



NOTICE OF SMALL 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 small volume transportation customer’s bill for transportation of customer owned gas will increase, on average, by 5.92 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: SVT) 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.

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

Small Volume Transportation Natural Gas Rates

Transportation Service	Prior Rate ST	New Rate SVT
Basic Service Charge	\$8.00	\$5.00
Meter Class Charge		*
Distribution Charge, 1st 250 therms	\$0.18125	\$0.19560
Distribution Charge, > 250 therms	\$0.13191	\$0.14450
Monthly Transportation Administration Charge	\$35.00	\$25.00
Transportation Meter Charge (if applicable)		\$42.00
One-time application charge	\$250.00	

*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