ORDER

By the Commission:

I. PROCEDURAL HISTORY

On November 26, 2018, the Illinois Commerce Commission ("Commission") entered an Initiating Order commencing reconciliation proceedings, in accordance with the requirements of Section 9-220(a) of the Public Utilities Act ("Act"), which directed MidAmerican Energy Company ("MidAmerican" or "Company") to present evidence in this docket at a public hearing to show the reconciliation of MidAmerican's purchased gas adjustment clause ("PGA") revenues collected with the actual cost of such gas supplies prudently purchased for the 12 months ended December 31, 2018.

On April 12, 2019, MidAmerican filed the direct testimony of Cory T. Root, consisting of MidAmerican Exhibits 1.0, 1.1, 1.2, and 1.3 including Mr. Root's affidavit, and Peggi S. Allenback, consisting of MidAmerican Exhibit 2.0, including Ms. Allenback's affidavit.

Notice of the filing of MidAmerican's testimony and exhibits was posted in the Company's business offices and was published in newspapers having general circulation in MidAmerican's gas service territory, in the manner prescribed by 83 Ill. Adm. Code 255 in compliance with the Commission's Initiating Order in this proceeding.

Pursuant to proper notice, a status hearing was held before a duly authorized Administrative Law Judge of the Commission at its offices in Chicago, Illinois on April 25, 2019 for the purpose of setting a schedule. Staff of the Commission ("Staff") appeared. On September 4, 2019, Staff Exhibit 1.0, the testimony of Scott Tolsdorf, and Staff Exhibit 2.0, the testimony of Brett Seagle, were filed. On September 16, 2019, Staff Exhibits 3.0 and 4.0, consisting of the affidavits of Mr. Tolsdorf and Mr. Seagle, were filed.

On September 19, 2019, an evidentiary hearing was held wherein MidAmerican's and Staff's exhibits were admitted into evidence and the record was marked "Heard and Taken."

The record contains detailed and comprehensive reconciliations of the revenues collected by the Company under its PGA and the actual cost of purchased gas...
recoverable under the PGA for the reconciliation period. The record also contains evidence pertaining to the prudence of purchases of natural gas.

II. MIDAMERICAN’S POSITION

MidAmerican witness Allenback presented evidence in this proceeding concerning gas purchasing, planning functions and procedures; and transportation and gas planning and controls. Company witness Root presented a reconciliation of the Illinois allocation of total gas revenues with total gas costs for the reconciliation period January 1, 2018 through December 31, 2018.

III. STAFF’S POSITION

Staff witness Tolsdorf testified that Staff had reviewed MidAmerican’s PGA reconciliation and underlying documents concerning revenues associated with gas charges collected under the PGA, and the costs recoverable under the clause. Staff witness Seagle found that the Company’s expenditures for the purpose of its gas supply during the reconciliation period ending December 31, 2018, were reasonable and prudent.

Staff recommended that the Commission accept the reconciliation of revenues collected under the PGA with actual costs as presented by MidAmerican. The Company presented an independent reconciliation for each of the following: Commodity Gas Charge and Non-Commodity Gas Charge. Attached as Appendix A to this Order is the reconciliation prepared by the Company that Staff recommends be approved.

IV. COMMISSION ANALYSIS AND CONCLUSION

The record herein contains a detailed description and review of the Company’s PGA revenues collected with actual costs for such gas supplies prudently purchased for the twelve months ended December 31, 2018. Staff conducted a thorough review of MidAmerican’s accounts, analyzed work papers and supporting data relied upon by the Company. Staff utilized the appropriate standards adopted by the Commission to review prudence. The Commission, therefore, concurs with Staff and finds that the Company’s expenditures for the purchase of its gas supply during the reconciliation period ending December 31, 2018, were reasonable and prudent. The determinations made in this Order create no presumptions for future reconciliation proceedings, as to either the reasonableness of MidAmerican’s gas expenditures in periods after 2018, or the nature and scope of review thereof. The Commission concludes that the 2018 PGA reconciliation attached as Appendix A to this Order should be approved.

V. FINDINGS AND ORDERING PARAGRAPHS

The Commission, having given due consideration to the entire record and being fully advised in the premises, is of the opinion and finds that:

(1) MidAmerican Energy Company, an Iowa corporation, is engaged in the distribution of gas service to the public in Illinois and, as such, is a public utility within the meaning of the Public Utilities Act;

(2) the Commission has jurisdiction over MidAmerican Energy Company and of the subject matter of this proceeding;
(3) the statements of fact set forth in the prefatory portion of this Order are supported by the evidence of record and are hereby adopted as findings of fact;

(4) during the reconciliation period, there was no evidence to indicate that MidAmerican Energy Company had not acted reasonably and prudently in its purchases of natural gas; and

(5) as set forth on the attached Appendix A to this Order, MidAmerican Energy Company has experienced $33,395,026 in 2018 Total Gas Costs and $34,924,213 in 2018 Total PGA Revenues, an adjustment of $41,873 for the Kansas Gas Tax, and interest of $5,958 resulting in a $1,481,355 over-recovery of gas costs for the 2018 reconciliation year. The over-recovery of $1,481,355, when combined with the under-recovery balance from prior periods of $1,539,927 results in a $58,572 under-recovered balance at December 31, 2018. That amount, combined with the Adjustment Factor of $378,450 and the Unamortized Balance of $437,022 as of December 31, 2018, results in an Ordered Reconciliation Factor of zero.

IT IS THEREFORE ORDERED that the reconciliation submitted by MidAmerican Energy Company of the costs actually incurred for the purchase of natural gas with revenues received for such gas for the reconciliation period beginning January 1, 2018, through December 31, 2018, as set forth in the attached Appendix A be, and they are hereby, approved.

IT IS FURTHER ORDERED that pursuant to Section 10-113(a) of the Public Utilities Act and 83 Ill. Adm. Code 200.880, any application for rehearing shall be filed within 30 days after service of the Order on the party.

IT IS FURTHER ORDERED that subject to the provisions of Section 10-113 of the Public Utilities Act and 83 Ill. Adm. Code 200.880, this Order is final; it is not subject to the Administrative Review Law.

By Order of the Commission this 14th day of November, 2019.

(SIGNED) CARRIE ZALEWSKI
Chairman