

MidAmerican Energy Company  
 Docket No. EL-14-  
 South Dakota Electric Operating Income Statement  
 Pro-Forma Adjustment - Pension, SERP, OPEB Costs  
 Test Year Ended December 31, 2013

Line	Description (a)	Amount (b)	Reference (c)
1.	Three-Year Average Pension Costs - SD Electric	10,269	WP RRT 7 Page 2
2.	Three-Year Average SERP Costs - SD Electric	24,307	WP RRT 7 Page 2
3.	Three-Year Average OPEB Costs - SD Electric	(6,212)	WP RRT 7 Page 2
4.	Total	28,364	Sum lines 1 -3
5.			
6.	Test Year Pension Costs - SD Electric	28,800	WP RRT 7 Page 2
7.	Test Year SERP Costs - SD Electric	27,674	WP RRT 7 Page 2
8.	Test Year OPEB Costs - SD Electric	(5,970)	WP RRT 7 Page 2
9.	Total	50,504	Sum lines 5 - 7
10.			
11.	Difference	(22,140)	Line 4 - line 9
12.	% O&M	82.3%	WP RRT 6 p. 5
13.	Change to O&M	(18,221)	Line 11 times line 12
14.			
15.	<b>Pro Forma Adjustment</b>		
16.	<b>Decrease O&amp;M Expense</b>	<b>(18,221)</b>	To Exh. RRT 1.1 Sch. 7

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 Pro-Forma Adjustment - Pension, SERP, OPEB Costs  
 Test Year Ended December 31, 2013

Line	Description (a)	Account (b)	Total Company (c)	Total Electric (d)	South Dakota Electric (e)	Reference (f)
1.	Test Year Pension Costs	926.101	\$ 5,395,291	\$ 3,762,701	\$ 28,800	WP RRT 7 Pg 7, 15
2.	Jurisdictional Distribution			69.74%	0.77%	
3.	Test Year SERP Costs	926.224	\$ 5,319,138	\$ 3,718,554	\$ 27,674	WP RRT 7 Pg 8, 15
4.	Jurisdictional Distribution			69.91%	0.74%	
5.	Test Year OPEB Costs	926.215-6	\$ (1,124,023)	\$ (786,658)	\$ (5,970)	WP RRT 7 Pg 9,10, 15
6.	Jurisdictional Distribution			69.99%	0.76%	
7.						
8.						
9.	2014 Pension Costs		\$ (2,600,319)			WP RRT 7 Pg 3
10.	2013 Pension Costs		\$ 5,395,291			WP RRT 7 Pg 7
11.	2012 Pension Costs		\$ 2,976,221			WP RRT 7 Pg 11
12.	3-YearAverage		\$ 1,923,731			Average: lines 9-11
13.	Electric Portion of Average Pension Costs			\$ 1,341,619		Line 12 * line 2
14.	SD Electric Portion				\$ 10,269	Line 13 * line 2
15.						
16.						
17.	2014 SERP Costs		\$ 3,360,923			WP RRT 7 Pg 4
18.	2013 SERP Costs		\$ 5,319,138			WP RRT 7 Pg 8
19.	2012 SERP Costs		\$ 5,336,053			WP RRT 7 Pg 12
20.	3-YearAverage		\$ 4,672,038			Average: lines 17-19
21.	Electric Portion of Average SERP Costs			\$ 3,266,173		Line 20 * line 4
22.	SD Electric Portion				\$ 24,307	Line 21 * line 4
23.						
24.						
25.	2014 OPEB Costs		\$ (469,288)			WP RRT 7 Pg 5, 6
26.	2013 OPEB Costs		\$ (1,124,023)			WP RRT 7 Pg 9, 10
27.	2012 OPEB Costs		\$ (1,915,668)			WP RRT 7 Pg 13, 14
28.	3-YearAverage		\$ (1,169,660)			Average: lines 25-27
29.	Electric Portion of Average OPEB Costs			\$ (818,597)		Line 28 * line 6
30.	SD Electric Portion				\$ (6,212)	Line 29 * line 6

**MidAmerican Energy Holdings Company**  
**MidAmerican Energy Company Retirement Plan**  
 Disclosure and Cost Under ASC 715  
 Measured as of December 31, 2013

	Kerr River	NNG	MEC	Total Regulated	Gordova	Renewables	Other Non-Regulated	Total Non-Regulated	Grand Total
<b>D. Funded Status</b>									
Accumulated benefit obligation (ABO)	12,045,814	30,700,724	583,106,682	625,853,220	924,633	1,053,535	14,354,809	16,332,977	642,186,197
Projected benefit obligation (PBO)	12,250,220	30,940,022	596,800,949	639,991,191	932,004	1,138,418	14,512,909	16,583,331	656,574,522
Fair value of assets (FVA)	14,064,692	31,458,500	657,166,132	702,689,324	1,122,720	718,617	17,758,613	19,599,950	722,289,274
Net balance sheet (liability) asset	1,814,472	518,478	60,365,183	62,698,133	190,716	(419,801)	3,245,704	3,016,619	65,714,752
Net transition obligation (asset)	0	0	0	0	0	0	0	0	0
Net prior service cost (credit)	107,512	(37,037)	3,081,177	3,151,652	(1,641)	0	28,754	27,113	3,178,765
Net loss (gain)	(1,921,984)	(481,441)	(58,467,208)	(60,870,633)	(189,075)	419,801	(3,274,458)	(3,043,732)	(63,914,365)
Regulatory (liability) asset	0	0	0	0	0	0	0	0	0
Prepaid/(Accrued) benefit cost	0	0	4,979,152	4,979,152	0	0	0	0	4,979,152
<b>E. Amounts Recognized in the Statement of Financial Position</b>									
Noncurrent assets	1,814,472	518,478	60,365,183	62,698,133	190,716	0	3,245,704	3,016,619	65,714,752
Current liabilities	0	0	0	0	0	0	0	0	0
Noncurrent liabilities	0	0	0	0	0	(419,801)	0	0	0
Total	1,814,472	518,478	60,365,183	62,698,133	190,716	(419,801)	3,245,704	3,016,619	65,714,752
<b>F. Amounts Recognized in Accumulated Other Comprehensive Income</b>									
Net loss (gain)	(1,921,984)	(481,441)	(58,467,208)	(60,870,633)	(189,075)	419,801	(3,274,458)	(3,043,732)	(63,914,365)
Prior service cost (credit)	107,512	(37,037)	3,081,177	3,151,652	(1,641)	0	28,754	27,113	3,178,765
Transition obligation (asset)	0	0	0	0	0	0	0	0	0
Total	(1,814,472)	(518,478)	(55,386,031)	(57,718,981)	(190,716)	419,801	(3,245,704)	(3,016,619)	(60,735,500)
<b>G. Amounts Recognized in Accumulated Other Comprehensive Income during 2013</b>									
Net loss (gain) recognized in 2013 NPBC	1,988	237,941	5,526,664	5,766,593	(6,581)	4,171	17,085	14,675	5,781,268
Net loss (gain) arising during 2013	(1,539,897)	(3,749,014)	(137,669,935)	(142,958,846)	(34,404)	367,535	(3,034,167)	(2,701,036)	(145,659,882)
Prior service cost (credit) recognized in 2013 NPBC	17,261	(6,130)	633,454	644,585	(283)	0	4,544	4,261	648,846
Prior service cost (credit) arising during 2013	0	0	0	0	0	0	0	0	0
<b>H. Fiscal Year 2014 Net Periodic Benefit Cost</b>									
Service Cost	758,069	1,574,876	10,683,901	13,016,846	30,948	38,373	611,029	680,350	13,697,196
Interest Cost	560,777	1,416,338	27,319,694	29,296,809	42,664	52,113	664,356	759,133	30,055,942
Expected return on plan assets	(885,127)	(1,963,612)	(41,237,368)	(44,086,107)	(70,667)	(45,168)	(1,117,285)	(1,233,120)	(45,319,227)
Amortization of transition (asset) obligation	0	0	0	0	0	0	0	0	0
Amortization of prior service cost (credit)	17,261	(6,130)	633,454	644,585	(283)	0	4,544	4,261	648,846
Amortization of actuarial (gain) loss	0	0	0	0	0	0	0	0	0
Net periodic benefit cost	450,980	1,021,472	(2,600,319)	(1,127,867)	2,662	45,318	162,644	210,624	(917,243)
Amortization of regulatory (liability) asset	0	0	0	0	0	0	0	0	0
Curtailment (gain) loss	0	0	0	0	0	0	0	0	0
Settlement (gain) loss	0	0	0	0	0	0	0	0	0
Special Termination Benefits	0	0	0	0	0	0	0	0	0
Net periodic benefit cost after curtailment and settlements	450,980	1,021,472	(2,600,319)	(1,127,867)	2,662	45,318	162,644	210,624	(917,243)

**MidAmerican Energy Holdings Company**  
**MidAmerican Energy Company Supplemental Executive Retirement Plan**  
 Disclosure and Cost Under ASC 715  
 Measured as of December 31, 2013

	Kern River	NNG	MEC	Total Regulated	Melstad	Other Non-Regulated	Total Non-Regulated	Grand Total
<b>11. Fiscal Year 2014 Net Periodic Benefit Cost</b>								
Service cost	0	0	34,168	34,168	28,475	358,432	386,907	421,075
Interest cost	0	0	2,817,731	2,817,731	53,726	2,266,714	2,310,440	5,128,171
Expected return on plan assets	0	0	0	0	0	0	0	0
Amortization of transition (asset) obligation	0	0	0	0	0	0	0	0
Amortization of prior service cost	0	0	803	803	292	293	585	1,388
Recognized actuarial (gain) loss	0	0	508,221	508,221	(3,496)	119,626	116,130	624,351
Net periodic benefit cost	0	0	3,360,923	3,360,923	78,997	2,735,065	2,814,062	6,174,985
Curtailment (gain) loss	0	0	0	0	0	0	0	0
Settlement (gain) loss	0	0	0	0	0	0	0	0
Special termination benefits	0	0	0	0	0	0	0	0
Net periodic benefit cost after curtailments and settlements	0	0	3,360,923	3,360,923	78,997	2,735,065	2,814,062	6,174,985

<b>12. Calculation of Net Loss/(Gain) Amortization</b>								
Market related value of assets	0	0	0	0	0	0	0	0
Fair value of assets	0	0	0	0	0	0	0	0
Deferred asset (loss)/gain	0	0	0	0	0	0	0	0
Adjusted loss/(gain)	0	0	15,757,870	15,757,870	(108,407)	3,709,108	3,600,701	19,358,571
Corridor								11,208,688
Loss/(gain) outside of corridor								8,149,883
Amortization period								13.05336
Net loss/(gain) amortization	0	0	508,221	508,221	(3,496)	119,626	116,130	624,351

<b>13. Participant Count</b>								
Actives	0	0	2	2	1	2	3	5
Inactives								
Receiving Benefits	0	0	62	62	0	3	3	65
Deferred Benefits	0	0	1	1	0	0	0	1
Total plan participants	0	0	65	65	1	5	6	71

<sup>1</sup> Actuarial (gain) loss includes assumption changes.

**MidAmerican Energy Holdings Company**  
 MidAmerican Energy Company Nonunion Postretirement Welfare Plan  
 Disclosure Under ASC 715  
 Measured as of December 31, 2013

	Kern River	NNG	MEC	Total Regulated	Cordova	Renewables	Other Non-Regulated	Total Non-Regulated	Grand Total
<b>H. Fiscal Year 2014 Net Periodic Benefit Cost</b>									
Service cost	242,262	104,446	3,012,870	3,359,578	14,816	12,393	452,302	479,511	3,839,089
Interest cost	263,823	981,571	4,251,494	5,496,888	10,807	11,197	373,086	395,090	5,891,978
Expected return on plan assets	(397,364)	(2,398,242)	(5,087,785)	(7,883,391)	(13,849)	(12,728)	(414,544)	(441,121)	(8,324,513)
Amortization of transition (asset) obligation	0	0	0	0	0	0	0	0	0
Amortization of prior service cost (credit)	(81,325)	(745,916)	(2,132,272)	(2,959,513)	(2,725)	0	(143,875)	(146,600)	(3,106,113)
Amortization of net (gain) loss	0	0	0	0	0	0	0	0	0
Net periodic benefit cost	27,396	(2,058,141)	44,307	(1,986,438)	9,049	10,862	266,969	286,880	(1,699,559)
Curtailment (gain) loss	0	0	0	0	0	0	0	0	0
Settlement (gain) loss	0	0	0	0	0	0	0	0	0
Special termination benefits	0	0	0	0	0	0	0	0	0
Net periodic benefit cost after curtailment and settlements	27,396	(2,058,141)	44,307	(1,986,438)	9,049	10,862	266,969	286,880	(1,699,559)
<b>I. Calculation of Net Loss/(Gain) Amortization</b>									
Market related value of assets	7,623,078	46,008,214	97,604,803	151,236,095	265,684	244,177	7,952,680	8,462,541	159,698,636
Fair value of assets	7,623,078	46,008,214	97,604,803	151,236,095	265,684	244,177	7,952,680	8,462,541	159,698,636
Deferred asset (loss)/gain	0	0	0	0	0	0	0	0	0
Adjusted loss/(gain)	856,801	(10,525,912)	22,305,713	12,636,602	4,215	13,537	1,760,038	1,777,790	14,414,392
Corridor									15,969,864
Loss/(gain) outside of corridor									0
Amortization period									10,69445
Net loss/(gain) amortization	0	0	0	0	0	0	0	0	0
<b>J. Participant Count</b>									
Actives	155	450	1,953	2,558	6	5	310	321	2,879
Inactives									
Retirees	27	763	1,117	1,907	0	0	34	34	1,941
Surviving spouse <sup>1</sup>	1	174	216	391	0	0	4	4	395
Total plan participa	183	1,387	3,286	4,856	6	5	348	359	5,215

<sup>1</sup> The actuarial (gain) loss includes assumption changes.

<sup>2</sup> MidAmerican Energy's methodology is to allocate benefit payments to each platform based on the estimated benefit payments produced by the valuation assumptions.

Union Postretirement Welfare

## 2.9 Summary and comparison of benefit cost and cash flows

All monetary amounts shown in US Dollars

Fiscal Year Ending	12/31/2014	12/31/2013
<b>A Total Benefit Cost</b>		
1 Employer service cost	2,435,158	2,051,958
2 Interest cost	4,358,418	3,320,736
3 Expected return on assets	(6,774,097)	(5,932,887)
4 Subtotal	19,479	(560,193)
5 Net prior service cost/(credit) amortization	(2,338,324)	(2,338,324)
6 Net loss/(gain) amortization	1,805,250	2,481,241
7 Amortization subtotal	(533,074)	142,917
8 Net periodic postretirement benefit cost/(income)	(513,595)	(417,276)
9 Curtailments	0	0
10 Settlements	0	0
11 Special/contractual termination benefits	0	0
12 Total benefit cost	(513,595)	(417,276)
<b>B Assumptions<sup>1</sup></b>		
1 Discount rate	4.50%	3.75%
2 Rate of return on assets	7.25%	7.25%
3 Rate of compensation increase	3.00%	3.00%
4 Current health care cost trend rate	8.00%	8.00%
5 Ultimate health care cost trend rate	5.00%	5.00%
6 Year of ultimate trend rate	2019	2018
7 Census date	01/01/2013	01/01/2012
<b>C Assets at Beginning of Year</b>		
1 Fair market value	96,528,906	84,680,971
2 Market-related value	96,528,906	84,680,971
<b>D Cash Flow</b>		
	Expected	Actual
1 Employer contributions	0	0
2 Net benefits <sup>2</sup>	6,186,180	4

<sup>1</sup> These assumptions were used to calculate Net Periodic Postretirement Benefit Cost/(Income) as of the beginning of the year. Rates are expressed on an annual basis where applicable. For assumptions used for interim measurement periods, if any, refer to Appendix A.

<sup>2</sup> Net of retiree contributions over the fiscal year.

January 2014

TOWERS WATSON 

**QUALIFIED PENSION ALLOCATIONS**

**A. Fiscal Year 2013 Net Periodic Benefit Cost**

	Kern River	NNG	MEC	Total Regulated	Cordova	Renewables	Other Non-Regulated	Total Non-Regulated	Total
1. Service cost	\$ 767,368	\$ 1,700,784	\$ 14,318,023	\$ 16,786,175	\$ 23,835	\$ 25,267	\$ 662,919	\$ 712,021	\$ 17,498,196
2. Interest cost	465,291	1,259,345	25,633,358	27,357,994	31,529	26,673	593,974	652,176	28,010,170
3. Expected return on assets	(855,985)	(2,020,357)	(40,716,208)	(43,592,550)	(68,109)	(43,935)	(1,081,561)	(1,193,605)	(44,786,155)
4. Net transition obligation/(asset) amortization	-	-	-	-	-	-	-	-	-
5. Net prior service cost amortization	17,261	(6,130)	633,454	644,585	(283)	-	4,544	4,261	648,846
6. Net loss/(gain) amortization	1,988	237,941	5,526,664	5,766,593	(6,581)	4,171	17,085	14,675	5,781,268
7. Amortization of regulatory (liability)	-	-	-	-	-	-	-	-	-
8. Curtailment loss/(gain)	-	-	-	-	-	-	-	-	-
9. Net periodic benefit cost/(income)	\$ 395,923	\$ 1,171,583	\$ 5,395,291	\$ 6,962,797	\$ (19,609)	\$ 12,176	\$ 196,961	\$ 189,528	\$ 7,152,325

**B. Reconciliation of Funded Status as of December 31, 2012**

	Kern River	NNG	MEC	Total Regulated	Cordova	Renewables	Other Non-Regulated	Total Non-Regulated	Total
1. Total PBO	\$ (12,004,655)	\$ (32,491,468)	\$ (661,348,177)	\$ (705,844,300)	\$ (813,461)	\$ (688,171)	\$ (15,324,703)	\$ (16,826,335)	\$ (722,670,635)
2. Fair value of assets	12,259,981	29,029,121	585,035,632	626,324,734	976,637	631,734	15,514,611	17,122,982	643,447,716
3. Funded status	255,326	(3,462,347)	(76,312,545)	(79,519,566)	163,176	(56,437)	189,908	296,647	(79,222,919)
4. Net transition (obligation)/asset	-	-	-	-	-	-	-	-	-
5. Net prior service cost	124,773	(43,167)	3,714,631	3,796,237	(1,924)	-	33,298	31,374	3,827,611
6. Net loss/(gain)	(380,099)	3,505,514	84,729,391	87,854,806	(161,252)	56,437	(223,206)	(328,021)	87,526,785
7. Regulatory (liability)/asset	-	-	-	-	-	-	-	-	-
8. Prepaid/(accrued) benefit cost	\$ -	\$ -	\$ 12,131,477	\$ 12,131,477	\$ -	\$ -	\$ -	\$ -	\$ 12,131,477

## SERP ALLOCATIONS

### A. Fiscal Year 2013 Net Periodic Benefit Cost

	Kern River	NNG	MEC	Total Regulated	Melstad	Other Non-Regulated	Total Non-Regulated	Total
1. Service cost	\$ -	\$ -	\$ 39,599	\$ 39,599	\$ 35,327	\$ 375,753	\$ 411,080	\$ 450,679
2. Interest cost	-	-	2,610,277	2,610,277	52,110	2,133,134	2,185,244	4,795,521
3. Expected return on assets	-	-	-	-	-	-	-	-
4. Transition obligation/(asset) amortization	-	-	-	-	-	-	-	-
5. Prior service cost amortization	-	-	5,059	5,059	1,860	1,874	3,734	8,793
6. Net loss/(gain) amortization	-	-	2,664,203	2,664,203	21,698	1,496,729	1,518,427	4,182,630
7. Net periodic benefit cost/(income)	\$ -	\$ -	\$ 5,319,138	\$ 5,319,138	\$ 110,995	\$ 4,007,490	\$ 4,118,485	\$ 9,437,623

### B. Reconciliation of Funded Status as of December 31, 2012

	Kern River	NNG	MEC	Total Regulated	Melstad	Other Non-Regulated	Total Non-Regulated	Total
1. Total PBO	\$ -	\$ -	\$ (67,499,963)	\$ (67,499,963)	\$ (1,347,518)	\$ (55,161,399)	\$ (56,508,917)	\$ (124,008,880)
2. Fair value of assets	-	-	-	-	-	-	-	-
3. Funded status	-	-	(67,499,963)	(67,499,963)	(1,347,518)	(55,161,399)	(56,508,917)	(124,008,880)
4. Net transition obligation/(asset)	-	-	-	-	-	-	-	-
5. Net prior service cost	-	-	5,862	5,862	2,152	2,167	4,319	10,181
6. Net loss/(gain)	-	-	21,358,369	21,358,369	173,945	11,998,969	12,172,914	33,531,283
7. Prepaid/(accrued) benefit cost	\$ -	\$ -	\$ (46,135,732)	\$ (46,135,732)	\$ (1,171,421)	\$ (43,160,263)	\$ (44,331,684)	\$ (90,467,416)

#### Assumptions

Discount Rate	4.00%
Salary Scale	6.50%
EROA (Pre-Tax)	0.00%

SERP

January 1, 201.

TOWERS WATSON 



**NONUNION POSTRETIREMENT WELFARE ALLOCATIONS**

*A. Fiscal Year 2013 Net Periodic Benefit Cost*

	Kern River	NNG	MEC	Total Regulated	Cordova	Renewables	Other Non-Regulated	Total Non-Regulated	Total
1. Service cost	\$ 184,227	\$ 125,876	\$ 2,469,727	\$ 2,779,830	\$ 9,597	\$ 10,537	\$ 331,106	\$ 351,240	\$ 3,131,070
2. Interest cost	180,433	844,449	3,120,809	4,145,691	5,151	7,605	253,988	266,744	4,412,435
3. Expected return on assets	(335,029)	(2,234,982)	(4,662,279)	(7,232,290)	(12,429)	(10,993)	(367,054)	(390,476)	(7,622,766)
4. Net transition obligation/(asset) amortization	-	-	-	-	-	-	-	-	-
5. Net prior service cost/(credit) amortization	(81,325)	(745,916)	(2,132,272)	(2,959,513)	(2,725)	-	(143,875)	(146,600)	(3,106,113)
6. Net loss/(gain) amortization	16,739	(144,910)	497,268	369,097	(1,403)	138	32,311	31,046	400,143
7. Net periodic postretirement benefit cost/(income)	\$ (34,955)	\$ (2,155,483)	\$ (706,747)	\$ (2,897,185)	\$ (1,809)	\$ 7,287	\$ 106,476	\$ 111,954	\$ (2,785,231)

*B. Reconciliation of Funded Status as of December 31, 2012*

	Kern River	NNG	MEC	Total Regulated	Cordova	Renewables	Other Non-Regulated	Total Non-Regulated	Total
1. Total APBO	\$ (4,992,171)	\$ (23,364,001)	\$ (86,345,715)	\$ (114,701,887)	\$ (142,510)	\$ (210,409)	\$ (7,027,278)	\$ (7,380,197)	\$ (122,082,084)
2. Fair value of assets	6,219,834	41,492,608	86,555,598	134,268,040	230,750	204,092	6,814,367	7,249,209	141,517,249
3. Funded status	1,227,663	18,128,607	209,883	19,566,153	88,240	(6,317)	(212,911)	(130,988)	19,435,165
4. Net transition obligation/(asset)	-	-	-	-	-	-	-	-	-
5. Net prior service cost/(credit)	(714,327)	(6,712,379)	(18,883,254)	(26,309,960)	(23,876)	-	(1,269,469)	(1,293,345)	(27,603,305)
6. Net loss/(gain)	767,932	(6,648,196)	22,813,720	16,933,456	(64,364)	6,317	1,482,380	1,424,333	18,357,789
7. Prepaid/(accrued) benefit cost	\$ 1,281,268	\$ 4,768,032	\$ 4,140,349	\$ 10,189,649	\$ -	\$ -	\$ -	\$ -	\$ 10,189,649

Nonunion Postretirement Welfare

January 1, 2013

TOWERS WATSON 

## 2.9 Summary and comparison of benefit cost and cash flows

All monetary amounts shown in US Dollars

Fiscal Year Ending	12/31/2013	12/31/2012
<b>A Total Benefit Cost</b>		
1 Employer service cost	2,051,958	1,751,640
2 Interest cost	3,320,736	3,705,110
3 Expected return on assets	(5,932,887)	(5,806,202)
4 Subtotal	(560,193)	(349,452)
5 Net transition obligation/(asset) amortization	0	0
6 Net prior service cost/(credit) amortization	(2,338,324)	(2,338,324)
7 Net loss/(gain) amortization	2,481,241	2,065,128
8 Amortization subtotal	142,917	(273,196)
9 Net periodic postretirement benefit cost/(income)	(417,276)	(622,648)
10 Cost of curtailments	0	0
11 Cost of settlements	0	0
12 Cost of special/contractual termination benefits	0	0
13 Total benefit cost	(417,276)	(622,648)
<b>B Assumptions<sup>1</sup></b>		
1 Discount rate	3.75%	4.75%
2 Long-term rate of return on assets	7.25%	7.50%
3 Rate of compensation/salary increase	3.00%	3.50%
4 Current health care cost trend rate	8.00%	7.40%
5 Ultimate health care cost trend rate	5.00%	5.00%
6 Year of ultimate trend rate	2018	2016
7 Census date	01/01/2012	01/01/2012
<b>C Assets at Beginning of Year</b>		
1 Fair market value	84,680,971	80,113,459
2 Market-related value	84,680,971	80,113,459
<b>D Cash Flow</b>		
	<b>Expected</b>	<b>Actual</b>
1 Employer contributions	0	0
2 Plan participants' contributions <sup>2</sup>	1,925,598	458,410
3 Benefits paid from the Company	0	0
4 Benefits paid from plan assets <sup>2</sup>	7,621,703	4,745,908

<sup>1</sup> These assumptions were used to calculate Net Periodic Postretirement Benefit Cost/(Income) as of the beginning of the year. Rates are expressed on an annual basis where applicable. For assumptions used for interim measurement periods, if any, refer to Appendix A.

<sup>2</sup> Over the fiscal year.

**QUALIFIED PENSION ALLOCATIONS**

*A. Fiscal Year 2012 Net Periodic Benefit Cost*

	Kern River	NNG	MEC	Total Regulated	Cordova	Renewables	Other Non-Regulated	Total Non-Regulated	Total
1. Service cost	\$ 826,337	\$ 1,918,495	\$ 14,136,348	\$ 16,881,180	\$ 24,699	\$ 25,848	\$ 700,917	\$ 751,464	\$ 17,632,644
2. Interest cost	549,910	1,523,006	28,416,690	30,489,606	37,876	31,158	712,415	781,449	31,271,055
3. Expected return on assets	(887,080)	(2,150,571)	(40,210,271)	(43,247,922)	(71,866)	(45,470)	(1,141,177)	(1,258,513)	(44,506,435)
4. Net transition obligation/(asset) amortization	-	-	-	-	-	-	-	-	-
5. Net prior service cost amortization	17,261	(6,130)	633,454	644,585	(283)	-	4,544	4,261	648,846
6. Net loss/(gain) amortization	-	-	-	-	-	-	-	-	-
7. Amortization of regulatory (liability)	-	-	-	-	-	-	-	-	-
8. Curtailment loss/(gain)	-	-	-	-	-	-	-	-	-
9. Net periodic benefit cost/(income)	\$ 506,428	\$ 1,284,800	\$ 2,976,221	\$ 4,767,449	\$ (9,574)	\$ 11,536	\$ 276,699	\$ 278,661	\$ 5,046,110

*B. Reconciliation of Funded Status as of January 1, 2012*

	Kern River	NNG	MEC	Total Regulated	Cordova	Renewables	Other Non-Regulated	Total Non-Regulated	Total
1. Total PBO	\$ (12,020,545)	\$ (33,291,534)	\$ (621,163,210)	\$ (666,475,289)	\$ (827,931)	\$ (681,078)	\$ (15,572,752)	\$ (17,081,761)	\$ (683,557,050)
2. Fair value of assets	11,197,871	27,098,840	500,740,281	539,036,992	906,447	567,658	14,347,912	15,822,017	554,859,009
3. Funded status	(822,674)	(6,192,694)	(120,422,929)	(127,438,297)	78,516	(113,420)	(1,224,840)	(1,259,744)	(128,698,041)
4. Net transition (obligation)/asset	-	-	-	-	-	-	-	-	-
5. Net prior service cost	142,034	(49,297)	4,348,085	4,440,822	(2,207)	-	37,842	35,635	4,476,457
6. Net loss/(gain)	680,640	6,241,991	76,112,431	83,035,062	(76,309)	113,420	1,186,998	1,224,109	84,259,171
7. Regulatory (liability)/asset	-	-	-	-	-	-	-	-	-
8. Prepaid/(accrued) benefit cost	\$ -	\$ -	\$ (39,962,413)	\$ (39,962,413)	\$ -	\$ -	\$ -	\$ -	\$ (39,962,413)

Qualified Pension

January 1, 2012

TOWERS WATSON 

**SERP ALLOCATIONS**

*A. Fiscal Year 2012 Net Periodic Benefit Cost*

	Kern River	NNG	MEC	Total Regulated	Melstad	Other Non-Regulated	Total Non-Regulated	Total
1. Service cost	\$ -	\$ -	\$ 32,680	\$ 32,680	\$ 32,568	\$ 306,131	\$ 338,699	\$ 371,379
2. Interest cost	-	-	3,022,236	3,022,236	48,936	2,231,034	2,279,970	5,302,206
3. Expected return on assets	-	-	-	-	-	-	-	-
4. Transition obligation/(asset) amortization	-	-	-	-	-	-	-	-
5. Prior service cost amortization	-	-	5,059	5,059	1,860	1,874	3,734	8,793
6. Net loss/(gain) amortization	-	-	2,276,078	2,276,078	(3,106)	873,207	870,101	3,146,179
7. Net periodic benefit cost/(income)	\$ -	\$ -	\$ 5,336,053	\$ 5,336,053	\$ 80,258	\$ 3,412,246	\$ 3,492,504	\$ 8,828,557

*B. Reconciliation of Funded Status as of January 1, 2012*

	Kern River	NNG	MEC	Total Regulated	Melstad	Other Non-Regulated	Total Non-Regulated	Total
1. Total PBO	\$ -	\$ -	\$ (66,006,730)	\$ (66,006,730)	\$ (1,068,774)	\$ (48,726,608)	\$ (49,795,382)	\$ (115,802,112)
2. Fair value of assets	-	-	-	-	-	-	-	-
3. Funded status	-	-	(66,006,730)	(66,006,730)	(1,068,774)	(48,726,608)	(49,795,382)	(115,802,112)
4. Net transition obligation/(asset)	-	-	-	-	-	-	-	-
5. Net prior service cost	-	-	10,921	10,921	4,012	4,041	8,053	18,974
6. Net loss/(gain)	-	-	19,347,504	19,347,504	(26,401)	7,422,588	7,396,187	26,743,691
7. Prepaid/(accrued) benefit cost	\$ -	\$ -	\$ (46,648,305)	\$ (46,648,305)	\$ (1,091,163)	\$ (41,299,979)	\$ (42,391,142)	\$ (89,039,447)

*Assumptions*

Discount Rate	4.75%
Salary Scale	6.50%
EROA (Pre-Tax)	0.00%

SERP

January 1, 2012

TOWERS WATSON

**NONUNION POSTRETIREMENT WELFARE ALLOCATIONS**

*A. Fiscal Year 2012 Net Periodic Benefit Cost*

	Kern River	NNG	MEC	Total Regulated	Cordova	Other Non-Regulated	Renewables	Total Non-Regulated	Total
1. Service cost	\$ 158,442	\$ 133,326	\$ 2,080,883	\$ 2,372,651	\$ 8,110	\$ 274,205	\$ 8,676	\$ 290,991	\$ 2,663,642
2. Interest cost	189,430	1,026,998	3,315,491	4,531,919	5,022	261,857	7,302	274,181	4,806,100
3. Expected return on assets	(294,047)	(2,177,449)	(4,557,122)	(7,028,618)	(11,661)	(346,350)	(9,956)	(367,967)	(7,396,585)
4. Net transition obligation/(asset) amortization	-	-	-	-	-	-	-	-	-
5. Net prior service cost/(credit) amortization	(81,325)	(745,916)	(2,132,272)	(2,959,513)	(2,725)	(143,875)	-	(146,600)	(3,106,113)
6. Net loss/(gain) amortization	-	-	-	-	-	-	-	-	-
7. Net periodic postretirement benefit cost/(income)	\$ (27,500)	\$ (1,763,041)	\$ (1,293,020)	\$ (3,083,561)	\$ (1,254)	\$ 45,837	\$ 6,022	\$ 50,605	\$ (3,032,956)

*B. Reconciliation of Funded Status as of January 1, 2012*

	Kern River	NNG	MEC	Total Regulated	Cordova	Other Non-Regulated	Renewables	Total Non-Regulated	Total
1. Total APBO	\$ (4,147,150)	\$ (22,483,801)	\$ (72,585,210)	\$ (99,216,161)	\$ (109,935)	\$ (5,732,760)	\$ (159,867)	\$ (6,002,562)	\$ (105,218,723)
2. Fair value of assets	5,274,382	39,057,313	81,741,948	126,073,643	209,172	6,212,541	178,578	6,600,291	132,673,934
3. Funded status	1,127,232	16,573,512	9,156,738	26,857,482	99,237	479,781	18,711	597,729	27,455,211
4. Net transition obligation/(asset)	-	-	-	-	-	-	-	-	-
5. Net prior service cost/(credit)	(795,652)	(7,458,295)	(21,015,526)	(29,269,473)	(26,601)	(1,413,344)	-	(1,439,945)	(30,709,418)
6. Net loss/(gain)	463,805	(6,110,226)	13,688,235	8,041,814	(72,636)	933,563	(18,711)	842,216	8,884,030
7. Prepaid/(accrued) benefit cost	\$ 795,385	\$ 3,004,991	\$ 1,829,447	\$ 5,629,823	\$ -	\$ -	\$ -	\$ -	\$ 5,629,823

Nonunion Postretirement Welfare

January 1, 2012

TOWERS WATSON 

**UNION POSTRETIREMENT WELFARE ALLOCATIONS**

*A. Fiscal Year 2012 Net Periodic Benefit Cost*

	Kern River	NNG	MEC	Total Regulated	Cordova	Other Non-Regulated	Total Non-Regulated	Total
1. Service cost	\$ -	\$ -	\$ 1,751,640	\$ 1,751,640	\$ -	\$ -	\$ -	\$ 1,751,640
2. Interest cost	-	-	3,705,110	3,705,110	-	-	-	3,705,110
3. Expected return on assets	-	-	(5,806,202)	(5,806,202)	-	-	-	(5,806,202)
4. Net transition obligation/(asset) amortization	-	-	-	-	-	-	-	-
5. Net prior service cost/(credit) amortization	-	-	(2,338,324)	(2,338,324)	-	-	-	(2,338,324)
6. Net loss/(gain) amortization	-	-	2,065,128	2,065,128	-	-	-	2,065,128
7. Net periodic postretirement benefit cost/(income)	\$ -	\$ -	\$ (622,648)	\$ (622,648)	\$ -	\$ -	\$ -	\$ (622,648)

*B. Reconciliation of Funded Status as of January 1, 2012*

	Kern River	NNG	MEC	Total Regulated	Cordova	Other Non-Regulated	Total Non-Regulated	Total
1. Total APBO	\$ -	\$ -	\$ (80,699,753)	\$ (80,699,753)	\$ -	\$ -	\$ -	\$ (80,699,753)
2. Fair value of assets	-	-	80,113,459	80,113,459	-	-	-	80,113,459
3. Funded status	-	-	(586,294)	(586,294)	-	-	-	(586,294)
4. Net transition obligation/(asset)	-	-	-	-	-	-	-	-
5. Net prior service cost/(credit)	-	-	(27,501,587)	(27,501,587)	-	-	-	(27,501,587)
6. Net loss/(gain)	-	-	27,966,308	27,966,308	-	-	-	27,966,308
7. Prepaid/(accrued) benefit cost	\$ -	\$ -	\$ (121,573)	\$ (121,573)	\$ -	\$ -	\$ -	\$ (121,573)

*Union Postretirement Welfare*

*January 1, 2012*

TOWERS WATSON 

MEC SET OF BOOKS  
 FRC040 - FERC INCOME STATEMENT - YTD  
 Current Period: DEC-13

Date: 18-JAN-14 06:09:57  
 Page: 13

Currency: USD

Co=MEC (MIDAMERICAN ENERGY COMPANY), SI=X (ALL SOURCES), BC=ELE (ELECTRIC)

Activity	IOWA	%	ILLINOIS	%	SOUTH DAKOTA	%	NEBRASKA	%	FERC	%	COMMON	%	TOTAL
926101 RETIREMENT PLAN	3,338,890.17	89	395,011.26	10	26,799.81	1	0.00		0.00		0.00		3,762,701.24
926112 DCP EARNINGS	1,225,764.78	88	149,602.83	11	10,292.74	1	0.00		0.00		0.00		1,385,660.35
926117 DCP-MEHC	1,952,295.50	88	239,502.96	11	15,424.22	1	0.00		0.00		0.00		2,207,222.68
926121 401K CONTRIBUTIONS	10,517,502.46	89	1,269,521.52	11	88,238.62	1	0.00		0.00		0.00		11,875,262.60
926211 HEALTH-CARE BENEFITS	16,292,962.31	89	1,962,513.63	11	136,163.12	1	0.00		0.00		0.00		18,391,639.06
926215 GROSS FAS 106 EXP	(697,698.72)	89	(82,989.36)	11	(5,970.40)	1	0.00		0.00		0.00		(786,658.48)
926221 LT DISABILITY	571,940.08	89	68,977.65	11	4,796.44	1	0.00		0.00		0.00		645,714.17
926222 FMLA ADMIN	38,318.10	89	4,620.77	11	321.37	1	0.00		0.00		0.00		43,260.24
926224 SUPPLEMENTAL PENSION	3,294,150.65	89	396,729.95	11	27,673.89	1	0.00		0.00		0.00		3,718,554.49
926231 LIFE INSURANCE	203,274.48	89	24,450.83	11	1,709.80	1	0.00		0.00		0.00		229,434.81
926241 GENERAL BENEFITS	163,431.70	89	19,038.95	10	1,445.55	1	0.00		0.00		0.00		183,916.20
926245 JOINT OWNER CREDITS	(855,807.37)	91	(74,266.88)	8	(7,973.45)	1	0.00		0.00		0.00		(938,047.70)
926251 TUITION REIMBURSE	64,135.79	91	5,625.81	8	395.67	1	0.00		0.00		0.00		70,157.27
926281 DENTAL CARE	719,289.92	89	85,794.58	11	6,028.16	1	0.00		0.00		0.00		811,112.66
926291 VISION CARE	42,013.89	89	4,925.88	10	354.77	1	0.00		0.00		0.00		47,294.54
926901 BENEFITS LOADING	24,692,777.74	89	2,830,400.22	10	196,406.27	1	0.00		0.00		0.00		27,719,584.23
926911 BENEFITS LOADING CR	(36,094,937.07)	89	(4,327,340.24)	11	(302,968.97)	1	0.00		0.00		0.00		(40,725,246.28)
926-BENEFITS	25,843,989.57	89	3,017,219.44	10	204,250.03	1	0.00		0.00		0.00		29,065,459.04
928311 FORMAL-RETAIL	1,057,941.56	74	376,728.46	26	222.94	0	0.00		0.00		0.00		1,434,892.96
928312 DIR/REM ASSESS	1,778,693.72	99	0.00		17,077.25	1	0.00		0.00		0.00		1,795,770.97
928313 FERC ASSESSMENT EXP	32,060.67	89	3,652.35	10	306.15	1	0.00		0.00		0.00		36,019.17
928314 FERC TCAC ASSESSMENT	1,381,279.83	89	157,355.12	10	13,190.51	1	0.00		0.00		0.00		1,551,825.46
928-REGULATORY COMM	4,249,975.78	88	537,735.93	11	30,796.85	1	0.00		0.00		0.00		4,818,508.56
929011 DUPLICATE CHARGE-CR	(2,059,173.42)	93	(154,619.93)	7	(4,476.91)	0	0.00		0.00		0.00		(2,218,270.26)
929021 FACILITY LOADING-CR	(9,213,802.14)	100	0.00		0.00		0.00		0.00		0.00		(9,213,802.14)
929-DUPLICATE CHGS	(11,272,975.56)	99	(154,619.93)	1	(4,476.91)	0	0.00		0.00		0.00		(11,432,072.40)
930200 BANK/INVSTR RELTNS	13,098.58	89	1,501.44	10	121.49	1	0.00		0.00		0.00		14,721.51
930210 EXT INVESTMENTS MGNT	185,758.95	89	21,286.03	10	1,735.49	1	0.00		0.00		0.00		208,780.47
930220 BD DIRECT SUPPORT	449,456.51	89	51,519.94	10	4,170.35	1	0.00		0.00		0.00		505,146.80
930264 COMMRC/INDUSTRY DUES	994,020.19	90	108,003.89	10	8,208.75	1	0.00		0.00		0.00		1,110,232.83
930270 MEDIA RELATIONS	234,906.71	90	24,030.50	9	1,965.92	1	0.00		0.00		0.00		260,903.13
930271 RESEARCH & DEVELOPMT	155,514.03	89	18,100.81	10	1,385.16	1	0.00		0.00		0.00		175,000.00
930291 MISC GENERAL EXPENSE	1,465,989.52	89	162,342.14	10	13,365.31	1	0.00		0.00		0.00		1,641,696.97
930-MISC A&G EXPENSE	3,498,744.49	89	386,784.75	10	30,952.47	1	0.00		0.00		0.00		3,916,481.71
931001 BUILDNG RENTAL/LEASE	2,370,785.06	100	(13,744.19)	(1)	4,969.25	0	0.00		0.00		0.00		2,362,010.12
931999 RENTS-OPER AGREEMENT	(6,021,437.77)	93	(440,568.67)	7	(25,963.95)	0	0.00		0.00		0.00		(6,487,970.39)
931-RENTS	(3,650,652.71)	88	(454,312.86)	11	(20,994.70)	1	0.00		0.00		0.00		(4,125,960.27)
OPERATING EXPENSES	730,280,694.73	87	97,702,823.96	12	7,062,412.70	1	0.00		0.00		0.00		835,045,931.39
510001 STM GEN-MAINT SUPV	3,461,392.99	90	356,716.01	9	32,732.20	1	0.00		0.00		0.00		3,850,841.20