



MIDAMERICAN ENERGY COMPANY
Schedule of Rates For
Gas Service in Illinois

Ill C. C. No. 2
3rd Revised Sheet No. 19
Canceling 2nd Revised Sheet No. 19

Applicable to All Rates

RIDER NO. 10 ENERGY EFFICIENCY COST RECOVERY ADJUSTMENT

APPLICABILITY:

This rider is designed to recover reasonable energy efficiency costs pursuant to the provisions of Section 8-408 of the Public Utilities Act (Act), 220 ILCS 5/8-408 that became effective on January 1, 2008. Such costs shall be permitted to be recovered through this adjustment clause rider once it is approved by the Illinois Commerce Commission (Commission), applicable to each therm of natural gas delivered in the Company's service area, including, but not limited to:

1. Deliveries by the Company to tariffed services retail customers.
2. Deliveries by the Company pursuant to special contracts or other negotiated arrangements to retail customers located in the Company's service area,

DEFINITIONS:

1. **Effective Period** - Effective Period means the period during which the EECR factors, the recovery mechanism for energy efficiency costs, are applied to delivered therms. The Effective Period begins with the first monthly billing period after the EECR factors are reported.
2. **EE Programs** - EE Programs mean activities and programs that are developed, implemented, or administrated by or for the Company related to energy efficiency plans approved by the Commission pursuant to Section 8-408 of the Act.
3. **Program Year** - Program Year means the twelve-month period ending December 31 for which the EE Programs costs and EECR revenues are to be reconciled. For the initial Program Year, the period will be June 1, 2008 through December 31, 2008.

Issued: February 13, 2008

Effective: June 1, 2008

Asterisk (*) indicates change.

Issued by: Naomi G. Czachura
Vice President

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RIDER NO. 10 ENERGY EFFICIENCY COST RECOVERY ADJUSTMENT (Cont.)

DETERMINATION OF EECR FACTORS:

EECR factors will be added to distribution charges for the purpose of billing. Separate EECR factors will be calculated for residential and non-residential customers.

The cost recovery factors will be determined as follows:

$$EECR_c = \frac{EXP_c - E_c - R_c}{S_c} \pm A_c$$

Where:

EECR = Energy efficiency cost recovery factor in cents per therm, rounded to the nearest \$0.00001, to be applied to each therm delivered to each retail customer for each customer class, c.

c = Customer class: Residential and Non-Residential.

EXP = Estimated costs expected to be incurred during the Program Year for Commission-approved EE Programs by class that are not recovered through other tariffs. These EE Programs costs include the following:

1. Fees, charges, billings, or assessments.
2. Costs or expenses associated with equipment, devices, or services that are purchased, provided, installed, operated, maintained, or monitored.
3. All legal, contractor, and consultant fees and charges.
4. Incremental expenses for wages, salaries, and benefits of employees hired specifically for positions related to EE Programs and that are not recovered in Company's tariffs.
5. Other costs, charges, fees, billings, or assessments as approved by Commission.

E = Embedded costs identified as online audit services.

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R = Reimbursements of any costs received during the calendar year associated with Commission-approved energy efficiency programs not otherwise credited through this cost recovery adjustment.

A = Adjustments, in cents per therm, rounded to the nearest \$0.00001 per therm, including, but not limited to:

- 1) reconciliation of over/under collections for the previous year, or
- 2) other adjustments approved by the Commission

Such adjustments shall be calculated using the forecasted therm sales for the remainder of the Program Year or other approved cost-recovery period.

S = Forecasted therm sales for the Program Year.

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RIDER NO. 10 ENERGY EFFICIENCY COST RECOVERY ADJUSTMENT (Cont.)

ANNUAL RECONCILIATION:

The EECR factors shall be updated annually, reported by December 20 to be effective for January billing.

On or before February 15, the Company will reconcile EECR factor revenues with recorded EE Programs costs for the Program Year. Such over/under recoveries shall be used to calculate an adjustment to the current EECR factors, effective with April billing. Such adjustment may be calculated based on the forecasted therm sales for the remaining Program Year or other approved cost-recovery period.

Costs incurred as a result of multiple-year agreements entered into with customers in conjunction with EE Program participation prior to the cessation of those programs may be included in the annual reconciliation after the cessation of EE Programs as long as such agreements remain in effect.

Additionally, the resulting EECR factors may be updated, if necessary by Commission order following the annual report proceeding. These updates shall reflect expected energy efficiency expense and forecasted therm sales.

Notwithstanding the provisions of the previous paragraph, the Company may revise the EECR factors if the Company determines revised EECR factors result in a better match between revenues and incurred costs for EE Programs. The company must report to the Commission such revised EECR factors no later than the 20th day of the month immediately preceding the monthly billing period during which such revised EECR factors become effective. The revised EECR factors shall be determined in accordance with the equation in this rider.

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RIDER NO. 10 ENERGY EFFICIENCY COST RECOVERY ADJUSTMENT (Cont.)

ANNUAL AUDIT REPORT:

An annual report will be filed with the Commission by April 1 of each year beginning in 2009. The report will include testimony setting forth the revenue collected under the EECR rider and the Company's EE Programs costs for the Program Year compared to Commission approved spending limits.

The annual report will also include a report to the Manager of the Accounting Department of the Commission of the results of an internal audit that includes, but is not limited to:

1. A test that costs recovered through EECR factors are associated with the Commission approved programs and not recovered through other approved tariffs.
2. A test of customer bills that EECR factors are being properly billed to customers.
3. A test that EECR factor revenues are properly stated.
4. A test that any reimbursements of costs are being identified and recorded properly to be reflected in the calculations of the rates and reconciliations.

Upon the Company filing the annual report, the Commission shall initiate a proceeding to review the reconciliation of any amounts collected under the EECR rider with the actual EE Programs costs and to determine any resulting adjustment to the annual tariff factor. The Commission shall make a determination within 90 days after the date the proceeding is initiated.

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MIDAMERICAN ENERGY COMPANY
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Ill C. C. No. 2
Original Issue Sheet No. 19.50

RIDER NO. 10 ENERGY EFFICIENCY COST RECOVERY ADJUSTMENT (Cont.)

FINAL RECONCILIATION:

Notwithstanding the cessation of the programs, the Company will file a final reconciliation of the amounts collected as compared to the actual costs and continue the resulting factor until any over- or under-recovery approaches zero. If the ending balance results in a surcharge or refund of less than \$0.00001 per therm, any such over-recovery shall be donated to an energy assistance program serving customers in the Company's service area and any such under-recovery shall be written off the company's books. The Company will file a final report to the Commission after the final disposition.

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Ill C. C. No. 2
17th Revised Information Sheet
Supplemental to Sheet No. 19
Canceling 16th Revised Information Sheet

The adjustment of gas charges under the provisions of Rider No. 10, Energy Efficiency Cost Recovery Adjustment, to be effective with service rendered beginning June 2008, shall be as follows:

<u>Residential</u>	<u>Non-Residential</u>
\$ 0.02923 /therm	\$ 0.00701 /therm

Residential – Rate 60

Non-Residential – Rates 70, 80, 87, and 85