



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

February 20, 2006

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**SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION**

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
<mailto:maacord@midamerican.com>
Initial Filing: No
Docket No.: NG06-001

Dear Ms. Van Gerpen:

On January 30, MidAmerican filed the tariff sheets assigned the above docket number. MidAmerican is requesting permission to revise the sheets on less than 30 days notice, resulting in an effective date of March 1. The tariff revisions will provide interruptible gas service customers more control over their natural gas costs, affording them with the ability to take advantage of daily price conditions.

By implementing the change at the beginning of the month, there will be no need to calculate a Purchased Gas Adjustment (PGA) for a partial month. Using a partial month of PGA costs and a partial month of daily market prices could increase customer confusion with the first bill issued under the proposed terms.

The requested effective date of March 1 provides six months to true-up any over or under collection of gas costs attributed to this class of customers. Waiting until April to begin the true-up will compress any reconciliation factor into a five-month time-frame and could significantly affect the gas price for this service. A shorter time-frame is further complicated by declining usage over which to spread the over or under collections. Extending the reconciliation factor into September in order to provide six months for true-up will require an amendment to the annual PGA reconciliation filing which is the period September through August.

Enclosed are an original and ten copies of this letter. Please acknowledge receipt on the additional copy and return in the preaddressed, postage-prepaid envelope.

Sincerely,

Melanie A. Acord
Sr. Transitional Pricing Analyst

MAA/
Encl

