



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

July 14, 2015

VIA ELECTRONIC FILING

Executive Secretary
Iowa Utilities Board
1375 East Court Avenue, Room 69
Des Moines, IA 50319-0069

**FILED WITH
Executive Secretary
July 14, 2015
IOWA UTILITIES BOARD**

RE: MidAmerican Energy Company (INITIAL FILING)

Dear Executive Secretary:

MidAmerican Energy Company (MidAmerican) transmits the accompanying electric tariff sheets for filing.

IUB Electric Tariff No. 2

2nd Revised Sheet No. 344
2nd Revised Sheet No. 345

Canceling 1st Revised Sheet No. 344
Canceling 1st Revised Sheet No. 345

Effective: August 15, 2015

Pursuant to 199 IAC 15.5(3) and Federal Energy Regulatory Commission (FERC) rule 18 CFR § 292.304(c), enclosed herein for filing are revised tariff sheets to update Rate QF – Cogeneration and Small Power Production Facilities, MidAmerican’s tariff rate applicable to qualifying facilities with a design capacity of 100 kilowatts or less. The revised tariff sheets reflect MidAmerican’s current avoided costs for the 12-month period beginning August 2015 calculated using a market dispatch approach. The energy credits reflected in the rate are based on the marginal energy cost data on file with the Board pursuant to 199 IAC 15.3 and FERC Rule 18 CFR 292.302 (biannual PURPA Avoided Cost Report). MidAmerican updated its PURPA Avoided Cost Report on December 17, 2014 in a compliance filing with the Board. The capacity credits have been further updated for this filing based on MidAmerican’s annual calculations of avoided costs prepared for the Illinois Commerce Commission.

While the biannual PURPA Avoided Cost Report called for in 199 IAC 15.3 and 18 CFR 292.302 is not due until 2016, one of MidAmerican’s state regulatory authorities, the Illinois Commerce Commission, requires public utilities subject to its jurisdiction to annually update avoided cost rates by each August 15 by using the data listed in 18 CFR 292.302. Because MidAmerican’s avoided costs in all reports are calculated on system-wide basis, they do not vary between MidAmerican’s state jurisdictions and the data filed for 18 CFR 292.302 is applicable to all of MidAmerican’s electric jurisdictions. In other words, the data filed annually in Illinois is the same as that which would be applicable to Iowa and South Dakota if the biannual PURPA Avoided Cost Report was due in odd-numbered years as well as even-numbered years. In order to provide the

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consistent application of current avoided cost rates in all jurisdictions, MidAmerican is proposing to update its avoided cost tariffs in Iowa and South Dakota. MidAmerican supports its proposed avoided costs for Iowa using the annually-updated report filed with the Illinois Commerce Commission, attached. The information comparable to the biannual PURPA Avoided Cost Report is included in Item No. 4 of Attachment 1.

Attachment 2 includes the proposed rates. These avoided costs represent payments made by MidAmerican to qualifying generating facilities interconnected with MidAmerican in Iowa.

The energy credits in Iowa Rate QF have been effective and unchanged since August 15, 2011 when the current energy credits were approved by order issued in Docket No. TF-2011-0069. The current capacity credits have been effective and unchanged since August 15, 2010. This is because of a series of proceedings challenging the method in which avoided cost rates are developed. MidAmerican made its annual filing to revise capacity and energy credits in 2012 in Docket No. TF-2012-0574 on August 3, 2012. These tariffs were docketed and subjected to extensive review by OCA, Board Staff and Intervenors Environmental Law and Policy Center and the Iowa Environmental Council. Ultimately, on September 11, 2014, the Board approved MidAmerican's proposal to withdraw the proposed tariff sheets.

Withdrawal of the 2012 rate only occurred after the intensive review of avoided costs caused MidAmerican to recalculate its avoided cost rates using a market dispatch approach. Use of this approach was prompted by a review of investor-owned utility avoided costs in an inquiry proceeding initiated by the Board by order issued April 22, 2014. As a result of a workshop held in the investigation proceeding, MidAmerican revised its avoided cost calculation to reflect a market dispatch approach. On November 24, 2014, MidAmerican refiled its Rate QF in Docket No. TF-2014-0320 consistent with the market dispatch approach and requested to withdraw the 2012 proposed rate. This docket, as of this date of this filing, is still pending. MidAmerican therefore proposes to withdraw the prior tariff filing as it has been superseded by the 2015 filing. MidAmerican has simultaneously filed a Motion for Withdrawal with this new tariff filing.

This Electric Cover Letter and accompanying revised tariff sheets are submitted herewith electronically. Please contact me at (563) 333-8382 or dlvotino@midamerican.com if you have any questions.

Sincerely,

/s/ Diane Votino

Diane Votino
Senior Pricing Strategist

Attachments