



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

November 2, 2010

Ms. Patricia Van Gerpen, Executive Director  
South Dakota Public Utilities Commission  
500 East Capitol Avenue  
Pierre, SD 57501

RE: MidAmerican Energy Company  
Initial Filing – Refund Plan

Dear Ms. Van Gerpen:

MidAmerican Energy Company (MidAmerican) received a credit on the September 2010 invoice from Natural Gas Pipeline Company of America (Natural) for \$285,419.01. South Dakota's portion of the refund plus interest is \$35,981.78 and MidAmerican proposes to incorporate this refund amount into the December 2010 purchased gas adjustment (PGA) rate.

On November 19, 2009, the FERC initiated, in Docket No. RP10-147-000, an investigation pursuant to section 5 of the Natural Gas Act into the rates and fuel and gas lost and unaccounted for retention factors (Fuel Retention Factors) of Natural. On June 11, 2010, Natural filed a proposed Stipulation and Agreement (Settlement) resolving all issues of this investigation that provided Natural's customers, including MidAmerican with, among other things, reductions in Fuel Retention Factors effective July 1, 2010. The Settlement provided (i) that Natural would not implement the reduction in Fuel Retention Factors on July 1, 2010 if the Settlement was not yet approved by final FERC order, and (ii) a fuel crediting mechanism in the event the Settlement was not approved by such date. On July 29, 2010, the FERC approved Natural's Settlement, without condition or modification. Provided that no requests for rehearing were filed, the order was to become final on August 30, 2010 and the Settlement was to become effective September 1, 2010. No requests for rehearing were filed. The Settlement was therefore effective September 1, 2010 and Natural was required to refund its customers for the difference between the fuel collected and billed and the revised fuel retention factors approved in the Settlement for July and August. Natural issued this refund to MidAmerican via credits to its September 2010 invoice received by MidAmerican October 6, 2010.

MidAmerican hereby submits electronically the following schedules:

- Schedule A (confidential) – the September 2010 invoice from Natural that shows the refund.
- Schedule B – the calculation of South Dakota's allocation of the refund, interest on the refund, and estimated credit per therm.

Ms. Van Gerpen  
Page 2  
November 2, 2010

Request for Confidential Treatment:

Pursuant to Rule 20:10:01:41 et seq., MidAmerican respectfully requests confidential treatment of the file titled and marked "Confidential". The confidential file includes price information based on long-term gas contracts that should be maintained in the Commission's files indefinitely.

The confidential materials constitute a trade secret and if released, would result in material damage to MidAmerican's competitive position, or give advantage to competitors and serve no public purpose. If the competitors or customers have information of these negotiated gas rates, such information is considered commercially sensitive. In order for MidAmerican to minimize gas costs that are billed to its customers, MidAmerican maintains this information be held confidential and constitutes a trade secret. The confidential material contains information, which if released to the general public, would give an unfair advantage to existing and potential gas suppliers and customers. *National Parks and Conservation Association v. Morton*, 498 F.2d 765, 768 (U.S.C.A. 1974).

If you have any questions regarding the refund or MidAmerican's refund plan, please contact me at (563) 333-8426 or [mmearly@midamerican.com](mailto:mmearly@midamerican.com).

Sincerely,

*Megan M. Early*

/s/ Megan M. Early  
Analyst, Regulated Pricing