

SECTION 285.4030  
 REVISED SCHEDULE D-3  
 Embedded Cost of Long-term Debt, including Notes  
 Test Year Ending December 31, 2008  
 Utility: MidAmerican Energy Company  
 Docket No. 09 - 0312

Individual Responsible: J. M. Behrens

<u>Issue Type and Coupon Rate</u> (a)	<u>Issue Date</u> (b)	<u>Maturity Date &amp; Conclusion of Amort'n Period</u> (c)	<u>Interest Rate</u> (d)	<u>Principal Amount</u> (e)	<u>Unamort. Debt Disc. Or Prem.</u> (f)	<u>Unamort. Debt Expense</u> (g)	<u>Unamort. Loss on Reacquired Debt</u> (h)	<u>Unamort. Gain on Reacquired Debt</u> (i)	
<u>General Mortgage Bonds</u>									
1	9.75% due 2009	9/1/1979	8/31/2009	9.750%	\$ -	\$ -	\$ -	\$ 42,586	\$ -
2	Total General Mortgage Bonds				\$ -	\$ -	\$ -	\$ 42,586	\$ -
<u>First Mortgage Bonds</u>									
3	7.625% due 2005	1/15/1980	12/31/2022	7.625%	\$ -	\$ -	\$ -	\$ 94,066	\$ -
4	5.80% due 2007	10/1/1977	12/31/2024	5.800%	-	-	-	83,778	-
5	8.25% due 2007	1/15/1977	2/28/2023	8.250%	-	-	-	602,001	-
6	7.75% due 2010	1/15/1980	12/31/2015	7.750%	-	-	-	44,284	-
7	FRMD due 2014	12/28/1983	9/30/2016	floating	-	-	-	83,176	-
8	FRMD due 2015	12/5/1985	9/30/2016	floating	-	-	-	62,316	-
9	8.50% due 2017	3/3/1987	9/30/2025	8.500%	-	-	-	1,720,271	-
10	10% due	7/1/1982	4/30/2017	10.000%	-	-	-	112,816	-
11	11% Note	7/1/1980	8/31/2015	11.000%	-	-	-	1,596	-
12	11.375% due	10/1/1981	9/30/2016	11.375%	-	-	-	291,050	-
13	Total First Mortgage Bonds				\$ -	\$ -	\$ -	\$ 3,095,354	\$ -

The two FRMD bonds referenced above on lines 7 and 8 were retired in October, 1986. These floating rate monthly demand first mortgage bonds were issued with a floating rate provision. At the time they were retired, a predecessor company, Iowa-Illinois Gas and Electric Company, began amortizing the loss on their related unamortized debt issuance expense and debt discount over the life of the new issue, which continues today. The reference to "floating" interest rate shown in column (d) above relates to the original FRMD bonds, now retired, and is not relevant to any interest currently being paid on long-term debt.

<u>Issue Type and Coupon Rate</u>	<u>Carrying Value</u>	<u>Annualized Coupon Interest</u>	<u>Annualized Amort. Disc/Prem</u>	<u>Annualized Amort. Debt Expense</u>	<u>Annualized Interest Expense</u>	<u>Embedded Cost of Long Term Debt</u>
(a)	(j)	(k)	(l)	(m)	(n)	(o)
<u>General Mortgage Bonds</u>						
1 9.75% due 2009	\$ (42,586)	\$ -	\$ -	\$ 63,879	\$ 63,879	
2 Total General Mortgage Bonds	\$ (42,586)	\$ -	\$ -	\$ 63,879	\$ 63,879	
<u>First Mortgage Bonds</u>						
3 7.625% due 2005	\$ (94,066)	\$ -	\$ -	\$ 6,719	\$ 6,719	
4 5.80% due 2007	(83,778)	-	-	5,236	5,236	
5 8.25% due 2007	(602,001)	-	-	42,494	42,494	
6 7.75% due 2010	(44,284)	-	-	6,326	6,326	
7 FRMD due 2014	(83,176)	-	-	10,732	10,732	
8 FRMD due 2015	(62,316)	-	-	8,041	8,041	
9 8.50% due 2017	(1,720,271)	-	-	102,703	102,703	
10 10% due	(112,816)	-	-	13,538	13,538	
11 11% Note	(1,596)	-	-	239	239	
12 11.375% due	(291,050)	-	-	37,555	37,555	
13 Total First Mortgage Bonds	\$ (3,095,354)	\$ -	\$ -	\$ 233,583	\$ 233,583	

<u>Issue Type and Coupon Rate</u> (a)	<u>Issue Date</u> (b)	<u>Maturity Date &amp; Conclusion of Amort'n Period</u> (c)	<u>Interest Rate</u> (d)	<u>Principal Amount</u> (e)	<u>Unamort. Debt Disc. Or Prem.</u> (f)	<u>Unamort. Debt Expense</u> (g)	<u>Unamort. Loss on Reacquired Debt</u> (h)	<u>Unamort. Gain on Reacquired Debt</u> (i)	
<u>Pollution Control Bonds</u>									
1	Louisa Adj Rate due 2024	10/01/94	10/01/24	Adjustable	34,900,000	-	135,328	387,948	-
2	IDFA Adj Rate due 2016	03/17/93	01/01/16	Adjustable	4,200,000	-	33,307	-	-
3	Louisa Adj Rate due 2016	09/01/86	09/01/16	Adjustable	29,500,000	-	106,574	-	-
4	Louisa Adj Rate due 2017	04/02/87	03/01/17	Adjustable	3,900,000	-	19,310	-	-
5	Chillicothe Adj Rate due 2023	03/17/93	01/01/23	Adjustable	6,850,000	-	83,087	-	-
6	Co. Bluffs Adj Rate due 2025	01/01/95	01/01/25	Adjustable	12,750,000	-	102,472	-	-
7	PC var rate IFA, due 2038, A	07/01/08	07/01/38	Adjustable	45,100,000	-	349,444	-	-
8	PC var rate IFA, due 2038, B	07/01/08	05/01/23	Adjustable	57,325,000	-	298,290	687,101	-
9	Total Pollution Control Bonds				\$ 194,525,000	\$ -	\$ 1,127,814	\$ 1,075,048	\$ -

The eight pollution control bonds listed above were issued as adjustable rate bonds, which are remarketed weekly, and the rate may change each week. These bonds were not issued with any set coupon rate. For the average annualized interest rates effective on the final day of May, 2009, see Supplemental Confidential Work Paper WPD-3.1b.

<u>Issue Type and Coupon Rate</u> (a)	<u>Carrying Value</u> (j)	<u>Annualized Coupon Interest</u> (k)	<u>Annualized Amort. Disc/Prem</u> (l)	<u>Annualized Amort. Debt Expense</u> (m)	<u>Annualized Interest Expense</u> (n)	<u>Embedded Cost of Long Term Debt</u> (o)
<u>Pollution Control Bonds</u>						
1 Louisa Adj Rate due 2024	34,376,724	271,359	-	33,049	304,408	
2 IDFA Adj Rate due 2016	4,166,693	29,329	-	4,758	34,087	
3 Louisa Adj Rate due 2016	29,393,426	229,373	-	13,901	243,274	
4 Louisa Adj Rate due 2017	3,880,690	30,324	-	2,365	32,689	
5 Chillicothe Adj Rate due 2023	6,766,913	47,834	-	5,935	53,769	
6 Co. Bluffs Adj Rate due 2025	12,647,528	89,033	-	6,405	95,438	
7 PC var rate IFA, due 2038, A	44,750,556	442,746	-	5,239	447,985	
8 PC var rate IFA, due 2038, B	<u>56,339,609</u>	<u>426,121</u>	<u>-</u>	<u>32,814</u>	<u>458,935</u>	
9 Total Pollution Control Bonds	\$ 192,322,138	\$ 1,566,119	\$ -	\$ 104,466	\$ 1,670,585	

<u>Issue Type and Coupon Rate</u>	<u>Issue Date</u>	<u>Maturity Date &amp; Conclusion of Amort'n Period</u>	<u>Interest Rate</u>	<u>Principal Amount</u>	<u>Unamort. Debt Disc. or Prem.</u>	<u>Unamort. Debt Expense</u>	<u>Unamort. Loss on Reacquired Debt</u>	<u>Unamort. Gain on Reacquired Debt</u>
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
<u>Other Long Term Debt</u>								
1	MTN 6.75% due 12/31/2031	02/08/02 12/31/31	6.750%	\$ 400,000,000	3,867,758	\$ 2,946,595	\$ 2,435,341	\$ -
2	MTN 5.125% series due 2013	01/14/03 01/15/13	5.125%	275,000,000	240,596	746,680	1,598,011	-
3	MTN 4.65% series due 2014	10/01/04 10/01/14	4.650%	350,000,000	183,112	1,122,305	-	-
4	MTN 5.75% series due 2035	11/01/05 11/01/35	5.750%	300,000,000	230,767	2,941,178	-	-
5	MTN 5.80% series due 2036	10/07/06 10/07/36	5.800%	350,000,000	518,297	3,070,546	-	-
6	MTN 5.65% series due 2012	06/29/07 07/15/12	5.650%	400,000,000	122,586	1,303,587	-	-
7	MTN 5.95% series due 2017	06/29/07 07/15/17	5.950%	250,000,000	456,241	786,050	-	-
8	MTN 5.30% series, due 3/15/18	03/25/08 03/15/18	5.300%	350,000,000	1,108,236	2,030,789	-	-
9	Total Other Long Term Debt			\$ 2,675,000,000	\$ 6,727,592	\$ 14,947,730	\$ 4,033,352	\$ -
<u>Other</u>								
10	7.45% Series due 2023	3/15/1993 3/15/2023	7.450%	\$ -	\$ -	\$ -	\$ 131,202	\$ -
11	7.45% Series due 2023	3/15/1993 3/15/2023	7.450%	-	-	-	-	(27,066)
12	6.95% Series due 2025	10/15/1993 10/15/2025	6.950%	-	-	-	-	(930,118)
13	6.95% Series due 2025	10/15/1993 10/15/2025	6.950%	-	-	-	-	(90,296)
14	6.95% Series due 2025	10/15/1993 10/15/2025	6.950%	-	-	-	-	(3,993)
15	Total			\$ -	\$ -	\$ -	\$ 131,202	\$ (1,051,473)
16	TOTAL			\$ 2,869,525,000	\$ 6,727,592	\$ 16,075,544	\$ 8,377,541	\$ (1,051,473)

Note: Maturity Date and Conclusion of Amortization Period for gains and losses on reacquired debt are synonymous, unless otherwise specified.

<u>Issue Type and Coupon Rate</u> (a)	<u>Carrying Value</u> (j)	<u>Annualized Coupon Interest</u> (k)	<u>Annualized Amort. Disc/Prem</u> (l)	<u>Annualized Amort. Debt Expense</u> (m)	<u>Annualized Interest Expense</u> (n)	<u>Embedded Cost of Long Term Debt</u> (o)
<u>Other Long Term Debt</u>						
1 MTN 6.75% due 12/31/2031	\$ 390,750,306	\$ 27,000,000	\$ 168,163	\$ 233,997	\$ 27,402,160	
2 MTN 5.125% series due 2013	272,414,713	14,093,750	59,529	580,130	14,733,409	
3 MTN 4.65% series due 2014	348,694,583	16,275,000	31,845	195,184	16,502,029	
4 MTN 5.75% series due 2035	296,828,055	17,250,000	8,600	109,609	17,368,209	
5 MTN 5.80% series due 2036	346,411,157	20,300,000	18,649	110,484	20,429,133	
6 MTN 5.65% series due 2012	398,573,827	22,600,000	34,613	371,975	23,006,588	
7 MTN 5.95% series due 2017	248,757,709	14,875,000	53,414	93,379	15,021,793	
8 MTN 5.30% series, due 3/15/18	<u>346,860,975</u>	<u>18,550,000</u>	<u>92,264</u>	<u>165,742</u>	<u>18,808,006</u>	
9 Total Other Long Term Debt	\$ 2,649,291,326	\$ 150,943,750	\$ 467,078	\$ 1,860,500	\$ 153,271,328	
<u>Other</u>						
10 7.45% Series due 2023	\$ (131,202)	\$ -	\$ -	\$ 9,261	\$ 9,261	
11 7.45% Series due 2023	27,066	-	-	(1,911)	(1,911)	
12 6.95% Series due 2025	930,118	-	-	(55,529)	(55,529)	
13 6.95% Series due 2025	90,296	-	-	(5,391)	(5,391)	
14 6.95% Series due 2025	<u>3,993</u>	<u>-</u>	<u>-</u>	<u>(238)</u>	<u>(238)</u>	
15 Total	\$ 920,271	\$ -	\$ -	\$ (53,808)	\$ (53,808)	
16 TOTAL	\$ 2,839,395,796	\$ 152,509,869	\$ 467,078	\$ 2,208,620	\$ 155,185,567	<u>5.465%</u>

Note: Maturity Date and Conclusion of Amortization Period for gains and losses on reacquired debt are synonymous, unless otherwise specified.

Part 4: Reacquired Debt Details

	<u>Description of Debt</u>	<u>Reacquisition Date</u>	<u>Conclusion of Reacquired Debt Amortization Period</u>	<u>Face Amount Retired</u>	<u>Call Premium</u>	<u>Call Price</u>	<u>Unamortized Discount or Premium</u>	<u>Unamortized Debt Expense excluding Call Premium</u>	<u>Annualized Amortization of Discount or Premium</u>
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
1	Chillicothe 5.95% due 2023	07/01/08	5/1/2023	\$ 5,900,000	\$ -	\$ 5,900,000	\$ -	\$ 96,812	\$ -
2	Co. Bluffs 5.95% due 2023	07/01/08	5/1/2023	\$ 23,130,000	\$ -	\$ 23,130,000	\$ -	\$ 328,083	\$ -
3	Salix Adj. Rate due 2023	07/01/08	5/1/2023	\$ 21,895,000	\$ -	\$ 21,895,000	\$ -	\$ 153,877	\$ -
4	Chillicothe Adj Rate due 2023	07/01/08	5/1/2023	\$ 6,400,000	\$ -	\$ 6,400,000	\$ -	\$ 129,210	\$ -
5	7.45% Series due 2023	January, 1997	3/15/2023	\$ 19,560,000	\$ -		\$ 37,290	\$ 205,047	\$ 1,425
6	7.45% Series due 2023	October, 1996	3/15/2023	\$ 3,500,000	\$ -		\$ (87,652)	\$ 36,690	\$ (3,313)
7	6.95% Series due 2025	May, 1997	10/15/2025	\$ 3,000,000	\$ -		\$ (183,750)	\$ 30,562	\$ (6,466)
8	6.95% Series due 2025	July, 1997	10/15/2025	\$ 6,000,000	\$ -		\$ (67,500)	\$ 60,765	\$ (2,390)
9	6.95% Series due 2025	October, 1996	10/15/2025	\$ 28,500,000	\$ -		\$ (1,906,650)	\$ 293,742	\$ (65,746)

Further information about reacquired debt by MidAmerican Energy Company and its predecessor companies has been published annually in the Form 21 ILCC pages 24, 24-1, and 24-2, and in FERC Form No. 2, pages 260 and 260a. Some information has detail for more than one reacquisition combined into one footnote, with individual reacquisition detail not available.

Part 4: Reacquired Debt Details

<u>Description of Debt</u> (a)	Annualized Amortization of Debt Expense excluding <u>Call Premium</u> (j)	<u>Refunding Issue</u> (k)
1 Chillicothe 5.95% due 2023	\$ 6,527	PC var rate IFA, due 5/1/2023, Series B for \$57,325,000.
2 Co. Bluffs 5.95% due 2023	\$ 22,118	PC var rate IFA, due 5/1/2023, Series B for \$57,325,000.
3 Salix Adj. Rate due 2023	\$ 10,374	PC var rate IFA, due 5/1/2023, Series B for \$57,325,000.
4 Chillicothe Adj Rate due 2023	\$ 8,711	PC var rate IFA, due 5/1/2023, Series B for \$57,325,000.
5 7.45% Series due 2023	\$ 7,836	
6 7.45% Series due 2023	\$ 1,402	
7 6.95% Series due 2025	\$ 1,075	
8 6.95% Series due 2025	\$ 2,151	
9 6.95% Series due 2025	\$ 10,217	

Further information about reacquired debt by MidAmerican Energy Company and its predecessor companies has been published annually in the Form 21 ILCC pages 24, 24-1, and 24-2, and in FERC Form No. 2, pages 260 and 260a. Some information has detail for more than one reacquisition combined into one footnote, with individual reacquisition detail not available.

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**Section 285.4020 Schedule D-3: Embedded Cost of Long-term Debt,  
including Notes**

- a) Provide the embedded cost of any long-term debt, including any notes, on Schedule D-3. The embedded cost of long-term debt shall be provided for each year from and including the last completed calendar or fiscal year through the capital structure measurement period. The utility may choose either proceeds or internal rate of return method to calculate the embedded cost of long-term debt.

See Revised Schedule D-3.

- b) Utilities selecting the net proceeds method shall provide the following data by issue. Items may not be combined.

- b)1) Debt issue type, coupon rate;

See Revised Schedule D-3, pages 1 and 3, columns a and d.

- b)2) Date issued (month, day, year);

See Revised Schedule D-3, pages 1 and 3, column b.

- b)3) Maturity date (month, day year);

See Revised Schedule D-3, pages 1 and 3, column c.

- b)4) Principal amount;

See Revised Schedule D-3, pages 1 and 3, column e.

- b)5) Face amount outstanding;

See Revised Schedule D-3, pages 1 and 3, column e.

- b)6) Unamortized discount or premium;

See Revised Schedule D-3, pages 1 and 3, column f.

- b)7) Unamortized debt expense (including gains and losses on reacquired debt);

See Revised Schedule D-3, pages 1 and 3, column g.

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- b)8) Carrying value (subsection (b)(5) minus subsection (b)(6) minus subsection (b)(7);

See Revised Schedule D-3, pages 2 and 4, column j.

- b)9) Annualized coupon interest;

See Revised Schedule D-3, pages 2 and 4, column k.

- b)10) Annualized amortization of discount or premium;

See Revised Schedule D-3, pages 2 and 4, column l.

- b)11) Annualized amortization of debt expense (including gains and losses on reacquired debt);

See Revised Schedule D-3, pages 2 and 4, column m.

- b)12) Annualized interest expense (subsection (b)(9) plus subsection (b)(10) plus subsection (b)(11); and

See Revised Schedule D-3, pages 2 and 4, column n.

- b)13) Embedded cost of long-term debt (subsection (b)(12) divided by subsection (b)(8)).

See Revised Schedule D-3, pages 2 and 4, column o.

- c) Utilities selecting the internal rate or return method shall include the following data by issue. Items may not be combined.

Subsection (c) does not pertain to MidAmerican Energy Company, because it uses the net proceeds method. Additional instructions:

- d)1) Provide totals wherever applicable. Provide the embedded cost of long-term debt (subsection (b)(13) and (c)(9)) for totals only.

See Revised Schedule D-3, page 6, column o.

- d)2) Capital lease obligations shall be included only if the recovery of lease payments is not being requested through operating expense.

- d)2)A)Footnote capital leases excluded from this Schedule.

N/A. MidAmerican Energy Company collects operations and maintenance expenses on capital leases through the ratemaking process.

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d)2)B) For capital leases included in this Schedule, briefly describe the leased property and the financing terms of the lease, including its life, principal payments, and interest rate.

N/A.

d)3) Include any compensating balance requirements in unamortized debt discount. Utilities selecting the net proceeds method shall credit annualized amortization of debt discount with any interest or dividends earned on the compensating balance.

MidAmerican Energy Company has no compensating balance requirements.

d)4) Gain and losses on reacquired debt.

d)4)A) Net proceeds method. Utilities selecting the net proceeds method shall amortize gains and losses over the remainder of the reacquired or refunding issue's original term to maturity. Gains and losses on reacquired debt shall be listed, by issue, separately from outstanding debt issues, replacing maturity date (subsection (b)(3)) with the conclusion of the amortization period.

The company practice today, and in recent years, is to amortize reacquired debt over the life of the new issue. However, since the company was formed by a merger of utilities and since it is permissible under the Uniform System of Accounts to amortize reacquired debt unamortized balances over either the life of the prior debt or the new debt, the company has in its reacquired debt some components being amortized under each of the two methods.

B) Internal rate of return method.....

Because MidAmerican Energy Company uses the net proceeds method, this subsection does not apply.

d)5) Include long-term debt due within one year.

MidAmerican Energy Company has no long-term debt due in 2009.

d)6) Interest rates on variable or adjustable debt shall equal the annualized rates that the utility paid no more than 60 days prior to the rate filing date or the prevailing or forecasted interest rates on short-term debt of similar risk and terms.

**See Supplemental WPD-3.1b Confidential**

d) Provide the following work papers or documents supporting Schedule D-3:

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e)1) For each variable and adjustable rate debt issue provide the following:

e)1)A)The formulas used to set the interest rate;

See Confidential Work Paper WPD-3.1a

e)1)B)The portions of documents describing the manner by which the interest rate is set (e.g., indentures, loan agreements);

See Confidential Work Paper WPD-3.1a

e)1)C)The documents supporting the interest rate forecast; and

N/A. MidAmerican does not forecast future interest rates.

e)1)D)The dates of interest rate adjustment.

See Confidential Work Paper WPD-3.1a

e)2) The sinking fund schedule for each issue having such a requirement.

N/A. MidAmerican Energy Company currently has no long-term debt on a sinking fund schedule.

e)2)A)Debt issue;

N/A

e)2)B)Payment date;

N/A

e)2)C)Sinking fund requirement; and

N/A

e)2)D)Optional sinking fund amount (if applicable).

N/A

e)3) Installment schedule for each issue having such a requirement. This schedule shall include the following data:

N/A. MidAmerican Energy Company currently has no long-term debt on an installment schedule.

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e)3)A)Debt issue;

N/A

e)3)B)Payment date;

N/A

e)3)C)Installment payment requirement; and

N/A

e)3)D)Optional payment amount (if applicable).

N/A

e)4) For each reacquired issue as of the date of its reacquisition, provide the following:

MidAmerican Energy Company's reacquired debt is a compilation of reacquired debt by itself and from three predecessor companies. Some of the cost of reacquisition being amortized in the test period dates back more than twenty years and information for these components has been presented in FERC Form No. 2 through the years. In addition, some information from prior reacquisitions has been summarized in a footnote containing information for more than one reacquisition, which is still the case in the 2008 Form No. 2, pages 260 – 260A. The requested information for more recent debt reacquisitions is shown on Revised Schedule D-3, pages 7 and 8. It is not an exhaustive list, and has been labeled in that manner.

e)4)A)Reacquisition date;

See Revised Schedule D-3, page 7, column b.

e)4)B)Face amount retired;

See Revised Schedule D-3, page 7, column d.

e)4)C)Call premium;

See Revised Schedule D-3, page 7, column e.

e)4)D)Call price;

See Revised Schedule D-3, page 7, column f.

e)4)E)Unamortized discount or premium;

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See Revised Schedule D-3, page 7, column g.

e)4)F)Unamortized debt expense (excluding the call premium); and

See Revised Schedule D-3, page 7, column h.

e)4)G)Annualized amortization of discount or premium;

See Revised Schedule D-3, page 7, column i.

e)4)H)Annualized amortization of debt expense (excluding the call premium); and

See Revised Schedule D-3, page 8, column j.

e)4)I)Refunding issue (if applicable).

See Revised Schedule D-3, page 8, column k.

Confidential and Proprietary Information  
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