

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA**

IN THE MATTER OF THE FILING BY)	ORDER APPROVING TARIFF
MIDAMERICAN ENERGY COMPANY FOR)	REVISIONS
APPROVAL OF TARIFF REVISIONS)	
)	EL00-017

On May 11, 2000, MidAmerican Energy Company, Davenport, Iowa (MidAmerican), filed with the Public Utilities Commission (Commission) a proposed revision to its South Dakota Electric Tariff No. I, specifically the Short Term Interruptible Energy Service - Rider No. 12:

Section No. 1, 1st Revised Sheet No. ii, canceling Original Sheet No. ii

Section No. 3, 1st Revised Sheet No. D-47, canceling Original Sheet Nos. D-47 thru D-49

Section No. 3, 1st Revised Sheet Nos. D-48 thru D-49, canceling Original Sheet Nos. D-47 thru D-49

This proposed revision allows MidAmerican to make energy purchases from its South Dakota customers who voluntarily agree to interrupt their firm load. MidAmerican intends to use the Short Term Interruptible Energy Service- Rider No. 12 as an additional energy source to avoid high price energy in the wholesale markets or as an opportunity to make off-system sales in these wholesale markets. MidAmerican does not intend to recover any of these payments through the fuel clause adjustment.

On May 18, 2000, the Commission electronically transmitted notice of the filing and the intervention deadline of June 2, 2000, to interested individuals and entities. No petitions to intervene or comments were filed. At its regularly scheduled meeting of July 13, 2000, the Commission considered approval of the application. Commission Staff recommended approval with restrictions and reporting requirements as stated in Staff's memorandum dated July 11, 2000. These conditions include:

Usage Restrictions

1. When repurchasing customer energy for serving native load, MidAmerican will:
 - A. to the extent allowed by current tariffs, first interrupt service to interruptible customers;
 - B. repurchase energy from firm service customers only (no repurchase may be made from customers subject to interruption under MidAmerican's interruptible tariffs);

- C. not repurchase energy from customers when the negotiated repurchase price from the customer exceeds the wholesale market price, and;
 - D. not make any off-system sales during the same time period in which customer energy repurchases are made unless MidAmerican can prove that such transactions will benefit native load customers.
2. When repurchasing customer energy for off-system sales, MidAmerican will:
- A. not make any off-system sales during the same time period in which energy purchases are made to serve native load unless MidAmerican can prove that such transactions will benefit native load customers.

Reporting Requirements

MidAmerican shall file compliance reports by October 31, 2000; April 30, 2001; October 31, 2001; and January 31, 2002 (end of pilot). The compliance reports shall include:

1. A schedule of buy-back energy purchased from each South Dakota customer. This schedule shall include the date, time period, kWh or MWh purchased and the purchase price for each customer buy-back purchase;
2. The expected range of energy prices when the decision was made to purchase energy from the buy-back customers;
3. A representative after-the-fact market price of the energy during the period of the buy-back;
4. A schedule of the off-system sales. This schedule shall include the date, time period, kWh or MWh sold and the sale price for each off-system sale transactions overlapping the buy-back period reported above;
5. A schedule of margins (profits). This schedule shall individually report company margin (profit) for each customer energy buy-back transaction that is sold off-system;

Record Retention

MidAmerican shall maintain, for a minimum period of one year after the above report is filed, and provide upon request of the Commission or Commission Staff, the customer detail usage information in determining the customer's "baseline" load profile and the actual energy usage used in determining the customer's actual load reduction for each buy back period.

Regulatory Treatment of Margins

MidAmerican will set up a tracking account that will track and accumulate the margins (profits) for each customer energy purchase that is sold off-system by MidAmerican. MidAmerican will continue to track and accumulate these margins (profits) until the next rate case. At that time MidAmerican will include, with its rate case filing, company proposed treatment of these margins (profits). Proper treatment will be considered and decided on by the SDPUC Commissioners.

Margins will be calculated as the highest price of energy sold during the period of curtailment, less the price paid to curtailing customers, less the tariffed energy price which would have been paid had the customer not curtailed, all multiplied by the number of curtailed kWh.

The Commission finds that it has jurisdiction over this matter pursuant to SDCL Chapter 49-34A. The Commission voted to approve the tariff revisions with Staff's recommended restrictions and reporting requirements. The Commission finds the revisions are just and reasonable. As the Commission's final decision in this matter, it is therefore

ORDERED, that MidAmerican's revised tariffs, as described above, are approved with Staff's recommended restrictions and reporting requirements, also described above, and shall be effective for service rendered on and after the date of this Order. It is

FURTHER ORDERED, that this approved tariff as described above shall expire on December 31, 2001. In the future, should MidAmerican wish to continue this program after this expiration date, MidAmerican will have to come before the Commission in another proceeding.

Dated at Pierre, South Dakota, this 20th day of July, 2000.

CERTIFICATE OF SERVICE	
The undersigned hereby certifies that this document has been served today upon all parties of record in this docket, as listed on the docket service list, by facsimile or by first class mail, in properly addressed envelopes, with charges prepaid thereon.	
By:	<u>Alaine Kalbo</u>
Date:	<u>7/20/00</u>
(OFFICIAL SEAL)	

BY ORDER OF THE COMMISSION:

James A. Burg
JAMES A. BURG, Chairman

Pam Nelson
PAM NELSON, Commissioner

Laska Schoenfelder
LASKA SCHOENFELDER, Commissioner

