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MidAmerican ENERGY OBSESSIVELY, RELENTLESSLY AT YOUR SERVICE.

July 28, 2005

Ms. Pamela Bonrud Executive Director South Dakota Public Utilities Commission 500 East Capitol Avenue Pierre, SD 57501 MidAmerican Energy 401 Douglas Street P.O. Box 778 Sioux City, Iowa 51102 712 277-7500 Telephone

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SOUTH DAKOTA PUBLIC UTILITIES COMMISSION

Company Name:	MidAmerican Energy Company	Subject:	Monthly Metered Transportation Gas Pilot Project Filing
Person to Contract:	Jean Calligan (712) 277-7471	<u>Address</u> :	P. O. Box 778 Sioux City, IA 51102
Initial Filing:	Yes	Docket No.:	

Dear Ms. Bonrud:

The accompanying gas tariff sheets issued by MidAmerican Energy Company ("MidAmerican") are transmitted to you for filing.

MidAmerican Energy Company Section No. III-A

4 th Revised Sheet No. 14	Cancels 3 rd Revised Sheet No. 14
3 rd Revised Sheet No. 15	Cancels 2 nd Revised Sheet No. 15
3 rd Revised Sheet No. 16	Cancels 2 nd Revised Sheet No. 16
3 rd Revised Sheet No. 17	Cancels 2 nd Revised Sheet No. 17
3 rd Revised Sheet No. 18	Cancels 2 nd Revised Sheet No. 18
3 rd Revised Sheet No. 19	Cancels 2 nd Revised Sheet No. 19

MidAmerican is reconciling the administrative charge for the Monthly Metered Transportation Gas Pilot Project program ("MMT"). MidAmerican is proposing that the administrative charge be increased to \$0.16 per Dth. A summary of the administrative charge reconciliation is included for the period ending August 31, 2005. The \$0.16 per Dth charge includes the estimated expense for operating the program annually and including one-half of MidAmerican's under-collection for the program. MidAmerican opted to reduce the impact to customers by spreading the under-collection over a two-year period rather than a one-year period.

On sheet No. 14, MidAmerican is adding two paragraphs labeled "Applicability and Character of Service" and "Availability". This revision is in response to a South Dakota Public Utilities Commission staff member's request in the interruptible MMT Gas Pilot Project to add these paragraphs for more description of the program. This revision does not change any of the program's administration.

Ms. Pamela Bonrud Page 2 July 28, 2005

On sheet No. 15, MidAmerican proposes to add a new paragraph labeled "Participant Eligibility" and move the information under the definition of Eligible Volume to the new paragraph. MidAmerican proposes to eliminate the prohibition on transport and interruptible customer eligibility for the MMT Gas Pilot Project.

On sheet No. 16, MidAmerican is proposing to add clarification to what happens if a customer decides to return to sales with regard to reconnect fees.

On sheet No. 17, MidAmerican is replacing the word "delivery" with "deliver".

On sheet No. 18, MidAmerican is revising the administrative charge and proposing to add the large transport rate (LT) to the tariff. After a customer qualifies for the MMT Gas Pilot Project based on being a school or government entity, MidAmerican determines the Customer's eligibility by determining if the natural gas load is heat sensitive and predictable instead of what sales rate the customer is currently on.

MidAmerican is requesting that these revisions to the tariff sheets become effective September 1, 2005.

Enclosed are an original and five copies of the filing. Please file stamp and return one copy of this filing in the enclosed postage paid envelope. Any questions pertaining to this tariff filing may be directed to Jean Calligan at (712) 277-7471.

Sincerely,

allen Jean Calligan

Pricing Analyst

Enclosures

MidAmerican Energy Company Monthly Metered Transportation - Pilot

Summary of Administrative Charges Annual Reconciliations

	Reconciliation Year	Adn	ninistrative Costs	 ninistrative ecoveries	 Annual Balance	cumulated Balance /er/(Under)
(1)	1998	\$	213,226	\$ 91,213	\$ (122,013)	\$ (122,013)
(2)	1999	\$	45,025	\$ 166,057	\$ 121,032	\$ (981)
(2)	2000	\$	33,412	\$ 66,461	\$ 33,049	\$ 32,068
(2)	2001	\$	48,034	\$ 43,329	\$ (4,705)	\$ 27,363
(2)	2002	\$	76,363	\$ 49,677	\$ (26,686)	\$ 677
(2)	2003	\$	181,264	\$ 113,106	\$ (68,158)	\$ (67,481)
(2)	2004	\$	133,064	\$ 92,822	\$ (40,242)	\$ (107,723)
(2)	2005	\$	151,556 est	\$ 103,565 est	\$ (47,991) est	\$ (155,714) est

MidAmerican Energy Company Administrative Charge Effective 9/01/05 - 8/31/06

Projected Under Balance @ 8/31/05 (\$155,714 / 2 years) Projected Administrative Cost (9/1/05 - 8/31/06)	\$ \$	77,857 151,556
Total Administrative Cost	\$	229,413
Projected Dth Sales (9/1/05 - 8/31/06)		1,466,584
Total Adminstrative/Projected Dth Sales = (under collection collected over 2 yrs)		0.16

Footnotes:

(1) Administrative Cost, Stranded Cost and Swing Cost
(2) Administrative Cost Only



SOUTH DAKOTA GAS TRANSPORTATION TARIFF SD P.U.C. Section No. III-A 4th Revised Sheet No. 14 Cancels 3rd Revised Sheet No. 14

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

I. Applicability and Character of Service:

This Monthly Metered Transportation Gas Pilot shall apply to annual natural gas volumes that are heat sensitive and predictable, and purchased by and for Schools and Governmental Entities, as defined herein, from a third-party supplier, delivered to Company's system by an interstate pipeline, and received, transported, and delivered by Company to Customer's premises, when the Company and Customer have executed a Service Request Form.

II. Availability:

This service is available to Schools and Governmental Entities with facilities served by the Company. Company shall have no obligation to provide gas supplies to customers that contract for this service without also contracting for Firm Supply Standby Service or other optional firm supply services which may be offered. In the event that a Customer seeks to purchase gas supplies from Company, such sales shall be at the sole discretion of Company.

III. 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.

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

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

"<u>Balancing Charges</u>" 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.

"<u>Cash-out</u>" 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.

"<u>Electronic Bulletin Board</u>" 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.

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Effective: September 1, 2005



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

"<u>Forecasted Daily Gas Supply Requirement</u>" 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.

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

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

"<u>Nomination</u>" 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.

"<u>Participant(s)</u>" 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.

"<u>Pool Operator</u>" 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.

"<u>Stranded Costs</u>" 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.

"<u>Supplier</u>" 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.

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

IV. Participant Eligibility:

Eligibility for this Pilot will be the Participant's annual natural gas volume that is heat sensitive with predictable load as determined by MidAmerican, subject to Participant or Pool Operator appeal to the Commission.

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

V. 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.

VI. 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.

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. For the purposes of this Pilot, MidAmerican will waive its reconnection fees associated with a customer terminating service and returning to MidAmerican's Sales Service tariff.

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.

VII. 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.

VIII. 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.



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

IX. 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.

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 deliver 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:

Over Deliveries Under Deliveries Non-Critical \$5.00 per Dth \$5.00 per Dth Critical Period or OFO Period \$10.00 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 <u>Gas Daily</u> publication.

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

X. 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.

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SOUTH DAKOTA GAS TRANSPORTATION TARIFF SD P.U.C. Section No. III-A 3rd Revised Sheet No. 18 Cancels 2nd Revised Sheet No. 18

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

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.

XI. 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 \$0.16 per Dth for the period September 1, 2005 through August 31, 2006.

XII. 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.

XIII. Billing:

Each Participant will pay MidAmerican distribution service charges for each Meter in accordance with applicable small transport (ST) or medium transport (MT) or large transport (LT) 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.

Issued: July 28, 2005 Issued by: Naomi Czachura Vice President Effective: September 1, 2005



SOUTH DAKOTA GAS TRANSPORTATION TARIFF SD P.U.C. Section No. III-A 3rd Revised Sheet No. 19 Cancels 2nd Revised Sheet No. 19

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

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.

Issued: July 28, 2005 Issued by: Naomi Czachura Vice President Effective: September 1, 2005



SOUTH DAKOTA GAS TRANSPORTATION TARIFF SD P.U.C. Section No. III-A 4th Third Revised Sheet No. 14 Cancels 3rd Second Revised Sheet No. 14

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

I. Applicability and Character of Service:

This Monthly Metered Transportation Gas Pilot shall apply to annual natural gas volumes that are heat sensitive and predictable, and purchased by and for Schools and Governmental Entities, as defined herein, from a third-party supplier, delivered to Company's system by an interstate pipeline, and received, transported, and delivered by Company to Customer's premises, when the Company and Customer have executed a Service Request Form.

II. Availability:

This service is available to Schools and Governmental Entities with facilities served by the Company. Company shall have no obligation to provide gas supplies to customers that contract for this service without also contracting for Firm Supply Standby Service or other optional firm supply services which may be offered. In the event that a Customer seeks to purchase gas supplies from Company, such sales shall be at the sole discretion of Company.

III. 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.

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

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

"<u>Balancing Charges</u>" 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.

"<u>Cash-out</u>" 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.

"<u>Electronic Bulletin Board</u>" 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.

"<u>Eligible Volume</u>" shall mean the annual volume of Participants associated with non-transport, noninterruptible Accounts. 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. Ν

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SOUTH DAKOTA GAS TRANSPORTATION TARIFF SD P.U.C. Section No. III-A 3rd Second Revised Sheet No. 15 Cancels 2nd First Revised Sheet No. 15

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

> "<u>Forecasted Daily Gas Supply Requirement</u>" 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.

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

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

"<u>Nomination</u>" 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.

"<u>Participant(s)</u>" 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.

"<u>Pool Operator</u>" 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.

"<u>School</u>" 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.

"<u>Stranded Costs</u>" 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.

"<u>Supplier</u>" 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.

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

IV. Participant Eligibility:

Eligibility for this Pilot will be the Participant's annual natural gas volume that is heat sensitive with predictable load as determined by MidAmerican, subject to Participant or Pool Operator appeal to the Commission.

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

V. 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.

VIIII. 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.

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. For the purposes of this Pilot, MidAmerican will waive its reconnection fees associated with a customer terminating service and returning to MidAmerican's Sales Service tariff.

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.

VII 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.

VIII ¥. 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.

Issued Date Filed: July 28, 2005 June 1, 2004 Issued by By: Naomi Czachura James J. Howard Vice President Т

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

IX 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.

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 *deliver* 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 <u>Gas Daily</u> publication.

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

X 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.

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SOUTH DAKOTA GAS TRANSPORTATION TARIFF SD P.U.C. Section No. III-A 3rd Second Revised Sheet No. 18 Cancels 2nd First Revised Sheet No. 18

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

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.

XI 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 0.16 and 0.080 per Dth for the period September 1, 2005 2004 through August 31, 2006 2005.

XII 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.

XIII X. Billing:

Each Participant will pay MidAmerican distribution service charges for each Meter in accordance with applicable small transport (ST) or medium transport (MT) or large transport (LT) 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.

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

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.