

08-0108

MidAmerican Energy Company

Annual Energy Efficiency Reconciliation Report

For the Illinois Commerce Commission

March 20, 2009



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COMMERCE COMMISSION
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Executive Summary

MidAmerican Energy Company's (MidAmerican or "Company") Annual Energy Efficiency Reconciliation Report (Report) summarizes the 2008 Energy Efficiency program results. Also included with this Report are the electric and gas reconciliation schedules that outline the program expenditures and the cost recoveries from the gas and electric Energy Efficiency Cost Recovery Adjustment Riders (EECR). *See* Exhibit 1, Illinois Electric Reconciliation and Exhibit 2, Illinois Gas Reconciliation.

Background

On June 1, 2008, MidAmerican began offering energy efficiency programs (EE) in its Illinois service territory pursuant to Illinois Commerce Commission (Commission) Order on May 21, 2008, in Docket Nos. 08-0107 and 08-0108 (Consolidated). The initial Program Year for this Report is June 1, 2008 through December 31, 2008. The EE Programs covered for this Program Year are the EE Programs approved by the Commission in Docket Nos. 08-0107 and 08-0108 (Consolidated).

Summary of 2008 Electric and Gas EECR Recoveries and Expenditures

The attached reconciliation schedules show the 2008 EE costs, recoveries and revised EECR factors for both gas and electric. *See* Exhibit 1, Illinois Electric Reconciliation and Exhibit 2, Illinois Gas Reconciliation. Page 1 of Exhibits 1 and 2 shows the actual EECR recoveries by customer class for June 2008 through December 2008. These numbers are derived from the company's internal reports generated from the Customer Service System (CSS). Page 2 of Exhibits 1 and 2 outline the estimated total budgeted costs from Table 2 of the EE plan. *See* EE Plan, Executive Summary, Table 2, page A1-5. Column (b) includes the 2008 total budgeted dollars and Column (c) includes

the total EE actual costs. Lines 7 and 16 from Exhibit 1 and Lines 6 and 14 from Exhibit 2 show the deduction of energy efficiency costs embedded in MidAmerican's current rates.

MidAmerican does not recover embedded costs through the EECR factor. These costs include 2007 costs incurred for pre-existing Illinois energy efficiency programs, MidAmerican's on-line energy audit program (Aclara), and MidAmerican's current Rider No. 4 Curtailment Service. The costs embedded in base rates are memorialized in electric Rider No. 2, Sheet No. 17.40 and gas Rider No. 10, Sheet No. 19.40.

As outlined in MidAmerican's Accounting Plan and Procedures, the total actual EE costs are derived from the Company's Management Information System (MIS). *See* EE Plan, Accounting Plan and Procedures, pages D2-1 through D2-7. MidAmerican separated costs by programs, cost category and resource using project numbers, subnumbers and cost elements. The project numbers were used to indicate the EE program for which the costs are being incurred. For example, project subnumbers were used to designate the category of costs, such as planning, administration, customer incentives. Cost elements were used to indicate the type of cost such as labor, transportation and non-labor voucher costs. Wherever possible, invoices for Illinois energy efficiency expenditures were prepared separately from those for Iowa. Where this was not possible, costs were allocated between the states. The majority of invoices were allocated based on total customer count for each state as of May 31, 2008. In a few instances, other allocation methods were used if they were more appropriate.

On page 3 of Exhibits 1 and 2, the 2008 EE cost recoveries from Page 1 are compared with the 2008 EE actual expenditures from Page 2 to derive the under(over)

recoveries for each class. These figures are then divided by the projected April-December sales to compute a reconciliation factor (Factor A) for each class. These reconciliation factors are then added to the current EECR factors to calculate the new EECR factors to go into effect April 1, 2009.

Reasonableness and Prudence of Costs

The costs associated with MidAmerican's Illinois energy efficiency programs are consistent with the EE Plan filed with the Commission and reasonable and prudent. As indicated in the initial EE Plan filing, fees; charges; billings; costs and expenses associated with equipment, devices, or services, including contracted services and/or consultative services, are based on competitive bidding processes and procedures developed and consistently administered by the Company's procurement and supply chain department.

MidAmerican's procurement and supply chain processes and procedures include a requirement to re-bid contracts at regular intervals (i.e., usually about every three years) to ensure that fees and charges related to the EE programs and costs and expenses related to equipment and services for the EE programs are competitively priced and, therefore, cost effective for Illinois customers.

MidAmerican also regularly monitors and examines its expenses for wages, salaries and benefits of all employees, including those engaged in energy efficiency activities. Additionally, MidAmerican followed its internal accounting procedures and ensured that "incremental costs [will] not include any expenses for wages, salaries and benefits of Company employees, employed either before or after the effective date of Section 8-408 of the Act, that are otherwise recovered under other approved tariffs."

It is also important to note that MidAmerican continues to monitor its Illinois EE programs as they mature, and the Company will take appropriate steps to improve program performance. Monitoring and evaluation is a key aspect of the EE programs and help ensure that the EE expenditures are reasonable and prudent.

As explained further below, MidAmerican exceeded its natural gas EE program expenditures by four percent. However, as the Company indicated in its initial filing on page D3-2, “[f]or any program and any year, actual participation and spending may vary substantially from these estimates. For example, pent-up demand or general customer interest may cause some programs to take off right away, and not require the two- to three-year growth period assumed in the budget estimates. Other programs may take longer to become established.” *See* Initial Filing, Implementation Guidelines, page D3-2.

The increased (over) spending on natural gas can be attributed to pent-up customer demand for residential audits and residential equipment, resulting in program expenditures above the amounts allocated to the natural gas budget for those programs. Additionally, the EE dollars spent on the natural gas programs was directly attributable to customers’ desire and demand for home energy audits. It was reasonable to meet that demand since the home energy audit is the entry and introduction for many customers to MidAmerican’s programs. Demand for the home audits beyond the stated goals is a positive sign of acceptance, and once begun, continuity of programs is important to success.

The alternative is to stop offering (i.e., implementing) the residential audit and equipment (rebate) programs mid-year. Experience by a MidAmerican predecessor company with stopping programs mid-year resulted in adverse impacts on customer satisfaction and customer complaints not only to the predecessor company but also to state regulatory agencies. When MidAmerican was formed from its predecessor

companies, program implementation procedures regarding stopping programs mid-year were reviewed and discontinued due to customer complaints.

Moreover, the natural gas savings goals were exceeded showing that customers were able to capitalize on the savings potential identified in the audits.. As noted below, MidAmerican exceeded its natural gas therm savings by about 13% primarily due to pent-up customer demand for residential audits and residential equipment (rebates). *See* the second bullet under “Key Results in 2008” under the section heading “Summary of Energy Savings.”

Summary of MidAmerican’s 2008 Illinois Energy Efficiency Program Spending

Natural Gas EE Program Spending

As indicated on page 2 of Exhibit 2 for MidAmerican’s Illinois Gas Reconciliation, total actual EE program expenditures in 2008 exceeded total budgeted expenditures by about \$32,000 or about 4 percent. Breaking actual program expenditures down by residential and nonresidential customer sectors, residential EE program expenditures exceeded budgeted expenditures by about \$80,000 or about 12 percent. Nonresidential EE program expenditures fell below budgeted program expenditures by about \$49,000 or about 34 percent.

As discussed earlier in this report, residential program performance either was close to or, in the case of the residential audit and residential equipment programs, exceeded filed goals.

Electric EE Program Spending

As indicated on page 2 of Exhibit 1 for MidAmerican’s Illinois Electric Reconciliation, total actual EE program expenditures in 2008 were under-spent compared to total budgeted expenditures by about \$547,000 or about 34 percent. Breaking actual

program expenditures down by residential and nonresidential customer sectors, residential electric EE program expenditures fell below budgeted expenditures by about \$83,000 or about 15 percent. Nonresidential electric EE program expenditures fell below budgeted program expenditures by about \$464,000 or about 43 percent.

While residential electric program performance and spending was close to budgeted expenditures (approximately 85% of budget), success of the residential audit and residential equipment programs, along with relatively good performance of the other residential programs, dominated all residential programs. MidAmerican, however, notes that residential load management was an exception. As explained more fully below, the Company's projection that it would have no program participants or impacts for 2008 due to lack of time to promote the residential load management program prior to the June 1, 2008 implementation date was correct.

Summary of Energy Savings

2008 Activity*

Activity by Measure

	Budgeted	Actual	Variance
Therm savings (all programs)	126,642	143,493	+ 13%
Peak therm savings (")	1,823	1,712	- 6%
kWh savings (")	6,021,280	1,722,440	- 71%
kW savings (")	14,627	7,726	- 53%

* The energy savings reported in the table above are preliminary results; additional analysis is being conducted to determine final results.

Key Results in 2008:

- Natural gas therm savings through year-end 2008 totaled 143,493 therms or about 13 percent above goal. Peak therm savings totaled 1,712 peak therms or about 6 percent below goal. Kilowatt-hour (kWh) savings totaled about 1.7 million kWh or about 71

percent below goal. Kilowatt (kW) savings totaled about 7.7 MW or about 53 percent below goal.

- Natural gas therm savings exceed the filed goal primarily due to customers' pent-up demand for residential energy audits and residential equipment rebates. Natural gas therm savings for all other Illinois EE programs were below goal. Pent-up customer demand for the two primary residential programs had a significant impact on achieving the therm savings goal. However, with the on-going economic difficulties, it is premature during first quarter 2009 to reasonably project year-end 2009 Illinois customer participation in the residential energy audit and high efficiency residential equipment programs (and all other residential natural gas programs).
- Peak therm savings came close to meeting the filed goal (94% of filed goal) through year-end 2008, largely for the same reasons that therm savings exceeded the filed goal: i.e., peak therm savings for the residential audit and residential equipment rebate programs exceeded the filed goals but not quite enough to offset lower performance by the other EE programs.
- Kilowatt-hour (kWh) savings fell short of the filed goals by a substantial margin, about 71 percent. Analyzing the savings by residential and nonresidential customer sectors, residential kWh savings fell short of the filed goal by 31 percent while nonresidential kWh savings fell short of the filed goal by 92 percent. MidAmerican's experience with energy efficiency program savings in Iowa has indicated that generally two-thirds to three-quarters of kWh savings comes from the nonresidential programs. MidAmerican recognizes there is a normal lag in ramping up nonresidential electric programs because electric EE projects in the nonresidential

sector require more time to plan and budget (i.e., matching proposed projects up with the customer's normal budgeting cycle). In addition, the economic slow-down certainly had some negative effect on kWh savings in the nonresidential sector. MidAmerican recognizes the need to increase efforts to promote the benefits of energy efficiency improvements and increase awareness of MidAmerican's nonresidential EE programs among Illinois trade allies (i.e., contractors and equipment dealers of all types) and nonresidential customers.

- Since June 1, 2008, MidAmerican's key account managers have made significant efforts to inform large commercial and industrial customers about the new Illinois programs. For instance, MidAmerican is working with a very large nonresidential customer regarding a major energy efficiency upgrade in their heating, cooling and ventilation equipment. This potential project is so large it may meet or exceed MidAmerican's nonresidential kWh, and possibly kW, goals for 2009 by itself. Further investigation is required to confirm if this project, in fact, will have such a significant impact in 2009. Part of the project is expected to be completed in 2009 while the remainder of the project is expected to be completed in 2010.
- Kilowatt (kW) savings also fell short of the filed goals by a substantial margin, about 47 percent. Breaking the savings down by residential and nonresidential customer sectors, residential kW savings fell short of the filed goal by 24 percent while nonresidential kW savings fell short of the filed goal by 48 percent. The primary factor contributing to the kW goal shortfall was the lack of time to implement, promote and recruit additional program participants in the nonresidential load

management (curtailment) program. As was mentioned earlier in this report, the new Illinois programs were implemented starting June 1, 2008, which coincided with the start date for the 2008 summer peak season of June through September. Normally, there is a significant lead-time required for nonresidential customers (regardless of size) to plan and prepare to participate in a load management (curtailment) program. With the June 1, 2008 start date for the new programs, MidAmerican's nonresidential customers simply did not have sufficient lead-time to consider participation in the 2008 curtailment program. However, even with this limitation, one new Illinois participant with a curtailable load of 250 kW was added to the program in 2008. In addition, one other existing program participant increased its curtailable load by about 1,500 kW.

The 2009 customer recruitment effort regarding the nonresidential load management program is underway. Key account managers are contacting prospective program participants in Illinois and two customers have already requested preliminary information about participation.

Summary of Illinois 2008 Energy Efficiency Program Results by Program

Program summaries

Residential Audit Program

Program Description

This program encourages comprehensive EE improvements in existing homes built before December 31, 1997, by providing free on-site energy audits, installation of free water heating and lighting measures and incentives for insulation. The on-site audit offers unbiased information about energy efficiency improvements to the customer.

During the audit, the auditor installs low-cost measures, including compact fluorescent lamps, faucet aerators, low-flow showerheads, a water heater blanket, hot water pipe insulation and a waterbed mattress pad, if applicable.

The auditor recommends insulation if needed, provides a referral for an insulation contractor if desired by the customer, provides weatherization advice and informs customers of other MidAmerican programs that may help them save energy. MidAmerican offers rebates to customers that install the recommended insulation. In addition, customers can have a programmable thermostat installed for a reasonable and partially subsidized price. HomeCheck[®] is the marketing name for this program.

2008 Activity

Activity by Measure

	Budgeted	Actual	Variance
On-site audits completed	492	1,435	+ 292%
Insulation projects rebated	295	412	+ 40%
CFLs installed during audit	3,304	6,674	+ 202%
CFL lamps rebated	26,069	5,007	- 80%

Key Program Features in 2008

- MidAmerican completed 1,435 on-site home energy audits, exceeding the program participation goal (492) by 292 percent. The Company estimated 2008 (June-December) participation based on experience offering residential energy audits in Iowa. HomeCheck is one of MidAmerican's most successful programs. Program components driving success include a) the audit is free to customers including direct installation of several energy-saving measures, b) the walk-through assessment by the energy auditor gives customers a good idea of follow-up improvements that can be

made, c) if additional insulation is needed, the Company offers very good rebates to assist customers in paying for the additional insulation, and d) the free leave-behind information is an excellent guide to other MidAmerican EE programs, services and information to assist customers who wish to make additional improvements. MidAmerican expected pent-up demand and it certainly materialized. MidAmerican monitors the time between the request for an on-site energy audit and the date the audit is complete to ensure adequate energy auditor capacity is available to meet customer demand.

- MidAmerican provided insulation rebates to 412 customers compared to the filed goal of 295 participants or about 40 percent above the goal. The number of customers who participated in the on-site audit and added more insulation was about 29 percent of the on-site audits. This compares to about 53 percent in Iowa. The 29 percent may be artificially low due to insulation work started in 2008 but not completed and rebated until 2009, thus counting as 2009 program activity. MidAmerican will investigate customer awareness of its insulation rebates and the existing infrastructure in the Quad-City metropolitan area to ensure adequate insulation contractor coverage to meet customer demand.
- In October and November 2008, MidAmerican implemented an Illinois electric service territory-wide retail sales promotion of compact fluorescent light bulbs leveraging the ENERGY STAR® *Change a Light, Change the World* promotion. MidAmerican, through its contractor, Wisconsin Energy Conservation Corporation, worked with Illinois retailers including hardware stores and food stores throughout its Illinois electric service area to provide an in-store instant rebate to utility customers.

The results of the campaign fell well below expectations. About 5,007 CFLs were sold compared to the 2008 goal of 26,069 bulbs. The Company estimated the 2008 CFL goal based on several years of experience with the *Change a Light, Change the World* promotion in Iowa. The Company believes customer purchases of CFLs in Illinois were lower than expected due to lack of customer awareness of the benefits of using CFLs versus incandescent light bulbs. For example, CFLs last much longer and use about one-fourth the energy of an incandescent light bulb; if the proper CFL wattage is selected lumen output is better, there are a variety of CFLs with different color renditions to meet just about any customer lighting situation, etc. Now that the U.S. EPA's *Change a Light, Change the World* promotion has ended, MidAmerican will investigate ways to increase customer awareness of the benefits of purchasing and installing CFLs in place of incandescent light bulbs.

- Compact fluorescent light bulbs (CFLs) that were directly installed free of charge during an on-site residential energy audit in Illinois totaled 6,674 compared to the budgeted goal of 3,022 or about 121 percent over the goal. Because CFLs are directly installed during the audit, they are not affected by lack of customer awareness or level of retailer commitment to the program. The number of direct-installed CFLs also is not affected by the economic slow-down, since the installation is free of charge.

Residential Equipment Program

Program Description

The Residential Equipment program encourages residential customers to purchase high-efficiency space conditioning and water heating equipment in existing or new

housing. The program offers incentives for the following qualifying equipment: central air conditioners, window air conditioners, air-source heat pumps, add-on heat pumps, ground-source heat pumps, desuperheater water heaters, natural gas water heaters, natural gas boilers and natural gas furnaces.

Eligible participants include residential customers who receive electricity or natural gas from MidAmerican. MidAmerican markets the program through a trade ally network of heating, ventilation and air conditioning vendors. All vendors selling and installing high-efficiency equipment are eligible to participate. Customers must provide proof of purchase and other relevant information.

2008 Activity

Activity by Measure

	Budgeted	Actual	Variance
Central A/Cs	247	372	+ 51%
Natural Gas Furnaces	410	529	+ 29%
Natural gas water heaters	52	11	- 79%

Key Program Features in 2008

- For central air conditioners, actual rebates were 51 percent higher compared to the filed goal.
- For gas furnaces, actual rebates were 29 percent higher compared to the filed goal.
- For gas water heaters, actual rebates were about 79 percent below the filed goal, probably due to lack of awareness on the part of plumbing dealers and retailers. MidAmerican will investigate ways to increase dealer and retailer awareness.
- The average SEER for air conditioning equipment in 2008 was 14.44. The average AFUE for high efficiency gas furnaces was 93.5%.

Small Commercial Audit Program

Program Description

The Small Commercial Audit program provides comprehensive services to small business customers, including energy audits, installation of energy-saving measures during the audits, and recommendations and financial incentives to help customers implement energy-saving projects. The recommendations primarily target inefficient lighting and insulation in existing buildings. During the audit, the auditor installs low-cost, energy-saving measures, including compact fluorescent lamps, light emitting diode (LED) exit retrofit kits and lamps, faucet aerators, low-flow showerheads, occupancy sensors, water pipe insulation and refrigerated vending machine controls.

Two program contractors, A-TEC Energy and The Energy Group, perform the audits. The program targets small building owners, property managers and tenants and is marketed under the name BusinessCheck®.

2008 Activity

Activity by Measure

	Budgeted	Actual	Variance
Energy audits completed	28	71	+ 154%
Direct Install measures	280	259	- 7%
Follow-up measures	144	348	+ 142%

Key Program Features in 2008

- Actual customer participation in small commercial audits and installation of follow-up measures (e.g., lighting measures and HVAC upgrades) exceeded the filed goals.
- Actual customer participation in direct install measures came close to meeting the filed program goal (i.e., 93%).

- While actual direct install measures fell just short of the filed goal, MidAmerican is pleased with the overall performance of the Small Commercial Audit Program during 2008.

Results of other Energy Efficiency Programs offered to Illinois Customers

- Other Residential Programs:
 - Residential Load Management: as of March 1, 2009, about 950 Illinois residential customers have signed up to participate for direct load control of their central air conditioners. The goal is 1,324 participants for 2009.
 - Low Income: for 2008, MidAmerican projected participation of 10 low-income households. Actual participation through year-end 2008 totaled 21 households or more than double, the filed goal. We continue working with Project Now, the local community action agency to encourage low-income weatherization efforts.
 - New construction: MidAmerican projected nine new homes. Through year-end 2008, there were two participants.
- Other nonresidential programs:
 - Non-residential equipment, custom and small commercial audit measures: MidAmerican projected 961 electric measures would be installed in 2008. Actual electric measures installed totaled 423 measures or 50 percent below goal. MidAmerican projected 423 natural gas measures would be installed in 2008. Actual natural gas

measures installed totaled 524 measures or about 24 percent above goal.

- Commercial new construction: MidAmerican projected five enrollees in the program in 2008. Actual program enrollees totaled three, including a new North American corporate headquarters for a local manufacturing company.
- Non-residential load management: MidAmerican projected six cumulative participants in the program (three existing and three new participants). Actual cumulative participants totaled four with only one new participant due to the June 1 implementation date for the new Illinois programs. Usually, solicitation of new program participants starts in late February with the curtailment season beginning June 1. By that date, it is generally too late for customers to plan and prepare to participate. However, one existing participant increased its curtailable contract load by about 1,500 kW.

Conclusions Regarding MidAmerican's 2008 EE Program Performance

Generally, MidAmerican is pleased with the overall performance of its new Illinois EE programs during the initial June 1 through December 31, 2008 period. The new residential programs, dominated by performance of the residential audit and residential equipment (rebate) programs, performed close to filed goals. In addition, although nonresidential programs, both electric and gas, under-performed during 2008, there were some predictable (normal lag of nonresidential programs during the ramp-up

phase of a new EE plan) and some non-controllable factors (e.g., the significant economic downturn) that contributed to the under-performance.

As MidAmerican's Illinois residential EE programs continue to mature, the Company will monitor certain programs and take appropriate steps to improve program performance. The residential audit and residential equipment programs will be monitored closely to see how on-going pent-up demand impacts program participation, energy savings and program spending compared to goal. While it maybe gratifying to see significant program success, as other residential programs ramp-up and more closely track filed goals, excessive program participation and spending can increase customer bills beyond an acceptable level. If significantly higher than budgeted demand for residential audits and equipment rebates continues, MidAmerican and the Commission Staff should review appropriate steps regarding delivery of some of the programs.

MidAmerican will continue to work to increase awareness of the existence of MidAmerican's new Illinois EE programs and their associated benefits among both customers and trade allies. While significant progress was made between the June 1, 2008 start date and year-end for the new Illinois programs in terms of making presentations to both customer and trade ally groups, more effort is needed regarding nonresidential customers, especially small and mid-sized customers, and trade allies who sell energy-using equipment and systems to nonresidential customers. Due to the economic slow-down it may be some time before meaningful program participation and energy savings can be achieved in the residential and commercial new construction programs. MidAmerican will monitor actions planned and/or taken at both the federal

and state levels (e.g., the federal stimulus package) to better project when the new construction programs may begin to show results that are more positive.

MidAmerican will continue its commitment to work with local and state officials as well as regulatory agencies to ensure appropriate performance and reporting regarding the Company's new Illinois energy efficiency programs. MidAmerican remains firmly committed to implementing the Illinois EE programs in a way to increase customer satisfaction.

**MidAmerican Energy Company
Illinois Electric Reconciliation
Contemporaneous Costs
Energy Efficiency Cost Recoveries
June - December 2008**

Line No.	Month	Residential	Nonresidential	Total
	(a)	(b)	(c)	(e)
1.	Jun-08	63,177	117,705	180,882
2.	Jul-08	92,172	151,191	243,363
3.	Aug-08	89,668	144,673	234,341
4.	Sep-08	76,132	148,085	224,217
5.	Oct-08	63,715	131,311	195,026
6.	Nov-08	56,631	103,968	160,599
7.	Dec-08	77,289	134,362	211,651
8.	Total	<u>\$ 518,784</u>	<u>\$ 931,295</u>	<u>\$ 1,450,079</u>

Note: Line 8 is carried forward to Column (b) of Exhibit 1, Page 3 of 3

**MidAmerican Energy Company
Illinois Electric Reconciliation
Prior Year Over(Under) Expenditures**

Line No.	Item (a)	Total Budgeted (b) (1)	Total Actual (c)	Variance (d) (c) - (b)
Residential				
1.	Residential New Construction	\$ 68,000.00	\$ 14,249.54	\$ (53,750.46)
2.	Residential Low-Income	29,000.00	14,423.32	(14,576.68)
3.	Residential Audit	153,000.00	201,444.76	48,444.76
4.	Residential Equipment	171,000.00	211,610.53	40,610.53
5.	Residential Load Management	122,000.00	17,857.71	(104,142.29)
6.	Total Residential Costs	<u>543,000.00</u>	<u>459,585.86</u>	<u>(83,414.14)</u>
7.	Less Embedded Costs (2)	<u>3,427.00</u>	<u>3,427.00</u>	
8.	Costs to be recovered through ECR	<u>539,573.00</u>	<u>456,158.86</u>	
Nonresidential				
9.	Nonresidential Equipment	146,000.00	97,328.15	(48,671.85)
10.	Nonresidential Custom	44,000.00	12,176.32	(31,823.68)
11.	Small Commercial Audit	35,000.00	54,743.84	19,743.84
12.	Nonresidential Energy Analysis	68,000.00	76,921.11	8,921.11
13.	Commercial New Construction	124,000.00	25,628.86	(98,371.14)
14.	Nonresidential Load Management	<u>652,000.00</u>	<u>338,503.03</u>	<u>(313,496.97)</u>
15.	Total Nonresidential Costs	<u>1,069,000.00</u>	<u>605,301.31</u>	<u>(463,698.69)</u>
16.	Less Embedded costs (3)	<u>166,617.00</u>	<u>166,617.00</u>	
17.	Costs to be recovered through ECR	<u>902,383.00</u>	<u>438,684.31</u>	
18.	Total Plan Costs to be recovered through ECR	<u>\$ 1,441,956.00</u>	<u>\$ 894,843.17</u>	<u>\$ (547,112.83)</u>

(1) See Table 2 from Docket No. 08-0107/108 (Consol.)

(2) Residential Audit - Factor E

(3) Small Commercial Audit (\$117) and Nonresidential Load Management (\$166,500) - Factor E

Note: Lines 8 and 17 Column (c) are carried forward to Column (c) of Exhibit 1, Page 3 of 3

**MidAmerican Energy Company
Illinois Electric Reconciliation
Calculation of Electric EECR Factors**

Line No.	Item	2008 Cost Recoveries	2008 Actual Expenditures	(Over)/Under Recovery	Projected April-Dec 2009 Sales (kWh)	Reconciliation Factor (Factor A)	Current Factor	Apr-Dec 2009 EECR Factor
	(a)	(b)	(c)	(d) (c) - (b)	(e)	(f) (d)/(e)	(g)	(h) (f)+(g)
1.	Residential	\$ 518,784	\$ 456,159	\$ (62,625)	473,318,522	\$ (0.00013)	\$ 0.00162	\$ \$0.00149
2.	Nonresidential	<u>931,295</u>	<u>438,684</u>	<u>(492,611)</u>	987,234,546	(0.00050)	0.00107	\$0.00057
3.	Total	<u>\$ 1,450,079</u>	<u>\$ 894,843</u>	<u>\$ (555,236)</u>				

Note: Column (b) is from line 8 of page 1 of 3
Column (c) is from lines 8 and 17 of page 2 of 3

**MidAmerican Energy Company
Illinois Gas Reconciliation
Energy Efficiency Cost Recoveries
June 2008 - December 2008**

Line No.	Month	Residential	Nonresidential	Total
	(a)	(b)	(c)	(d)
1.	Jun-08	\$ 40,482	\$ 3,931	\$ 44,413
2.	Jul-08	31,458	13,392	44,850
3.	Aug-08	26,239	13,216	39,455
4.	Sep-08	28,897	13,780	42,677
5.	Oct-08	49,954	15,336	65,290
6.	Nov-08	99,486	22,053	121,539
7.	Dec-08	<u>232,569</u>	<u>41,224</u>	<u>273,793</u>
8.	Total	<u>\$ 509,085</u>	<u>\$ 122,932</u>	<u>\$ 632,017</u>

Note: Line 8 is carried forward to Column (b) of Exhibit 2, Page 3 of 3

**MidAmerican Energy Company
Illinois Gas Reconciliation
Prior Year Over(Under) Expenditures**

Line No.	Item (a)	Total Budgeted (b) (1)	Total Actual (c)	Variance (d) (c) - (b)
Residential				
1.	Residential New Construction	\$ 121,000.00	\$ 35,737.18	\$ (85,262.82)
2.	Residential Low-Income	64,000.00	51,813.47	(12,186.53)
3.	Residential Audit	258,000.00	434,401.08	176,401.08
4.	Residential Equipment	217,000.00	219,200.29	2,200.29
5.	Total Residential Costs	<u>660,000.00</u>	<u>741,152.02</u>	<u>81,152.02</u>
6.	Less Embedded Costs (2)	<u>7,995.00</u>	<u>7,995.00</u>	
7.	Costs to be recovered through ECR	<u>652,005.00</u>	<u>733,157.02</u>	
Nonresidential				
8.	Nonresidential Equipment	22,000.00	16,276.99	(5,723.01)
9.	Nonresidential Custom	43,000.00	16,258.62	(26,741.38)
10.	Small Commercial Audit	52,000.00	48,571.13	(3,428.87)
11.	Nonresidential Energy Analysis	8,000.00	8,543.34	543.34
12.	Commercial New Construction	20,000.00	6,594.03	(13,405.97)
13.	Total Nonresidential Costs	<u>145,000.00</u>	<u>96,244.11</u>	<u>(48,755.89)</u>
14.	Less Embedded Costs (3)	<u>116.00</u>	<u>116.00</u>	
15.	Costs to be recovered through ECR	<u>144,884.00</u>	<u>96,128.11</u>	
16.	Total Plan Costs to be recovered through ECR	<u>\$ 796,889.00</u>	<u>\$ 829,285.13</u>	<u>\$ 32,396.13</u>

(1) See Table 2 from Docket No. 08-0107/108 (Consol.)

(2) Residential Audit - Factor E

(3) Small Commercial Audit - Factor E

Note: Lines 7 and 15 Column (c) are carried forward to Column (c) of Exhibit 2, Page 3 of 3

MidAmerican Energy Company
Illinois Gas Reconciliation
Calculation of Gas EECR Factors

Line No.	Item	2008 Cost Recoveries	2008 Actual Expenditures	(Over)/Under Recovery	Projected April-Dec 2009 Sales (therms)	Reconciliation Factor (Factor A)	Current Factor	Apr-Dec 2009 EECR Factor
	(a)	(b)	(c)	(d) (c) - (b)	(e)	(f) (d)/(e)	(g)	(h) (f)+(g)
1.	Residential	\$ 509,085	\$ 733,157	\$ 224,072	26,782,462	\$ 0.00837	\$ 0.02015	\$ 0.02852
2.	Nonresidential	<u>122,932</u>	<u>96,128</u>	<u>(26,804)</u>	31,147,773	(0.00086)	0.00469	\$0.00383
3.	Total	\$ <u>632,017</u>	\$ <u>829,285</u>	\$ <u>197,268</u>				

Note: Column (b) is from line 8 of Exhibit 2, Page 1 of 3
Column (c) is from lines 7 and 15 of Exhibit 2, Page 2 of 3

2009 IL Gas Sales Forecast

	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Total	
Electric														
	62,384,410	52,175,668	53,440,245	40,876,396	38,234,632	50,032,618	65,310,505	74,697,708	57,468,043	47,271,506	43,894,865	56,904,089		
	(213,044)	(179,278)	(173,246)	(149,266)	(139,102)	(125,397)	(121,728)	(146,192)	(134,345)	(187,291)	(170,941)	(197,578)		April-December
Residential	<u>62,171,366</u>	<u>51,996,390</u>	<u>53,266,999</u>	<u>40,727,130</u>	<u>38,095,530</u>	<u>49,907,221</u>	<u>65,188,777</u>	<u>74,551,516</u>	<u>57,333,698</u>	<u>47,084,215</u>	<u>43,723,924</u>	<u>56,706,511</u>	<u>640,753,277</u>	473,318,522
	37,098,202	32,335,669	37,695,758	31,520,183	33,752,705	38,699,093	40,449,557	44,020,010	39,413,255	35,852,811	29,707,800	35,171,628		
	55,316,172	37,688,429	64,195,848	50,467,870	55,591,229	59,809,591	57,999,745	64,576,071	57,801,364	54,578,692	52,318,195	56,595,869		
	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000		
	14,395,000	13,918,100	15,611,700	14,410,700	15,552,600	16,295,600	16,827,000	17,582,700	17,179,600	15,524,700	14,148,900	14,772,500		
	(479,757)	(394,864)	(398,637)	(329,076)	(308,706)	(279,311)	(269,606)	(304,831)	(302,975)	(389,945)	(394,184)	(405,031)		
	(3,929)	(318)	(6,190)	(2,863)	(2,415)	(2,382)	(2,821)	(2,804)	(2,990)	(3,611)	(4,297)	(4,487)		
	(44,092)	(38,699)	(36,590)	(30,797)	(28,250)	(25,768)	(24,720)	(33,356)	(21,645)	(43,706)	(34,658)	(30,187)		
Non-residential	<u>107,381,596</u>	<u>84,608,317</u>	<u>118,161,888</u>	<u>97,136,017</u>	<u>105,657,163</u>	<u>115,596,823</u>	<u>116,079,155</u>	<u>126,937,790</u>	<u>115,166,609</u>	<u>106,618,941</u>	<u>96,841,756</u>	<u>107,200,292</u>	<u>1,297,386,347</u>	987,234,546
Gas														
Residential	<u>10,282,378</u>	<u>7,678,924</u>	<u>5,678,332</u>	<u>4,363,320</u>	<u>2,363,825</u>	<u>1,046,323</u>	<u>897,191</u>	<u>915,843</u>	<u>894,911</u>	<u>2,233,899</u>	<u>5,209,803</u>	<u>8,857,346</u>	<u>50,422,095</u>	26,782,462
	4,563,826	3,130,055	2,870,108	1,768,486	736,237	622,651	837,418	748,580	588,913	894,274	2,112,418	3,533,503		
	249,133	135,296	159,322	145,888	65,000	13,575	147,376	83,023	96,388	105,057	131,298	428,217		
	3,758,738	3,849,104	2,719,333	2,233,299	1,642,814	1,467,894	1,536,563	1,591,112	1,487,842	1,985,625	2,887,973	3,204,252		
	11,088	11,914	9,148	5,184	3,069	630	576	426	741	1,396	4,644	8,461		
	-	-	-	-	-	-	-	2,297	-	-	-	-		
	10,755	9,240	7,032	5,046	3,195	2,429	1,626	1,311	1,452	947	3,077	5,591		
Non-residential	<u>8,593,541</u>	<u>7,135,608</u>	<u>5,764,943</u>	<u>4,157,903</u>	<u>2,450,315</u>	<u>2,107,179</u>	<u>2,523,560</u>	<u>2,426,749</u>	<u>2,175,335</u>	<u>2,987,299</u>	<u>5,139,410</u>	<u>7,180,024</u>	<u>52,641,865</u>	31,147,773

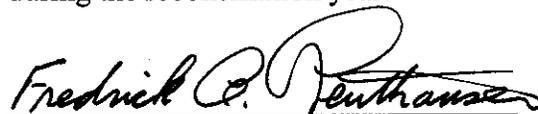
STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION

MidAmerican Energy Company
Annual Energy Efficiency Reconciliation Report
For the Illinois Commerce Commission
March 20, 2009

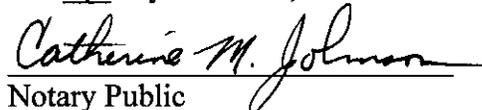
VERIFICATION

STATE OF IOWA)
) SS
COUNTY OF SCOTT)

I, Fredrick A. Leuthauser, being first duly sworn on oath, hereby state that I am Manager, Energy Efficiency for MidAmerican Energy Company and verify that the report and accompanying documents filed in the Annual Energy Efficiency Reconciliation Report compose the annual energy efficiency reconciliation statement for the year 2008 of MidAmerican Energy Company and that the same includes schedules setting forth (1) the costs recoverable through the Energy Efficiency Cost Recovery Charge during the reconciliation year, as adjusted by applicable factors, and (2) the revenues arising through the application of the Energy Efficiency Cost Recovery to applicable kilowatt hours and therms during the reconciliation year.


Fredrick A. Leuthauser

Subscribed and sworn to before me
this 17th day of March, 2009.


Notary Public



STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION

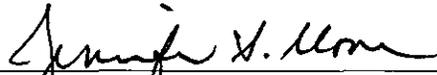
MidAmerican Energy Company
Annual Energy Efficiency Reconciliation Report
For the Illinois Commerce Commission
March 20, 2009

Notice of Filing

PLEASE TAKE NOTICE that on this date MidAmerican Energy Company has filed with the Clerk of the Illinois Commerce Commission, 527 E. Capitol Avenue, Springfield, Illinois 62701, its Annual Energy Efficiency Reconciliation Report.

DATED this 19th day of March, 2009.

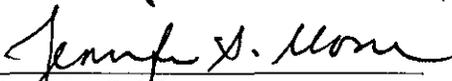
By:



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CERTIFICATE OF SERVICE

And hereby certify that copies of the foregoing were served electronically to all parties of record in Docket Nos. 08-0107 and 08-0108 (Consol.) on this 19th day of March, 2009.


Jennifer S. Moore