NOTICE OF PROPOSED ELECTRIC BASE RATE INCREASE

On Aug. 4, 2014, MidAmerican Energy Company asked the South Dakota Public Utilities Commission (SDPUC) for approval to increase electric base rates by \$1.6 million, or approximately 13.8 percent, with a proposed effective date of Sept. 3, 2014. The SDPUC may establish a different effective date. As part of this proposal, a slight decrease has been recommended for customers who have a street or area light contract with MidAmerican Energy.

Although the exact dollar amount will vary depending on a customer's type of lighting, if approved, a lighting customer's bill will decrease, on average, by approximately -0.1 percent.

If approved, MidAmerican Energy also will be renaming its rates. As a result, you will see new rate codes (example - Rate: SAL Street and Area Lighting) in the Lighting Charges section of your bill. You also will see a new line item on your bill. As part of the proposed rate increase, MidAmerican Energy is seeking permission to add a recovery rider to our South Dakota customers' bills to help cover increases in regional transmission costs.

If the SDPUC does not make a ruling within six months of MidAmerican Energy's rate case filing date, we will be permitted to implement the proposed electric base rate increase on an interim basis, subject to refund if the proposed increase is not approved.

Under South Dakota law (SDCL 49-34A-12), a customer has the right to join with 24 other customers to file a written objection and may request that the SDPUC suspend the rate increase and hold a public hearing to determine if the rate increase should be allowed.

You may visit MidAmerican Energy's customer office at 401 Douglas St. in Sioux City, Iowa or our customer office at 1914 S. Sycamore Ave., Suite 110 in Sioux Falls, South Dakota during normal business hours to review the current and proposed rate schedules. If you have additional questions, please call 888-427-5632 or visit www.midamericanenergy.com/sd_ratecase.com.