

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 2014 and the proposed 2015 spending plan. Also presented is an overview of economic activity in MidAmerican's electric and natural gas service territory. This activity is presented both in narrative format on accomplishments and statistically in selected key measurements of economic activity.

Generally, 2014 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. We believe our 2014 spending plan helped in that regard and that our 2015 plan will do likewise.

In summary, we were approved to spend \$106,500 in 2014 but actually spent \$129,769 which includes staff time. However, in order to ensure the maximum focus on direct financial assistance to our communities, MidAmerican's included staff costs will continue to be reduced, which is reflected in the 2014 budget. MidAmerican will continue to reduce the inclusion of staff time in the budget until only 50% of staff time is reflected in the budget expensed. This will allow for more investments in programs and initiatives while the overall spending level remains constant. In 2015, we will continue focusing on local development groups and supporting programs and activities to help the communities in our service territory be successful.

Our plan submitted herein calls for spending \$106,500 in 2015.

MidAmerican Energy Company Local Partner Program Funding

In 2014, MidAmerican Energy Company began shifting a portion of appropriated dollars from salaries to support more directly economic assistance programs and local partner funding to individual communities for business retention and special projects. MidAmerican meets regularly throughout the year with individual communities to review our Local Partner Program, projects, activities and what assistance is needed. Additionally, information about MidAmerican's energy efficiency programs was provided. The partnership with our communities resulted in local partner applications of \$9,876, more than doubling the \$4,400 in 2013 applications. Participating communities also doubled with eight communities applying for grants in 2014 compared to four in 2013. North Sioux City again led the way with \$3,275 in applications including \$800 to fund Business of the Month awards, \$1,300 for commercial building marketing, \$725 to participate in trade shows and \$450 for an intern who worked in the economic development department. Elk Point used a \$2,500 grant to fund their industrial park advertising sign along Interstate 29 and Worthing used \$1,250 for a housing study. Phase 1

environmental studies were targets of local partner applications in Corson at \$766, Dell Rapids at \$750 and Brandon at \$450. Costs of Phase 1 studies vary with the size of the development park. The new Centerville development director used \$455 to participate in a grant writing course to support his professional development and the Sioux Falls Development vice president attended a medical device and manufacturing trade show and was granted \$430. Yankton was awarded \$2,500 for a targeted industry study and another \$2,500 for website improvements to market sites and building in the community, but the programs were not completed before the end of 2014 and will be credited in the 2015 report.

MidAmerican also increased its support in business attraction events and sponsorships with \$11,500 spent in 2014 compared to \$7,099 in 2013. MidAmerican worked with the Governor's Office of Economic Development to have a \$1,500 Utility Sponsorship for the 2014 Governor's Economic Development Conference, a gold sponsorship of \$5,000 for the Governor's Golf Classic and a \$5,000 Giant Vision sponsorship for the South Dakota Chamber of Commerce and Industry.

MidAmerican invested nearly \$10,000 more toward economic assistance programs in 2014 than 2013 and will continue to look for additional investments in South Dakota in 2015.

2014 Property Tax Payments

MidAmerican paid \$1,094,830 in property taxes associated with its South Dakota facilities. These taxes are for 2013, 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	\$ 30,889
Lake	\$ 864
Lincoln	\$ 61,936
McCook	\$ 5,453
Minnehaha	\$ 722,946
Moody	\$ 8,132
Turner	\$ 5,710
Union	\$ 184,372
Yankton	\$ 74,528