



MidAmerican Energy Company
401 Douglas Street
P.O. Box 778
Sioux City, Iowa 51102
(712) 277-7587 Telephone
(712) 252-7396 Fax
E-mail: smstewart@midamerican.com

Suzan M. Stewart
Managing Senior Attorney

August 4, 2014

VIA ELECTRONIC FILING AND OVERNIGHT DELIVERY

Ms. Patricia Van Gerpen
Executive Director
South Dakota Public Utilities Commission
State Capitol Building
500 East Capitol Avenue
Pierre, South Dakota 57501-5070

RE: APPLICATION OF MIDAMERICAN ENERGY COMPANY FOR AUTHORITY TO
INCREASE RATES FOR NATURAL GAS SERVICE IN SOUTH DAKOTA
DOCKET NO. NG14-___

Dear Ms. Van Gerpen:

MidAmerican Energy Company ("MidAmerican") hereby submits the enclosed Application to the South Dakota Public Utilities Commission for authority to increase its natural gas distribution rates for its approximately 88,000 customers.

MidAmerican's natural gas distribution rates were last increased in 2004. The rate and tariff changes proposed in the Notice of Change in Rates would result in an annual increase in base natural gas distribution revenues of \$2.9 million, an approximate increase of 3.5% of test year pro forma revenue.

MidAmerican proposes to make the base rate and tariff changes effective in thirty days, or no later than September 3, 2014.

Pursuant to the authorization of the Commission in Docket No. NG14-002, MidAmerican's filing deadline was extended to permit use of a calendar 2013 test period, adjusted for known and measurable changes in costs scheduled to occur in 2014 and 2015, and other appropriate adjustments.

This Application, consisting of the following 2 volumes, has been electronically filed. In addition, thirteen copies of the following have also been provided to the Commission by overnight delivery:

Volume 1

- Transmittal Letter

- Notice of Rate Application
 - Notice of Change in Rates
 - Statement of Authorized Accounting Representative
 - Report of Tariff Schedule Change
 - Public Rate Increase Notice

- Filing Requirements
 - Statements and Support Schedules: A through R

Volume 2 – Testimony and Supporting Schedules, Workpapers and Tariffs

MidAmerican certifies that it will notify customers of the proposed increase in compliance with ARSD §§ 20:10:13:17 through 19. The Public Rate Increase Notice, attached to this Transmittal Letter, will be posted in a conspicuous place at the MidAmerican local customer service centers in Sioux Falls, South Dakota and in Sioux City, Iowa for at least thirty days prior to the proposed September 3, 2014 effective date of the revised rates. Additionally, MidAmerican will include information concerning the rate case on its website. The Application, including the testimony and supporting documentation, will be available at the local customer service centers. Beginning on August 28, 2014, MidAmerican will mail a bill insert informing customers of the Application. At the conclusion of the proceeding, MidAmerican will mail a bill insert informing the customers of the approved rates.

In accordance with ARSD §§ 20:10:01:39 through 42, MidAmerican respectfully requests confidential treatment of certain information contained in this filing. In compliance with ARSD § 20:10:01:41, material containing confidential information has been marked as “CONFIDENTIAL” and submitted separately in a separate sealed envelope along with this filing.

The following information supports this request for confidential treatment:

(1) Documents for which confidential treatment is requested:

The following portions of the Filing Requirements contained in Volume I of the filing:

- Schedule K-1
- Schedule K-3
- Statement P

Schedules K-1 and K-3 are required parts of the Commission’s filing requirements. Schedule K-1 contains working papers for the Company’s federal income taxes, and a complete reconciliation of the book net income with taxable net income as reported to the Internal Revenue Service for the most recent tax year and the three previous years. Schedule K-3 contains working papers showing the net taxable income or loss for each company included in the Company’s consolidated tax return, along with consolidating adjustments. The Company treats this information as highly confidential, and as financial information not released to the public.

Statement P is a required part of the Commission's filing requirements and includes the derivation of the gas adjustment factor.

(2) Duration of request: Forever

(3) Contact information for questions regarding confidential treatment:

Suzan M. Stewart
Managing Senior Attorney
MidAmerican Energy Company
401 Douglas St.
P.O. Box 778
Sioux City, IA 51102
(712)-277-7587

(4) Legal grounds for confidential treatment:

Confidential treatment is requested on the grounds that the material is proprietary and trade secret information, the disclosure of which would result in material damage to the Company's financial or competitive position. The claim for confidential treatment is based on ARSD § 20:10:01:39 (4) and SDCL § 1-27-30. The information contained within the referenced documents meets the definition of "trade secret" under SDCL § 37-29-1(4)(1), the South Dakota Uniform Trade Secrets Act, which is defined as information that "Derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use, and... is the subject of efforts that are reasonable under the circumstances to maintain its secrecy." The information also meets the definition of "proprietary information" under SDCL § 1-27-28, which is defined as "information on pricing, costs, revenue, taxes, market share, customers, and personnel held by private entities and used for that private entity's business purposes."

(5) Factual grounds for confidential treatment:

The noted documents qualify for confidential treatment because they contain proprietary business information which the Company does not disclose to the public.

Schedule K-1 provides a complete reconciliation of the Company's book net income with taxable net income. This information would provide actual and potential competitors with detailed information concerning the tax treatment of various income statement items that could provide competitors with an unfair competitive advantage.

Schedule K-3 provides the net taxable income or loss for each company in the consolidation, some of whom are unregulated. This information would provide actual and potential competitors with information concerning the profitability of its various unregulated affiliates that could provide competitors with an unfair competitive advantage.

Statement P includes information on prices of natural gas acquired through confidential contracting processes. Public disclosure of these processes and the prices derived from these processes of which may violate the contractual rights of third parties and would be harmful to the Company's ability to obtain service at the lowest available cost.

We request that communications regarding this Petition be directed to:

Suzan M. Stewart
Managing Senior Attorney

Jennifer S. Moore
Senior Attorney

Naomi G. Czachura
Vice President – Rates and
Regulatory Strategy

401 Douglas St.
P.O. Box 778
Sioux City, IA 51102
(712)-277-7587

106 E. Second Street
P.O. Box 4350
Davenport, IA 52808
(563) 333-8006

106 E. Second Street
P.O. Box 4350
Davenport, IA 52808
(563) 333-8869

smstewart@midamerican.com jsmoore@midamerican.com ngczachura@midamerican.com

Brett Koenecke
May, Adam, Gerdes & Thompson
P.O. Box 160
Pierre, SD 57501
Brett@MAGT.com

Sincerely,

/s/ Suzan M. Stewart

Suzan M. Stewart

Enclosures