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MidAmerican taking steps to ease customer financial impacts from February heating

Company working with regulators to address higher February natural gas demand, coupled with market price spike

DES MOINES, Iowa – (February 25, 2021) – MidAmerican Energy has taken steps, and is working on additional measures, to insulate customers from significantly higher gas bills that they may be anticipating.

While many people are concerned with the impact the February cold snap could have on their budgets, according to company projections, a residential customer in Iowa should see, on average, March bills \$13 higher than February. Higher gas bills will continue throughout the year as the effect is spread across several months. When compared to the five-year annual average of a MidAmerican residential gas bill of \$566, customers will see an estimated average increase of \$214, or the equivalent of approximately \$18 per month.

For commercial customers in Iowa, the average March bill will likely be \$95 higher than in February. When compared to the five-year annual average of a MidAmerican commercial gas bill of \$2,233, customers will see an estimated increase of \$1,182, or the equivalent of approximately \$98 per month.

While not insignificant, the increases will be less than much of the central U.S. may experience, and significantly less than the staggering cost hikes being reported in Texas and other parts of the South.

February jumps in gas use and market prices

Due to the extremely cold temperatures, from February 5-18, MidAmerican residential customers used 50% more natural gas than normal for that two-week period.

MidAmerican supplies gas to its customers as a pass-through cost without a mark-up or profit. Unusually strong winter demand, combined with a sudden decrease in natural gas production in the Southern U.S., resulted in extreme market price jumps that substantially increased the costs that utilities, including MidAmerican, paid for the commodity.

Gas storage and trading efforts saved customers \$400 million

MidAmerican's underground gas storage, liquified natural gas storage and advance purchase contracts that locked in prices prior to this month's events, helped mitigate market price impacts to customers. MidAmerican's efforts helped shield customers from more than \$400 million in costs that would have been incurred by making real-time purchases in the market during the extreme price spike.

February billing impacts differ for gas and electric customers

MidAmerican provides some customers both gas and electric service, while only one service for

others. The amount billed for each service is calculated separately. As a result of the cold snap, MidAmerican expects minimal impact to the electric component of customer bills. Natural gas charges reflect both the cost of the fuel the company purchases from suppliers and the amount of energy a customer uses. While the impact to customers will vary depending on their energy usage, most customers will see some increases as a result of the natural gas market price spikes.

"We understand that many are worried about an upcoming sticker shock for February heating, so we're doing everything we can to lessen the financial burden on our customers," Mike Gehringer, MidAmerican's vice president of customer operations, said.

MidAmerican asks Iowa Utilities Board to suspend short-term billing window rule

In a [request](#) filed late Wednesday with the Iowa Utilities Board, MidAmerican asked the board to suspend a rule requiring the company to collect all February heating costs during a limited billing window that currently ends in August.

The request would help protect customers who face higher natural gas bills over the next several months following February's unprecedented weather and natural gas market conditions that affected much of the nation.

Meanwhile, at a meeting the Iowa Utilities Board has scheduled for March 12, MidAmerican plans to discuss additional proposals to ease customer financial pressures, which include extending the payback period for February's higher heating costs beyond August.

In South Dakota this week, MidAmerican discussed a proposal with the South Dakota Public Utilities Commission that would spread out the collection of February costs through December. Currently, those costs are collected through August.

Illinois regulations already spread the payback time for February costs through December. Nebraska regulations provide utilities substantial flexibility in the time period allowed for recovering costs.

Budget Billing

MidAmerican offers a budget billing program to help customers ease bill fluctuations. The program is free for customers and simply averages utility charges that vary by changing seasons and different energy usage patterns. Customers can enroll by calling MidAmerican at 888-427-5632, or through the My Account link on the company's website at www.MidAmericanEnergy.com.

Once enrolled, the bill is reconciled periodically to ensure payments are on track with actual usage. Customers enrolled in budget billing can contact MidAmerican at any time for an evaluation if they are concerned that their budget billing amount is not on track with their usage – they don't have to wait for MidAmerican's scheduled review.

Financial assistance for customers

MidAmerican encourages any customer facing financial hardship to communicate with the company so we can discuss options and try to help.

"For nearly a year, customers have been dealing with extraordinary circumstances that have taken their toll and stretched paychecks," Gehringer said. "We don't want these increased bill

amounts caused by the cold weather to be another worry. There are resources available to help.”

MidAmerican encourages its Iowa customers who may qualify to apply for aid from the Low-Income Home Energy Assistance Program (LIHEAP). Customers in Illinois, South Dakota and Nebraska can apply for similar assistance through their respective state-administered aid programs.

Beyond LIHEAP, several states have provided utility bill assistance to those who have been financially impacted by COVID-19. In Iowa, the Iowa Economic Development Authority used CARES Act funding to provide utility bill payment assistance to small business and residential customers. MidAmerican partnered with IEDA to implement its payment program. Through that initiative, 332 MidAmerican business customers received assistance totaling \$736,000 and 1,257 residential households received assistance totaling \$662,000.

MidAmerican sponsors its own residential bill payment assistance program, called I CARE, which is managed by community action agencies throughout its service area. In 2020, more than 4,700 residential households received a total of \$1.8 million in assistance. I CARE enables people to help local community action agencies provide heating bill assistance and home weatherization to customers in need in their neighborhood. For every \$1 donated, MidAmerican contributes an additional 25 cents. Every donation, whether one-time or monthly, is directed to a community action agency in the donor's area, so the program enables neighbors to help neighbors with heating assistance.

About MidAmerican Energy

MidAmerican Energy, headquartered in Des Moines, Iowa, serves 795,000 electric customers in Iowa, Illinois and South Dakota, and 774,000 natural gas customers in Iowa, Illinois, Nebraska and South Dakota. Information about MidAmerican Energy is available at MidAmericanEnergy.com and company social media channels.

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