



MIDAMERICAN ENERGY COMPANY
P.O. Box 4350
Davenport, Iowa 52808-4350

SOUTH DAKOTA GAS TARIFF SCHEDULE NO. 2
SD P.U.C. Sec. No. 3
2nd Revised Sheet No. 89
Canceling 1st Revised Sheet No. 89

**SECTION 3 – GAS RATE SCHEDULES
RIDER PDR – PIPELINE DEMAND RIDER**

APPLICABLE

Applicable to all daily transportation Customers that contract for one (1) of the Company's Gas Transportation services on or after November 15, 1995, and that previously received sales service under one (1) of the Company's sales service rate schedules. This rider shall commence with the implementation of transportation service. Company shall cease charging the PDR to Customer at the earlier of 1) actual termination of Company's obligation to pay the interstate pipeline for the pipeline demand charges previously related to Customer's requirements or 2) November 1st of the second calendar year of transportation service for Customer. This rider will not allow the SVT, MVT, LVT, NFT, or CPT Customer the right to broker the use of the stranded capacity. Customer may give notification of switching to transportation in writing at least twelve (12) months prior to commencement of transportation service in order to avoid PDR charges once the Customer starts transporting.

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If a transportation Customer subject to the PDR wants to take permanent assignment of the appropriate pipeline capacity at maximum pipeline rates instead of paying the otherwise applicable PDR, Company will assign such capacity in accordance with the relevant pipeline's terms and conditions applicable to a prearranged permanent release of capacity. Additionally, any pipeline demand costs related to the permanently released capacity will be the exclusive responsibility of the Customer taking assignment. Company, in its sole discretion, shall have the right to specify which firm maximum rate transportation entitlement contract will be released to Customer.

PIPELINE DEMAND RIDER

The Pipeline Demand Rider (PDR) is the surcharge per Therm of natural gas transported. The surcharge shall be equal to the non-commodity cost of gas reflected in the monthly Purchased Gas Adjustment filings for the appropriate pipeline.

GAS RECONCILIATION

The Company shall reflect the recovery of the PDR as a reduction to the sales Customer's cost of gas on a dollar-for-dollar basis in the Annual Purchased Gas Adjustment Reconciliation.



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Original Sheet No. 90

**SECTION 3 – GAS RATE SCHEDULES
RIDER PDR – PIPELINE DEMAND RIDER (continued)**

BILLING

The PDR will be added as a separate line on the bill.

COMPANY'S RIGHT TO WAIVE

Company, in its sole discretion, shall have the right to waive PDR charges for select areas.