

NOTICE OF PROPOSED SMALL VOLUME NATURAL GAS TRANSPORTATION RATE INCREASE

On Aug. 4, 2014, MidAmerican Energy Company asked the South Dakota Public Utilities Commission (SDPUC) for approval to increase natural gas delivery rates by \$2.9 million, with a proposed effective date of Sept. 3, 2014. The SDPUC may establish a different effective date. This is the first natural gas delivery rate increase MidAmerican Energy has requested since 2004. 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, if approved, a small volume transportation customer's bill for transportation of customer owned gas will increase, on average, by 11.5 percent.

If the SDPUC does not make a ruling within six months of MidAmerican Energy's rate case filing date, we will be permitted to implement the proposed natural gas delivery rate increase on an interim basis, subject to refund if the proposed increase is not approved.

Under South Dakota law (SDCL 49-34A-12), a customer has the right to join with 24 other customers to file a written objection and may request that the SDPUC suspend the rate increase and hold a public hearing to determine if the rate increase should be allowed.

You may visit MidAmerican Energy's customer office at 1914 S. Sycamore Ave., Suite 110 in Sioux Falls, South Dakota or our customer office at 401 Douglas St. in Sioux City, Iowa during normal business hours to review the current and proposed rate schedules. If you have additional questions, please call 888-427-5632 or visit www.midamericanenergy.com/sd_ratecase.com.