

NOTICE OF PROPOSED INDUSTRIAL 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. South Dakota customers have experienced 19 years of rate stability, as this is the first electric base rate increase MidAmerican Energy has requested since 1995. The proposed increase reflects the current costs of providing safe and reliable electric service to our customers' homes and businesses as the day-to-day costs associated with delivering this service continue to rise. Electricity prices across the U.S. have increased primarily due to both increasing electricity use by customers and environmental regulations. Nonetheless, MidAmerican Energy's overall average South Dakota retail electric base rates rank as the lowest in the nation among rate-regulated utilities. And we are committed to remaining a low-cost electricity provider, controlling expense and helping customers save money by using electricity efficiently.

Although the exact dollar amount will vary depending on a customer's electric usage levels, if approved, an industrial customer's bill will increase, on average, by 20.5 percent. If you have a street or area light contract with MidAmerican Energy, the lighting portion of your bill will, on average, decrease slightly.

If approved, MidAmerican Energy also will be renaming its rates. As a result, you will see new rate codes (example - Rate: LS Large General) in the Electric 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 electric 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.

To assist customers, MidAmerican Energy offers energy efficiency programs. Customers interested in reducing their energy usage should call 800-292-6448 or visit www.midamericanenergy.com/ee. Energy efficiency specialists will provide information on any rebates customers may qualify for and the programs they may want to implement in their business to help reduce energy usage.