



1050 Thomas Jefferson Street, NW  
Seventh Floor  
Washington, DC 20007  
(202) 298-1800 Phone  
(202) 338-2416 Fax

Douglas W. Smith  
(202) 298-1902  
[dws@vnf.com](mailto:dws@vnf.com)

March 19, 2019

**Via e-Filing**

Kimberly D. Bose  
Secretary  
Federal Energy Regulatory Commission  
888 First Street, NE  
Washington, DC 20426

**Re: *MidAmerican Central California Transco, LLC*  
Docket No. ER19-\_\_\_\_-000**

Dear Ms. Bose:

Pursuant to section 205 of the Federal Power Act (“FPA”)<sup>1</sup> and the Federal Energy Regulatory Commission’s (“FERC” or “Commission”) June 3, 2014 Order granting MidAmerican Central California Transco, LLC’s (“MCCT”) request for certain transmission rate incentives,<sup>2</sup> MCCT hereby submits for Commission review the deferred pre-commercial costs recorded in a regulatory asset prior to January 1, 2019, the date MCCT began recovering its transmission revenue requirement (“TRR”) through the California Independent System Operator, Inc.’s (“CAISO”) open access transmission tariff. As explained herein, the amounts recorded in the regulatory asset were prudently incurred pre-commercial costs that would otherwise have been chargeable to expense during the period incurred. Therefore, MCCT asks that the Commission find that costs recorded to its regulatory asset are consistent with the requirements of the June 2014 Order and are just and reasonable.

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<sup>1</sup> 16 U.S.C. § 824d (2012).

<sup>2</sup> *MidAmerican Transco Central California Transco, LLC*, 147 FERC ¶ 61,179 (2014) (“June 2014 Order”).

## **I. BACKGROUND**

Through a competitive selection process, MCCT and Pacific Gas and Electric Company (“PG&E”) were designated in 2013 to jointly develop the 230 kV Central California Valley Transmission Upgrade Project (“Project”). On April 4, 2014, MCCT filed a request for certain transmission rate incentives pursuant to Order No. 679.<sup>3</sup> Among other transmission rate incentives, MCCT requested authorization to establish a regulatory asset that would include all expenses not capitalized and included in Construction Work In Progress (“CWIP”) that were incurred up to the date that charges are assessed to CAISO customers through the CAISO transmission access charge (“TAC”) under MCCT’s formula rate. In addition, MCCT requested authorization to accrue a carrying charge from the effective date of the regulatory asset until the asset is included in rate base, and to amortize the regulatory asset with interest over five years for cost recovery purposes. In its June 2014 Order, the Commission granted the request,<sup>4</sup> but required that MCCT “make a section 205 filing to demonstrate that the pre-construction costs included in the regulatory asset are just and reasonable” and that such costs are costs that “would otherwise be chargeable to expense in the period incurred.”<sup>5</sup>

Consistent with the directive set forth in the June 2014 Order, MCCT submits this filing demonstrating that the costs included in the regulatory asset are just and reasonable and were prudently incurred.

## **II. CONTENTS OF THE FILING**

In addition to this transmittal letter, this filing contains the following components:

- Exhibit No. MCCT-100: Direct Testimony of Heather L. Cushman;
- Exhibit No. MCCT-101: Regulatory Asset Pre-Commercial Cost Table; and
- Exhibit No. MCCT-102: Calculation of Carrying Charge.

## **III. THE COSTS INCLUDED IN MCCT’S REGULATORY ASSET ARE JUST AND REASONABLE**

Consistent with the requirements of the June 2014 Order, MCCT makes this filing supporting the prudence of the \$2,469,088.47 of pre-commercial costs included in the regulatory asset. In her testimony, Ms. Cushman describes the pre-commercial costs that MCCT has recorded as a regulatory asset. As explained by Ms. Cushman, these costs were

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<sup>3</sup> *Promoting Transmission Investment through Pricing Reform*, Order No. 679, FERC Stats. & Regs. ¶ 31,222, *order on reh’g*, Order No. 679-A, FERC Stats. & Regs. ¶ 31,236 (2006), *order on reh’g*, 119 FERC ¶ 61,062 (2007).

<sup>4</sup> June 2014 Order at PP 32-33.

<sup>5</sup> *Id.* at P 35.

comprised primarily of owners' internal labor costs and fees for attorneys and consultants incurred from March 2013 through June 2014. MCCT continued to record pre-commercial costs to the regulatory asset through December 2018. As of January 1, 2019, MCCT began recovering its TRR through the CAISO TAC, and thus is no longer recording pre-commercial costs to the regulatory asset.

Ms. Cushman further explains that MCCT records pre-commercial costs according to six major expenditure categories:

- 1) Regulatory Services, which includes costs associated with all FERC filings necessary to establish transmission rates as well as costs associated with tariff-related filings and administration;
- 2) Planning/Design Activities, which includes initial project planning, design, engineering, permitting and siting costs;
- 3) Business Services, which includes costs for various accounting, budgeting, taxation, cash management and recordkeeping services;
- 4) Legal Services, which includes the cost of corporate filings and the cost to develop and administer the commercial arrangements associated with developing the Project;
- 5) Shared Cost Balancing, which includes MCCT's share of certain third-party planning and design expenses related to the joint development of the Project by MCCT and PG&E; and
- 6) Carrying Charges, as authorized in the Commission's June 2014 Order.

Exhibit No. MCCT-101 provides a monthly breakdown of these costs, separated into these six expenditure categories. The costs identified and described in this filing are necessary and appropriate. The subject amount reflects the business and legal complexities inherent in MCCT's participation its first transmission project, its first proposed formula rate, and its first request for transmission rate incentives. All of these costs are costs that would otherwise have been chargeable to expense in the period incurred. Each of these approvals required the assistance of internal and external resources, for which costs were allocated to MCCT.

As described in Ms. Cushman's testimony and shown in Exhibit No. MCCT-102, carrying charges are calculated on a monthly basis using a weighted average cost of capital based on the then-current cost of debt, MCCT's allowed return on equity of 10.3% and the approved hypothetical capital structure consisting of 48 percent debt and 52 percent equity. Although the carrying charge is calculated for each month, the monthly carrying charges are only added to the regulatory asset balance every six months, consistent with the June 2014 Order.

Thus, the costs recorded to the regulatory asset were prudently incurred, properly recorded, and just and reasonable.

#### **IV. REQUEST FOR WAIVERS**

In accordance with Section 35.13(b) of the Commission's regulations, 18 C.F.R. § 35.13(b), MCCT represents that (1) no agreement by contract is required for the tender of this filing, and (2) there are no expenses or costs included in this filing that have been alleged or judged in any administrative or judicial proceeding to be illegal, duplicative, or unnecessary costs that are demonstrably the product of discriminatory employment practices. To the extent necessary, MCCT requests waiver of any Part 35 requirements to provide detailed statements of cost of service or other additional information.

#### **V. POSTING AND SERVICE**

A copy of this filing is being served on all parties to the formula rate proceeding and CAISO. MCCT will also make a copy of this filing available to all CAISO members by posting this filing electronically on MCCT's website.

#### **VI. CORRESPONDENCE AND COMMUNICATIONS**

Communications with respect to this filing should be addressed to the following individuals:<sup>6</sup>

Steve Rowley  
Director, Transmission Business Development  
BHE U.S. Transmission, LLC  
666 Grand Avenue  
Suite 500  
Des Moines, IA 50309  
(515) 252-6754  
SRowley@BHEtransmission.com

Douglas W. Smith  
Kelsey Bagot  
Van Ness Feldman, LLP  
1050 Thomas Jefferson Street, NW  
Seventh Floor  
Washington, DC 20007  
(202) 298-1800  
dws@vnf.com  
kbagot@vnf.com

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<sup>6</sup> To the extent necessary, MCCT respectfully requests waiver of Rule 203(b)(3) to include all the individuals identified above on the Commission's official service list in this proceeding and to be designated for service pursuant to Rule 2010.

## VII. CONCLUSION

For the reasons set forth above, MCCT requests that the Commission accept this showing that the costs contained in MCCT's regulatory asset account satisfy the requirements of the June 2014 Order.

Respectfully submitted,

*Douglas W. Smith*

\_\_\_\_\_  
Douglas W. Smith

Kelsey Bagot

Van Ness Feldman, LLP

1050 Thomas Jefferson Street, NW

Seventh Floor

Washington, DC 20007

(202) 298-1800

dws@vnf.com

kbagot@vnf.com

Counsel for

MidAmerican Central California Transco, LLC

Attachments

**EXHIBIT NO. MCCT-100**

**Direct Testimony of Heather L. Cushman**

**UNITED STATES OF AMERICA  
BEFORE THE  
FEDERAL ENERGY REGULATORY COMMISSION**

**MIDAMERICAN CENTRAL  
CALIFORNIA TRANSCO, LLC**

**Docket No. ER19-\_\_\_\_-000**

**DIRECT TESTIMONY OF  
HEATHER L. CUSHMAN**

**MARCH 19, 2019**

**UNITED STATES OF AMERICA  
BEFORE THE  
FEDERAL ENERGY REGULATORY COMMISSION**

**MidAmerican Central California** )  
**Transco, LLC** ) **Docket No. ER19-\_\_\_\_-000**

**DIRECT TESTIMONY OF HEATHER L. CUSHMAN**

1 Q. **PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2 A. My name is Heather L. Cushman, and my business address is 666 Grand Avenue, Des  
3 Moines, Iowa, 50309.

4 Q. **BY WHOM AND IN WHAT CAPACITY ARE YOU EMPLOYED?**

5 A. I am employed by BHE U.S. Transmission, LLC as Controller.

6 Q. **PLEASE PROVIDE A BRIEF DESCRIPTION OF YOUR EDUCATION AND**  
7 **PROFESSIONAL EXPERIENCE.**

8 A. I graduated from Iowa State University in 1993 with a Bachelor of Arts degree in  
9 Business Administration with a major in Accounting and earned a Master’s  
10 degree in Business Administration in 2002 from the University of Iowa. In 1995,  
11 I became a Certified Public Accountant licensed to practice in Iowa; I am  
12 currently a licensed non-active Certified Public Accountant in Colorado.

13 Upon graduating from Iowa State University, I commenced my  
14 professional career in public accounting at Coopers & Lybrand LLC as an Audit  
15 Associate and later at Deloitte & Touche, LLC as an Audit Senior. Since 1996, I  
16 have held senior accounting management positions in industry, including many



1 as the top financial executive with the title of Controller. I joined BHE U.S.  
2 Transmission, LLC as Controller in November 2013.

3 In my current position, I am responsible for overseeing the preparation and  
4 maintenance of MidAmerican Central California Transco, LLC's ("MCCT") financial  
5 records.

6 **Q. HAVE YOU PREVIOUSLY FILED TESTIMONY BEFORE A REGULATORY**  
7 **BODY?**

8 A. Yes. I have previously filed testimony with the Federal Energy Regulatory Commission  
9 ("FERC") in support of the initial formula rate filing for MCCT in Docket No. ER14-  
10 1661-000.

11 **Q. PLEASE EXPLAIN THE PURPOSE OF YOUR TESTIMONY.**

12 A. The purpose of my testimony is to describe the pre-commercial costs that MCCT has  
13 recorded as a regulatory asset, as authorized by FERC in its June 3, 2014 order in Docket  
14 No. ER14-1661-000 ("June 2014 Order").

15 **Q. PLEASE EXPLAIN WHY MCCT WAS FORMED AND THE NATURE OF ITS**  
16 **OPERATIONS.**

17 A. MCCT was formed to propose, design, build, own and operate new transmission projects  
18 in California. MCCT and Pacific Gas & Electric Company ("PG&E") were awarded the  
19 right to jointly construct and own the 230 kV Central Valley Transmission Upgrade  
20 ("Project") via the competitive solicitation process conducted by CAISO. MCCT and  
21 PG&E each have a 50% tenants-in-common interest in the Project. MCCT and PG&E are  
22 also parties to a memorandum of understanding ("MOU") pursuant to which each party  
23 shared pre-project award development costs equally.

1 **Q. SUMMARIZE THE PRE-COMMERCIAL COSTS DEFERRED AS A**  
2 **REGULATORY ASSET BY MCCT.**

3 A. In June 2014, MCCT recorded as a regulatory asset its accumulated pre-commercial  
4 costs. These costs include owners' internal labor costs and fees for attorneys and  
5 consultants incurred from March 2013 through June 2014 (either directly, or indirectly  
6 via reimbursement of expenses incurred by PG&E under the MOU). Since June 2014,  
7 pre-commercial costs have been recorded by MCCT as a regulatory asset in Account  
8 182.3 on a monthly basis, and carrying costs have been accrued monthly at a weighted  
9 average cost of capital rate on the accumulated pre-commercial costs, which includes the  
10 accrued balance of deferred carrying charges compounded semi-annually.

11 **Q. HOW ARE DEFERRED PRE-COMMERCIAL COSTS ACCOUNTED FOR BY**  
12 **MCCT?**

13 A. MCCT records pre-commercial costs by major expenditure categories including: 1)  
14 regulatory services; 2) planning/design activities; 3) business services; 4) legal services;  
15 5) shared cost balancing; and 6) carrying charges. A monthly breakdown of these costs,  
16 separated into these six expenditure categories, is included as Exhibit No. MCCT-101. A  
17 brief description of the costs in each of these follows.

18 **Regulatory Services**

19 Includes costs associated with all FERC filings necessary to establish transmission rates  
20 as well as costs associated with tariff-related filings and administration; these expenses  
21 are primarily driven by the cost to retain external counsel and transmission rate  
22 consultants to support such filings.

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### **Planning/Design Activities**

Includes initial project planning, design, engineering, permitting and siting costs. This category comprises costs associated with MCCT's owner's internal labor and outside services.

### **Business Services**

Includes costs for various services provided by MCCT's owners, in accordance with services agreements between MCCT and its owners. Services provided include accounting, budgeting, taxation, and cash management as well as recordkeeping, and oversight and management services. The costs in this category are primarily owners' internal labor costs billed to MCCT.

### **Legal Services**

Legal services include the costs of corporate filings and the cost to develop and administer the commercial arrangements associated with developing the Project.

### **Shared Cost Balancing**

Pursuant to the MOU, MCCT and PG&E agreed to share equally certain third-party planning and design expenses related to their joint development of the Project. In December 2013, MCCT reimbursed PG&E for the net difference in each party's respective payments to third parties covered under the scope of this agreement.

### **Carrying Charges**

Carrying charges represent the cost of capital applicable to deferred pre-commercial costs as authorized in Docket No. ER14-1661-000. The cost of capital is based on a hypothetical capital structure consisting of 48 percent debt and 52 percent equity.

1 **Q. HOW ARE CARRYING CHARGES CALCULATED FOR PRE-COMMERCIAL**  
2 **COSTS?**

3 A. The calculation of the carrying charges is set forth in Exhibit No. MCCT-102. The  
4 carrying charge rate was calculated on a monthly basis using a weighted average cost of  
5 capital based on the then-current cost of debt, the allowed return on equity of 10.3% and  
6 hypothetical capital structure consisting of 48 percent debt and 52 percent equity. Each  
7 year the debt rate was set at the average of the LIBOR 1-Month rate for the first business  
8 day of each month in that year. The weighted average cost of capital rate was applied to  
9 the average of the beginning and ending regulatory asset balance, less the average of the  
10 beginning and ending balances of the associated payables. Accumulated monthly  
11 carrying charges are added to the regulatory asset balance semi-annually (in May and  
12 November), consistent with the June 2014 Order approving the Regulatory Asset  
13 incentive.

14 **Q. HAVE ANY OF THE COSTS INCLUDED IN THE REGULATORY ASSET BEEN**  
15 **INCLUDED AS CONSTRUCTION WORK IN PROGRESS (“CWIP”)?**

16 A. No. Pre-commercial costs have not been capitalized and included in CWIP. Regulatory  
17 Asset costs will be recovered through the amortization of the regulatory asset over five  
18 years by debiting Account 566 and crediting Account 182.3.

19 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

20 A. Yes.

**UNITED STATES OF AMERICA  
BEFORE THE  
FEDERAL ENERGY REGULATORY COMMISSION**

**MidAmerican Central California** )  
**Transco, LLC** )                    **Docket No. ER19-\_\_-000**


State of Iowa            )  
                                  ) ss  
County of Polk         )


**AFFIDAVIT OF HEATHER L. CUSHMAN**

Heather L. Cushman, being first duly sworn, on oath says that she is the Heather L. Cushman identified in the foregoing prepared direct testimony; that the answers therein are true to the best of her knowledge and belief; and that if asked the questions appearing herein, her answers would be the same.

  
Heather L. Cushman

Subscribed and sworn to (or affirmed) before  
me this 18th day of March 2019, by Heather L. \_\_\_\_\_  
Cushman, proved to me on the basis of satisfactory  
evidence to be the person who appeared before me.

  
\_\_\_\_\_  
Notary Public

  
Sheila L. Johnson  
Notarial Seal, Iowa  
Commission Number 198344  
My Commission Expires September 9, 2019

My commission expires on: September 9, 2019

**EXHIBIT NO. MCCT-101**

**Regulatory Asset Pre-Commercial Costs**

MidAmerican Central California Transco, LLC  
Regulatory Asset Pre-Commercial Costs

MCCT 2013 Pre-Commercial Costs														
	Beginning Balance	January	February	March	April	May	June	July	August	September	October	November	December	Total
Regulatory Services	-	-	-	-	-	-	-	-	6,427.50	11,204.50	7,192.50	-	12,319.15	37,143.65
Planning/Design Activities	-	-	-	8,168.50	26,159.76	55,361.72	57,145.23	38,038.33	112,797.13	8,158.23	11,139.11	13,198.18	19,684.48	349,850.67
Business Services	-	-	-	-	2,903.02	12,948.66	6,262.50	1,497.87	2,278.56	3,798.16	3,249.28	6,058.08	7,650.92	46,647.05
Legal Services	-	-	-	-	-	5,330.80	99.78	-	1,381.08	620.53	7,595.03	5,670.07	4,950.07	25,647.36
Shared Cost Balancing	-	-	-	-	-	-	-	-	-	-	-	-	710,297.43	710,297.43
Carrying Charge	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	-	8,168.50	29,062.78	73,641.18	63,507.51	39,536.20	122,884.27	23,781.42	29,175.92	24,926.33	754,902.05	1,169,586.16

MCCT 2014 Pre-Commercial Costs														
	Beginning Balance	January	February	March	April	May	June	July	August	September	October	November	December	Total
Regulatory Services	37,143.65	-	34,394.01	21,556.08	86,388.50	10,660.00	11,439.00	12,396.00	25,656.50	-	109,819.80	42,419.96	70,373.34	462,246.84
Planning/Design Activities	349,850.67	-	-	-	-	-	-	-	-	-	-	-	-	349,850.67
Business Services	46,647.05	-	-	-	-	-	-	-	-	-	-	-	-	46,647.05
Legal Services	25,647.36	-	942.64	-	(8,686.00)	-	18.46	-	-	-	-	-	-	17,922.46
Shared Cost Balancing	710,297.43	-	-	-	-	-	-	-	-	-	-	-	-	710,297.43
Carrying Charge	-	-	-	-	-	-	3,596.56	3,628.21	3,628.21	3,628.21	3,628.21	3,728.26	3,728.26	25,565.91
<b>Total</b>	1,169,586.16	-	35,336.65	21,556.08	77,702.50	10,660.00	15,054.02	16,024.21	29,284.71	3,628.21	113,448.01	46,148.22	74,101.60	1,612,530.36

MCCT 2015 Pre-Commercial Costs														
	Beginning Balance	January	February	March	April	May	June	July	August	September	October	November	December	Total
Regulatory Services	462,246.84	8,957.34	7,803.67	5,277.79	870.84	(998.99)	-	-	-	4,491.67	404.92	-	641.76	489,695.84
Planning/Design Activities	349,850.67	-	-	-	-	-	-	-	-	-	-	-	-	349,850.67
Business Services	46,647.05	-	23,721.16	27,828.00	29,648.96	2,716.00	48,281.56	(1,552.61)	2,455.57	29,625.87	3,186.00	160.13	20,140.96	232,858.65
Legal Services	17,922.46	-	-	-	-	2,716.00	-	-	-	-	-	-	-	20,638.46
Shared Cost Balancing	710,297.43	-	-	-	-	-	-	-	-	-	-	-	-	710,297.43
Carrying Charge	25,565.91	3,737.38	3,737.38	3,737.38	3,737.38	3,861.47	3,861.47	3,861.47	3,861.47	3,861.47	6,937.23	10,200.01	10,242.13	87,202.15
<b>Total</b>	1,612,530.36	12,694.72	35,262.21	36,843.17	34,257.18	8,294.48	52,143.03	2,308.86	6,317.04	37,979.01	10,528.15	10,360.14	31,024.85	1,890,543.20

MidAmerican Central California Transco, LLC  
Regulatory Asset Pre-Commercial Costs

MCCT 2016 Pre-Commercial Costs														
	Beginning Balance	January	February	March	April	May	June	July	August	September	October	November	December	Total
Regulatory Services	489,695.84	250.74	130.24	1,860.45	-	334.29	-	171.98	394.21	870.56	87.05	-	(44.71)	493,750.65
Planning/Design Activities	349,850.67	-	-	-	-	-	-	-	-	-	-	-	-	349,850.67
Business Services	232,858.65	6,986.70	2,886.00	221.59	-	-	-	12,977.00	-	4,270.78	10,666.47	13,529.14	313.53	284,709.86
Legal Services	20,638.46	-	-	-	-	-	-	-	-	-	-	-	-	20,638.46
Shared Cost Balancing	710,297.43	-	-	-	-	-	-	-	-	-	-	-	-	710,297.43
Carrying Charge	87,202.15	10,520.08	10,599.33	10,628.34	10,642.76	11,004.08	11,005.02	11,005.97	11,043.16	11,081.47	11,097.12	11,516.77	11,585.45	218,931.71
<b>Total</b>	<b>1,890,543.20</b>	<b>17,757.52</b>	<b>13,615.57</b>	<b>12,710.38</b>	<b>10,642.76</b>	<b>11,338.37</b>	<b>11,005.02</b>	<b>24,154.95</b>	<b>11,437.37</b>	<b>16,222.81</b>	<b>21,850.64</b>	<b>25,045.91</b>	<b>11,854.27</b>	<b>2,078,178.78</b>

MCCT 2017 Pre-Commercial Costs														
	Beginning Balance	January	February	March	April	May	June	July	August	September	October	November	December	Total
Regulatory Services	493,750.65	94.80	(522.11)	-	326.22	(280.63)	(46.76)	-	-	-	-	-	(214.56)	493,107.61
Planning/Design Activities	349,850.67	-	-	-	-	-	-	-	-	-	-	-	-	349,850.67
Business Services	284,709.86	200.10	1,178.34	2,544.00	7,878.47	3,555.01	7,562.44	574.04	731.34	725.10	866.95	507.10	3,312.56	314,345.31
Legal Services	20,638.46	-	569.50	-	-	839.89	139.97	-	-	-	-	-	76.21	22,264.03
Shared Cost Balancing	710,297.43	-	-	-	-	-	-	-	-	-	-	-	-	710,297.43
Carrying Charge	218,931.71	12,114.64	12,116.30	12,120.78	12,131.90	12,585.61	12,621.92	12,656.61	12,680.87	12,684.72	12,689.01	13,141.27	13,145.32	369,620.66
<b>Total</b>	<b>2,078,178.78</b>	<b>12,409.54</b>	<b>13,342.03</b>	<b>14,664.78</b>	<b>20,336.59</b>	<b>16,699.88</b>	<b>20,277.57</b>	<b>13,230.65</b>	<b>13,412.21</b>	<b>13,409.82</b>	<b>13,555.96</b>	<b>13,648.37</b>	<b>16,319.53</b>	<b>2,259,485.71</b>

MCCT 2018 Pre-Commercial Costs														
	Beginning Balance	January	February	March	April	May	June	July	August	September	October	November	December	Total
Regulatory Services	493,107.61	-	-	775.00	-	-	-	-	-	-	(146.87)	-	(6.02)	493,729.72
Planning/Design Activities	349,850.67	-	-	-	-	-	-	-	-	-	-	-	-	349,850.67
Business Services	314,345.31	923.72	522.72	1,405.75	2,462.00	3,152.00	5,128.00	910.15	1,705.44	2,903.49	10,712.75	1,054.58	4,164.65	349,390.56
Legal Services	22,264.03	-	-	-	-	-	-	-	-	-	146.87	-	6.02	22,416.92
Shared Cost Balancing	710,297.43	-	-	-	-	-	-	-	-	-	-	-	-	710,297.43
Carrying Charge	369,620.66	13,968.45	13,981.27	13,985.80	13,994.26	14,523.41	14,540.98	14,566.90	14,585.79	14,593.98	14,608.41	15,198.21	15,235.04	543,403.17
<b>Total</b>	<b>2,259,485.71</b>	<b>14,892.17</b>	<b>14,503.99</b>	<b>16,166.55</b>	<b>16,456.26</b>	<b>17,675.41</b>	<b>19,668.98</b>	<b>15,477.05</b>	<b>16,291.23</b>	<b>17,497.47</b>	<b>25,321.16</b>	<b>16,252.79</b>	<b>19,399.69</b>	<b>2,469,088.47</b>



**EXHIBIT NO. MCCT-102**

**Calculation of Carrying Charge for Regulatory Asset**

MidAmerican Central California Transco, LLC  
 Calculation of Carrying Charge for Regulatory Asset

Line		<u>Jun-14</u>	<u>Jul-14</u>	<u>Aug-14</u>	<u>Sep-14</u>	<u>Oct-14</u>	<u>Nov-14</u>	
1	Beg Base for Carrying Charge	1,314,841	1,326,299	1,338,695	1,364,351	1,364,351	1,474,171	
2	Semi-annual capitalization of Carrying Charges	-	-	-	-	-	18,109	
3	Adjusted Beg Balance	Line 1 + Line 2	1,314,841	1,326,299	1,338,695	1,364,351	1,364,351	1,492,281
4	Additions for the month	11,457	12,396	25,657	-	109,820	42,420	
5	End of Month Balance	Line 3 + Line 4	1,326,299	1,338,695	1,364,351	1,364,351	1,474,171	1,534,700
6	Average Balance - Regulatory Asset	(Line 3 + Line 5) / 2	1,320,570	1,332,497	1,351,523	1,364,351	1,419,261	1,513,491
7	Beginning Intercompany Payable	(658,159)	(669,617)	(682,013)	(707,669)	(707,669)	(817,489)	
8	Current Mo. Interco. Payable Additions	(11,457)	(12,396)	(25,657)	-	(109,820)	(42,420)	
9	Current Mo. Payments	-	-	-	-	-	-	
10	Ending Intercompany Payable	Line 7 + Line 8	(669,617)	(682,013)	(707,669)	(707,669)	(817,489)	(859,909)
11	Average Balance - Intercompany Payable		(669,617)	(675,815)	(694,841)	(707,669)	(762,579)	(838,699)
12	Base for Carrying Charge	Line 6 + Line 11	650,953	656,682	656,682	656,682	656,682	674,792
13	Carrying Charge Rate		6.63%	6.63%	6.63%	6.63%	6.63%	6.63%
14	Carrying Charge	Line 12 * Line 13	\$ 3,596.56	\$ 3,628.21	\$ 3,628.21	\$ 3,628.21	\$ 3,628.21	\$ 3,728.26
15	Accumulated Carrying Charge		\$ 3,596.56	\$ 7,224.76	\$ 10,852.97	\$ 14,481.18	\$ 18,109.39	\$ 21,837.65

MidAmerican Central California Transco, LLC  
 Calculation of Carrying Charge for Regulatory Asset

Line		<u>Dec-14</u>	<u>Jan-15</u>	<u>Feb-15</u>	<u>Mar-15</u>	<u>Apr-15</u>	<u>May-15</u>	
1	Beg Base for Carrying Charge	1,534,700	1,605,074	1,614,031	1,645,556	1,678,662	1,709,182	
2	Semi-annual capitalization of Carrying Charges	-	-	-	-	-	22,406	
3	Adjusted Beg Balance	Line 1 + Line 2	1,534,700	1,605,074	1,614,031	1,645,556	1,678,662	1,731,588
4	Additions for the month	70,373	8,957	31,525	33,106	30,520	4,433	
5	End of Month Balance	Line 3 + Line 4	1,605,074	1,614,031	1,645,556	1,678,662	1,709,182	1,736,021
6	Average Balance - Regulatory Asset	(Line 3 + Line 5) / 2	1,569,887	1,609,553	1,629,794	1,662,109	1,693,922	1,733,804
7	Beginning Intercompany Payable	(859,909)	(930,282)	(939,240)	(970,764)	(1,003,870)	(1,034,390)	
8	Current Mo. Interco. Payable Additions	(70,373)	(8,957)	(31,525)	(33,106)	(30,520)	(4,433)	
9	Current Mo. Payments	-	-	-	-	-	-	
10	Ending Intercompany Payable	Line 7 + Line 8	(930,282)	(939,240)	(970,764)	(1,003,870)	(1,034,390)	(1,038,823)
11	Average Balance - Intercompany Payable		(895,096)	(934,761)	(955,002)	(987,317)	(1,019,130)	(1,036,607)
12	Base for Carrying Charge	Line 6 + Line 11	674,792	674,792	674,792	674,792	674,792	697,198
13	Carrying Charge Rate		6.63%	6.65%	6.65%	6.65%	6.65%	6.65%
14	Carrying Charge	Line 12 * Line 13	\$ 3,728.26	\$ 3,737.38	\$ 3,737.38	\$ 3,737.38	\$ 3,737.38	\$ 3,861.47
15	Accumulated Carrying Charge		\$ 25,565.91	\$ 29,303.29	\$ 33,040.67	\$ 36,778.04	\$ 40,515.42	\$ 44,376.89

MidAmerican Central California Transco, LLC  
 Calculation of Carrying Charge for Regulatory Asset

Line		<u>Jun-15</u>	<u>Jul-15</u>	<u>Aug-15</u>	<u>Sep-15</u>	<u>Oct-15</u>	<u>Nov-15</u>	
1	Beg Base for Carrying Charge	1,736,021	1,784,302	1,782,750	1,785,205	1,819,323	1,822,914	
2	Semi-annual capitalization of Carrying Charges	-	-	-	-	-	26,245	
3	Adjusted Beg Balance	Line 1 + Line 2	1,736,021	1,784,302	1,782,750	1,785,205	1,819,323	1,849,158
4	Additions for the month	48,282	(1,553)	2,456	34,118	3,591	160	
5	End of Month Balance	Line 3 + Line 4	1,784,302	1,782,750	1,785,205	1,819,323	1,822,914	1,849,318
6	Average Balance - Regulatory Asset	(Line 3 + Line 5) / 2	1,760,161	1,783,526	1,783,977	1,802,264	1,821,118	1,849,238
7	Beginning Intercompany Payable	(1,038,823)	(1,087,105)	(1,085,552)	(1,088,008)	(1,122,125)	(15,048)	
8	Current Mo. Interco. Payable Additions	(48,282)	1,553	(2,456)	(34,118)	(3,591)	(160)	
9	Current Mo. Payments	-	-	-	-	1,110,668	15,048	
10	Ending Intercompany Payable	Line 7 + Line 8	(1,087,105)	(1,085,552)	(1,088,008)	(1,122,125)	(15,048)	(160)
11	Average Balance - Intercompany Payable		(1,062,964)	(1,086,328)	(1,086,780)	(1,105,066)	(568,587)	(7,604)
12	Base for Carrying Charge	Line 6 + Line 11	697,198	697,198	697,198	697,198	1,252,532	1,841,634
13	Carrying Charge Rate		6.65%	6.65%	6.65%	6.65%	6.65%	6.65%
14	Carrying Charge	Line 12 * Line 13	\$ 3,861.47	\$ 3,861.47	\$ 3,861.47	\$ 3,861.47	\$ 6,937.23	\$ 10,200.01
15	Accumulated Carrying Charge		\$ 48,238.37	\$ 52,099.84	\$ 55,961.32	\$ 59,822.79	\$ 66,760.02	\$ 76,960.03

MidAmerican Central California Transco, LLC  
 Calculation of Carrying Charge for Regulatory Asset

Line		<u>Dec-15</u>	<u>Jan-16</u>	<u>Feb-16</u>	<u>Mar-16</u>	<u>Apr-16</u>	<u>May-16</u>	
1	Beg Base for Carrying Charge	1,849,318	1,870,101	1,877,339	1,880,355	1,882,437	1,882,437	
2	Semi-annual capitalization of Carrying Charges	-	-	-	-	-	62,833	
3	Adjusted Beg Balance	Line 1 + Line 2	1,849,318	1,870,101	1,877,339	1,880,355	1,882,437	1,945,269
4	Additions for the month	20,783	7,237	3,016	2,082	-	334	
5	End of Month Balance	Line 3 + Line 4	1,870,101	1,877,339	1,880,355	1,882,437	1,882,437	1,945,604
6	Average Balance - Regulatory Asset	(Line 3 + Line 5) / 2	1,859,710	1,873,720	1,878,847	1,881,396	1,882,437	1,945,437
7	Beginning Intercompany Payable	(160)	(20,783)	(7,237)	(3,016)	(2,082)	-	
8	Current Mo. Interco. Payable Additions	(20,783)	(7,237)	(3,016)	(2,082)	-	(334)	
9	Current Mo. Payments	160	20,783	7,237	3,016	2,082	-	
10	Ending Intercompany Payable	Line 7 + Line 8	(20,783)	(7,237)	(3,016)	(2,082)	-	(334)
11	Average Balance - Intercompany Payable		(10,471)	(14,010)	(5,127)	(2,549)	(1,041)	(167)
12	Base for Carrying Charge	Line 6 + Line 11	1,849,238	1,859,710	1,873,720	1,878,847	1,881,396	1,945,269
13	Carrying Charge Rate		6.65%	6.79%	6.79%	6.79%	6.79%	6.79%
14	Carrying Charge	Line 12 * Line 13	\$ 10,242.13	\$ 10,520.08	\$ 10,599.33	\$ 10,628.34	\$ 10,642.76	\$ 11,004.08
15	Accumulated Carrying Charge		\$ 87,202.15	\$ 97,722.23	\$ 108,321.57	\$ 118,949.90	\$ 129,592.66	\$ 140,596.74

MidAmerican Central California Transco, LLC  
 Calculation of Carrying Charge for Regulatory Asset

Line		<u>Jun-16</u>	<u>Jul-16</u>	<u>Aug-16</u>	<u>Sep-16</u>	<u>Oct-16</u>	<u>Nov-16</u>	
1	Beg Base for Carrying Charge	1,945,604	1,945,604	1,958,753	1,959,147	1,964,288	1,975,042	
2	Semi-annual capitalization of Carrying Charges	-	-	-	-	-	66,237	
3	Adjusted Beg Balance	Line 1 + Line 2	1,945,604	1,945,604	1,958,753	1,959,147	1,964,288	2,041,279
4	Additions for the month	-	13,149	394	5,141	10,754	13,529	
5	End of Month Balance	Line 3 + Line 4	1,945,604	1,958,753	1,959,147	1,964,288	1,975,042	2,054,808
6	Average Balance - Regulatory Asset	(Line 3 + Line 5) / 2	1,945,604	1,952,178	1,958,950	1,961,718	1,969,665	2,048,043
7	Beginning Intercompany Payable	(334)	-	(13,149)	(394)	(5,141)	(10,754)	
8	Current Mo. Interco. Payable Additions	-	(13,149)	(394)	(5,141)	(10,754)	(13,529)	
9	Current Mo. Payments	334	-	13,149	394	5,141	10,754	
10	Ending Intercompany Payable	Line 7 + Line 8	-	(13,149)	(394)	(5,141)	(10,754)	(13,529)
11	Average Balance - Intercompany Payable		(167)	(6,574)	(6,772)	(2,768)	(7,947)	(12,141)
12	Base for Carrying Charge	Line 6 + Line 11	1,945,437	1,945,604	1,952,178	1,958,950	1,961,718	2,035,902
13	Carrying Charge Rate		6.79%	6.79%	6.79%	6.79%	6.79%	6.79%
14	Carrying Charge	Line 12 * Line 13	\$ 11,005.02	\$ 11,005.97	\$ 11,043.16	\$ 11,081.47	\$ 11,097.12	\$ 11,516.77
15	Accumulated Carrying Charge		\$ 151,601.76	\$ 162,607.73	\$ 173,650.89	\$ 184,732.36	\$ 195,829.48	\$ 207,346.25

MidAmerican Central California Transco, LLC  
 Calculation of Carrying Charge for Regulatory Asset

Line		<u>Dec-16</u>	<u>Jan-17</u>	<u>Feb-17</u>	<u>Mar-17</u>	<u>Apr-17</u>	<u>May-17</u>	
1	Beg Base for Carrying Charge	2,054,808	2,055,077	2,055,371	2,056,597	2,059,141	2,067,346	
2	Semi-annual capitalization of Carrying Charges	-	-	-	-	-	71,586	
3	Adjusted Beg Balance	Line 1 + Line 2	2,054,808	2,055,077	2,055,371	2,056,597	2,059,141	2,138,932
4	Additions for the month	269	295	1,226	2,544	8,205	4,114	
5	End of Month Balance	Line 3 + Line 4	2,055,077	2,055,371	2,056,597	2,059,141	2,067,346	2,143,046
6	Average Balance - Regulatory Asset	(Line 3 + Line 5) / 2	2,054,942	2,055,224	2,055,984	2,057,869	2,063,244	2,140,989
7	Beginning Intercompany Payable	(13,529)	(269)	(295)	(1,226)	(2,544)	(8,205)	
8	Current Mo. Interco. Payable Additions	(269)	(295)	(1,226)	(2,544)	(8,205)	(4,114)	
9	Current Mo. Payments	13,529	269	295	1,226	2,544	8,205	
10	Ending Intercompany Payable	Line 7 + Line 8	(269)	(295)	(1,226)	(2,544)	(8,205)	(4,114)
11	Average Balance - Intercompany Payable		(6,899)	(282)	(760)	(1,885)	(5,374)	(6,159)
12	Base for Carrying Charge	Line 6 + Line 11	2,048,043	2,054,942	2,055,224	2,055,984	2,057,869	2,134,829
13	Carrying Charge Rate		6.79%	7.07%	7.07%	7.07%	7.07%	7.07%
14	Carrying Charge	Line 12 * Line 13	\$ 11,585.45	\$ 12,114.64	\$ 12,116.30	\$ 12,120.78	\$ 12,131.90	\$ 12,585.61
15	Accumulated Carrying Charge		\$ 218,931.71	\$ 231,046.35	\$ 243,162.65	\$ 255,283.43	\$ 267,415.33	\$ 280,000.94

MidAmerican Central California Transco, LLC  
 Calculation of Carrying Charge for Regulatory Asset

Line		<u>Jun-17</u>	<u>Jul-17</u>	<u>Aug-17</u>	<u>Sep-17</u>	<u>Oct-17</u>	<u>Nov-17</u>	
1	Beg Base for Carrying Charge	2,143,046	2,150,702	2,151,276	2,152,007	2,152,732	2,153,599	
2	Semi-annual capitalization of Carrying Charges	-	-	-	-	-	75,919	
3	Adjusted Beg Balance	Line 1 + Line 2	2,143,046	2,150,702	2,151,276	2,152,007	2,152,732	2,229,518
4	Additions for the month	7,656	574	731	725	867	507	
5	End of Month Balance	Line 3 + Line 4	2,150,702	2,151,276	2,152,007	2,152,732	2,153,599	2,230,025
6	Average Balance - Regulatory Asset	(Line 3 + Line 5) / 2	2,146,874	2,150,989	2,151,641	2,152,370	2,153,166	2,229,771
7	Beginning Intercompany Payable	(4,114)	(7,656)	(574)	(731)	(725)	(867)	
8	Current Mo. Interco. Payable Additions	(7,656)	(574)	(731)	(725)	(867)	(507)	
9	Current Mo. Payments	4,114	7,656	574	731	725	867	
10	Ending Intercompany Payable	Line 7 + Line 8	(7,656)	(574)	(731)	(725)	(867)	(507)
11	Average Balance - Intercompany Payable		(5,885)	(4,115)	(653)	(728)	(796)	(687)
12	Base for Carrying Charge	Line 6 + Line 11	2,140,989	2,146,874	2,150,989	2,151,641	2,152,370	2,229,084
13	Carrying Charge Rate		7.07%	7.07%	7.07%	7.07%	7.07%	7.07%
14	Carrying Charge	Line 12 * Line 13	\$ 12,621.92	\$ 12,656.61	\$ 12,680.87	\$ 12,684.72	\$ 12,689.01	\$ 13,141.27
15	Accumulated Carrying Charge		\$ 292,622.85	\$ 305,279.47	\$ 317,960.34	\$ 330,645.05	\$ 343,334.07	\$ 356,475.34



MidAmerican Central California Transco, LLC  
Calculation of Carrying Charge for Regulatory Asset

Line		<u>Dec-17</u>	<u>Jan-18</u>	<u>Feb-18</u>	<u>Mar-18</u>	<u>Apr-18</u>	<u>May-18</u>	
1	Beg Base for Carrying Charge	2,230,025	2,233,199	2,234,123	2,234,646	2,236,826	2,239,288	
2	Semi-annual capitalization of Carrying Charges	-	-	-	-	-	82,216	
3	Adjusted Beg Balance	Line 1 + Line 2	2,230,025	2,233,199	2,234,123	2,234,646	2,236,826	2,321,505
4	Additions for the month	3,174	924	523	2,181	2,462	3,152	
5	End of Month Balance	Line 3 + Line 4	2,233,199	2,234,123	2,234,646	2,236,826	2,239,288	2,324,657
6	Average Balance - Regulatory Asset	(Line 3 + Line 5) / 2	2,231,612	2,233,661	2,234,384	2,235,736	2,238,057	2,323,081
7	Beginning Intercompany Payable	(507)	(3,174)	(924)	(523)	(2,181)	(2,462)	
8	Current Mo. Interco. Payable Additions	(3,174)	(924)	(523)	(2,181)	(2,462)	(3,152)	
9	Current Mo. Payments	507	3,174	924	523	2,181	2,462	
10	Ending Intercompany Payable	Line 7 + Line 8	(3,174)	(924)	(523)	(2,181)	(2,462)	(3,152)
11	Average Balance - Intercompany Payable		(1,841)	(2,049)	(723)	(1,352)	(2,321)	(2,807)
12	Base for Carrying Charge	Line 6 + Line 11	2,229,771	2,231,612	2,233,661	2,234,384	2,235,736	2,320,274
13	Carrying Charge Rate		7.07%	7.51%	7.51%	7.51%	7.51%	7.51%
14	Carrying Charge	Line 12 * Line 13	\$ 13,145.32	\$ 13,968.45	\$ 13,981.27	\$ 13,985.80	\$ 13,994.26	\$ 14,523.41
15	Accumulated Carrying Charge		\$ 369,620.66	\$ 383,589.11	\$ 397,570.39	\$ 411,556.19	\$ 425,550.45	\$ 440,073.86

MidAmerican Central California Transco, LLC  
 Calculation of Carrying Charge for Regulatory Asset

Line		<u>Jun-18</u>	<u>Jul-18</u>	<u>Aug-18</u>	<u>Sep-18</u>	<u>Oct-18</u>	<u>Nov-18</u>	
1	Beg Base for Carrying Charge	2,324,657	2,329,785	2,330,695	2,332,400	2,335,304	2,346,017	
2	Semi-annual capitalization of Carrying Charges	-	-	-	-	-	87,419	
3	Adjusted Beg Balance	Line 1 + Line 2	2,324,657	2,329,785	2,330,695	2,332,400	2,335,304	2,433,436
4	Additions for the month	5,128	910	1,705	2,903	10,713	1,055	
5	End of Month Balance	Line 3 + Line 4	2,329,785	2,330,695	2,332,400	2,335,304	2,346,017	2,434,491
6	Average Balance - Regulatory Asset	(Line 3 + Line 5) / 2	2,327,221	2,330,240	2,331,548	2,333,852	2,340,660	2,433,963
7	Beginning Intercompany Payable	(3,152)	(5,128)	(910)	(1,705)	(2,903)	(10,713)	
8	Current Mo. Interco. Payable Additions	(5,128)	(910)	(1,705)	(2,903)	(10,713)	(1,055)	
9	Current Mo. Payments	3,152	5,128	910	1,705	2,903	10,713	
10	Ending Intercompany Payable	Line 7 + Line 8	(5,128)	(910)	(1,705)	(2,903)	(10,713)	(1,055)
11	Average Balance - Intercompany Payable		(4,140)	(3,019)	(1,308)	(2,304)	(6,808)	(5,884)
12	Base for Carrying Charge	Line 6 + Line 11	2,323,081	2,327,221	2,330,240	2,331,548	2,333,852	2,428,080
13	Carrying Charge Rate		7.51%	7.51%	7.51%	7.51%	7.51%	7.51%
14	Carrying Charge	Line 12 * Line 13	\$ 14,540.98	\$ 14,566.90	\$ 14,585.79	\$ 14,593.98	\$ 14,608.41	\$ 15,198.21
15	Accumulated Carrying Charge		\$ 454,614.85	\$ 469,181.74	\$ 483,767.54	\$ 498,361.52	\$ 512,969.92	\$ 528,168.13

MidAmerican Central California Transco, LLC  
Calculation of Carrying Charge for Regulatory Asset

Line			<u>Dec-18</u>
1	Beg Base for Carrying Charge		2,434,491
2	Semi-annual capitalization of Carrying Charges		-
3	Adjusted Beg Balance	Line 1 + Line 2	2,434,491
4	Additions for the month		4,165
5	End of Month Balance	Line 3 + Line 4	<u>2,438,655</u>
6	Average Balance - Regulatory Asset	(Line 3 + Line 5) / 2	<u>2,436,573</u>
7	Beginning Intercompany Payable		(1,055)
8	Current Mo. Interco. Payable Additions		(4,165)
9	Current Mo. Payments		<u>1,055</u>
10	Ending Intercompany Payable	Line 7 + Line 8	<u>(4,165)</u>
11	Average Balance - Intercompany Payable		<u>(2,610)</u>
12	Base for Carrying Charge	Line 6 + Line 11	<u>2,433,963</u>
13	Carrying Charge Rate		7.51%
14	Carrying Charge	Line 12 * Line 13	\$ 15,235.04
15	Accumulated Carrying Charge		\$ 543,403.17