

**STATE OF ILLINOIS  
ILLINOIS COMMERCE COMMISSION**

<b>MidAmerican Energy Company</b>	)	
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<b>Petition for Approval of Tariffs Implementing Rider to Recover Procurement Costs Pursuant to Section 16-111.5(l)</b>	)	<b>Docket 15-0_____</b>
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**MIDAMERICAN ENERGY COMPANY’S VERIFIED PETITION FOR APPROVAL OF  
TARIFFS IMPLEMENTING RIDER PE TO RECOVER PROCUREMENT COSTS**

**NOW COMES**, MidAmerican Energy Company (“MidAmerican”) and hereby submits its Verified Petition for Approval Of Tariffs Implementing Rider PE to Recover Procurement Costs (“Petition”) pursuant to Section 16-111.5(l) of the Public Utilities Act (“Act”). As explained below, Rider PE allows MidAmerican to recover the procurement costs pursuant to 16-111.5(l) and Section 9-201 of the Act in anticipation of the approval of the 2016 Procurement Plan currently pending before the Illinois Commerce Commission (“Commission”) in Docket No. 15-0541. In support of its request, MidAmerican states as follows:

1. MidAmerican is an Iowa corporation and is engaged in the business of generating, transmitting and distributing electricity and distributing natural gas to the public in the Illinois counties of Rock Island, Henry, Mercer and Whiteside, and elsewhere. MidAmerican is a public utility within the meaning of the Act. MidAmerican is also a public utility subject to the jurisdiction of the Federal Energy Regulatory Commission, the Iowa Utilities Board and the South Dakota Public Utilities Commission. MidAmerican serves less than 100,000 electric customers in Illinois and is considered a small multi-jurisdictional electric utility under Section 16-111.5(a) of the Act. Pursuant to Section 16-111.5(a), a small multi-jurisdictional electric

utility “may elect to procure power and energy for all or a portion of its eligible Illinois retail customers” using the Illinois Power Agency (“IPA”) process set forth in the Act and the Illinois Power Agency Act (“IPA Act”). 220 ILCS 5/16-111.5(a) and 20 ILCS 3855/1-75.

2. On April 9, 2015, MidAmerican formally notified the IPA of MidAmerican’s intent to procure power and energy for a portion of its eligible retail customer load. Specifically, MidAmerican elected to procure through the IPA’s process the portion of MidAmerican’s eligible Illinois retail customer load that represents the “net” or “differential” between MidAmerican’s total eligible retail customer load in Illinois and the amount of power and energy provided by MidAmerican owned generation allocated to Illinois customers. 220 ILCS 16-111.5(a) and (b).

3. MidAmerican provided the IPA with its load forecast on July 1, 2015, and then supplemented its submission on July 15, 2015, by providing additional information related to MidAmerican’s renewable portfolio and energy efficiency program information. The IPA filed its Petition for Approval of the Procurement Plan (“Procurement Petition”) pursuant to Section 16-111.5(d) of the Act on September 29, 2015. 220 ILCS 5/16-111.5(d). The IPA attached to its Procurement Petition MidAmerican’s Draft Power Procurement Plan for the period beginning June 2016 through May 2021 (“2016 Procurement Plan”) in Attachment D. The IPA requested the Commission approve the 2016 Procurement Plan, which includes the procurement of energy and capacity for a portion of MidAmerican’s Illinois jurisdictional load. The IPA’s request is currently pending in Docket No. 15-0541.

4. The 2016 Procurement Plan reflects MidAmerican’s election to procure power for a portion of its eligible Illinois retail customers as set forth in Section 16-111.5(a) and Section

1-75 of the IPA Act. 220 ILCS 16-16-111.5 and 20 ILCS 3855/1-75. The 2016 Procurement Plan includes the initial plan for MidAmerican and Section 16-111.5 now applies to MidAmerican since it submitted its request to participate in the procurement process on April 9, 2015.

5. Section 16-111.5(l) of the Act provides in part, “[a]n electric utility shall recover its costs of procuring power and energy under this Section. The utility shall file with the initial procurement plan its proposed tariffs through which its costs of procuring power that are incurred pursuant to a Commission-approved procurement plan and those other costs identified in this subsection (l), will be recovered.” 220 ILCS 16-111.5(l). Based on the requirements of the statute, MidAmerican’s proposed tariff must also define how, from what customers, and in what proportions the costs of procurement and related transmission and ancillary transmission services costs are recovered. Section 16-111.5(1) of the Act assures MidAmerican recovery of its costs of procurement pursuant to a Commission approved plan. MidAmerican’s proposed tariff must also “include a formula rate or charge designed to pass through both the costs incurred by the utility in procuring a supply of electric power and energy for the applicable customer classes with no mark-up or return on the price paid by the utility for that supply, plus any just and reasonable costs that the utility incurs in arranging and providing for the supply of electric power and energy.” *Id.* Finally, Section 16-111.5(l) of the Act provides the tariffs must “contain provisions that ensure that its application does not result in over or under recovery due to changes in customer usage and demand patterns, and that provide for the correction, on at least an annual basis, of any accounting errors that may occur.”

6. Pursuant to Section 16-111.5(l), MidAmerican is providing its proposed tariff, Rider PE, to recover costs of procuring the incremental portion of its Illinois jurisdictional load

not produced by MidAmerican-owned generation. Also included with this Petition is Schedule A containing Rider PE, and the direct testimony of Naomi G. Czachura explaining how Rider PE is designed to recover the procurement, capacity and energy costs, including all reasonable incremental costs to implement or comply with the procurement plan put into effect and any fees assessed by the IPA as contemplated under Section 16-111.5(l).

7. Specifically, Ms. Czachura's testimony explains that Rider PE is designed to recover the procurement, capacity and energy costs, including all reasonable incremental costs to implement or comply with the procurement plan put into effect and any fees assessed by the IPA. Ms. Czachura explains Rider PE includes a formula rate designed to pass through both the costs incurred in procuring a supply of electric power and energy for the applicable customer classes with no mark-up or return on the price paid for that supply, plus any just and reasonable incremental costs incurred in arranging and providing for the supply of electric power and energy. Consistent with Section 16-111.5(l), Rider PE also includes recovery of costs associated with load balancing and contingency plan costs and Rider PE also contains an ongoing adjustment factor, and provides for an annual reconciliation and correction of any accounting errors that may occur. Finally, MidAmerican testimony outlines why Rider PE also includes provisions for reductions to the factors for any portion of the recoverable costs already recovered through MidAmerican's base rates as approved by the Commission in Docket No. 14-0066.

8. Time is of the essence in approving Rider PE. MidAmerican's Rider PE need not become effective at the same time the 2016 Procurement Plan is approved on or before December 29, 2015, but Rider PE must be effective prior to MidAmerican's participation in the procurement event schedule as a result of the Commission's final order in Docket 15-0541. Pursuant to

Section 16-111.5(g), within three business days after the Commission decision approving the results of a procurement event, the utility shall enter into binding contractual arrangements with the winning suppliers. Section 16-111.5(g) also provides an exemption allowing a utility to not execute contracts if a tariff consistent with Section 16-111.5(l) has not been approved and in effect for that utility. 220 ILCS 16-111.5(g). Therefore, in order to execute a Commission approved procurement plan, Section 16-111.5 contemplates utilities will have an approved tariff to recover procurement costs pursuant to Section 16-111.5(l) of the Act and that the tariff will be effective prior to the procurement event. Accordingly, MidAmerican is requesting that the Petition be approved in order to allow Rider PE's proposed January 30, 2016, effective date to become effective on or before January 30, 2016.

9. With its Petition, MidAmerican is also including its municipality list and will serve notice to customer regarding the requested cost recovery pursuant to Commission rules and the Act.

**WHEREFORE**, MidAmerican Energy Company respectfully requests the Illinois Commerce Commission approve this Petition and allow Rider PE to become effective on January 30, 2016, so that MidAmerican may participate in the procurement events pursuant to the Commission approved procurement plan.

Dated: October 15, 2015.

Respectfully submitted,

MIDAMERICAN ENERGY COMPANY

By     /s/ Jennifer S. Moore      
Jennifer S. Moore  
Senior Attorney  
MidAmerican Energy Company  
106 East Second Street  
P. O. Box 4350  
Davenport, Iowa 52808  
Telephone: 563/333-8006  
Facsimile: 563/333-8021  
[jsmoore@midamerican.com](mailto:jsmoore@midamerican.com)

STATE OF IOWA                    )  
  )     ss.  
SCOTT COUNTY                    )

VERIFICATION

Jennifer S. Moore, being first duly sworn, deposes and says that she is an attorney for MidAmerican Energy Company; that she has read the foregoing Petition For Approval and knows the contents thereof; and that the statements therein contained are true to the best of her knowledge, information and belief.

  
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Jennifer S. Moore

Subscribed and sworn to before me  
this 15<sup>th</sup> day of October, 2015.

  
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Notary Public



