

Interim Refund Plan

MidAmerican Energy Company (“MidAmerican”) submits the following plan for refunding the portion of the interim rate surcharge that will exceed the amount of the rate increase authorized in the South Dakota Public Utilities Commission (“SDPUC”) Order issued on _____, 2015. The interim rate period subject to refund is February 1, 2015, when interim rates began, through July 12, 2015.

On December 31, 2014, MidAmerican filed its Notice of Intent to Implement Interim Rates pursuant to SDCL 49-34A-17. On February 1, 2015, MidAmerican implemented an interim increase of \$1,602,000 on an annual basis for service occurring on and after February 1, 2015.

In its _____, 2015 Order, the SDPUC approved an annualized increase in South Dakota jurisdictional electric revenues of \$648,471. As such, the annualized refund amount relating to revenues collected on an interim basis is \$953,529. The steps that MidAmerican will use for distributing this refund are described below.

The approved annual base rate increase (Schedule 3, Page 1 of 3, Line 2) is subtracted from the authorized annual interim base rate increase (Schedule 3, Page 1 of 3, Line 1) to provide the annualized excess interim recovery (Schedule 3, Page 1 of 3, Line 3). The annualized excess interim recovery (\$953,529) as a percent of the authorized annual interim base rate increase (\$1,602,000) equals the interim refundable percentage of 59.5212% (Schedule 3, Page 1 of 3, Line 4). This interim refund percentage is applied to the monthly interim revenues collected to provide monthly interim refund amounts (Schedule 3, Page 2 of 3, Column (d)). Please note that Schedule 3, Page 2 of 3, includes estimated interim refund collections for the period from April 1, 2015, through July 12, 2015. Actual interim collections will be used in the calculations when they are available. The total interim refund amount without interest is estimated at \$372,306 (Schedule 3, Page 1 of 3, Line 6).

As part of the refund, MidAmerican will include interest, calculated by applying a 7% annual interest rate to the average refund balance for each month that interim revenues were collected (February 1, 2015, through July 12, 2015). The interest calculation is shown on Schedule 3, Page 3 of 3, with total interest charges through August 31, 2015, estimated at \$8,583.

The interim refund amount (Schedule 3, Page 1 of 3, Line 6) plus interest (Schedule 3, Page 1 of 3, Line 7) equals the total refund obligation of \$380,889 (Schedule 3, Page 1 of 3, Line 8). The total refund obligation as a percent of interim revenue collected equals the interim refund factor, which is estimated to be 60.8934% (Schedule 3, Page 1 of 3, Line 9).

For every customer assessed an interim rate charge, a refund will be calculated by multiplying the customer's actual interim rate charges during the period from February 1, 2015, through July 12, 2015, by the interim refund factor. The estimated average refund per residential customer is \$31.68. Refunds of the applicable sales taxes will also be included in the refund amount. The interim rate refunds will be credited to accounts during a monthly billing cycle beginning no later than September 1, 2015. Refunds for existing customers will be in the form of a bill credit posted to the customer's account. A bill message will be developed to briefly describe the refund credit. Customers due a refund who are no longer MidAmerican customers will receive a check if the refund amount is \$5.00 or more. Any residual un-funded monies will be included in the Energy Cost Adjustment true-up for distribution to all remaining customers.