



MidAmerican Energy Company
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VIA - Email

MEMO

Date: April 11, 2008
To: Dave Jacobsen
From: Kathryn Kunert
Re: Questions on MidAmerican's Economic Development Filing

Brad Howard, our new economic development consultant as of April 1, 2007, has been with MidAmerican Energy and its predecessor companies for more than 30 years. Howard has held several positions with the company while elevating his level of leadership. The positions include area manager - Yankton, regional manager - office and construction activities for Yankton, Canton and Vermillion, and energy consultant - large commercial and industrial customers.

During the first quarter of 2007 when there was not a staff person working in South Dakota, the staffing costs were not incurred which is why the proposed and actual budget expenditures are different. I thought it was extremely important to still spend the proposed dollars, so Brad was asked to look for opportunities throughout the remainder of the year to help us achieve our spending goal. Therefore, dollars that were budgeted for staffing were spent for "Economic Assistance Programs" and "Business Attraction Incentives".

In 2007, Howard worked with local economic development councils, in South Dakota, urging them to use MidAmerican's Local Partner's Program and grants to support local economic development organizations' initiatives. Among the initiatives receiving financial assistance were, Three Rivers Business Resource Center University / Business Pilot Project in Vermillion, SD (\$5,000), aerial photographs and brochures in Yankton, SD (\$1,100), and aerial photographs in North Sioux City and Sioux Falls, SD (\$850). Also committed was \$10,500 to the State of South Dakota to host the annual Governor's Economic Development Conference and \$2000 to sponsor the Governor's Golf Classic. This financial support is above the annual investments made to the local economic development organizations in our service area. In 2008, dollars were shifted back into the staffing budget and the "Economic Assistance Programs" and "Business Attraction Incentives" which more accurately represent how the dollars will be spent in our service area on programming. The dollars are not tied to specific projects in order to allow for flexibility in spending to support and meet the needs of the local partners and the projects they are trying to implement.