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PAUL J. LEIGHTON
Vice President and
Senior Trading Attorney

June 29, 2016

VIA e-Tariff

Ms. Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, D.C. 20426

RE: MidAmerican Energy Company
Market-Based Rate Tariff – Compliance Filing
Docket No. ER11-2044-___

Dear Secretary Bose:

On December 9, 2014, the Federal Energy Regulatory Commission (“Commission”) issued an order addressing a change in status filed by subsidiaries of Berkshire Hathaway Energy Company (“BHE”).¹ In that order, the Commission instituted a proceeding under section 206 of the Federal Power Act (“FPA”)² in Docket No. EL15-22-000 to determine whether the market-based rate authority of the Berkshire MBR Sellers³ in the PacifiCorp-East (“PACE”), PacifiCorp-West (“PACW”), Idaho Power Company (“Idaho Power”) and NorthWestern Corporation (“NorthWestern”) balancing authority areas remains just and reasonable.

In response to the December 9 Order, the Berkshire MBR Sellers submitted additional information to demonstrate they lacked market power in the PACE, PACW, Idaho Power and NorthWestern balancing authority areas. On June 9, 2016, the Commission found the Berkshire MBR Sellers had failed to rebut the presumption of market power in the

¹ *Nevada Power Co.*, 149 FERC ¶ 61,219 (2014) (the “December 9 Order”).

² 16 U.S.C. § 824e (2012).

³ The Berkshire MBR Sellers includes the following: Nevada Power Company (“Nevada Power”), Sierra Pacific Power Company (“Sierra Pacific Power”), PacifiCorp, Agua Caliente Solar, LLC, Pinyon Pines Wind I, LLC, Pinyon Pines Wind II, LLC, Solar Star California XIX, LLC, Solar Star California XX, LLC, Topaz Solar Farms LLC, CalEnergy, LLC, CE Leathers Company, Del Ranch Company, Elmore Company, Fish Lake Power LLC, Salton Sea Power Generation Company, Salton Sea Power L.L.C., Vulcan/BN Geothermal Power Company and Yuma Cogeneration Associates.

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PACE, PACW, Idaho Power and NorthWestern balancing authority areas and that continuation of the Berkshire MBR Sellers' market-based rate authority in these four balancing authority areas was not just and reasonable.⁴ The Commission thereby revoked the Berkshire MBR Sellers' market-based rate authority in the PACE, PACW, Idaho Power and NorthWestern balancing authority areas.⁵

The Commission also ordered the Berkshire MBR Sellers to file revised market-based rate tariffs further limiting sales at market-based rates to areas outside of the PACE, PACW, Idaho Power and NorthWestern balancing authority areas within 30 days of the date of June 9 Order to be effective during the refund period established by the Commission (i.e., January 9, 2015 to April 9, 2016) and prospectively from June 9, 2015.⁶

Further, the Commission ordered the Berkshire MBR Sellers to file a separate tariff to provide for default cost-based rates and to make refunds based on such default cost-based rates.⁷

In addition, the Commission directed the Berkshire MBR Sellers to identify any affiliates that have or are seeking market-based rate authorization and inform such affiliates that they should revise their market-based rate tariffs to limit sales at market-based rates to areas outside of the PACE, PACW, Idaho Power and NorthWestern balancing authority areas.⁸

MidAmerican Energy Company ("MidAmerican") is an indirect wholly-owned subsidiary of BHE and therefore an affiliate of the Berkshire MBR Sellers.

MidAmerican hereby submits a revised market-based rate tariff as directed by the Commission in the June 9 Order.

I. Contents of Filing

The contents of this filing are as follows:

- This transmittal letter;

⁴ *Nevada Power Co., et al.*, 155 FERC ¶ 61,249 (2016) (the "June 9 Order").

⁵ *Id.* at P 2.

⁶ *Id.* at P 3.

⁷ *Id.* at P 4 *citing in fn 10* Order No. 697-A, FERC Stats. & Regs. ¶ 31,268 at P 335 ("mitigated sellers *and their affiliates* are prohibited from selling power at market-based rates in the balancing authority area[s] in which a seller is found, or presumed, to have market power." (emphasis added)).

⁸ *Id.* at P 3.

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- Clean version of the MidAmerican Energy Company Market-Based Rate Tariff, FERC Volume No. 9; and
- Redlined version of the MidAmerican Energy Company Market-Based Rate Tariff, FERC Volume No. 9.

II. Communications

MidAmerican requests that all correspondence and communications related to this notice of change in status be made to the following persons:

Paul J. Leighton Vice President and Senior Trading Attorney MidAmerican Energy Company 4299 NW Urbandale Drive Urbandale, Iowa 50322 515.242.4099 515.281.2460 [facsimile] PJLeighton@MidAmerican.com	Steven J. Ross Steptoe & Johnson LLP 1330 Connecticut Ave., N.W. Washington, D.C. 20036 202.429.6279 202.429.3902 [facsimile] SRoss@Steptoe.com
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III. Explanation of Filing

A. MidAmerican is revising its market-based rate tariff, Market-Based Rate Tariff, FERC Volume No. 9 (the “MBR Tariff”),⁹ as directed by the Commission in the June 9 Order, to add the PACE, PACW, Idaho Power and NorthWestern balancing authority areas to the mitigated markets in Section 7a, Limitations and Exemptions Regarding Market-Based Rate Authority, which already included a limitation on sales in the Nevada Power and Sierra Pacific Power balancing authority areas.

The revision to Section 7 of the MBR Tariff is as follows:

Section 7: Limitations and Exemptions Regarding Market-Based Rate Authority

a. Mitigated Markets

Seller does not have authority under this tariff to make sales within (i) the Nevada Power Company balancing authority area or the Sierra Pacific Power Company balancing

⁹ The electronic baseline filing of the MBR Tariff was accepted by delegated letter order dated March 7, 2011 (the “March 7 Order”) in Docket No. ER11-2044. MidAmerican filed revisions to the MBR Tariff to comply with the directives of the March 7 Order which were accepted by delegated letter order dated July 25, 2012 (the “July 25 Order”).

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authority area, *see Sierra Pacific Power Co.*, 95 FERC ¶ 61,193, at 61,675, *reh'g dismissed*, 96 FERC ¶ 61,050 (2001); *see also Sierra Pacific Power Co.*, 111 FERC ¶ 61,259, at P 21 (2005), or (ii) the PacifiCorp-East balancing authority area, the PacifiCorp-West balancing authority area, the Idaho Power Company balancing authority area or the NorthWestern Corporation balancing authority area, *see Nevada Power Co., et al.*, 155 FERC ¶ 61,249, at P 117 (2016).

MidAmerican respectfully requests the revised MBR Tariff be permitted to become effective June 30, 2016, which is one day after the date of this filing. MidAmerican further requests the Commission waive any applicable rules in order to permit the MBR Tariff to become effective on the date requested. As stated in part III.C. below, MidAmerican did not engage in any market-based sales in the Mitigated Markets (i.e., the PACE, PACW, Idaho Power and Northwestern balancing authority areas) during the Refund Period (January 9, 2015 to April 9, 2016) and therefore owes no refunds. In the absence of such sales and a corresponding refund obligation, MidAmerican believes a prospective revised MBR Tariff effective date is appropriate.

B. MidAmerican has a currently effective cost-based sales tariff, Capacity and Energy Sales Tariff, FERC Volume No. 11 (the “CES Tariff”),¹⁰ pursuant to which it is authorized to make cost-based sales of capacity and energy within the MidAmerican control area.

Section 2 of the CES Tariff limits sales of capacity and energy under the CES Tariff to “load within the MidAmerican Energy Control Area.” The “MidAmerican Energy Control Area” is defined in Section 1 of the CES Tariff to mean “the area bounded by the metering and telemetry located at the points at which the MidAmerican Energy Control Area electrical facilities meet the electrical facilities of the interconnecting control areas.”

Given this express limitation, MidAmerican is not authorized to make cost-based sales outside of its local balancing authority area and therefore cannot make cost-based sales into the PACE, PACW, Idaho Power and Northwestern balancing authority areas. MidAmerican hereby affirms that it will not make cost-based sales into these balancing authority areas in the future without amending its CES Tariff and obtaining Commission acceptance of such amendment.

C. On June 27, 2016, MidAmerican submitted its refund report in this docket as required by the June 9 Order. The refund report stated that MidAmerican had made no market-based rate wholesale sales of electric energy in the Mitigated Markets during the

¹⁰ The electronic baseline filing of the CES Tariff was accepted by the March 7 Order. MidAmerican filed revisions to the CES Tariff to comply with the directives of the March 7 Order which were accepted by the July 25 Order.

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Refund Period and therefore owed no refunds. This filing is pending before the Commission.

IV. Conclusion

For the foregoing reasons, MidAmerican Energy Company respectfully requests the Commission to accept this compliance filing which is being submitted in accordance with the Commission's direction in the June 9 Order.

Respectfully submitted,

/s/ Paul J. Leighton

Paul J. Leighton
Vice President and Senior Trading Attorney
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pjleighton@midamerican.com

Attorney for MidAmerican Energy
Company

Attachments

Certificate of Service

I hereby certify that a copy of the foregoing document has been served on this day upon each person designated on the official service list compiled by the Secretary for these proceedings.

Dated at Des Moines, Iowa this 29th day of June 2016.

/s/ Paul J. Leighton

Paul J. Leighton
Vice President and Senior Trading Attorney
MidAmerican Energy Company
4299 NW Urbandale Drive
Urbandale, Iowa 50322
515.242.4099 (Voice)
515.281.2460 (Facsimile)
pjleighton@midamerican.com

ATTACHMENT A

Clean version of the MidAmerican Energy Company
Market-Based Rate Tariff, FERC Volume No. 9

MIDAMERICAN ENERGY COMPANY
MARKET-BASED RATE TARIFF

Section 1: Availability

MidAmerican Energy Company (“Seller”) may sell energy and/or capacity from time to time at rates, terms and conditions established by agreement of the Parties. All such transaction shall be voluntary. Seller also may sell to purchasers the ancillary services listed in this Section 1:

a. RTO/ISO Specific

PJM: Seller offers regulation and frequency response service, energy imbalance service, and operating reserve service (which includes spinning, 10-minute, and 30-minute reserves) for sale into the market administered by PJM Interconnection, L.L.C. (“PJM”) and, where the PJM Open Access Transmission permits, the self-supply of these services to purchasers for a bilateral sale that is used to satisfy the ancillary services requirements of the PJM Office of Interconnection.

New York: Seller offers regulation and frequency response service, and operating reserve service (which include 10-minute non-synchronous, 30-minute operating reserves, 10-minute spinning reserves, and 10-minute non-spinning reserves) for sale to purchasers in the market administered by the New York Independent System Operator, Inc.

New England: Seller offers regulation and frequency response service (automatic generator control), operating reserve service (which includes 10-minute spinning reserve, 10-minute non-spinning reserve, and 30-minute operating reserve service) to purchasers within the markets administered by the ISO New England, Inc.

California: Seller offers regulation service, spinning reserve service, and non-spinning reserve service to the California Independent System Operator Corporation (“CAISO”) and to others that are self-supplying ancillary services to the CAISO.

MISO: Seller offers regulation service and operating reserve service (which include 10-minute spinning reserve and 10-minute supplemental reserve) for sale to the Midcontinent Independent System Operator, Inc. (“MISO”) and to others that are self-supplying ancillary services to MISO.

Southwest Power Pool: Seller offers regulation service and operating reserve service (which include 10-minute spinning reserve and 10-minute supplemental reserve) for sale to the Southwest Power Pool, Inc. (SPP) and to others that are self-supplying ancillary services to SPP.

b. Third Party Provider

Third-party ancillary services: Seller offers Regulation and Frequency Response Service, Reactive Supply and Voltage Control Service, Energy and Generator Imbalance Service, Operating Reserve-Spinning, and Operating Reserve-Supplemental. Sales will not include the following: (1) sales to an RTO or an ISO, i.e., where that entity has no ability to self-supply ancillary services but instead depends on third parties; and (2) sales to a traditional, franchised public utility affiliated with the third-party supplier, or sales where the underlying transmission service is on the system of the public utility affiliated with the third-party supplier. Sales of Operating Reserve-Spinning and Operating Reserve-Supplemental will not include sales to a public utility that is purchasing ancillary services to satisfy its own open access transmission tariff requirements to offer ancillary services to its own customers, except where the Commission has granted authorization. Sales of Regulation and Frequency Response Service and Reactive Supply and Voltage Control Service will not include sales to a public utility that is purchasing ancillary services to satisfy its own open access transmission tariff requirements to offer ancillary services to its own customers, except at rates not to exceed the buying public utility transmission provider's OATT rate for the same service or where the Commission has granted authorization.

Section 2: Applicability

This Tariff is applicable to all wholesale power sales, including energy, capacity, and ancillary services, that are not otherwise subject to a particular rate schedule of Seller.

Section 3: Rates, Terms and Conditions

All sales made under this Tariff shall be at rates, terms, and conditions established by agreement between the purchaser and Seller.

Section 4: Duration

This Tariff shall continue in effect until terminated or changed and such termination or change becomes effective in accordance with any applicable regulatory requirements.

Section 5: Modifications

Seller may unilaterally apply, under Federal Power Act Section 205 and the regulations promulgated thereunder, to the Commission or other regulatory agency having jurisdiction for a modification of this Tariff.

Section 6: Effective Date

This Tariff is effective upon the date authorized by the Commission.

Section 7: Limitations and Exemptions Regarding Market-Based Rate Authority

a. Mitigated Markets

Seller does not have authority under this tariff to make sales within (i) the Nevada Power Company balancing authority area or the Sierra Pacific Power Company balancing authority area, *see Sierra Pacific Power Co.*, 95 FERC ¶ 61,193, at 61,675, *reh'g dismissed*, 96 FERC ¶ 61,050 (2001); *see also Sierra Pacific Power Co.*, 111 FERC ¶ 61,259, at P 21 (2005), or (ii) the PacifiCorp-East balancing authority area, the PacifiCorp-West balancing authority area, the Idaho Power Company balancing authority area or the NorthWestern Corporation balancing authority area, *see Nevada Power Co., et al.*, 155 FERC ¶ 61,249, at P 117 (2016).

b. Mitigated Sales

Sales of energy and capacity are permissible under this tariff in all balancing authority areas where the Seller has been granted market-based rate authority. Sales of energy and capacity under this tariff are also permissible at the metered boundary between the Seller's mitigated balancing authority area and a balancing authority area where the Seller has been granted market-based rate authority provided: (i) legal title of the power sold transfers at the metered boundary of the balancing authority area where the Seller has market-based rate authority; and (ii) if the Seller sells at the metered boundary of a mitigated balancing authority area at market-based rates, then neither it nor its affiliates can sell into that mitigated balancing authority area from the outside. Seller must retain, for a period of five years from the date of the sale, all data and information related to the sale that demonstrates compliance with items (i) and (ii) above.

c. Exemptions

None. *See MidAmerican Energy Company*, 74 FERC ¶ 61,211 (1996).

Section 8: Compliance with Commission Regulations

Seller shall comply with the provisions of 18 CFR Part 35, Subpart H, as applicable, and with any conditions the Commission imposes in its orders concerning Seller's market-based rate authority, including orders in which the Commission authorizes Seller to engage in affiliate sales under this Tariff or otherwise restricts or limits the Seller's market-based rate authority. Failure to comply with the applicable provisions of 18 CFR Part 35, Subpart H, and with any orders of

the Commission concerning Seller's market-based rate authority, will constitute a violation of this Tariff.

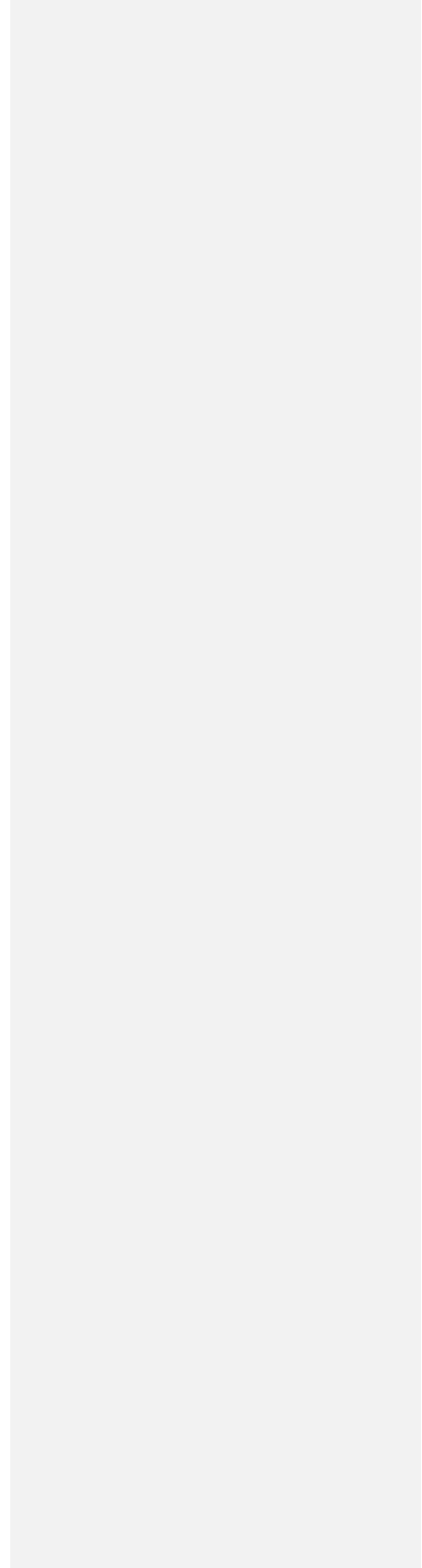
Section 9: Seller Category

Seller is a Category 2 seller in the Central and Northeast regions, and a Category 1 seller in the Southeast, Southwest Power Pool, Southwest, and Northwest regions, as those categories are defined in 18 C.F.R. § 35.36(a).

ATTACHMENT B

Redlined version of the MidAmerican Energy Company
Market-Based Rate Tariff, FERC Volume No. 9

MIDAMERICAN ENERGY COMPANY
MARKET-BASED RATE TARIFF



Section 1: Availability

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New York: Seller offers regulation and frequency response service, and operating reserve service (which include 10-minute non-synchronous, 30-minute operating reserves, 10-minute spinning reserves, and 10-minute non-spinning reserves) for sale to purchasers in the market administered by the New York Independent System Operator, Inc.

New England: Seller offers regulation and frequency response service (automatic generator control), operating reserve service (which includes 10-minute spinning reserve, 10-minute non-spinning reserve, and 30-minute operating reserve service) to purchasers within the markets administered by the ISO New England, Inc.

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Section 4: Duration

This Tariff shall continue in effect until terminated or changed and such termination or change becomes effective in accordance with any applicable regulatory requirements.

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Section 9: Seller Category

Seller is a Category 2 seller in the Central and Northeast regions, and a Category 1 seller in the Southeast, Southwest Power Pool, Southwest, and Northwest regions, as those categories are defined in 18 C.F.R. § 35.36(a).