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

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SOUTH DAKOTA PUBLIC UTILITIES COMMISSION

Gas Advice Letter

January 30, 2006

Ms. Patricia Van Gerpen Executive Director South Dakota Public Utilities Commission 500 East Capitol Avenue Pierre, SD 57501 Contact: Melanie A. Acord Telephone: 563-333-8047 <u>mailto:maacord@midamerican.com</u> Initial Filing: Yes Docket No.:

Dear Ms. Van Gerpen:

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

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

8th Revised Sheet No. 14 1st Revised Sheet No. 14.10 8th Revised Sheet No. 15 5th Revised Sheet No. 16 Cancels 7th Revised Sheet No. 14 Cancels Original Sheet No. 14.10 Cancels 7th Revised Sheet No. 15 Cancels 6th Revised Sheet No. 16

Beginning March 1, MidAmerican proposes interruptible gas costs to be based on the daily market price of gas. This proposed change will synchronize daily market gas prices with daily usage, providing alignment of costs specifically incurred by each customer. The daily market gas price will be multiplied by the customer's daily gas use. MidAmerican will establish the pricing index points and applicable transportation costs at the start of the gas month. This methodology is replacing the current monthly Purchased Gas Adjustment (PGA) price. MidAmerican does not expect these daily market price indices will vary greatly from the market price included in the calculation of the monthly PGA.

A transition period of March through August is also proposed to true-up any over or under collection of gas costs attributed to this class of customers. Any over/under collection of gas costs for the interruptible class is due to differences in actual vs. forecasted usage and costs, currently included in the interruptible PGA clause. Any balance remaining in the interruptible PGA as of September 1, 2006 will be rolled into the firm PGA clause. Ms. Patricia Van Gerpen, Executive Director South Dakota Public Utilities Commission January 30, 2006 Page 2

MidAmerican will notify each customer affected by these changes and follow up with a representative to meet with customers to explain the changes and answer any questions.

An original and ten 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,

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melaniea. acord

Melanie A. Acord Sr. Transitional Pricing Analyst

MAA/ Encl.



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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:	\$.07201

3. Gas Cost Component

Gas Cost Component – (C + E)

C – Commodity The gas cost component price is based on the daily gas commodity index prices, as described below, plus applicable interstate pipeline charges and fuel (retention) resulting in a delivered price. The daily delivered price will be multiplied by the daily metered usage. All usage from the daily metered readings within each billing period will be priced according to this method and billed to the customer monthly.

The source for the daily gas commodity costs is the Gas Daily index (publication). The Company will establish the pricing index points and transportation used at the start of the gas month. The Company may change these index point(s) at its discretion via a notice on the Company's electronic bulletin board. In the event market conditions result in MidAmerican incurring additional costs to secure supply for the Customer, MidAmerican reserves the right to pass these additional costs on to the Customer.

If any applicable index price is not published in Gas Daily for the applicable "Flow Date(s)," then the applicable index price will be used for the most recently published "Flow Date(s)" preceding the "Flow Date(s)" on which the applicable index price was not published.

E – Reconciliation factor is applicable for the billing period of March 1, 2006 through August 31, 2006, to either refund or collect the over/(under) reconciliation balances from September 1, 2005 through February 28, 2006. On and after September 1, 2006, the reconciliation factor will not be applicable.

4. Clauses

Above rate subject to:

Tax Adjustment Clause (Sheet No. 6). Btu Adjustment Clause (Sheet No. 7).

5. 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.

6. 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.

Date Filed: January 30, 2006

Effective Date: March 1, 2006

Issued by: Naomi G. Czachura Vice President



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

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. Interruptible Conditions

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

10. 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 described previously herein plus a penalty of \$1.00 per therm for each therm of gas used during the interruptible period.

11. 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.

12. 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.

13. 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.

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Date Filed: January 30, 2006

Effective Date: March 1, 2006

Issued by: Naomi G. Czachura Vice President



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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.

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2. Monthly Rate

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

3. Gas Cost Component

Gas Cost Component – (C + E)

C – Commodity The gas cost component price is based on the daily gas commodity index prices, as described below, plus applicable interstate pipeline charges and fuel (retention) resulting in a delivered price. The daily delivered price will be multiplied by the daily metered usage. All usage from the daily metered readings within each billing period will be priced according to this method and billed to the customer monthly.

The source for the daily gas commodity costs is the Gas Daily index (publication). The Company will establish the pricing index points and transportation used at the start of the gas month. The Company may change these index point(s) at its discretion via a notice on the Company's electronic bulletin board. In the event market conditions result in MidAmerican incurring additional costs to secure supply for the Customer, MidAmerican reserves the right to pass these additional costs on to the Customer.

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4. Clauses

Above rate subject to:

Tax Adjustment Clause (Sheet No. 6). Btu Adjustment Clause (Sheet No. 7).

5. 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.

6. 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.

Date Filed: January 30, 2006

Effective Date: March 1, 2006

Issued By: Naomi G. Czachura Vice President



SOUTH DAKOTA GAS SALES TARIFF SD P.U.C. Section No. III 5th Revised Sheet No. 16 Cancels 4th Revised Sheet No. 16

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

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

9. Interruptible Conditions

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

10. 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 described previously herein plus a penalty of \$1.00 per therm for each therm of gas used during the interruptible period.

11. 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.

12. 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.

13. 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.

Date Filed: January 30, 2006

Effective Date: March1, 2006

Issued By: Naomi G. Czachura Vice President T.

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SOUTH DAKOTA GAS SALES TARIFF SD P.U.C. Section No. III 8thSeventh Revised Sheet No. 14 Cancels 7thSixth Revised Sheet No. 14

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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

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

3. Gas Cost Component

Gas Cost Component – (C + E)

C – Commodity The gas cost component price is based on the daily gas commodity index prices, as described below, plus applicable interstate pipeline charges and fuel (retention) resulting in a delivered price. The daily delivered price will be multiplied by the daily metered usage. All usage from the daily metered readings within each billing period will be priced according to this method and billed to the customer monthly.

The source for the daily gas commodity costs is the Gas Daily index (publication). The Company will establish the pricing index points and transportation used at the start of the gas month. The Company may change these index point(s) at its discretion via a notice on the Company's electronic bulletin board. In the event market conditions result in MidAmerican incurring additional costs to secure supply for the Customer, MidAmerican reserves the right to pass these additional costs on to the Customer.

If any applicable index price is not published in Gas Daily for the applicable "Flow Date(s)," then the applicable index price will be used for the most recently published "Flow Date(s)" preceding the "Flow Date(s)" on which the applicable index price was not published.

E – Reconciliation factor is applicable for the billing period of March 1, 2006 through August 31, 2006, to either refund or collect the over/(under) reconciliation balances from September 1, 2005 through February 28, 2006. On and after September 1, 2006, the reconciliation factor will not be applicable.

43. 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).

54. 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.

65. 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.

Date Filed: January 30, 2006June 1, 2004

Effective Date: <u>March 1, 2006November 29, 2004</u>

Issued by: *Naomi G. Czachura*James J. Howard Vice President



SOUTH DAKOTA GAS SALES TARIFF 1st RevisedOriginal Sheet No. 14.10 Cancels Original Sheet No. 14.10

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

76. Special Provision

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

87. 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.

98. Interruptible Conditions

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

109. 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 gGas eCost described previously herein plusbased 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.

*11***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.

1211. 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.

1312. 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.

Date Filed:

January 30, 2006June 1, 2004

Effective Date: <u>March 1, 2006November 29, 2004</u>

Issued by: *Naomi G. CzachuraJames J. Howard* Vice President Т

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

1. Application

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2. Monthly Rate

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

3. Gas Cost Component

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Date Filed: January 30, 2006June 1, 2004

Effective Date: March 1, 2006November 29, 2004

Issued By: *Naomi G. CzachuraJames J. Howard* Vice President



SOUTH DAKOTA GAS SALES TARIFF SD P.U.C. Section No. III 5thFourth Revised Sheet No. 16 Cancels 4thThird Revised Sheet No. 16

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

76. Special Provisions

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1110. Payment of Penalty

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Date Filed: January 30, 2006June 1, 2004

Effective Date: __March1, 2006November 29, 2004