

SECTION I Overview

This report is being submitted in accordance with the Decision and Order approving Settlement Stipulation issued in Docket No. NG01-010 and addresses MidAmerican Energy Company's ("MidAmerican") economic development expenditures.

This report presents MidAmerican's expenditures against approved budget for 2013 and the proposed 2014 spending plan. Also presented is an overview of economic activity in MidAmerican's gas service territory. This activity is presented both in narrative format on accomplishments and statistically in selected key measurements of economic activity.

Generally, 2013 was economically positive in MidAmerican's territory. Our local economic development partners reported several successes. These accomplishments are the result of the continuing commitment of proactive local, regional and state economic development activity. The heart of MidAmerican's economic development plan is to support these activities along with community practitioners, both professional staff and community volunteers. We believe our 2013 spending plan helped in that regard and that our 2014 plan will do likewise.

In summary, we were approved to spend \$106,500 in 2013 but actually spent \$118,199. However, in order to ensure the maximum focus on direct financial assistance to our communities, MidAmerican included staff costs at approved levels for the 2013 budget and will reduce the expenditure prospectively until only 50% of staff time is reflected in the budgetexpensed. This will allow for more investments in programs and initiatives while the overall spending level remains constant. In 2014, we will continue focusing on local development groups and supporting events and activities to help the communities in our service territory be successful.

Our plan submitted herein calls for spending \$106,500 in 2014.

MidAmerican Energy Company Local Partner Program Funding

In 2013, MidAmerican Energy Company continued to promote energy conservation through our commercial and residential Energy Efficiency programs. Staff made one-on-one contacts with each community served by MidAmerican Energy multiple times throughout the year. MidAmerican's Local Partner Program information was also provided and several communities responded with applications. North Sioux City utilized the EconomicAdvantage program to implement an advertising blitz for buildings previously used by Gateway Computers. A request for \$1,000 was granted to them for this purpose. North Sioux City also applied and received a \$400 grant to support the Business of the Month program within the community. Canton made improvements to their website and used a \$1,250 Local Partner grant to complete their upgrade. Yankton applied for state certification of several development sites in the Yankton area and used a \$750 Local Partner grant for Phase One assessments for three of the developments. North Sioux City received another \$400 grant for their community's business recognition program. Additionally, Minnehaha and Lincoln County Economic Development Associations requested and received \$348.98 in support of their annual dinner.

Business and attraction events and sponsorships were also supported through MidAmerican's Local Partner Program. \$1,750 was provided to the Governor's Office of Economic Development for sponsorship and registrations at the GOED Conference. The program also supported the participation of North Sioux City at the Shot Show for \$600. As is tradition, MidAmerican supported the Governor's Office of Economic Development Golf Classic in Brookings, South Dakota at the \$5,000 sponsorship level.

2013 Property Tax Payments

MidAmerican paid \$1,102,810.37 of property taxes associated with its South Dakota facilities. These taxes are for 2012, which are paid the following year. Property taxes support county and city government, area schools, libraries, park districts and other taxing bodies.

Following is the county by county breakdown of property taxes paid by MidAmerican in South Dakota:

- Clay \$31,884
- Lake \$976.98
- Lincoln \$64,252.82
- McCook \$5,766.32
- Minnehaha \$707,752.64
- Moody \$8,517.68
- Turner \$6,052.32
- Union \$199,205.16
- Yankton \$78,401.80.