

MidAmerican Energy Company
Explanatory Statement Concerning
2013 Attachment O Rate Template
August 30, 2012

As required by the formula rate protocols contained in Attachment O of the Midwest ISO tariff, MidAmerican has posted its 2013 Attachment O rate template and supporting work papers. MidAmerican provides the following statements concerning the posted materials.

1. MidAmerican's rate template and work papers include only MidAmerican transmission facilities and costs. Transmission facilities and costs associated with other Transmission Owners in MidAmerican's pricing zone or associated with Network Customer owned facilities in accordance with Section 30.9 of the MISO tariff are not included in MidAmerican's rate template.
2. The rate template contains estimates of 2013 transmission plant, adjustments to rate base, O&M, depreciation expense, taxes, return, loads and revenues. With respect to Schedule 1 costs reported on Attachment O, the costs are the 2011 actual costs as reported on MidAmerican's FERC Form No. 1. The costs are subject to true-up procedures as described in MidAmerican's Attachment O formula rate protocols.
3. MidAmerican will implement the re-classification of certain 69 kV plant and accumulated depreciation from distribution plant accounts to transmission plant accounts at the end of August, 2012. MidAmerican's internal accounting systems and 2013 budget information will not reflect the re-classified 69 kV facilities until that time. Because MidAmerican relies on the internal accounting systems and 2013 budget information in preparing the estimates of 2013 costs, a number of adjustments related to the 69 kV reclassification have been applied separate and apart from the MidAmerican internal accounting systems and 2013 budget information. While MidAmerican has made every effort to reflect the effects of the 69 kV re-classification, it is possible that following the re-classification being reflected in MidAmerican's internal systems, some changes to estimated 2013 rate template inputs will be appropriate. Such changes will be provided to customers in advance of the annual customer meeting as noted below.
4. A customer meeting will be held at 10:30 a.m. via web conferencing on October 30, 2012 for the purpose of discussing the rate template and work papers and responding to questions from customers. Prior to the customer meeting, MidAmerican will post an updated rate template and work papers reflecting the best estimate of 2013 plant accounts and costs inclusive of the 69 kV re-classification.