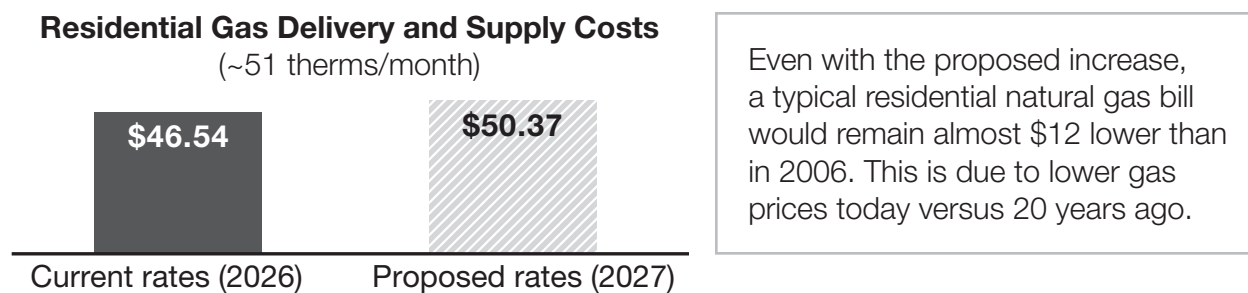


Dear Customer,

At MidAmerican Energy, we take pride in providing safe, reliable and affordable natural gas service. We know families are facing higher costs as inflation affects everything from groceries to gas. Affordability is a real concern for our customers and communities, and we take that concern seriously.

Although we have carefully managed operating and maintenance expenses, our efforts alone no longer fully cover the cost of providing safe and reliable service under rates set four years ago. We want to clearly explain why MidAmerican has filed a request with the South Dakota Public Utilities Commission (SDPUC) to update our natural gas delivery rates. **If approved, a typical residential monthly gas bill would increase by \$3.83, or 8.2%, starting in February 2027.**



Investing in safety, reliability and growing communities

Since our last natural gas rate request in 2022, MidAmerican has continued investing in the natural gas system that serves more than 114,000 South Dakota customers. This includes:

- ▶ **Responding when communities need us most:** Following the June 2024 flooding in McCook Lake and North Sioux City, crews repaired and restored damaged natural gas facilities to maintain service. This rate request includes recovery of approximately \$520,000 in previously approved emergency response and restoration costs.
- ▶ **Keeping service safe and reliable:** We continue to replace and upgrade gas mains, service lines and other facilities to maintain system integrity, reduce corrosion and prevent leaks. This work is essential for community safety and to meet regulatory requirements, even when it does not increase revenue.
- ▶ **Supporting community growth:** We have added approximately 10,000 natural gas customers in South Dakota. To serve these new homes and businesses, we've invested nearly \$3 million to build or install new distribution pipelines and individual service lines.
- ▶ **Modernizing systems and service:** We are replacing aging technology that supports billing, field operations and cybersecurity. These upgrades improve service, strengthen cybersecurity and help protect customer information.
- ▶ **Managing higher costs and changing usage:** Like many businesses, MidAmerican faces rising labor and material costs. At the same time, customers are using less natural gas on average. Even as usage declines, the costs of operating and maintaining the system remain.



June 2024 flooding in the McCook Lake area washed away critical gas infrastructure and required emergency response and restoration.

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.

What happens next?

The SDPUC will carefully review the request before deciding whether to approve the proposed rates. If the final approved rates are lower than the proposed rates, customers will be refunded the difference, plus interest.

Thank you for trusting us to serve your home. If you have questions about our proposed rate adjustments, please visit our website at MidAmericanEnergy.com/southdakota or give us a call at 888-427-5632.

Sincerely,

Karrie Leza

Vice President, Gas Delivery
MidAmerican Energy