



MidAmerican Energy Company  
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June 25, 2008

**BY: OVERNIGHT DELIVERY**

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**JUL 01 2008**

**SOUTH DAKOTA PUBLIC  
UTILITIES COMMISSION**

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

In Re: 18 CFR 292.302(b)

Dear Ms. Van Gerpen:

Please find enclosed the original and ten copies of the Compliance Filing of MidAmerican Energy Company concerning the above-captioned matter.

This report includes MidAmerican Energy Company's estimated electric avoided cost information as filed biannually with state regulatory authorities.

Please file stamp the extra copy and return to me in the self-addressed envelope provided for your convenience.

Very truly yours,

Suzan M. Stewart  
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Encs.  
sms/sh

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**JUL 01 2008**

**MidAmerican Energy Company**  
**Informational Compliance Filing**  
**With the South Dakota Public Utilities Commission**  
**as required by 18 CFR 292.302**

**SOUTH DAKOTA PUBLIC UTILITIES COMMISSION**

**June 27, 2008**

**18 C.F.R. 292.302 (b) (1) The estimated avoided cost on the electric utility's system, solely with respect to the energy component, for various levels of purchases from qualifying facilities. Such levels of purchases shall be stated in blocks of not more than 100 megawatts for systems with peak demand of 1,000 megawatts or more. The avoided costs shall be stated on a cents per kilowatt-hour basis, during daily and seasonal peak and off-peak periods, by year, for the current calendar year and each of the next 5 years.**

Avoided energy costs for various levels of purchase from qualifying facilities based on MidAmerican's generating costs were estimated using a chronological Monte Carlo simulation production costing model, PROMOD IV. Tables of the resulting avoided energy costs by block for the 0 megawatt level through the 200 megawatt level for 2008 through 2013 are shown on Exhibit A, attached hereto and made a part hereof. The avoided energy costs for zero megawatts were the hourly marginal costs calculated by PROMOD IV.

Five levels of purchases were evaluated: 0 megawatts, 50 megawatts, 100 megawatts, 150 megawatts and 200 megawatts. Avoided energy costs for other levels of purchases were calculated using linear interpolation between those values.

MidAmerican's costs were based on current and committed generating units and forecasts of fuel and variable operation and maintenance costs through 2013. Avoided energy costs were calculated as the difference in energy costs between the specified level of purchase and no purchase.

The avoided energy cost calculations were made for the summer and winter seasons for each year. The summer season is June through September, with all other months in each year in the winter season. The on-peak periods are weekdays from hour ending 7:00 A.M. to 10:00 P.M. All other hours are off-peak.

The forecast firm peak demand and system net requirements for regulated native load customers used in the calculation of avoided energy costs are shown in the following table.

Year	Firm Summer Peak (MW)	Firm Winter Peak (MW)	System Net Requirements (MWh)
2008	4,427	3,580	22,645,970
2009	4,587	3,721	23,678,600
2010	4,696	3,812	24,281,370
2011	4,766	3,866	24,657,270
2012	4,833	3,915	24,949,420
2013	4,909	3,972	25,212,220

The modeling included committed control area municipal energy requirements. The committed municipal capacity and estimated energy are shown in the following table.

Year	July (MW)	December (MW)	Annual Energy (MWh)
2008	18	18	61,489
2009	18	18	61,529
2010	2	1	8,584
2011	-	-	-
2012	-	-	-
2013	-	-	-

Purchases of firm capacity and energy during the six-year period from 2008 through 2013 are as follows:

Year	July Accredited (MW)	Annual Energy (MWh)
2008	270	2,140,658
2009	270	2,298,735
2010	20	276,708
2011	20	276,708
2012	20	280,165
2013	20	276,708

The power purchase contract with Nebraska Public Power District, for Cooper

Nuclear Station power and energy was amended during 2004 and was extended through December 2009. The contract provides a “guaranteed minimum energy” delivery each of the remaining years of the contract, comprised of 1,652,400 MWh for 2008 and 1,790,100 MWh for 2009. The energy is delivered at a capacity of 250 MW per hour when Cooper Nuclear Station is operating at or above 650 MW and is not to be less than 33% of the net power and energy produced by Cooper when it is operating at below 650 MW. The amended contract also establishes firm pricing for the capacity and energy sold under the agreement.

The other significant power purchase in the 2008 through 2013 time frame is the purchase of the output from a 112.5 MW wind farm. The wind farm is projected to provide 17 MW of summer capacity based on MAPP operating guidelines.

MidAmerican is forecasting the following unit capacity additions in the 2008-2013 energy projection timeframe. This capability consists of 771.8 MW (nameplate) of wind facilities as follows: Pomeroy I and II 198 MW (nameplate) wind facility in commercial operation in December 2007 and January 2008, Century III 15 MW (nameplate) wind facility in commercial operation in December 2007 and January 2008, Charles City 75 MW (nameplate) wind facility in commercial operation in April 2008, Adair 174.8 MW (nameplate) wind facility scheduled for commercial operation in December 2008, Pomeroy III 58.5 MW (nameplate) wind facility scheduled for commercial operation in December 2008, Carroll 150 MW (nameplate) wind facility scheduled for commercial operation in December 2008 and Walnut 100.5 MW (nameplate) wind facility scheduled for commercial operation in December 2008. These wind projects of 771.8 MW name plate capability are forecast to add 155 MW of MAPP accredited capacity. MidAmerican is not anticipating any generation retirements during the period 2008 through 2013.

Units	Date	Summer (MW)
Additions:		
Pomeroy I and II Wind Project	January 2008	40
Century III Wind Project	January 2008	3
Charles City Wind Project	April 2008	15
Adair Wind Project	December 2008	35
Pomeroy III Wind Project	December 2008	12
Carroll Wind Project	December 2008	30
Walnut Wind Project	December 2008	20

**18 CFR 292.302 (b)(3) The estimated capacity costs at completion of the planned capacity additions and planning capacity from purchases, on the basis of dollars per kilowatt, and the associated energy costs of each unit, expressed in cents per kilowatt-hour. These costs shall be expressed in terms of individual generating units and of individual planned firm purchases.**

MidAmerican continually reviews its capacity needs. This review includes the projecting of forecast load growth, forecast demand side management programs, renewable capacity availability, new regional capacity additions and FERC orders relative to RTO formation, transmission ownership and economic costs.

MidAmerican has used the economic carrying charges on a new combustion turbine to calculate the avoidable capacity cost. Using this methodology, the annual cost in 2008 is \$48.96/kW. The installed cost of this unit is estimated to be \$536.00/ kW in present year dollars. This cost is based on a combination of cost data from the EPRI TAG (Technical Assessment Guide), cost experience from the installation of the combustion turbines at the Greater Des Moines Energy Center, and assessment of the current combustion turbine market and construction costs.

Due to additional capacity currently available in the region, the market value of capacity in MidAmerican's service area is approximately \$18.70/kW for the entire summer season, which is lower than the equivalent cost of a new combustion turbine. It is expected that the market value of capacity will continue at this or slightly higher levels over the next several years. As load growth in the region increases and the construction of additional generating capacity is required, the avoidable capacity cost is estimated to approach the cost of a new combustion turbine peaking unit by 2013.

The avoidable new generation capacity costs are as follows.

Year	Avoidable New Generating Capacity Costs (\$/kW/yr.)
2008	\$ 18.70
2009	\$ 18.70
2010	\$ 27.71
2011	\$ 36.72
2012	\$ 45.72
2013	\$ 54.73

**MidAmerican Energy Company**  
**Avoided Energy Costs for Various Levels of Purchase from Qualifying Facilities**  
**Dollars Per MWH**

Year	2008					
	Summer			Winter		
MW	Peak	Off-Peak	Season	Peak	Off-Peak	Season
0	\$ 16.25	\$ 11.25	\$ 13.63	\$ 13.82	\$ 10.34	\$ 12.00
10	16.21	11.30	13.64	13.58	10.42	11.93
20	16.16	11.36	13.64	13.35	10.50	11.86
30	16.12	11.42	13.65	13.12	10.58	11.79
40	16.08	11.48	13.66	12.88	10.66	11.72
50	16.03	11.53	13.67	12.65	10.74	11.65
100	16.14	11.72	13.82	12.68	10.82	11.71
150	16.39	11.95	14.06	12.66	10.96	11.77
200	16.65	12.25	14.34	12.66	11.11	11.85

Year	2009					
	Summer			Winter		
MW	Peak	Off-Peak	Season	Peak	Off-Peak	Season
0	\$ 19.55	\$ 12.20	\$ 15.73	\$ 16.06	\$ 11.08	\$ 13.45
10	19.05	12.28	15.53	15.57	11.23	13.29
20	18.54	12.37	15.34	15.08	11.37	13.13
30	18.04	12.45	15.14	14.59	11.52	12.98
40	17.54	12.54	14.94	14.10	11.66	12.82
50	17.04	12.63	14.75	13.62	11.81	12.67
100	17.05	12.64	14.76	13.62	11.93	12.73
150	17.07	12.76	14.83	13.66	12.05	12.77
200	17.23	12.87	14.97	13.71	12.15	12.80

**MidAmerican Energy Company**  
**Avoided Energy Costs for Various Levels of Purchase from Qualifying Facilities**  
**Dollars Per MWH**

Year	2010					
	Summer			Winter		
MW	Peak	Off-Peak	Season	Peak	Off-Peak	Season
0	\$ 27.41	\$ 16.69	\$ 21.85	\$ 20.63	\$ 14.69	\$ 17.51
10	26.55	16.24	21.19	19.83	14.36	16.96
20	25.68	15.79	20.54	19.04	14.02	16.40
30	24.82	15.35	19.89	18.24	13.69	15.85
40	23.96	14.90	19.24	17.44	13.36	15.29
50	23.09	14.45	18.59	16.64	13.03	14.74
100	23.05	14.45	18.57	16.54	13.00	14.67
150	23.05	14.46	18.57	16.37	13.00	14.60
200	23.05	14.46	18.59	16.29	13.01	14.57

Year	2011					
	Summer			Winter		
MW	Peak	Off-Peak	Season	Peak	Off-Peak	Season
0	\$ 25.40	\$ 16.68	\$ 20.88	\$ 22.18	\$ 15.32	\$ 18.55
10	24.74	16.27	20.34	21.24	14.99	17.94
20	24.07	15.86	19.80	20.31	14.66	17.32
30	23.40	15.44	19.27	19.37	14.33	16.70
40	22.73	15.03	18.73	18.44	14.00	16.08
50	22.07	14.62	18.19	17.50	13.67	15.46
100	21.81	14.51	18.01	17.50	13.63	15.45
150	21.77	14.43	17.96	17.34	13.62	15.38
200	21.76	14.43	17.95	17.34	13.61	15.38

**MidAmerican Energy Company**  
**Avoided Energy Costs for Various Levels of Purchase from Qualifying Facilities**  
**Dollars Per MWH**

Year	2012					
	Summer			Winter		
MW	Peak	Off-Peak	Season	Peak	Off-Peak	Season
0	\$ 33.46	\$ 24.14	\$ 28.52	\$ 28.99	\$ 21.79	\$ 25.23
10	31.22	22.31	26.50	26.69	20.24	23.32
20	28.98	20.49	24.48	24.38	18.69	21.41
30	26.73	18.66	22.45	22.08	17.15	19.50
40	24.49	16.83	20.43	19.77	15.60	17.60
50	22.25	15.00	18.41	17.47	14.06	15.69
100	22.09	15.00	18.32	17.32	14.04	15.60
150	22.01	15.00	18.30	17.16	14.04	15.53
200	21.56	14.97	18.07	16.98	14.04	15.45

Year	2013					
	Summer			Winter		
MW	Peak	Off-Peak	Season	Peak	Off-Peak	Season
0	\$ 39.11	\$ 28.10	\$ 33.27	\$ 33.62	\$ 26.03	\$ 29.68
10	36.57	26.15	31.03	31.10	24.30	27.56
20	34.02	24.20	28.80	28.58	22.56	25.45
30	31.48	22.26	26.56	26.05	20.83	23.34
40	28.93	20.31	24.32	23.53	19.10	21.22
50	26.39	18.37	22.08	21.01	17.36	19.11
100	25.98	18.36	21.94	20.77	17.27	18.95
150	25.74	18.28	21.79	20.71	17.21	18.89
200	25.62	18.19	21.68	20.68	17.16	18.85