

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.

The report presents MidAmerican's expenditures against approved budget for 2015 and the proposed 2016 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, 2015 was economically positive in MidAmerican's territory. 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 partners, both professional staff and community volunteers. The 2015 spending plan definitely helped in that regard and the 2016 plan will do likewise.

In summary, approval was granted to spend \$106,500 in 2015 but \$114,419 was actually spent, which includes staff time. However, in order to ensure the maximum focus on direct financial assistance to the communities, MidAmerican's staff costs will continue to be reduced until only 50% of staff time is reflected in the expensed budget. This will allow for more investments in programs and initiatives with the overall spending level remaining constant. In 2016, the focus will continue on local development groups and supporting events and activities to help the communities in MidAmerican's service territory be successful.

The plan submitted herein calls for spending \$106,500 in 2016.

MidAmerican Energy Company Local Partner Program Funding

In 2015, MidAmerican Energy Company continued to shift a portion of appropriated dollars from salaries to economic assistance programs and local partner funding to individual communities for business retention and special projects. MidAmerican staff visited communities on a regular basis to deliver MidAmerican's energy efficiency program literature and to encourage the use of MidAmerican's Local Partner Program. This year, considerable interest was generated in the program and six different communities took advantage of the funding. Yankton led the field with \$6,000 awarded, including a \$2,500 update to their website to market available buildings and sites, \$2,500 to complete a targeted industry study and \$1,000 to market their new 40,000-square-foot spec building. Elk Point received \$2,140 for producing an economic development video of their community for prospective new businesses and industries. The City of Worthing used \$985 in local partner funding to create signage to market Worthing's industrial park. North Sioux City used a \$500 grant to fund a phase 1 environmental site assessment in North Sioux's Flynn Business Park and the City of Centerville used \$90 for a trade show booth promoting economic development at the county fair. Lincoln and Minnehaha County Economic Development Associations used \$252 to help fund their annual meeting.

In past years, North Sioux City used Local Partner funding more than any other community, but early this year their economic development director accepted a new position with the Siouxland Chamber of Commerce and, to date, his position has not been filled.

MidAmerican nearly doubled support in business attraction events and sponsorships with the state of South Dakota. In 2015, \$22,093 was spent compared to \$11,500 in 2014 and \$7,099 in 2013. MidAmerican contributed \$5,000 for a gold sponsorship of for the Governor’s Golf Classic along with \$593 for prizes. MidAmerican worked with the Governor’s Office of Economic Development to provide a \$1,500 Utility sponsorship for the 2015 Governor’s Economic Development Conference, \$5,000 co-op marketing for lead generation and \$10,000 to Workforce Development Co-op Marketing for “You Can Live in South Dakota”.

MidAmerican was proud to invest in Local Partner programs for South Dakota cities and South Dakota’s business attraction events and sponsorships, and will continue to explore additional investments in 2016.

2014 Property Tax Payments

MidAmerican paid \$1,105,522 in property taxes associated with its South Dakota facilities. These taxes are for 2014, 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	\$ 30,832
Lake	\$ 868
Lincoln	\$ 60,331
McCook	\$ 5,191
Minnehaha	\$ 744,146
Moody	\$ 7,823
Turner	\$ 5,056
Union	\$ 179,014
Yankton	\$ 72,261