



NOTICE OF LARGE VOLUME TRANSPORTATION NATURAL GAS DELIVERY RATE INCREASE

Recently, the South Dakota Public Utilities Commission (SDPUC) approved MidAmerican Energy Company's first natural gas delivery rate increase since 2004. On XXXXX, 2015, the SDPUC authorized a rate increase of \$1.5 million or 5.67 percent. This percentage is an annual average based on all revenue classes in our service territory.

The proposed increase is necessary to support the expansion of natural gas service to new customers, to fund required upgrades to aging facilities that serve existing customers and to offset operating cost increases that have occurred during the previous 10 years. MidAmerican Energy is committed to remaining a low-cost natural gas provider, controlling expense and helping our customers save money by using natural gas efficiently.

Although the exact dollar amount will vary depending on a customer's natural gas usage levels, the natural gas delivery portion of a large volume transportation customer's bill for transportation of customer-owned gas will increase, on average, by 8.46 percent. The exact percentage that individual customers will see over a 12-month period is likely to vary from this average percentage and will fluctuate from month to month based on a customer's natural gas consumption and new rate structure.

The charts in this notice outline the final rates approved by the SDPUC.

INTERIM RATES REFUND

Pending the SDPUC's decision, MidAmerican Energy implemented its proposed natural gas delivery rates on an interim basis effective Feb. 1, 2015. Since the final rate increase is less than the interim rate increase, the difference will be refunded as a credit on your bill with 7 percent annual interest for natural gas service consumed from Feb. 1 through June 30, 2015. The refund will appear as a separate line item on your bill. It will be issued after Sept. 1, 2015.

NEW BILL ITEMS

MidAmerican Energy has renamed its rates, so you will see a new rate code (example - Rate: LVT) in the Gas Charges section of your bill. You will also see new line items on your bill. A Meter Class Charge was added to our South Dakota gas customers' bills to better match the price a customer pays to the cost of the meter required to serve their load. A Transportation Meter Charge applies to new customers taking service under this rate that have telemetry equipment installed on or after Sep. 3, 2014. This charge will not apply to customers taking service under this rate whose telemetry equipment was installed prior to Sept. 3, 2014, until their telemetry equipment is upgraded or replaced.

New bill items also include Maximum Daily Requirement (MDR) and Maximum Hourly Quantity (MHQ) charges. The MDR shall be established in the contract between you and MidAmerican Energy. Unless otherwise agreed upon in the contract, MDR is defined as the maximum consumption measured at your meter, adjusted for retention, during any 24-hour period beginning at 9 a.m. and ending at 9 a.m. the following day during the most recent peak months of December, January and February. The contracted MDR shall be the maximum daily volume of natural gas MidAmerican Energy is obligated to deliver to customers contracting for customer-supplied gas supply, or supply and deliver to customers contracting for company-supplied gas supply, and the customer is entitled to receive on any day under the tariff.

Your MHQ initially will be the equivalent to your historical or contractual hourly usage level, generally 1/16 of your MDR. MHQ is defined as the maximum consumption measured at your meter, adjusted for retention, during any one-hour period during a company-declared Critical Hourly Restriction. Critical Hourly Restrictions will only occur during Short Critical Day declarations, as defined in Rider T of the tariff under Definitions, and will usually be limited to peak hours within such day, for example 5 a.m. through 9 a.m.

(NEW BILL ITEMS, continued)

The MHQ is the Maximum Hourly Quantity MidAmerican Energy is obligated to deliver to customers contracting for customer-supplied gas supply or supply and deliver to the customers contracting for company-supplied gas supply, and that the customer is entitled to receive on any hour during Critical Hourly Restriction hours.

For more information, call 888-427-5632, or visit www.midamericanenergy.com/rates1.aspx to view MidAmerican Energy’s gas tariffs for South Dakota.

Large Volume Transportation Natural Gas Rates

Transportation Service	Prior Rate LT	New Rate LVT
Basic Service Charge	\$275.00	\$80.00
Meter Class Charge		*
Distribution Charge, All therms	\$0.03755	\$0.03950
Monthly Transportation Administration Charge	\$35.00	\$25.00
Transportation Meter Charge (if applicable)		\$42.00
One-time application charge	\$250.00	
Per therm of contract MDR		\$0.04300
Per therm of contract MHQ		\$0.04300

*Meter Class Charge will depend on the size of the meter.

Size 1 (Up to 675 cubic feet/hour)	\$3.00
Size 2 (Over 675 to 3,000 cubic feet/hour)	\$10.00
Size 3 (over 3,000 to 11,000 cubic feet/hour)	\$40.00
Size 4 (over 11,000 cubic feet/hour)	\$75.00