

PUBLIC

SECTION 285.310(d)
Studies on Optimal Inventory Levels
Test Year Ending December 31, 2012
Utility: MidAmerican Energy Company
Docket No. 13-XXXX

Individual Responsible: M. D. Woofter

MidAmerican Energy Company started the evaluation of optimal inventory levels for 2012 in early 2011. MidAmerican's long haul rail transportation agreement would be ending on December 31, 2012 and it was anticipated that rail rates would increase significantly starting in 2013. In order to maximize the value of the lower rates in effect for 2012, target inventory levels were established for each plant in early 2011. These inventory levels were reevaluated and modified as appropriate in early 2012. The maximum inventory levels for each facility in 2012 were determined to be:

Louisa	[REDACTED]	tons
Walter Scott	[REDACTED]	tons
Neal North	[REDACTED]	tons
Neal South	[REDACTED]	tons
Riverside	[REDACTED]	tons

The savings estimated in 2011 related to rail transportation of coal prior to 2013 for each facility were as follows:

Louisa	\$ [REDACTED]	/ton
Walter Scott	\$ [REDACTED]	/ton
Neal North	\$ [REDACTED]	/ton
Neal South	\$ [REDACTED]	/ton
Riverside	\$ [REDACTED]	/ton