

Formula Rate - Non-Levelized

Rate Formula Template
Utilizing FERC Form 1 Data

Estimated - For the 12 months ended 12/31/12

MidAmerican Energy Company

Line No.				Allocated Amount
1	GROSS REVENUE REQUIREMENT (page 3, line 31)			\$ 92,683,055
	REVENUE CREDITS	(Note T)	Total	
2	Account No. 454	(page 4, line 34)	222,084	222,084
3	Account No. 456.1	(page 4, line 37)	20,310,335	20,310,335
4	Revenues from Grandfathered Interzonal Transactions		0	0
5	Revenues from service provided by the ISO at a discount		0	0
6	TOTAL REVENUE CREDITS (sum lines 2-5)			20,532,419
6a	Historic Year Actual ATRR			0
6b	Projected ATRR from Prior Year	Import from Prior Year		0
6c	Prior Year ATRR True-Up	(line 6a - line 6b)		0
6d	Prior Year Divisor True-Up	(Note GG)		0
6e	Interest on Prior Year True-Up			0
7a	NET REVENUE REQUIREMENT	(line 1 minus line 6 plus line 6c through 6e)		\$ 72,150,636
7b	NITS Customer 1			\$ -
7c	NITS Customer 2			\$ -
7d	NITS Customer 3			\$ -
7e	NITS Customer 4			\$ -
7f	NITS Customer 5			\$ -
7	MidAmerican Adjusted Revenue Req.	(Note Y) (sum lines 7a - 7f)		\$ 72,150,636
	DIVISOR			
8	Average of 12 coincident system peaks for requirements (RQ) service	(Note A)		3,703,750
9	Plus 12 CP of firm bundled sales over one year not in line 8	(Note B)		0
10	Plus 12 CP of Network Load not in line 8	(Note C)		82,189
11	Less 12 CP of firm P-T-P over one year (enter negative)	(Note D)		0
12	Plus Contract Demand of firm P-T-P over one year			0
13	Less Contract Demand from Grandfathered Interzonal Transactions over one year (enter negative) (Note S)			0
14	Less Contract Demands from service over one year provided by ISO at a discount (enter negative)			0
15	Divisor (sum lines 8-14)			3,785,939
16	Annual Cost (\$/kW/Yr)	(line 7 / line 15)	19.058	
17	Network & P-to-P Rate (\$/kW/Mo)	(line 16 / 12)	1.588	
			Peak Rate	Off-Peak Rate
18	Point-To-Point Rate (\$/kW/Wk)	(line 16 / 52; line 16 / 52)	0.366	\$0.366
19	Point-To-Point Rate (\$/kW/Day)	(line 16 / 260; line 16 / 365)	0.073	\$0.052
20	Point-To-Point Rate (\$/MWh)	(line 16 / 4,160; line 16 / 8,760 times 1,000)	4.581	\$2.176
			Capped at weekly and daily rates	
21	FERC Annual Charge (\$/MWh)	(Note E)	\$0.000	\$0.000 Short Term
22			\$0.000	\$0.000 Long Term

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Line No.	(1)	(2) Form No. 1 Page, Line, Col.	MidAmerican Energy Company		
			(3) Company Total	(4) Allocator	(5) Transmission (Col 3 times Col 4)
RATE BASE:					
GROSS PLANT IN SERVICE (Note BB and Note EE)					
1	Production	205.46.g	7,068,891,543	NA	
2	Transmission	207.58.g	745,972,324	TP	1.00000 745,972,324
3	Distribution	207.75.g	2,937,989,780	NA	
4	General & Intangible	205.5.g & 207.99.g	456,165,238	W/S	0.05872 26,786,848
5	Common	356.1	0	CE	0.05281 0
6	TOTAL GROSS PLANT (sum lines 1-5)		11,209,018,885	GP=	6.894% 772,759,172
ACCUMULATED DEPRECIATION (Note BB and Note EE)					
7	Production	219.20-24.c	2,571,409,378	NA	
8	Transmission	219.25.c	280,724,710	TP	1.00000 280,724,710
9	Distribution	219.26.c	1,410,973,045	NA	
10	General & Intangible	219.28.c & 200.21	308,818,807	W/S	0.05872 18,134,399
11	Common	356.1	0	CE	0.05281 0
12	TOTAL ACCUM. DEPRECIATION (sum lines 7-11)		4,571,925,940		298,859,109
NET PLANT IN SERVICE (Note EE)					
13	Production	(line 1 - line 7)	4,497,482,165		
14	Transmission	(line 2 - line 8)	465,247,614		465,247,614
15	Distribution	(line 3 - line 9)	1,527,016,735		
16	General & Intangible	(line 4 - line 10)	147,346,431		8,652,449
17	Common	(line 5 - line 11)	0		0
18	TOTAL NET PLANT (sum lines 13-17)		6,637,092,945	NP=	7.140% 473,900,063
18a	CWIP for Certificate of Need Projects (Note EE)	216.b	0	TP	1.00000 0
ADJUSTMENTS TO RATE BASE (Note F)					
19	Account No. 281 (enter negative)	273.8.k (Note FF)	-44,320,655	NA	zero 0
20	Account No. 282 (enter negative)	275.2.k (Note FF)	-1,735,138,378	NP	0.07140 -123,891,920
21	Account No. 283 (enter negative)	277.9.k (Note FF)	-83,304,294	NP	0.07140 -5,948,073
22	Account No. 190	234.8.c (Note FF)	364,002,258	NP	0.07140 25,990,399
23	Account No. 255 (enter negative)	267.8.h (Note FF)	0	NP	0.07140 0
23a	Net Prefunded AFUDC on CWIP Included in Rate Base	(Note DD, Note EE)	0	TP	1.00000 0
23b	Unamortized Balance of Abandoned Plant	(Note DD, Note EE)	0	TP	1.00000 0
24	TOTAL ADJUSTMENTS (sum lines 19 - 23b)		-1,498,761,070		-103,849,593
25	LAND HELD FOR FUTURE USE	214.x.d (Note G)	0	TP	1.00000 0
WORKING CAPITAL (Note H)					
26	CWC	calculated	11,795,662		2,393,990
27	Materials & Supplies (Note G, Note EE)	227.8.c & .16.c	4,914,152	TE	0.96441 4,739,279
28	Prepayments (Account 165, Note EE)	111.57.c	65,311,713	GP	0.06894 4,502,644
29	TOTAL WORKING CAPITAL (sum lines 26 - 28)		82,021,527		11,635,914
30	RATE BASE (sum lines 18, 18a, 24, 25, & 29)		5,220,353,403		381,686,384

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Line No.	(1)	(2) Form No. 1 Page, Line, Col.	MidAmerican Energy Company			(5) Transmission (Col 3 times Col 4)
			(3) Company Total	(4) Allocator	(4) Company Total	
O&M (Note CC)						
1	Transmission	321.112.b	36,555,271	TE	0.96441	35,254,432
1a	Less LSE Expenses included in Transmission O&M Accounts (Note V)		3,298,494		1.00000	3,298,494
2	Less Account 565	321.96.b	18,099,316	TE	0.96441	17,455,242
3	A&G	323.197.b	83,169,221	W/S	0.05872	4,883,847
4	Less FERC Annual Fees	350.7.b	2,899,444	W/S	0.05872	170,261
5	Less EPRI & Reg. Comm. Exp. & Non-safety Ad. (Note I) 353.1.f		1,061,939	W/S	0.05872	62,359
5a	Plus Transmission Related Reg. Comm. Exp. (Note I)		0	TE	0.96441	0
6	Common	356.1	0	CE	0.05281	0
7	Transmission Lease Payments		0		1.00000	0
8	TOTAL O&M (sum lines 1, 3, 5a, 6, 7 less lines 1a, 2, 4, 5)		94,365,299			19,151,923
DEPRECIATION AND AMORTIZATION EXPENSE (Note BB)						
9	Transmission	336.7.b	14,416,395	TP	1.00000	14,416,395
9a	Prefunded AFUDC Amortization	(Note DD)	0	TP	1.00000	0
9b	Abandoned Plant Amortization	(Note DD)	0	TP	1.00000	0
10	General & Intangible	336.10.f & 336.1.f	15,937,897	W/S	0.05872	935,902
11	Common	336.11.b	0	CE	0.05281	0
12	TOTAL DEPRECIATION (sum lines 9 - 11)		30,354,292			15,352,297
TAXES OTHER THAN INCOME TAXES (Note J)						
LABOR RELATED						
13	Payroll	263.i	11,329,100	W/S	0.05872	665,265
14	Highway and vehicle	263.i	0	W/S	0.05872	0
PLANT RELATED						
16	Property	263.i	84,713,506	GP	0.06894	5,840,220
17	Gross Receipts	263.i	0	NA	zero	0
18	Other	263.i	1,162,938	GP	0.06894	80,174
19	Payments in lieu of taxes		0	GP	0.06894	0
20	TOTAL OTHER TAXES (sum lines 13 - 19)		97,205,544			6,585,659
INCOME TAXES (Note K)						
21	$T=1 - \{[(1 - SIT) * (1 - FIT)] / (1 - SIT * FIT * p)\} =$		40.57%			
22	$CIT=(T/1-T) * (1-(WCLTD/R)) =$		49.65%			
where WCLTD=(page 4, line 27) and R=(page 4, line 30) and FIT, SIT & p are as given in footnote K.						
23	$1 / (1 - T) =$ (from line 21)		1.6826			
24	Amortized Investment Tax Credit (266.8f) (enter negative)		-1,436,385			
25	Income Tax Calculation = line 22 * line 28		234,908,547	NA		17,175,349
26	ITC adjustment (line 23 * line 24)		-2,416,905	NP	0.07140	-172,571
27	Total Income Taxes (line 25 plus line 26)		232,491,642			17,002,778
28	RETURN [Rate Base (page 2, line 30) * Rate of Return (page 4, line 30)]		473,095,460	NA		34,590,397
29	REV. REQUIREMENT (sum lines 8, 12, 20, 27, 28)		927,512,238			92,683,055
30	LESS ATTACHMENT GG ADJUSTMENT [Attachment GG, page 2, line 3, column 10] (Note W) [Revenue Requirement for facilities included on page 2, line 2, and also included in Attachment GG]		0			0
30a	LESS ATTACHMENT MM ADJUSTMENT [Attachment MM, page 2, line 3, column 10] (Note Z) [Revenue Requirement for facilities included on page 2, line 2, and also included in Attachment MM]		0			0
31	REV. REQUIREMENT TO BE COLLECTED UNDER ATTACHMENT O (line 29 - line 30)		927,512,238			92,683,055

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MidAmerican Energy Company

SUPPORTING CALCULATIONS AND NOTES

Line

No. TRANSMISSION PLANT INCLUDED IN ISO RATES					
1	Total transmission plant (page 2, line 2, column 3)				745,972,324
2	Less transmission plant excluded from ISO rates (Note M)				0
3	Less transmission plant included in OATT Ancillary Services (Note N)				0
4	<u>Transmission plant included in ISO rates (line 1 less lines 2 & 3)</u>				<u>745,972,324</u>
5	Percentage of transmission plant included in ISO Rates (line 4 divided by line 1)			TF	1.00000
TRANSMISSION EXPENSES					
6	Total transmission expenses (page 3, line 1, column 3)				36,555,271
7	Less transmission expenses included in OATT Ancillary Services (Note L)				1,300,839
8	<u>Included transmission expenses (line 6 less line 7)</u>				<u>35,254,432</u>
9	Percentage of transmission expenses after adjustment (line 8 divided by line 6)				0.96441
10	Percentage of transmission plant included in ISO Rates (line 5)			TF	1.00000
11	Percentage of transmission expenses included in ISO Rates (line 9 times line 10)			TF	0.96441
WAGES & SALARY ALLOCATOR (W&S)					
		<u>Form 1 Reference</u>	<u>\$</u>	<u>TP</u>	<u>Allocation</u>
12	Production	354.20.b	62,356,025	0.00	0
13	Transmission	354.21.b	7,053,464	1.00	7,053,464
14	Distribution	354.23.b	34,194,891	0.00	0
15	Other	354.24, 25, 26.b	16,512,221	0.00	0
16	<u>Total (sum lines 12-15)</u>		<u>120,116,601</u>		<u>7,053,464 = 0.05872 = WS</u>
COMMON PLANT ALLOCATOR (CE) (Note O)					
			<u>\$</u>	<u>% Electric</u>	<u>W&S Allocator</u>
17	Electric	200.3.c	10,752,853,647	(line 17 / line 20)	(line 16)
18	Gas	201.3.d	1,203,600,423	0.89933 *	0.05872 =
19	Water	201.3.e	0		CE
20	<u>Total (sum lines 17 - 19)</u>		<u>11,956,454,070</u>		<u>0.05281</u>
RETURN (R)					
					<u>\$</u>
21	Long Term Interest (117, sum of 62.c through 67.c)				\$157,681,729
22	Preferred Dividends (118.29c) (positive number)				\$ 1,160,033
Development of Common Stock:					
23	Proprietary Capital (112.16.c)				3,429,546,316
24	Less Preferred Stock (line 28)				-26,821,700
25	Less Account 216.1 (112.12.c) (enter negative)				-13,683,959
26	<u>Common Stock (sum lines 23-25)</u>				<u>3,389,040,657</u>
			<u>\$</u>	<u>%</u>	<u>Cost</u>
27	Long Term Debt (112, sum of 18.c through 21.c)		2,966,525,000	46%	(Note P) 0.0532
28	Preferred Stock (112.3.c)		26,821,700	0%	0.00432
29	Common Stock (line 26)		3,389,040,657	53%	0.1238
30	<u>Total (sum lines 27-29)</u>		<u>6,382,387,357</u>		<u>0.0906 =R</u>
REVENUE CREDITS					
ACCOUNT 447 (SALES FOR RESALE)					
		(310-311)	(Note Q)		<u>Load</u>
31	a. Bundled Non-RQ Sales for Resale (311.x.h)				0
32	b. Bundled Sales for Resale included in Divisor on page 1				0
33	<u>Total of (a)-(b)</u>				<u>0</u>
34	ACCOUNT 454 (RENT FROM ELECTRIC PROPERTY) (Note R)				\$222,084
ACCOUNT 456.1 (OTHER ELECTRIC REVENUES) (Note U)					
		(330.x.n)			
35	a. Transmission charges for all transmission transactions				\$20,864,473
36	b. Transmission charges for all transmission transactions included in Divisor on Page 1				\$554,138
36a	c. Transmission charges associated with Schedule 26 and 37 (Note X)				\$0
36b	d. Transmission charges associated with Schedule 26-A (Note AA)				\$0
37	<u>Total of (a)-(b)-(c)-(d)</u>				<u>\$20,310,335</u>

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General Note: References to pages in this formulary rate are indicated as: (page#, line#, col.#)
References to data from FERC Form 1 are indicated as: #.y.x (page, line, column)

Note
Letter

- A Peak as would be reported on page 401, column d of Form 1 at the time of the applicable pricing zone coincident monthly peaks.
- B Labeled LF, LU, IF, IU on pages 310-311 of Form 1 at the time of the applicable pricing zone coincident monthly peaks.
- C Labeled LF on page 328 of Form 1 at the time of the applicable pricing zone coincident monthly peaks.
- D Labeled LF on page 328 of Form 1 at the time of the applicable pricing zone coincident monthly peaks.
- E The FERC's annual charges for the year assessed the Transmission Owner for service under this tariff.
- F The balances in Accounts 190, 281, 282 and 283, as adjusted by any amounts in contra accounts identified as regulatory assets or liabilities related to FASB 106 or 109. Balance of Account 255 is reduced by prior flow throughs and excluded if the utility chose to utilize amortization of tax credits against taxable income as discussed in Note K. Account 281 is not allocated.
- G Identified in Form 1 as being only transmission related.
- H Cash Working Capital assigned to transmission is one-eighth of O&M allocated to transmission at page 3, line 8, column 5. Prepayments are the electric related prepayments booked to Account No. 165 and reported on Page 111, line 57 in the Form 1.
- I Line 5 - EPRI Annual Membership Dues listed in Form 1 at 353.f, all Regulatory Commission Expenses itemized at 351.h, and non-safety related advertising included in Account 930.1. Line 5a - Regulatory Commission Expenses directly related to transmission service, ISO filings, or transmission siting itemized at 351.h.
- J Includes only FICA, unemployment, highway, property, gross receipts, and other assessments charged in the current year. Taxes related to income are excluded. Gross receipts taxes are not included in transmission revenue requirement in the Rate Formula Template, since they are recovered elsewhere. Payroll Taxes should only be included in line 13 and should not be included in A&G.
- K The currently effective income tax rate, where FIT is the Federal income tax rate; SIT is the State income tax rate, and $p = \frac{\text{percentage of federal income tax deductible for state income taxes}}{\text{percentage of federal income tax deductible for state purposes}}$. If the utility is taxed in more than one state it must attach a work paper showing the name of each state and how the blended or composite SIT was developed. Furthermore, a utility that elected to utilize amortization of tax credits against taxable income, rather than book tax credits to Account No. 255 and reduce rate base, must reduce its income tax expense by the amount of the Amortized Investment Tax Credit (Form 1, 266.8.f) multiplied by $(1/1-T)$ (page 3, line 26).

Inputs Required:	FIT =	35.00%	
	SIT =	9.03%	(State Income Tax Rate or Composite SIT)
	p =	15.92%	(percent of federal income tax deductible for state purposes)

- L Removes dollar amount of transmission expenses included in the OATT ancillary services rates, including Account Nos. 561.1, 561.2, 561.3, and 561.BA.
- M Removes transmission plant determined by Commission order to be state-jurisdictional according to the seven-factor test (until Form 1 balances are adjusted to reflect application of seven-factor test).
- N Removes dollar amount of transmission plant included in the development of OATT ancillary services rates and generation step-up facilities, which are deemed included in OATT ancillary services. For these purposes, generation step-up facilities are those facilities at a generator substation on which there is no through-flow when the generator is shut down.
- O Enter dollar amounts
- P Debt cost rate = long-term interest (line 21) / long term debt (line 27). Preferred cost rate = preferred dividends (line 22) / preferred outstanding (line 28). ROE will be supported in the original filing and no change in ROE may be made absent a filing with FERC.
- Q Line 33 must equal zero since all short-term power sales must be unbundled and the transmission component reflected in Account No. 456.1 and all other uses are to be included in the divisor.
- R Includes income related only to transmission facilities, such as pole attachments, rentals and special use.
- S Grandfathered agreements whose rates have been changed to eliminate or mitigate pancaking - the revenues are included in line 4, page 1 and the loads are included in line 13, page 1. Grandfathered agreements whose rates have not been changed to eliminate or mitigate pancaking - the revenues are not included in line 4, page 1 nor are the loads included in line 13, page 1.
- T The revenues credited on page 1, lines 2-5 shall include only the amounts received directly (in the case of grandfathered agreements) or from the ISO (for service under this tariff) reflecting the Transmission Owner's integrated transmission facilities. They do not include revenues associated with FERC annual charges, gross receipts taxes, ancillary services, facilities not included in this template (e.g., direct assignment facilities and GSUs) which are not recovered under this Rate Formula Template.
- U Account 456.1 entry shall be the annual total of the quarterly values reported at Form 1, 330.x.n.
- V Account Nos. 561.4 and 561.8 consist of RTO expenses billed to load-serving entities and are not included in Transmission Owner revenue requirements.
- W Pursuant to Attachment GG of the Midwest ISO Tariff, removes dollar amount of revenue requirements calculated pursuant to Attachment GG and recovered under Schedule 26 of the Midwest ISO Tariff.
- X Removes from revenue credits revenues that are distributed pursuant to Schedule 26 and 37 of the Midwest ISO Tariff, since the Transmission Owner's Attachment O revenue requirements have already been reduced by the Attachment GG revenue requirements.
- Y The sum of MidAmerican Energy Company's net revenue requirement and the individual revenue requirements of each Network Integration Transmission Service (NITS) customer which owns integrated transmission facilities within the MidAmerican pricing zone. Customers 1 - 5 are indicative only, and additional customers may be added or deleted to the extent they are eligible to receive the Section 30.9 credit. The revenue requirement for each NITS customer will be calculated based on the process described in the MidAmerican Network Customers Section 30.9 Credits Calculation Procedure set forth on Sheet 2758Z.03.
- Z Pursuant to Attachment MM of the Midwest ISO Tariff, removes dollar amount of revenue requirements calculated pursuant to Attachment MM and recovered under Schedule 26-A of the Midwest ISO Tariff.
- AA Removes from revenue credits that are distributed pursuant to Schedule 26-A of the Midwest ISO Tariff, since the Transmission Owner's Attachment O revenue requirements have already been reduced by the Attachment M revenue requirements.

BB Plant in Service, Accumulated Depreciation, and Depreciation Expense amounts exclude Asset Retirement Obligation amounts unless authorized by FERC.

CC Swchedule 10-FERC charges should not be included in O&M.

DD Page 2 Line 23a includes the net prefunded AFUDC on CWIP included in rate base and Page 3 Line 9a includes the annual amortization of the prefunded AFUDC amounts
Page 2 Line 23b includes any unamortized balances related to the recovery of abandoned plant costs approved by FERC under a separate docket
Page 3 Line 9b includes the Amortization expense of abandonment costs included in transmission depreciation expense
These are shown in the workpapers required pursuant to the Annual Rate Calculation and True-Up Procedures.

EE Calculate using 13 month average balance reconciling to FERC Form No. 1 by page, line and column as shown in Column 2.

FF Calculate using a simple average of beginning of year and end of year balances reconciling to FERC Form No. 1 by page, line and columns as shown in Column 2.

GG Calculation of Prior Year Divisor True-Up

Historic Year Actual Divisor	Pg 1. Line 15	0
Projected Year Divisor	Pg 1. Line 15	0
Difference between Historic and Projected Yr Divisor		<u>0</u>
Prior Year Projected Annual Cost (\$ per kW per year)	Pg 1. Line 16	0.000
Projected Year Divisor True-up (Difference * Prior Year Projected Annual Cost)		0.00