



NOTICE OF LARGE SEASONAL 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 seasonal gas customer’s bill will increase, on average, by 7.53 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

You will see a new line item 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.

SAVE SOME GREEN®

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.

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 Seasonal Natural Gas Rates

Seasonal Service	Prior Rate LSS	New Rate LSS
Basic Service Charge	\$275.00	\$80.00
Meter Class Charge		*
Commodity per therm: Mar - Nov	\$0.02785	\$0.03800
Commodity per therm: Dec - Feb	\$0.05760	\$0.07200

*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

To be eligible for Rate LSS, a customer’s winter usage during the months of December through February must be less than 5 percent of the total annual consumption and the total annual consumption must be 200,000 therms or greater. Eligibility will be determined annually. Customers deemed ineligible for this rate shall be reassigned to the most economical rate for which they qualify. Once a customer has been reassigned to a different rate, the customer will not be eligible to receive service under Rate LSS for a minimum of 12 monthly billing periods following reassignment.