



RIDER NO. 7 TRANSPORTATION OF CUSTOMER-OWNED GAS

APPLICABILITY:

Applicable to Rate Nos. 70, General Service; 87, Off-Peak General Service; and 85, Large General Service.

This rider provides for point-to-point transportation of customer-owned gas on the Company's system. Rider No. 8, Non-Critical-Day Daily Balancing of Customer-Owned Volumes, applies to all Rider No. 7 customers and provides the charges for imbalances occurring during a non-critical day. Associated services may be acquired from the Company under other riders.

DEFINITION OF TERMS:

When used in this rider, the following terms shall have the meanings indicated.

1. **Balance** - The Customer's obligation to make Deliveries equal Receipts.
2. **Billing Period** - Shall mean the period beginning at 9:00 a.m. CCT, on the first day of a calendar month and ending at the same hour on the first day of the next succeeding calendar month, unless a different period of time is specified in the Service Request Form.
- * 3. **CCT** - Central Clock Time.
- * 4. **Commodity Charge** - Amount based upon the quantity of gas transported.
- * 5. **Company** - MidAmerican.
- * 6. **Confirmed Nominations** - Shall mean Customer nominations to the pipeline as verified for delivery by the pipeline.

(Continued on Sheet No. 16.10)

Issued: December 14, 2000

Effective February 1, 2001

Asterisk (*) indicates change.

Issued by James J. Howard
Vice President



MIDAMERICAN ENERGY COMPANY
Schedule of Rates For
Gas Service in Illinois

Ill. C. C. No. 2
1st Information Sheet
Supplemental to Sheet No. 16
Canceling Original Information Sheet

RESERVED FOR FUTURE USE

Issued: October 28, 1997
Pursuant to Commission Special Permission
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Asterisk (*) indicates change.

Effective November 1, 1997

Issued by Brent E. Gale
Vice President-Law and Regulatory Affairs



RIDER NO. 7 TRANSPORTATION OF CUSTOMER-OWNED GAS (Cont.)

7. **Critical Day** - A Critical Day shall be a day which may be declared by the Company whenever any of the following five conditions occurs or is anticipated to occur: (a) when the Company experiences failure of transmission, distribution, gas storage or gas manufacturing facilities; (b) when transmission system pressures or other unusual conditions jeopardize the operation of the Company's system; (c) when the Company's transportation, storage, and supply resources are being used at or near their maximum rated deliverability; (d) when any of the Company's transporters or suppliers call the equivalent of a Critical Day; or (e) when the Company is unable to fulfill its firm contractual obligations or otherwise when necessary to maintain the overall operational integrity of all or a portion of the Company's system.
8. **Customer** - Shall mean any person, association, firm, public or private corporation, or any agency of the federal, state or local government or legal entity responsible by law for payment for gas service at a single location.
9. **Day or Daily** - The gas Day is a 24 hour period beginning at 9:00 a.m. CCT, and ending at 9:00 a.m. CCT the following day.
10. **Deliveries** - The Customer metered usage at the Delivery Point.
11. **Delivery Point** - The location where the Company's gas distribution facilities are interconnected with the Customer's facilities and where the Customer and the Company have agreed that transportation gas received at the Receipt Point will be delivered by the Company to the Customer.
12. **Demand Charge** - Amount based upon the quantity of transportation space desired.
- * 13. **"Gas Daily"** - Industry publication giving daily gas price indices by interstate pipeline points. The indices used will be the "Midpoint" price of Gas delivered to the applicable interstate pipeline point(s), or other point(s) as specifically referenced, as published in Gas Daily and referenced in the "Daily Price Survey" under the applicable heading for the reported "Flow Date(s)." If the "Midpoint" price is not published in Gas Daily for the applicable "Flow Date(s)," then the index shall be the "Midpoint" price for the most recently published "Flow Date(s)" preceding the "Flow Date(s)" on which the "Midpoint" price was not published.

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RIDER NO. 7 TRANSPORTATION OF CUSTOMER-OWNED GAS (Cont.)

- * **14. Imbalance** - Shall mean any daily difference between the total gas available to the customer (confirmed nominations adjusted for retention gas and firm supply standby service) and the customer's actual usage.

- * **15. Long Critical Day** - Shall mean a day when the Company anticipates that the level of demand on the system is expected to fall below a level of scheduled supply, which could operationally or otherwise adversely impact the Company, its system or its customers.

- * **16. MMBtu, Dekatherm and Therm** - The term "MMBtu" shall mean 1,000,000 Btu's. One MMBtu is equal to one dekatherm (1 Dth) or 10 therms. One therm is equal to 100,000 Btu's. The standard quantity for nominations, confirmation and scheduling is dekatherm per gas day in the United States.

- * **17. Month, Monthly, Billing Period** - The period beginning on the first day of a calendar month and ending on the first day of the succeeding calendar month.

- * **18. Negative Imbalance** - The daily difference between the quantity of gas received at the Receipt Point and a greater quantity of Deliveries.

- * **19. Nomination** - Quantity of gas the Company is requested to transport daily from the Receipt Point to the Delivery Point.

- * **20. Operational Flow Order (OFO)** - An order by the Company to transport customer, or customers, to make deliveries match usage. The stricter provisions of either a critical short or long day will apply to the customer.

- * **21. Positive Imbalance** - The daily difference between the quantity of gas received at the Receipt Point and the lesser quantity of Deliveries.

- * **22. Receipts** - Shall mean the quantity of gas received by Company from the transporting pipeline on a daily basis for the account of Customer.

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RIDER NO. 7 TRANSPORTATION OF CUSTOMER-OWNED GAS (Cont.)

- * **23. Receipt Point** - The point at which the transporting pipeline's facilities are interconnected with the Company's facilities. Receipt Points are usually Town Border Stations ("TBS") applicable to the Delivery Point. The Receipt Point must be at a location applicable to the Customer's historical purchases and the Delivery Point must be the historical purchase site. If, in the sole discretion of the Company, the Company can, operationally and without hardship to its other customers, receive gas for the account of Customer at a point other than the town border station applicable to the Customer's historical purchases, the Receipt Point restriction may be waived by Company.
- * **24. Retention** - The quantity of customer-owned gas the Company shall retain, at the time of delivery into the Company's system, representing the Customer's proportionate share of unaccounted-for gas.
- * **25. Short Critical Day** - Shall mean a day when the Company anticipates that the level of demand on the system is expected to be greater than a level of scheduled supply, which could operationally or otherwise adversely impact the Company, its system, or its customers.

TERMS AND CONDITIONS:

General:

The customer shall execute a written contract (Contract) for service under this rider.

- * The customer shall be responsible for delivery of customer-owned gas to the Company's system, and such delivery shall be at the customer's expense. Such gas will be transported and delivered by the Company to the customer's premises through one meter selected by the customer. Each meter represents an individual account. The exception to this general rule is where additional meters at the same premises are necessary for the Company's convenience. Customers with multiple meters/accounts at Illinois locations that are served by the same interstate pipeline may make one combined nomination for deliveries to all accounts. For purposes of daily balancing, the Company will utilize the customer's combined usage, confirmed deliveries, and utilization of Rider 9, Firm Supply Standby Service Volumes, when determining the level of daily imbalance and penalty volumes.

The minimum term of the Service Request Form for gas transportation shall be annual unless Company and Customer mutually agree to a shorter time period. In no event shall customer be allowed to switch between Transportation and Sales service with less than a 30 day written notification. In the event Customer wishes to return to Sales Service during the contract period the Company shall have the discretion to approve or deny the request based on various factors such as availability of interstate pipeline capacity to meet customers' needs. After the contract period the Customer may return to sales on the same basis as any new customer.

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RIDER NO. 7 TRANSPORTATION OF CUSTOMER-OWNED GAS (Cont.)

* Measurement of customer-owned gas at the point of receipt shall be accomplished by the pipeline in accordance with its currently effective FERC tariff and its metering practices applicable to other deliveries to the Company. Measurement of customer-owned gas at the point of delivery shall be accomplished by the Company. Customer-owned gas delivered to the point of receipt will be reduced by retention to determine the amount of customer-owned gas delivered at the point of delivery. The retention factor will be based on the company-wide gas system and will be adjusted annually.

Customer-owned gas shall meet the minimum quality specifications of the applicable pipeline's currently effective FERC tariff and be comparable in quality and Btu content to, and interchangeable with, gas purchased from the Company's suppliers.

The customer warrants that it shall have good title to all gas it causes to be delivered to, and transported by the Company and that the gas shall be free and clear of all liens, encumbrances and claims whatsoever, and that it shall indemnify the Company and hold it harmless from all suits, actions, debts, accounts, damages, costs, losses and expenses arising from or out of adverse claims of any or all persons to the gas, or to royalties, taxes, license fees or charges thereon which are applicable prior to the delivery of the gas by the Company to the point of delivery.

Prior to receipt by the Company of the customer-owned gas at the point of receipt and after its delivery to the customer at the point of delivery, the Company shall not be liable in actual or consequential damages to the customer for any act, omission, loss or circumstance arising out of the contract for transportation of customer-owned gas. After receipt of the customer-owned gas at the point of receipt and prior to its delivery at the point of delivery, the Company shall not be liable in actual or consequential damages to the customer for any act, omission, loss, or circumstance arising out of the contract for transportation of customer-owned gas occasioned by or in consequence of any acts of God, strikes, lockouts, acts of the public enemy, wars, blockades, insurrections, riots, arrests and restraints of rulers and peoples, civil disturbances, or the order of any court or governmental authority, including provisions of this tariff schedule; nor for any actual or consequential damages arising out of any other occurrence except to the extent of the Company's breach of the contract, or the negligence or willful misconduct of the Company or its employees or agents.

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RIDER NO. 7 TRANSPORTATION OF CUSTOMER-OWNED GAS (Cont.)

After receipt by the Company of the customer-owned gas at the point of receipt and prior to its delivery to the customer at the point of delivery, the customer shall not be liable in actual or consequential damages to the Company for any act, omission, loss or circumstance arising out of the contract for transportation of customer-owned gas except to the extent of the customer's breach of the contract, or the negligence or willful misconduct of the customer or its employees or agents.

* Retention:

Volumes (In-kind): The Customer will deliver retention quantities in-kind. The Customer shall have the quantity of transportation gas received from the transporting pipeline reduced, upon delivery to the Customer, by a fixed percentage, which shall represent compensation for retention.

* Notification:

Each customer or assigned agent desiring to deliver gas into MidAmerican's system must submit a nomination to flow gas into the Company's distribution system. Nominations should be entered on the MidAmerican ONLINE Transportation (MOT) bulletin board. The MOT bulletin board will be available on a twenty-four (24) hour basis for use by all shippers and transporters upon request at no charge. If a shipper or transporter requests the Company to handle the entering of nominations, the nominations must be delivered by fax to:

MidAmerican Gas Control
Phone: (800) 444-3163 or (716) 277-7943
FAX: (716) 277-7894

* **A. Nomination Time Line:** The nomination to the Company will be due by 9:00 a.m. CCT coincident to the start of the gas day at 9:00 a.m. CCT. Nominations delivered via fax are due 2 hours before the start of the gas day.

B. Confirmation: The Company will begin verification of scheduled flow/confirmation upon receipt of nominations from the customer. Company will confirm the lesser of 1) the confirmed pipeline volumes, or 2) the nomination into the Company's distribution system.

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RIDER NO. 7 TRANSPORTATION OF CUSTOMER-OWNED GAS (Cont.)

C. Nomination Process: All parties should support a seven-day-a-week, twenty-four-hours-a-day nomination process. Party contacts need not be at their ordinary work sites but should be available by telephone or pager.

It shall be the sole responsibility of the customer to notify the Company of changes to the customer's nominated transportation volumes. The Company shall not be obligated to accept from the pipeline(s) any customer-owned volumes that differ from the customer's nomination to the Company. The Company will utilize nominated transportation volumes from the customer when making dispatching and curtailment decisions. When, for whatever reason, except for an error for which the Company is primarily responsible, the customer's nominated transportation volumes are not correct, and such incorrect information causes the Company to incur pipeline imbalance charges, the customer shall be responsible for all applicable charges.

D. Daily: Customers or their agent, shall notify the Company's representative by 9:00 a.m. CCT, by a mutually acceptable method, of a Daily Nomination or a desired change, if any, to its requested quantity of transportation gas for the gas Day commencing at 9:00 a.m. CCT or for following gas Days. Nomination of Delivery and Receipt Point shall be limited to those specified in the Service Request Form.

E. Critical Day and/or OFO: When curtailment / interruption / OFO is called, the Company shall attempt to notify the Customer by 3:30 p.m. CCT on the MOT bulletin board, prior to the beginning of the gas day, or as necessary to maintain the integrity of the system, of the receipt and delivery conditions applicable to Customer's Gas Transportation Service during the next gas Day commencing at 9:00 a.m. CCT. Such notification shall include all necessary information known at the time, such as Curtailment or Interruption conditions, allowable balancing adjustments, etc. The Company shall also notify the Customer once the curtailment / interruption conditions have changed. Similar to the provisions of the Late Nominations section below, the Company may allow for reduced Critical Day/OFO nomination requirements.

* **F. Firm Supply Standby Service:** Customer or its agent shall notify the Company's representative by 4:00 p.m. CCT prior to the end of the gas Day of its requested quantity of Firm Supply Standby service gas to be delivered by Company at the Delivery Point.

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RIDER NO. 7 TRANSPORTATION OF CUSTOMER-OWNED GAS (Cont.)

* **G. Late Nominations:** The Company may, at its sole discretion, relax the nomination timing requirements outlined above in those situations where operationally the Company can accommodate a change in nomination on less notice. Nominations shall be implemented only if they are confirmed by the interstate pipeline. For each Late Nomination, the Company will charge a Rescheduling Service fee of \$50 per point of delivery. The charge will be imposed for each nomination change received and confirmed by the Company.

* **H. MidAmerican ONLINE Transportation (MOT) Bulletin Board:** The MidAmerican ONLINE Transportation (MOT) bulletin board is a functional electronic bulletin board available on a 24-hour basis via the Internet. This system offers access to daily nominations, usage, balancing information, system notifications, weather, and other pertinent information. Customers electing the MOT bulletin board shall be required to submit nominations electronically. Customers who choose not to utilize the MOT bulletin board will not have access to this information without charge.

* **I. Operational Flow Order (OFO):** The Company may call an OFO on customers behind a specific pipeline, delivery zone, town border station; on a marketer, agent, or specific customer. This OFO will result in requiring customers that the OFO was called on to balance gas volumes under either the Short or Long Critical Day provisions. The OFO will remain in effect until the operational condition requiring its issuance has been remedied. The type of OFO call and process the Company will use is as follows:

OFO call by pipeline, Delivery Zone, or Town Border Station (TBS). The Company will call a Short or Long Critical Day on a specific pipeline, delivery zone, or TBS for the following reasons:

1. When the Company experiences failure of transmission, distribution, gas storage or gas manufacturing facilities.
2. When transmission system pressures or other unusual conditions jeopardize the operation of the Company's system.
3. When the Company's transportation, storage, and supply resources are being used at or near their maximum rated deliverability.
4. When any of the Company's transporters or suppliers call the equivalent of a Critical Day.
5. When the Company is unable to fulfill its firm contractual obligations or otherwise when necessary to maintain the overall operational integrity of all or a portion of the Company's system.

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RIDER NO. 7 TRANSPORTATION OF CUSTOMER-OWNED GAS (Cont.)

OFO call by a marketer, agent, customers, or specific customer. The Company will call a Short or Long Critical Day on a marketer, agent, customers or specific customer when in the Company's judgment, the OFO is necessary to maintain or restore operational integrity when a marketer, agent, group of customers, or specific customer is significantly delivering long or short during periods of significant gas price changes.

Critical Day:

When the Company declares a long critical day, only balancing tolerances of 5% positive will be allowed without a penalty. When a short critical day is called, no balancing tolerances will be available. However, when the Company declares a short critical day, a customer may incur a positive imbalance without an imbalance charge or on a long critical day, a customer may incur a negative imbalance without an imbalance charge.

* Transportation Service Is Provided Without Firm Supply Standby Service:

Transportation of customer-owned gas is provided under this rider without reserve or backup for the customer's self-acquired gas supply. If a customer desires backup to customer's self-acquired supply, such reserve may be acquired through Rider No. 9.

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RIDER NO. 7 TRANSPORTATION OF CUSTOMER-OWNED GAS (Cont.)

Billings, Payments, and Reimbursements:

The Company shall bill the customer each month for the amount due for all service rendered and applicable penalties, if any, under this rider during the month. The amount due shall be determined in accordance with this rider, other applicable riders and the customer's applicable rate. The billing shall specify the quantities of customer-owned gas received by the Company at the point of receipt and the quantities delivered to the customer at the point of delivery during the month, and any other applicable quantities necessary for billing under this and other riders selected by the customer. To the extent that actual data are unavailable for any portion of a month, the Company may render the bill based upon estimated data. Bills based on estimated data shall be adjusted by the Company and submitted to the customer within a reasonable time following receipt of actual data.

The customer shall reimburse the Company for any taxes relating to this rider or the service provided under this rider which the Company shall be required to pay or obligated to collect from the customer. The Company shall bill the customer periodically for any such taxes, and for any costs which the Company may be specifically authorized by law to recover from the customer incident to such taxes.

Curtailement or Interruption Credit:

As a result of curtailments or interruptions caused by system constraints occurring on the Company's system, the customer shall be entitled to a gas volume credit equal to the difference between the customer-owned gas volumes received by the Company at the point of receipt, adjusted for retention, and the customer-owned gas volumes delivered to the customer at the point of delivery.

The customer shall also be entitled to a billing reduction proportionate to the magnitude and duration of curtailment or interruption experienced.

ORDER OF DELIVERIES:

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The order of gas deliveries for purposes of billing shall be as follows:

1. Customer-owned gas, adjusted for retention.
2. Rider No. 9 Firm Supply Standby Service Volumes, if applicable.
3. Imbalance volumes, if applicable.

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RIDER NO. 7 TRANSPORTATION OF CUSTOMER-OWNED GAS (Cont.)

DETERMINATION OF IMBALANCES:

Customer shall have the obligation to balance on a daily basis the receipt of transportation gas by the Company at the Receipt Point with deliveries of thermally adjusted quantities of gas by the Company to the Delivery Point ("Balance"). Differences between Daily Receipts and Deliveries ("Imbalances") shall be accumulated and recorded in a Customer account. MidAmerican will review the Customer's nomination made to the interstate pipeline. For purposes of determining distribution system imbalances, MidAmerican will use the lesser of the volume confirmed on the interstate pipeline or the nomination submitted by the Customer to MidAmerican.

* DAILY IMBALANCES:

Any daily imbalance volumes will be subject to the balancing charges specified in Rider No. 8, or penalties, with the exception of the following circumstances:

1. Customer has Positive Imbalances during a short critical day.
2. Customer consumes volumes in excess of deliveries to the system, adjusted for retention, during a long critical day.

SHORT CRITICAL DAY:

Customers with a negative imbalance will be charged \$.50 per therm (\$5.00 per Dth) for the first 5% Negative Imbalance and will be assessed the greater of \$3.00 per therm (\$30.00 per Dth) or three (3) times the Chicago-LDCs, large end-users "Midpoint" Index price as reported in Gas Daily publication for any Negative Imbalance in excess of 5%.

LONG CRITICAL DAY:

Customers with a positive imbalance in excess of +5% will be charged \$1.00 per therm (\$10.00 per Dth).

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RIDER NO. 7 TRANSPORTATION OF CUSTOMER-OWNED GAS (Cont.)

ADDITIONAL CHARGES:

If the Company incurs additional charges due to a Customer's Imbalance, those costs will be passed on to the Customer.

The customer shall reimburse the Company for any penalty, storage, or other costs incurred by the Company or imposed on the Company by a pipeline as a result of any under or over delivery imbalance, daily, monthly or otherwise, caused by the customer.

If the Company incurs additional charges due to a Customer's Imbalance, which is in excess of the penalty recoveries from transportation customers, the net excess penalty will be collected on a pro rata basis from all parties that created the additional charges.

- PC = Individual pipeline charge.
- I = Net under or over delivery imbalance volumes of the system.
- I_T = Net under or over delivery imbalance volumes of transport customers.
- I_S = Difference between I and I_T equals the net imbalance volumes of sales customers.
- I_T¹ = Sum of the I_T's in the same direction as I.
- I_J = Individual transport customer imbalance volumes that have an imbalance in the same direction as the penalty.

Apply formula:

$$PC = [(I_J / (I_T^1 + I_S)] * \text{Pipeline Penalties}$$

PC minus the individual transport penalties on MidAmerican's system equals the additional charge.

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MIDAMERICAN ENERGY COMPANY
Schedule of Rates For
Gas Service in Illinois

Ill. C. C. No. 2
Third Revised Sheet No. 16.95
Cancels First Revised Sheet No. 16.95

RIDER NO. 7 TRANSPORTATION OF CUSTOMER-OWNED GAS (Cont.)

WAIVER OF PENALTIES:

Regardless of Customer circumstances, the Company will not waive interstate pipeline imbalance charges that are incurred due to a customer imbalance. However, in the event of unanticipated, non-recurring conditions experienced by the Customer with their natural gas fueled equipment where the Customer as a result of problems with its natural gas fueled equipment was unable to use all quantities of gas confirmed for delivery (excluding changes in production levels by the Customer), the Company may waive its daily imbalance charges for the gas day the condition initially occurred.

Any imbalance charge paid by the Customer or waived by the Company, shall not be construed as giving the Customer the right to continue to create an imbalance on the system.

DAILY IMBALANCES:

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In addition to the applicable over/under delivery charges, daily Positive or Negative Imbalances at a delivery point will be deemed to have been sold to or bought from the Company at the applicable Gas Daily index price plus applicable interstate pipeline transportation fees. The Customer's imbalance will be subject to the index pricing point for the pipeline they are served by. The pipeline index pricing point established for each pipeline can be referenced on Sheet No. 15 (Rider No. 6). Each month the daily prices associated with the pipeline index pricing points will be filed as an Informational Sheet, Supplemental to Sheet No. 15 (Rider No. 6). If the "Midpoint" price is not published in Gas Daily for the applicable "Flow Date(s)," then the index shall be the "Midpoint" price for the most recently published "Flow Date(s)" preceding the "Flow Date(s)" on which the "Midpoint" price was not published.

GENERAL:

Service hereunder is subject to the Rules and Regulations of the Company and to the Terms and Conditions and applicable riders included in this gas tariff schedule.

Issued: September 12, 2002
Pursuant to Commission Order in
Docket No. 01-0696 September 11, 2002
Asterisk (*) indicates change.

Effective September 18, 2002

Issued by James J. Howard
Vice President