

MidAmerican Energy Company
Adjustments to Operating Income
For the Test Year Ending December 31, 2012
(In Thousands)

Line No.	Description	Subtotal	PIP Incentive	Payroll Taxes -	Pension Costs -	Co. Accepted	Rate Case	Income Tax	Total
		Op. Stmt Adj. (Staff IB, Appendix, p. 2)	Compensation (Staff Ex. 12.0, Sch. 12.01)	PIP Incent. Comp. (Staff Ex. 12.0, Sch. 12.02)	PIP Incent. Comp. (Staff Ex. 12.0, Sch. 12.03)	Retirement Plan Costs (Staff Ex. 4.0, Sch. 4.02)	Expense (Staff Ex. 14.0, Sch. 14.02)	Expense (Staff Ex. 10.0, Sch. 10.09)	Operating Statement Adjustments
	(a)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)
1	Tariffed Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	Fuel Adjust. Clause Revenues								-
3	Other Revenues	-	-	-	-	-	-	-	-
4	Total Operating Revenue	-	-	-	-	-	-	-	-
5	Uncollectible Accounts	-	-	-	-	-	-	-	-
6	Operation & Maintenance	-	(492)	-	-	-	-	-	(492)
7	Customer Accounts	-	(151)	-	-	-	-	-	(151)
8	Customer Service & Sales	-	(30)	-	-	-	-	-	(30)
9	A&G	-	(298)	-	(57)	-	(14)	-	(369)
10	Depreciation & Amortization	-	(4)	-	-	-	-	-	(4)
11	Taxes Other Than Income Taxes	-	-	(58)	-	-	-	-	(58)
12		-	-	-	-	-	-	-	-
13	Total Operating Expense								
14	Before Income Taxes	-	(975)	(58)	(57)	-	(14)	-	(1,104)
15	State Income Tax	-	76	4	4	-	1	(203)	(118)
16	Federal Income Tax	1	315	19	18	-	5	13	371
17	Deferred Taxes and ITCs Net	-	-	-	-	-	-	-	-
18	Total Operating Expenses	1	(584)	(35)	(35)	-	(8)	(189)	(850)
19	NET OPERATING INCOME	\$ (1)	\$ 584	\$ 35	\$ 35	\$ -	\$ 8	\$ 189	\$ 850

MidAmerican Energy Company
Rate Base
For the Test Year Ending December 31, 2012
(In Thousands)

Line No.	Description	Company Surrebuttal Pro Forma Rate Base (Co. Ex. MJA 3.1, Sch. B-1 Surrebuttal)	Staff Adjustments (Staff IB, Appendix, p. 6)	Staff Pro Forma Rate Base (Col. b+c)
	(a)	(b)	(c)	(d)
1	Gross Utility Plant in Service	\$ 774,313	\$ (197)	\$ 774,116
2	Less: Accumulated Depreciation	(381,765)	4	(381,761)
3		-	-	-
4	Net Utility Plant in Service	392,548	(193)	392,355
5	Additions to Rate Base			
6	Cash Working Capital	253	(63)	190
7	Materials and Supplies	4,600	-	4,600
8	Allowances	284	-	284
9	Fuel Stock	10,121	-	10,121
10	Nuclear	5,467	-	5,467
11	Accumulated Provision for Pensions	787	(787)	-
12	Budget Plan Balances	926	-	926
13				
14				
15				
16	Deductions From Rate Base			
17	Customer Advances for Construction	(740)	-	(740)
18	Customer Deposits	(151)	-	(151)
19	ITC 3%	(6)	-	(6)
20	Accumulated Deferred Income Taxes	(79,002)	323	(78,679)
21	Self Insurance Reserve Quad Cities	(251)	-	(251)
22		-	-	-
23	Rate Base	<u>\$ 334,836</u>	<u>\$ (720)</u>	<u>\$ 334,116</u>

MidAmerican Energy Company
Adjustments to Rate Base
For the Test Year Ending December 31, 2012
(In Thousands)

Line No.	Description	Cash Working Capital (Staff IB, Appendix, p. 10)	Co. Accepted ADIT (Staff Ex. 10.0, Sch. 10.08)	Co. Accepted	PIP Incentive Compensation (Staff Ex. 12.0, Sch. 12.01)	Payroll Taxes PIP Incent. Com (Staff Ex. 12.0, Sch. 12.02)	Pension Costs- PIP Incent. Com (Staff Ex. 12.0, Sch. 12.03)	Co. Accepted	Subtotal Rate Base Adjustments
				Materials & Supplies - A/P (Staff Ex. 2.0 Sch. 2.01)				Fossil Fuel Inventory (Staff Ex. 2.0, Sch. 2.02)	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
1	Gross Utility Plant in Service	\$ -	\$ -	\$ -	\$ (176)	\$ (11)	\$ (10)	\$ -	\$ (197)
2	Less: Accumulated Depreciation	-	-	-	4	-	-	-	4
3		-	-	-	-	-	-	-	-
4	Net Utility Plant in Service	-	-	-	(172)	(11)	(10)	-	(193)
5	Additions to Rate Base								-
6	Cash Working Capital	(63)	-	-	-	-	-	-	(63)
7	Materials and Supplies	-	-	-	-	-	-	-	-
8	Allowances	-	-	-	-	-	-	-	-
9	Fuel Stock	-	-	-	-	-	-	-	-
10	Nuclear	-	-	-	-	-	-	-	-
11	Accumulated Provision for Pensions	-	-	-	-	-	-	-	-
12	Budget Plan Balances	-	-	-	-	-	-	-	-
13		-	-	-	-	-	-	-	-
14		-	-	-	-	-	-	-	-
15		-	-	-	-	-	-	-	-
16	Deductions From Rate Base								-
17	Customer Advances for Construction	-	-	-	-	-	-	-	-
18	Customer Deposits	-	-	-	-	-	-	-	-
19	ITC 3%	-	-	-	-	-	-	-	-
20	Accumulated Deferred Income Taxes	-	-	-	(1)	-	-	-	(1)
21	Self Insurance Reserve Quad Cities	-	-	-	-	-	-	-	-
22		-	-	-	-	-	-	-	-
23	Rate Base	\$ (63)	\$ -	\$ -	\$ (173)	\$ (11)	\$ (10)	\$ -	\$ (257)

MidAmerican Energy Company
Revenue Effect of Adjustments
For the Test Year Ending December 31, 2012
(In Thousands)

Line No.	Description (a)	MEC's Proposal (b)	Staff Adjustments (c)	Per Staff (d)
1	Present Revenues	\$ 159,123 ⁽¹⁾	\$ -	\$ 159,123 ⁽²⁾
2	Proposed Increase	<u>20,939 ⁽³⁾</u>	<u>(5,160) ⁽⁴⁾</u>	<u>15,779 ⁽⁵⁾</u>
3	Proposed Revenues	<u>\$ 180,062</u>	<u>\$ (5,160)</u>	<u>\$ 174,902</u>
4	% Increase	13.16%	-3.24%	9.92%
5	Effect of Each Staff Adjustment:			
6	Rate of Return (Applied to Company Rate Base)		(3,256)	
7	Steam Production Maintenance		-	
8	Interest Synchronization		(7)	
9	Misc. General Expenses		-	
10	Payroll Taxes		-	
11	Industry Association Dues		-	
12	Payroll Taxes- PIP Incentive Compensation		(59)	
13	Retirement Plan Costs		-	
14	Demonstration & Selling Expense		-	
15	Pension Costs - PIP Incentive Compensation		(59)	
16	Distribution Maintenance		-	
17	PIP Incentive Compensation		(977)	
18	Rate Case Expense		(13)	
19	Income Tax Expense		(317)	
20	Cash Working Capital		(6)	
21	ADIT		(24)	
22	Materials & Supplies - A/P		-	
23	PIP Incentive Compensation		(18)	
24	Payroll Taxes - PIP Incentive Compensation		(1)	
25	Pension Costs - PIP Incentive Compensation		(1)	
26	Fossil Fuel Inventory		-	
27	Pension Asset		(49)	
28				
29	Rounding		<u>1</u>	
30	Total Revenue Effect of Staff Adjustments		<u>\$ (4,786)</u>	

Sources:

- (1) Staff IB, Appendix, p. 1, column (b), line 4
- (2) Staff IB, Appendix, p. 1, column (d), line 4
- (3) Staff IB, Appendix, p. 1, column (e), line 4
- (4) Staff IB, Appendix, p. 1, columns (f) + (h), line 4
- (5) Staff IB, Appendix, p. 1, column (i), line 22

MidAmerican Energy Company
Interest Synchronization Adjustment
 For the Test Year Ending December 31, 2012
 (In Thousands)

Line No.	Description (a)	Amount (b)
1	Rate Base	\$ 334,116 (1)
2	Weighted Cost of Debt	2.190% (2)
3	Synchronized Interest Per Staff	7,317
4	Company Interest Expense	<u>7,320</u> (3)
5	Increase (Decrease) in Interest Expense	<u>(3)</u>
6	Increase (Decrease) in State Income Tax Expense	
7	at 7.750%	<u>\$ -</u>
8	Increase (Decrease) in Federal Income Tax Expense	
9	at 35.000%	<u><u>\$ 1</u></u>

(1) Source: Staff IB, Appendix, p. 4.
 (2) Source: ICC Staff Exhibit 6.0, Schedule 6.01.
 (3) Source: Co. Ex. RRT 3.1, WP RRT C-2B.1 Surrebuttal.

MidAmerican Energy Company
Gross Revenue Conversion Factor
For the Test Year Ending December 31, 2012
(In Thousands)

Line No.	Description	Rate	Per Staff With Bad Debts	Per Staff Without Bad Debts
	(a)	(b)	(c)	(d)
1	Revenues		1.000000	
2	Uncollectibles	0.3000%	<u>0.003000</u>	
3	State Taxable Income		0.997000	1.000000
4	State Income Tax	7.7500%	<u>0.077268</u>	<u>0.077500</u>
5	Federal Taxable Income		0.919732	0.922500
6	Federal Income Tax	35.0000%	<u>0.321906</u>	<u>0.322875</u>
7	Operating Income		<u>0.597826</u>	<u>0.599625</u>
8	Gross Revenue Conversion Factor Per Staff		<u>1.672728</u>	<u>1.667709</u>

MidAmerican Energy Company
Cash Working Capital Adjustment
For the Test Year Ending December 31, 2012
(In Thousands)

<u>Line</u>	<u>Description</u> (a)	<u>Amount</u> (b)	<u>Lag (Lead)</u> (c)	<u>CWC Factor</u> (d) (c/366)	<u>CWC Requirement</u> (e) (b*d)	<u>Column b Amount Source</u> (f)
1	Revenues	\$ 131,654	35.93	0.09817	\$ 12,924	Staff IB Appendix, page 11, line 7
<u>Collections of Pass-through Taxes:</u>						
2	Energy Assistance/Renewable Energy	899	0.00	0.00000	-	Company Response to Staff data request DGK-3.03
3	Municipal Utility Tax	5,103	0.00	0.00000	-	
4	Illinois Excise Tax	5,135	0.00	0.00000	-	
5	Total Receipts	<u>\$ 142,791</u>			<u>\$ 12,924</u>	Sum of Lines 1 through 4
<u>Operating Expenses:</u>						
6	Coal & Freight	\$ 35,558	(21.72)	(0.05934)	\$ (2,110)	
7	Natural Gas	2,645	(38.75)	(0.10587)	(280)	
8	Fuel Oil	623	(11.28)	(0.03082)	(19)	
9	Electricity Purchased	21,162	(30.30)	(0.08279)	(1,752)	
10	Labor - Salaried	8,185	(7.50)	(0.02049)	(168)	
11	Labor - Union	6,975	(12.00)	(0.03279)	(229)	
12	Other Operations & Maintenance	36,083	(19.45)	(0.05314)	(1,918)	Staff IB Appendix, page 11, line 22
13	Property Taxes - Iowa	1,764	(364.92)	(0.99705)	(1,759)	
14	Property Taxes - Illinois	815	(415.92)	(1.13639)	(926)	
15	Property Taxes - Missouri	6	(183.42)	(0.50115)	(3)	
16	Payroll Tax - Fed - FICA	949	(10.57)	(0.02888)	(27)	
17	Payroll Tax - FUTA	8	(76.42)	(0.20880)	(2)	
18	Payroll Tax - SUTA	16	(76.42)	(0.20880)	(3)	
19	Illinois Invested Capital Tax	973	(30.21)	(0.08254)	(80)	
20	ICC Fund Tax	89	36.47	0.09964	9	
21	Miscellaneous Taxes	3	(45.67)	(0.12478)	-	
22	Federal Income Tax	5,055	(37.94)	(0.10366)	(524)	Staff IB Appendix, page 1, line 16
23	State Income Tax	3,427	(37.94)	(0.10366)	(355)	Staff IB Appendix, page 1, line 15
24	Interest Expense	7,317	(91.42)	(0.24978)	(1,828)	Staff IB Appendix, page 8, line 3
<u>Payments of Pass-through Taxes:</u>						
25	Energy Assistance/Renewable Energy	899	(35.25)	(0.09631)	(87)	Company Response to Staff data request DGK-3.03
26	Municipal Utility Tax	5,103	(45.70)	(0.12487)	(637)	
27	Illinois Excise Tax	5,135	(2.25)	(0.00615)	(32)	
28	Total Outlays	<u>\$ 142,791</u>			<u>\$ (12,730)</u>	Sum of Lines 6 through 27
29	Cash Working Capital per Staff				\$ 194	Line 5 plus line 28
30	Cash Working Capital per Company				257	MEC Ex. NGC 2.1
31	Difference -- Adjustment per Staff				<u>\$ (63)</u>	Line 29 minus Line 30

Note:

"Amount" is from MEC Ex. NGC 2.1 except where noted in "Source" column

Lag is from MEC Schedule B-8, except lines 2, 3 & 4 which are from ICC Staff Ex. 5.0

Line 26 lead is a weighted average derived from the Company's Response to Staff data request DGK-2.09. See Staff Ex. 5.0, Schedule 5.01, p. 3

MidAmerican Energy Company
Cash Working Capital Adjustment
For the Test Year Ending December 31, 2012
(In Thousands)

<u>Line</u>	<u>Description</u> (a)	<u>Amount</u> (b)	<u>Source</u> (c)
1	Total Operating Revenues	\$ 174,903	Staff IB Appendix, page 1, line 4
2	Uncollectible Accounts	(456)	Staff IB Appendix, page 1, line 5
3	Nuclear Fuel	(2,378)	
4	Depreciation & Amortization	(18,406)	Staff IB Appendix, page 1, line, line 10
5	Less Deferred Taxes and ITC	(5,470)	Staff IB Appendix, page 1, line 17
6	Return on Equity	(16,539)	Line 10 below
7	Total Revenues for CWC calculation	<u>\$ 131,654</u>	Sum of Lines 1 through 6
8	Total Rate Base	\$ 334,122	Staff IB Appendix, page 4, line 23
9	Weighted Cost of Equity	4.95%	Staff Ex. 6.0, Schedule 6.1
10	Return on Equity	<u>\$ 16,539</u>	Line 8 times Line 9
11	Operating Expense Before Income Taxes	\$ 137,094	Staff IB Appendix, page 1, line 14
12	Coal & Freight	(35,558)	
13	Natural Gas	(2,645)	
14	Fuel Oil	(623)	
15	Electricity Purchased	(21,162)	
16	Labor - Salaried	(8,185)	
17	Labor - Union	(6,975)	
18	Uncollectible Accounts	(456)	Staff IB Appendix, page 1, line 5
19	Nuclear Fuel	(2,378)	
20	Depreciation & Amortization	(18,406)	Staff IB Appendix, page 1, line, line 10
21	Taxes Other Than Income	(4,623)	Staff Ex. 14.01, p. 1, lines 13 through 21
22	Other Operations & Maintenance for CWC Calculation	<u>\$ 36,083</u>	Sum of Lines 11 through 21

Note: Amount is from MEC Ex. NGC 2.1 except where noted in "Source" column