

## South Dakota Rates Increase

In May 2022, MidAmerican **filed a rate case** [in https://www.midamericanenergy.com/newsroom/2022-sd-gas-rate-adjustment](https://www.midamericanenergy.com/newsroom/2022-sd-gas-rate-adjustment) in South Dakota to request a modest increase to support the delivery of natural gas to customers. As a regulated utility, the increase must go through a regulatory review and approval process with the **South Dakota Public Utilities Commission** <https://puc.sd.gov/>

To maintain a safe and reliable gas system, and to account for the system upgrades required to serve South Dakota's growing communities, MidAmerican is proposing an increase for residential customers with typical usage of approximately \$4.00 per month or \$50.00 annually.

Since its last rate case in 2014, MidAmerican has safely served its South Dakota customers, making more than \$100 million of investments to its natural gas infrastructure like distribution lines, safety equipment, meters and more.

### How much will my bill go up?

If approved, residential rates will increase by 7.2%, which averages to \$4.16 per month or \$49.87 per year. Overall, the company is requesting a 6.4% rate increase – the exact amount depends on the customer's rate class or type of customer, like residential, small business or large commercial company.

The average bill impacts by the most popular South Dakota rate classes are listed in the table below:

Rate as it appears on your bill	Average monthly bill	Average increase	Average monthly bill on proposed new rate
SVS Small Volume Service Residential	\$57.34	\$4.16	\$61.50
SVS Small Volume Service Non-Residential	\$148.66	\$2.72	\$151.38
MVS Medium Volume Service Residential	\$474.06	\$21.52	\$495.58
MVS Medium Volume Service–Non-Residential	\$1,141.33	\$43.59	\$1,184.92
NFS Residential	\$127.97	\$10.52	\$138.49

Not sure of your current rate class? Look at a recent bill and the rate class is listed above the gas charge detail section. Residential customers can also **contact us** [in https://www.midamericanenergy.com/contact-us](https://www.midamericanenergy.com/contact-us) to confirm their rate class.

Business, commercial transportation and interruptible rate customers should call their Business Connections Manager or the Business Advantage team, at 800-329-6261, available weekdays 7 a.m.-6 p.m.

### Where will I see this increase on my bill?

It's important to remember that your gas bills have two parts: a **supply charge** and a **delivery charge**. This rate case is a request to increase the delivery portion of South Dakota customers' gas bills. The delivery portion of your bill includes the basic service charge, meter charge, delivery charge and any rate-specific administration fees. The exact amount on your bill depends on how much natural gas you use; the supply portion fluctuates based on market conditions and your usage.

### When would this increase go into effect?

Filing the rate case is only the beginning of the process. If the rate increase is ultimately approved by the SDPUC, new rates wouldn't be effective until later in the year. MidAmerican has requested an effective date of November 1, 2022.

If the South Dakota utilities commission does not make a ruling within six months of the filing, MidAmerican can implement the proposed new rate on an interim basis. An interim increase would be subject to refund if the requested increase is not approved. As the process progresses, MidAmerican will notify you of any rate changes before they occur.

## Gas prices were already high last winter – why now?

Gas bills have been impacted over the last year by ongoing market volatility and severe weather, like the February 2021 polar vortex, summer hurricanes, the COVID pandemic production slowdown and other global issues.

These market conditions have impacted the **supply charge** portions of your bills, which is a pass-through cost to customers and changes monthly. This rate case requests an increase to the **delivery charge**.

MidAmerican has safely served its South Dakota customers for decades, making more than \$100 million of investments to its natural gas infrastructure since our last rate case in 2014. Work included upgrading our distribution lines, safety equipment and meters with newer, safer technology to provide the level of reliability our customers expect.

The costs of this work over the past several years, as well as planned project costs, have made it reasonable to request an increase in base rates at this time.

## Are the rates in other states going to increase as well? Why only South Dakota?

No other rate cases have been filed in other states at this time. We evaluate the system needs and rates of each jurisdiction separately.

For more information about this proposed rate increase, or to make arrangements to view information at a local corporate office, please call us at 888-427-5632

**Customer Rights:** Under South Dakota law (SDCL 49-34A-12), a customer has the right to join with 24 other customers to file a written objection and may request that the SDPUC suspend the rate increase and hold a public hearing to determine if the rate increase should be allowed.