From: PUC Sent: Wednesday, January 28, 2015 8:45 AM To: Subject: MidAmerican Rate Questions, EL14-072

Mr. Montgomery:

I appreciate you contacting the commission seeking information on how the rate increase request by MidAmerican Energy may affect you. Since you and I discussed several different bill comparison spreadsheets, I thought it best to recap our conversation with an email.

To obtain an accurate depiction of how the proposed rate increase will affect your bill, you will need to use an ECA rate of -\$0.00751 versus the historical rates used in your comparison. This changes your calculation to a 13.8% overall increase for the year. Then, add the TCR rate of \$0.00049 to each month in your proposed bill column. This changes the overall increase for the year to 14.4%.

As I stated in our conversation, we are referencing <u>proposed</u> rates only. By law, public utilities are allowed to implement their proposed increased rates, subject to change after the commission's ruling, once the required 180-day suspension ends. If the commission ultimately approves rates lower than the interim rates, the public utility will be required to refund its customers the difference in rates plus interest for the interim period.

Staff and staff's consultants continue to perform an extensive review of the filing to arrive at rates which are just and reasonable. If you have any additional questions or concerns, please contact us at <u>puc@state.sd.us</u>. Given your interest, I encourage you to follow the docket, EL14-072, as it is processed and additional filings are added online at <u>http://puc.sd.gov/Dockets/Electric/2014/el14-072.aspx</u>.

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