

**MidAmerican Energy Company**  
**Electric Energy Cost Adjustment**  
**Annual Report Narrative**  
**2012**

**EL09-012**

**Schedule A (confidential):**

Estimated Annual Gain and Loss Requested Hedge Pass-Through and SD EECA

This confidential schedule is a snapshot of the heating oil positions as of January 1, 2012. The schedule provides the volume of heating oil hedged as of January 1, 2012 and the estimated maximum and minimum annual gain and loss that would be expected to be experienced using the actual price history for the January 2010 through December 2012 period. As noted on the schedule, as of January 1, 2012 all the hedges were New York Mercantile Exchange futures contracts or financial over-the-counter swap contracts. In the future, Intercontinental Exchange futures contracts or physical fixed price agreements could also be utilized.

**Schedule B:**

Electric Energy Cost Adjustment Annual Gain/Loss from Hedge Pass-Through 2012

This schedule provides the actual dollar value of total company financial and physical hedging transactions recorded in the inventory accounts then expensed, or directly expensed, and the South Dakota allocation using the average monthly allocation factors during the period. These gains and losses were included in the March 2012 to February 2013 Electric Energy Cost Adjustment filings and they incorporate the results for the January through December 2012 period. A total gain of \$9,273 was allocated to South Dakota for the period.