, with the actual expenses incurred to administer the Pilot The Administrative charge will be set at $0.080 per Dth for the period September 1, 2004 through August 31, 2005.

IX. Cash-out:

Cash-out of the net monthly imbalances resulting from the differences between physical volumes delivered to MidAmerican's distribution system and actual consumption for all of the Participant's Meters will be done monthly between MidAmerican and the Participant's Pool Operator.

MidAmerican will have a separate Cash-out price for each cycle separate billing period, by delivery zone. The cash-out price will be comparable to market prices. MEC will net the Cash-out amounts for each cycle billing period and either bill or credit the Participant's Pool Operator once a month.

X. Billing:

Each Participant will pay MidAmerican distribution service charges for each Meter in accordance with applicable small transport (ST) or medium transport (MT) tariff (except application fee and Administrative charge)

Distribution service charges will be billed to each Participant. Meters will continue to be read on the regular cycle billing periods.

MidAmerican offers Participants three billing options for their Distribution service charges:

1) With a Participant's approval and the Pool Operator's request, MidAmerican will send a separate bill for each of the Participant's Meters to the Pool Operator within a few days of the Meter being read,

2) or MidAmerican will hold the separate bills as the Meters are being read and will send a single invoice to the Pool Operator monthly that summarizes the charges for each of the Participant's Meters. If the Pool Operator elects the summary bill, MidAmerican and Pool Operator will select a mutually acceptable billing cycle for MidAmerican to generate the summary bill, N

RATE DESIGNATION: Monthly Metered Transportation Gas Pilot Project N
CLASS OF SERVICE: Gas Transportation Tariffs

3) or MidAmerican will send the monthly bill directly to the Participant within a few days of their meter being read.

Each Participant will continue to be billed the pipeline transition cost recover factor until it naturally expires.

Each Participant will pay the Swing Service charges and Administrative Charges described herein.

The Participant's Pool Operator will pay the Balancing Charges and Cash-out described herein.

For the purposes of this Pilot, MidAmerican will waive its re-connection fees associated with a customer terminating transportation service and returning to sales service. N

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MidAmerican ENERGY

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

SOUTH DAKOTA GAS SALES TARIFF
SD P.U.C. Section No. III
Fifth ~~Fourth~~ Revised Sheet No. 1
Cancels ***Fourth*** ~~Third~~ Revised Sheet No. 1

SECTION III INDEX

Date Filed: ***June 1, 2004*** ~~Sept. 24, 2001~~ Effective Date: **November 29, 2004** ~~February 26, 2002~~

Issued By: James J. Howard
Vice President

MidAmerican
ENERGY

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

SOUTH DAKOTA GAS SALES TARIFF
SD P.U.C. Section No. III
Seventh ~~Sixth~~ Revised Sheet No. 14
Cancels ***Sixth*** ~~Fifth~~ 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~~ D
~~27, 202, until 60 days after the date of the Order issued by the Commission approving rates in Docket~~ D
~~No. NG04-001.~~ D

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**

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

7. **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.

~~8. **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.~~ D | D

Date Filed: ***June 1*** ~~August 5~~, 2004 Effective Date: **November 29** ~~September 30~~, 2004

Issued by: James J. Howard
Vice President

MidAmerican
ENERGY

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

SOUTH DAKOTA GAS SALES TARIFF
SD P.U.C. Section No. III
Seventh ~~Sixth~~ Revised Sheet No. 15
Cancels ***Sixth*** ~~Fifth~~ 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~~ D
~~June 27, 2002, until 60 days after the date of the Order issued by the Commission approving rates in~~ D
~~Docket No. NG04-001.~~ D

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**

	LVI
Service Charge per Meter:	$ 275.00
Commodity Charge (per therm):	$ .03755

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. **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.

7. **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 1 until the Company is able to effectuate reduction with the interstate pipeline.

Date Filed: ***June 1*** ~~August 5~~, 2004 Effective Date: **November 29** ~~September 30~~, 2004

Issued By: James J. Howard
Vice President

MidAmerican
ENERGY

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

SOUTH DAKOTA GAS SALES TARIFF
SD P.U.C. Section No. III
Fourth ~~Third~~ Revised Sheet No. 16
Cancels ***Third*** ~~Second~~ Revised Sheet No. 16

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

~~**8. Optional Off Peak Firm Service**~~ D
~~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.~~ D

8. Interruptible Conditions N
Upon e-mail notice by the Company, the customer shall curtail or discontinue the use of gas.

9. Penalty for Unauthorized Use of as When Service is Interrupted
On any day the customer takes (uses) natural gas when the Company has notified the customer that the gas is to be curtailed, the rate for such use shall be as follows:

Customer shall pay the gas cost based on the Gas Daily index price for the billing period for each pipeline plus applicable interstate pipeline transportation charges. The Customer will be subject to the index pricing point on the pipeline they are served by. The Company will establish the pricing index point and transportation used for each pipeline at the start of the gas month. In addition, the Customer shall pay a penalty of $1.00 per therm for each therm of gas used during the interruptible period.

10. Payment of Penalty
The payment of a penalty shall not be considered as giving the customer the right to take unauthorized gas, nor shall such payment be considered to exclude or limit any other remedies available to the Company, including but not limited to, switching of the customer to the appropriate firm rate schedule on a prospective basis.

11. Company Notice
Customers electing service under this Tariff will be required to provide an e-mail address that is accurate, operational, and is checked daily. The Company will utilize e-mail to notify the Customer to curtail the use of gas. Such notice will be made by 8:00 a.m. and will include the starting hour of interruption.

12. Metering
In order to utilize the services provided under the Large Volume Interruptible Tariff, automatic metering equipment is required. All costs related to telemetering and any other facilities constructed or installed to provide any Interruptible Service will be charged to the Customer but will remain the property of the Company. The Customer will be required to provide telephone or other interfaces agreed to by the Company and electric connections to the meter and provide access to the Company N
for maintaining and operating such equipment.

Date Filed: ***June 1*** ~~August 5~~, 2004 Effective Date: **November 29** ~~September 30~~, 2004

Issued By: James J. Howard
Vice President

MidAmerican ENERGY

SECTION III-A INDEX

MidAmerican ENERGY

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

SOUTH DAKOTA GAS TRANSPORTATION TARIFF
SD P.U.C. Section No. III-A
Second ~~First~~ Revised Sheet No~~s~~. 14 ~~-19~~
Cancels ***First Revised*** ~~Original Issue~~ Sheet No~~s~~. ***14*** ~~13-19~~

RATE DESIGNATION: Monthly Metered Transportation Gas Pilot Project N
CLASS OF SERVICE: Gas Transportation Tariffs

I. Definitions:

Except as added or amended below, the definitions of all terms used in this document shall be the same as used in MidAmerican's tariffs on file at the Public Utilities Commission.

"***Administrative Charges***" shall mean the fee assessed to recover the incremental cost to implement and operate the Monthly Metered Transportation Gas Pilot Project.

"***Agent***" shall mean one authorized by a party to act in that party's behalf (also known as Pool Operator).

"***Balancing Charges***" shall mean the fees assessed to the Pool Operator for any volume variance between the Forecasted Daily Gas Supply Requirement and the actual physical deliveries of natural gas, to the Company's distribution system, as measured at each specified interstate pipeline delivery point.

"***Cash-out***" shall mean the process of reconciling and pricing the volume variance between Participant's actual monthly consumption at each Meter and physical deliveries to the Company's distribution system by the Pool Operator (by Receipt Point).

"***CNGP***" shall mean Competitive Natural Gas Provider.

"***Commission***" shall mean the South Dakota Public Utilities Commission.

"***Electronic Bulletin Board***" shall mean the MidAmerican internet site which is an electronic bulletin board which shall be used by the Company and the Pool Operator for communication of nominations and other miscellaneous notifications.

"***Eligible Volume***" shall mean the accumulated annual volume of Participants associated with non-transport, non-interruptible Accounts with usage less than 20,000 Dths and greater than 100 Dths per year. The Participant's annual volume must be heat sensitive with predictable load, as determined by MidAmerican, subject to Participant or Pool Operator appeal to the Commission.

"***Forecasted Daily Gas Supply Requirement***" shall mean the volume in Dths, determined necessary by MidAmerican for the Pool Operator to deliver on a daily basis at specific interstate pipeline delivery points to meet the natural gas requirements for all Participants, inclusive of retention volumes associated with distribution system losses.

"***Government Entities***" shall mean state, county or city government accounts that have heat sensitive natural gas accounts with predictable load.

"***Meter***" or "***Account***" shall mean each delivery point where MidAmerican meters and delivers natural gas to a Participant.

"***MidAmerican***" or "***Company***" shall mean MidAmerican Energy Company. N

Date Filed: ***June 1, 2004*** ~~October 8, 1997~~ Effective Date: November ***29, 2004*** ~~1, 1997~~

Issued By: ***James J. Howard*** ~~Brent E. Gale~~
Vice President~~-Law and Regulatory Affairs~~

RATE DESIGNATION: Monthly Metered Transportation Gas Pilot Project
CLASS OF SERVICE: Gas Transportation Tariffs

N

"Nomination" shall mean the quantity of gas the Company is requested to transport daily from the receipt point to the Participant's Meters inclusive of retention volumes associated with distribution system losses.

"Participant(s)" shall mean those Schools and Government Entities who have elected to participate in the pilot for the purpose of purchasing their natural gas requirements. The Pilot will be limited to South Dakota schools and Government Entities in MidAmerican's South Dakota service territory with heat sensitive predictable load.

"Pilot" or ***"Test"*** shall mean the program or test set forth in this document.

"Pool Operator" shall mean the entity responsible on the Participant's behalf, to contract for, and cause delivery of, adequate natural gas supplies and associated interstate pipeline transportation, necessary to meet the Participant's Forecasted Daily Gas Supply Requirements.

"School" shall mean any South Dakota private K-12 school, public school district, area education agency, community college, regents institution or private two- or four-year college.

"Stranded Costs" shall mean the reservation related costs associated with interstate pipeline capacity currently under contract by MidAmerican intended to serve participant peak day needs less any revenue realized through the release of said capacity to the secondary market.

"Supplier" shall mean the entity under contract by the Participant, or the Participant's Agent, to delivery natural gas to the Company on behalf of the Participant.

"Swing Service" shall mean the service provided by MidAmerican which manages the daily volume variations resulting from model inaccuracies and actual versus forecasted weather deviations.

II. Pool Operator Eligibility:

- Pool Operators must be authorized by the Company and must comply with any applicable laws and regulations relating to CNGPs.
- Customers can only have one Pool Operator per Pilot Program year.
- Eligible Pool Operators will be posted on the Company's electronic bulletin board.

III. Schedules:

New members wanting to participate in the Pilot Program will submit a Contract/Agreement and Authorization and Release to MidAmerican prior to Participant start date. New individual meters will transition into the Pilot on the meter read date of their regular monthly billing cycle within 60 days from receipt of Contract/Agreement and Authorization and Release.

N

RATE DESIGNATION: Monthly Metered Transportation Gas Pilot Project N
CLASS OF SERVICE: Gas Transportation Tariffs

Participants will only be able to switch Pool Operators effective September of each year. Participants may switch back to MidAmerican's Sales Service Tariff at any time, at the end of their monthly billing cycle.

The term of the Pilot will begin September 1, 2004, and run through August 31, 2007, unless Participants become eligible for another Commission approved Small Volume/Monthly-Metered Gas Transportation tariff. If Participants are eligible to receive service under such a tariff, MidAmerican will discontinue offering service under this Pilot tariff and give Participants a choice to transition to the Small Volume/Monthly-Metered Gas Transportation tariff or return to Gas Sales Service tariffs. The Participants' Meters will be transitioned out of the Pilot on the meter read date of their regular monthly billing cycle. MidAmerican has the right to terminate this Pilot Program within one year of the effective date of this tariff and on each anniversary thereafter. If the Pilot is terminated on any anniversary date, any existing customers will be entitled to continue to participate for the remainder of the term of the tariff.

IV. Contracts:

MidAmerican shall prepare a single contract for execution by each Participant, or their authorized Agent, for distribution service to all Meters that are a part of this Pilot.

MidAmerican will prepare a contract for execution by the Participant's Pool Operator addressing their obligations in respect to Nominations, Balancing Charges and Cash-out associated with the Pilot Project.

V. Metering:

For the purpose of this Pilot, in lieu of installing daily metering and telemetry, MidAmerican will use a model to forecast the Participants' daily gas consumption at each meter. This Forecasted Daily Gas Supply Requirement shall be used for both nominating and balancing purposes. MidAmerican and the Participants agree to consider the Forecasted Daily Gas Supply Requirement equivalent to the actual gas consumed on any given day adjusted for retention volumes associated with distribution system losses.

VI. Nominations, Swing Service Charge and Balancing Charges:

MidAmerican will utilize a forecasting system that models each of the Participant's Meters individually.

MidAmerican will utilize the forecasting system to model the Participant's load and calculate the Forecasted Daily Gas Supply Requirement.

The Forecasted Daily Gas Supply Requirement will be based on forecasted weather. It will be broken down by delivery zone and will normally be provided 23 hours before the gas day begins N
using the Company's electronic bulletin board.

RATE DESIGNATION: Monthly Metered Transportation Gas Pilot Project N
CLASS OF SERVICE: Gas Transportation Tariffs

The Forecasted Daily Gas Supply Requirement will include a gross up for retention volumes associated with distribution system losses, in accordance with MidAmerican's current gas transportation tariffs.

MidAmerican will be responsible for any imbalances between the Forecasted Daily Gas Supply Requirement and the Participant's actual consumption, caused by differences between actual weather and forecasted weather. A Swing Service charge of $0.111 per Dth on all Dths will be collected to offset the costs incurred by MidAmerican to provide this service. Based on experience gained from the Pilot, MidAmerican may re-calculate the Swing Service rate annually.

Each Participant will be responsible for selecting a single Pool Operator.

The Participant's Pool Operator will be responsible for taking the Forecasted Daily Gas Supply Requirement and providing a Nomination to the interstate pipeline, Supplier and MidAmerican. The Nomination to MidAmerican will be done using MidAmerican's electronic bulletin board. If the Participant's Pool Operator does not delivery the Forecasted Daily Gas Supply Requirement, as calculated by MidAmerican, on any particular day, then the greater of any applicable pro-rata share of pipeline penalties or the Balancing Charges listed below will be billed to the Participant's Pool Operator:

	Non-Critical	Critical Period or OFO Period
Over Deliveries	$5.00 per Dth	$10.00 per Dth
Under Deliveries	$5.00 per Dth	*

* The greater of $30.00 per Dth or three (3) times the Chicago-LDCs, large end-users "Midpoint" Index price as reported in Gas Daily publication.

The charges for these services will be collected and the revenues will be credited to the monthly Cost of Purchased Gas Adjustment Clause.

VII. Stranded Cost Charge:

For the purpose of this Pilot, MidAmerican will replace the existing PDR (exit fees) with the Swing Service charge described above and the following Stranded Cost charge.

For new Participants served on a firm service tariff and who did not give MidAmerican notice last year of their intent to become transporters, CNGP will take assignment, through a pre-arranged release, of the applicable portion of MidAmerican's interstate pipeline capacity attributable to those participants. This pre-arranged release will be for the period of one year, and will be priced at MidAmerican's cost and under the terms and conditions of MidAmerican's contracts. By taking assignment of MidAmerican's capacity under these terms, MidAmerican will not realize any stranded costs and therefore will not collect a Stranded Cost charge from existing participants or new participants. No release of interstate pipeline capacity will be made for Participants transferring from an interruptible service tariff. N

RATE DESIGNATION: Monthly Metered Transportation Gas Pilot Project N
CLASS OF SERVICE: Gas Transportation Tariffs

Any identifiable additional costs associated with a Participant's return to System Supply Service will be allocated to the Participant causing such costs.

VIII. Administrative Charge:

For the purpose of this Pilot, MidAmerican will replace existing application and monthly administrative fees with the following Administrative Charge. This Administrative Charge will apply to all Dth delivered to Participants.

The Administrative charge will be capped at $0.25 per Dth, in accordance with the tariff, for the Pilot period. Annually, MidAmerican will true up the Administrative charges collected from the participants during the prior year, with the actual expenses incurred to administer the Pilot The Administrative charge will be set at $0.080 per Dth for the period September 1, 2004 through August 31, 2005.

IX. Cash-out:

Cash-out of the net monthly imbalances resulting from the differences between physical volumes delivered to MidAmerican's distribution system and actual consumption for all of the Participant's Meters will be done monthly between MidAmerican and the Participant's Pool Operator.

MidAmerican will have a separate Cash-out price for each cycle separate billing period, by delivery zone. The cash-out price will be comparable to market prices. MEC will net the Cash-out amounts for each cycle billing period and either bill or credit the Participant's Pool Operator once a month.

X. Billing:

Each Participant will pay MidAmerican distribution service charges for each Meter in accordance with applicable small transport (ST) or medium transport (MT) tariff (except application fee and Administrative charge)

Distribution service charges will be billed to each Participant. Meters will continue to be read on the regular cycle billing periods.

MidAmerican offers Participants three billing options for their Distribution service charges:

1) With a Participant's approval and the Pool Operator's request, MidAmerican will send a separate bill for each of the Participant's Meters to the Pool Operator within a few days of the Meter being read,

2) or MidAmerican will hold the separate bills as the Meters are being read and will send a single invoice to the Pool Operator monthly that summarizes the charges for each of the Participant's Meters. If the Pool Operator elects the summary bill, MidAmerican and Pool Operator will select a mutually acceptable billing cycle for MidAmerican to generate the summary bill, N

RATE DESIGNATION: Monthly Metered Transportation Gas Pilot Project N
CLASS OF SERVICE: Gas Transportation Tariffs

3) or MidAmerican will send the monthly bill directly to the Participant within a few days of their meter being read.

Each Participant will continue to be billed the pipeline transition cost recover factor until it naturally expires.

Each Participant will pay the Swing Service charges and Administrative Charges described herein.

The Participant's Pool Operator will pay the Balancing Charges and Cash-out described herein.

For the purposes of this Pilot, MidAmerican will waive its re-connection fees associated with a customer terminating transportation service and returning to sales service. N

NG04-003

Kolbo, Delaine

From: Jacobson, David
Sent: Monday, October 11, 2004 4:49 PM
To: Kolbo, Delaine
Subject: FW: Commission Meeting-October 12, 2004

Delaine:
This customer has sent in a couple of letters complaining about MidAmerican's filing in NG04-003 and they are in the docket. Can you put this in there too? Thanks.
-----Original Message-----
From: John D. Nelson [mailto:jdn@hiroller.com]
Sent: Monday, October 11, 2004 2:47 PM
To: PUC_SD-Dave Jacobson
Subject: FYI: Commission Meeting-October 12, 2004

Dave,

I wrote to the Commissioners as I will be on an airplane at the time of the meeting tomorrow.
See my Email Letter to the Commissioners below.
Thank you for the information.1

Best regards,
John D. Nelson
Hi Roller Conveyors
5100 West 12th Street
Sioux Falls, SD 57107
1-605-332-3200
1-605-332-1107 FAX
Website: www.hiroller.com

-----Original Message-----
From: John D. Nelson [mailto:jdn@hiroller.com]
Sent: Monday, October 11, 2004 2:31 PM
To: jim.burg@state.sd.us; gary.hanson@state.sd.us; bob.sahr@state.sd.us
Cc: Hi_Roller-Rod Waltjer (rodw@hiroller.com)
Subject: Commission Meeting-October 12, 2004

October 11, 2004 **EMAIL LETTER**

South Dakota Public Utilities Commission – SDPUC
Capitol Building, 1st Floor
500 East Capitol Avenue
Pierre, SD 57501-5070

Commissioner Sahr, Commissioner Burg, and Commissioner Hanson;

RE: Proposed Changes, Interruptible Rates – MidAmerican Energy

I wrote to you in July and again in September with our concerns about the proposed changes to the MidAmerican Energy's rate changes. We expressed our position that we are opposed the changes because we just installed a new system last fall to remain an Interruptible Customer of MidAmerican Energy. We were not informed that MidAmerican had filed for changes or proposing to phase out Interruptible Gas Service in South Dakota. Thank you for your concerns on our situation.

I would have liked to participate in your meeting tomorrow. But, I will be traveling by airplane during your meeting and cannot participate.

As I have stated before, we installed a new system the last fall to be able to continue on our Interruptible Rate by investing $22,000. We did talk to MidAmerican's representatives during our talks about installing a new system. We were not advised that MidAmerican had filed for their proposal to phase out Interruptible Gas Service in the past. Nor were we advised that they would be filing for this proposal to phase out Interruptible Gas Service. We based the payback of this investment on MidAmerican Energy's rates for the existing Interruptible Gas Service. We feel that the Commissioners should require MidAmerican to notify their customers years in advance when this type of service is planned to be phased out. The proposed new rates will not allow us to get a payback for the $22,000 investment.

The new proposed rates do not afford an incentive to maintain a system to be on Interruptible Gas Service. Again, my point is that MidAmerican knew that we were installing a new system last fall, we consult them on the Interruptible Gas Service, and they did not inform us of their new proposed rates. If we would have been informed of the proposed new rates, we would not have invested $22,000.

Therefore, we oppose their proposal rates in South Dakota! The utility should be required to give their customers a notice years in advance before eliminating a service!

Thank you for your consideration.

Best regards,
John D. Nelson - President
Hansen Manufacturing/Hi Roller Conveyors
5100 West 12th Street
Sioux Falls, SD 57107
1-605-332-3200
1-605-332-1107 FAX
Website: www.hiroller.com

Cc: Dave Jacobson, SDPUC

NG04-003

Kolbo, Delaine

From: Jacobson, David
Sent: Tuesday, October 12, 2004 8:29 AM
To: Kolbo, Delaine
Subject: FW: Proposed Changes, Interruptible Rates - MidAmerican Energy

-----Original Message-----
From: John D. Nelson [mailto:jdn@hiroller.com]
Sent: Tuesday, September 21, 2004 11:42 AM
To: gary.hanson@state.sd.us; jim.burg@state.sd.us; bob.sahr@state.sd.us
Cc: Hi_Roller-Rod Waltjer
Subject: Proposed Changes, Interruptible Rates - MidAmerican Energy

September 21, 2004

South Dakota Public Utilities Commission – SDPUC
Capitol Building, 1st Floor
500 East Capitol Avenue
Pierre, SD 57501-5070

Commissioner Sahr, Commissioner Burg, and Commissioner Hanson;

RE: Proposed Changes, Interruptible Rates – MidAmerican Energy

I wrote to you in July with our concerns about the proposed changes to the MidAmerican Energy's rate changes. We expressed our position that we are opposed the changes because we just installed a new system last fall to remain an Interruptible Customer of MidAmerican Energy. We were not informed that MidAmerican had filed for changes or proposing to phase out Interruptible Gas Service in South Dakota.

We installed a new system the last fall to be able to continue on our Interruptible Rate by investing $22,000. We talked to MidAmerican's representatives during our talks about installing a new system and were not told about their proposal to phase out Interruptible Gas Service. We based the payback of this investment on MidAmerican Energy's rates for the existing Interruptible Gas Service. MidAmerican Energy was consulted on our project and they did not inform us of this new proposed rates. The proposed new rates will not allow us to get a payback for the $22,000 investment. We had a 2 year payback and the payback with the proposed new rates will be over 10 years.

The new proposed rates do not give the incentive to maintain on the Interruptible Gas Service. My point is that they knew that we were installing a new system last fall, we consult them on the Interruptible Gas Service rates, and they did not inform us of their new proposed rates. If we would have been informed of the proposed new rates, we would not have invested $22,000. Therefore, we oppose their proposal rates in South Dakota!

We are opposed to the proposed changes to the Interruptible Gas Rates that require the customer to install a Telemeter with a dedicated phone line. The Telemeter is not necessary and a waste of money. MidAmerican Energy states that the Telemeter is required to more accurately monitor and more efficiently administer the Interruptible Gas Service. We feel that should be their expense to improve their system. I wish that our company could just raise our prices and tell our customers to install a computer with a dedicated line to be able to buy from us! I think that is your responsibility to make the utility companies be fair to consumers and in this case MidAmerican Energy is not being fair!

Thank you for your time. I again encourage you to call me and discuss these concerns – 605/332-3200.

Best regards,

John D. Nelson - President

Hansen Manufacturing/Hi Roller Conveyors
5100 West 12th Street
Sioux Falls, SD 57107
1-605-332-3200
1-605-332-1107 FAX
Website: www.hiroller.com

MidAmerican
ENERGY
OBSESSIVELY, RELENTLESSLY *AT YOUR SERVICE*®

MidAmerican Energy
One RiverCenter Place
106 East Second Street
P.O. Box 4350
Davenport, Iowa 52808

RECEIVED
OCT 25 2004
SOUTH DAKOTA PUBLIC UTILITIES COMMISSION

October 22, 2004

Gas Advice Letter

Ms. Pamela Bonrud
Executive Director
South Dakota Public Utilities Commission
500 East Capitol Avenue
Pierre, SD 57501

Contact: Melanie A. Acord
Telephone: 563-333-8047

Dear Ms. Bonrud:

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

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

Third Revised Sheet No. 28	Cancels Second Revised Sheet No. 28
Third Revised Sheet No. 29	Cancels Second Revised Sheet No. 29

These sheets are being filed as a correction to sheets filed in Docket No. NG04-003. The sheets initially filed indicated these were original sheets. The correction in the revision has been made to indicate each is third revised.

An original and five copies of this Gas Advice Letter and accompanying tariff sheet are submitted herewith. Please file stamp one copy and return in the enclosed self-addressed envelope.

Sincerely,

Melanie A. Acord

Melanie A. Acord
Sr. Transitional Pricing Analyst

MAA/
Encl.
cc: Suzan Stewart – MidAmerican Energy Company

MidAmerican ENERGY

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

SOUTH DAKOTA GAS SALES TARIFF
SD P.U.C. Section No. III
Third Revised Sheet No. 28
Cancels Second Revised Sheet No. 28

DESIGNATION: **Small Seasonal Service (SSS)** N
CLASS OF SERVICE: **Commercial and Industrial** N

1. **Application** N
Available in all service areas in South Dakota.

Applicable to all firm natural gas service normally supplied through one meter at a single point of delivery for all commercial and industrial customers. Not applicable for resale, standby or supplemental service. The Company's service rules and regulations shall apply.

2. **Monthly Rate**

	SSS
Service Charge per Meter:	$ 60.00
Non-Gas Commodity Charge per therm:	
Applicable to the nine monthly billing periods of April through December	$ 0.05150
Applicable to the three monthly billing periods of January through March	$ 0.10036

3. **Clauses**
Above rate subject to: Cost of Purchased Gas Adjustment Clause 1 (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. N

Date Filed: June 1, 2004 Effective Date: November 29, 2004

Issued By: James J. Howard
Vice President

MidAmerican ENERGY

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

SOUTH DAKOTA GAS SALES TARIFF
SD P.U.C. Section No. III
Third Revised Sheet No. 29
Cancels Second Revised Sheet No. 29

DESIGNATION: **Large Seasonal Service (LSS)** N
CLASS OF SERVICE: **Commercial and Industrial** N

1. **Application** N

   Available in all service areas in South Dakota.

   Applicable to all firm natural gas service normally supplied through one meter at a single point of delivery for all commercial and industrial customers. Not applicable for resale, standby or supplemental service. The Company's service rules and regulations shall apply.

2. **Monthly Rate**

	LSS
Service Charge per Meter:	$275.00
Non-Gas Commodity Charge per therm:	
Applicable to the nine monthly billing periods of April through December	$ 0.02785
Applicable to the three monthly billing periods of January through March	$ 0.05760

3. **Clauses**

   Above rate subject to: Cost of Purchased Gas Adjustment Clause 1 (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. N

Date Filed: June 1, 2004 Effective Date: November 29, 2004

Issued By: James J. Howard
Vice President

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF SOUTH DAKOTA

IN THE MATTER OF THE FILING BY MIDAMERICAN ENERGY COMPANY FOR APPROVAL OF TARIFF REVISIONS	))))	**ORDER APPROVING INTERRUPTIBLE GAS RATE PLAN NG04-003**

On June 1, 2004, MidAmerican Energy Company (MidAmerican) filed an Interruptible Gas Rate Plan with the Commission as a result of the Commission's Order in Docket NG02-003 which directed MidAmerican to file a plan with the Commission to phase out interruptible natural gas tariffs within a two year time period. This plan proposes to address the Commission's concerns expressed in Docket NG02-003. In the Gas Rate Plan, MidAmerican proposes to retain interruptible rates but to change the methodology used in determining them so as to increase these rates. MidAmerican's Plan also proposes to add new optional rates for customers, including those who may wish to switch rates as a result of the increase to interruptible rates. The new Gas Rate Plan is proposed to become effective 60 days after the effective date of tariffs approved in MidAmerican's rate increase proceeding NG04-001, which is November 29, 2004. The new and revised tariffs proposed by MidAmerican are:

<u>South Dakota Gas Tariff</u>:
SD P.U.C. Section No. I

Seventh Revised Sheet No. 1	Cancels Sixth Revised Sheet No. 1

<u>South Dakota Gas Sales Tariff</u>:
SD P.U.C. Section III

Fifth Revised Sheet No. 1	Cancels Fourth Revised Sheet No. 1
Seventh Revised Sheet No. 14	Cancels Sixth Revised Sheet No. 14
Original Sheet No. 14.10	
Seventh Revised Sheet No. 15	Cancels Sixth Revised Sheet No. 15
Fourth Revised Sheet No. 16	Cancels Third Revised Sheet No. 16
Third Revised Sheet No. 28	Cancels Second Revised Sheet No. 28
Third Revised Sheet No. 29	Cancels Second Revised Sheet No. 29

<u>South Dakota Gas Transportation Tariff</u>:
SD P.U.C. Section III-A

Fifth Revised Sheet No. 3	Cancels Fourth Revised Sheet No. 3
Second Revised Sheet No. 14	Cancels First Revised Sheet No. 14
Second Revised Sheet No. 15	Cancels First Revised Sheet No. 15
Second Revised Sheet No. 16	Cancels First Revised Sheet No. 16
Second Revised Sheet No. 17	Cancels First Revised Sheet No. 17
Second Revised Sheet No. 18	Cancels First Revised Sheet No. 18
Second Revised Sheet No. 19	Cancels First Revised Sheet No. 19

At its regularly scheduled meeting of October 12, 2004, the Commission discussed approval of the interruptible gas rate plan. Commission Staff recommended approval of the interruptible gas rate plan, effective November 29, 2004, with the condition that any customer in the process of converting over to the proposed rates and showing good cause why they are not able to complete the process by November 29, 2004, be given the time necessary, on an individual case basis, to complete the process of changing rates before being served the default firm service rate.

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 approved the interruptible gas rate plan. It is therefore

ORDERED, that the interruptible gas rate plan is approved, effective November 29, 2004, with the condition that any customer in the process of converting over to the proposed rates and showing good cause why they are not able to complete the process by November 29, 2004, shall be given the time necessary, on an individual case basis, to complete the process of changing rates before being served the default firm service rate.

Dated at Pierre, South Dakota, this 26th day of October, 2004.

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: Delaine Kolbo

Date: 10/27/04

(OFFICIAL SEAL)

BY ORDER OF THE COMMISSION:

Robert K. Sahr

ROBERT K. SAHR, Chairman

Gary Hanson

GARY HANSON, Commissioner

James A. Burg

JAMES A. BURG, Commissioner