

Iowa Utilities Board

Utility Name: MidAmerican Energy Company

Period Ended: December 31, 2019

(\$000's)

| | | Iowa Electric |
|----------|---|------------------|
| I | Rate Base | |
| | 1 Utility Plant in Service | █ ██████████ |
| | 2 Accum Prov Depreciation | █ ██████████ |
| | 3 Acquisition Adjustment, Net of Amortization | █ ██████████ |
| | 4 Working Capital Amount | █ ██████████ |
| | 5 Customer Advances - Constr | █ ██████████ |
| | 6 Accum Deferred Taxes | █ ██████████ |
| | 7 EADIT Regulatory Liability | █ ██████████ |
| | 8 Unamort Pre - 1971 ITC | █ ██████████ |
| | 9 Other | █ ██████████ |
| a | Customer Deposits | █ ██████████ |
| b | Reserves | █ ██████████ |
| c | Accumulated Uncollectibles | █ ██████████ |
| | 10 Net Utility Rate Base | █ ██████████ |

| | | |
|-----------|---|--------------|
| II | Income Statement | |
| | 1 Operating Revenues | █ ██████████ |
| | Operating Expenses | |
| | 2 Operations | █ ██████████ |
| | 3 Maintenance | █ ██████████ |
| | 4 Depreciation & Amortization | █ ██████████ |
| | 5 Taxes Other than Income Taxes | █ ██████████ |
| | 6 Income Taxes - Current | █ ██████████ |
| | 7 Prov Deferred Income Taxes - Net | █ ██████████ |
| | 8 Investment Tax Credit - Net | █ ██████████ |
| | 9 Gains from Disposition of Allowances | █ ██████████ |
| | 10 Total Operating Expenses | █ ██████████ |
| | 11 Operating Income Before Adjustments | █ ██████████ |
| | 12 Less: Rate Reduction (Net of Tax) | █ ██████████ |
| | 13 (Plus) Accrual for Sharing (Net of Tax) | █ ██████████ |
| | 14 Less: Net Revenues for Energy Efficiency Programs (Net of Tax) | █ ██████████ |
| | 15 (Plus) Wind IX Energy Adjustment Clause Credit (Net of Tax) | █ ██████████ |
| | 16 Net Operating Income | █ ██████████ |
| | 17 Return on Rate Base | █ ██████████ |

| | | Amount | Ratio | Cost | Weighted Average Cost |
|------------|------------------------------|----------------------|---------|--------|--------------------------|
| III | Cost of Capital | | | | |
| | 1 Common Equity | \$ 6,838,255 | 51.137% | | |
| | 2 Preferred Equity | - | 0.000% | 0.000% | 0.000% |
| | 3 Long Term Debt | 6,534,261 | 48.863% | 4.224% | 2.064% |
| | 4 Cost of Debt and Preferred | | | | <u>2.064%</u> |
| | 5 Total | <u>\$ 13,372,516</u> | | | |

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**Iowa
Electric**

IV Summary

| | |
|----------------------------|------------|
| 1 Operating Income | [REDACTED] |
| 2 Rate Base | [REDACTED] |
| 3 Rate of Return | [REDACTED] |
| 4 Cost of Debt & Preferred | [REDACTED] |
| 5 Available for Common | [REDACTED] |
| 6 Common Equity Percentage | [REDACTED] |
| 7 Imputed Return on Common | [REDACTED] |

V Sharing Over Threshold ROE

| | |
|------------------------------------|------------|
| 1 Operating Income | [REDACTED] |
| 2 Operating Income @ Threshold ROE | [REDACTED] |
| 3 Difference | [REDACTED] |
| 4 90% Sharing | [REDACTED] |
| 5 Tax Gross Up Factor | [REDACTED] |
| 6 Tax Gross Up Dollars | [REDACTED] |
| 7 Sharing Over Threshold ROE | [REDACTED] |

VI Threshold ROE

| | | | | |
|--------------|------------|------------|------------|------------|
| 1 Wind I | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |
| 2 Wind II | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |
| 3 Wind III | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |
| 4 Wind IV | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |
| 5 Wind V | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |
| 6 Wind VI | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |
| 7 Wind VII | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |
| 8 Wind VIII | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |
| 9 Wind IX | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |
| 10 Wind X | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |
| 11 Wind XI | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |
| 12 Wind XII | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |
| 13 GDMEC | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |
| 14 WSEC-4 | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |
| 15 All other | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |
| 16 Total | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |

VII ROE for Non-Ratemaking Principle Rate Base

| | |
|---|------------|
| 1 Moody's Yield on 30-year A-rated utility bond | [REDACTED] |
| 2 Plus 400 basis points | [REDACTED] |
| 3 Total | [REDACTED] |
| 4 Greater of 9.500% or line 3 | [REDACTED] |

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VIII Disposition of Revenue Sharing

- 1 Walter Scott Energy Center Unit 4
- 2 Ottumwa Generating Station
- 3 GDMEC

4 Total



IX Balance of Depreciation Deferral Account



X Minimum EADIT Carrying Charge Cost of Capital

| | Amount | Ratio | Cost | Weighted Average Cost |
|--------------------|----------------------|---------|---------|-----------------------|
| 1 Common Equity | \$ 6,838,255 | 51.137% | 10.000% | 5.114% |
| 2 Preferred Equity | - | 0.000% | 0.000% | 0.000% |
| 3 Long Term Debt | 6,534,261 | 48.863% | 4.224% | 2.064% |
| 4 Cost of Capital | | | | <u>7.178%</u> |
| 5 Total | <u>\$ 13,372,516</u> | | | |

XI Minimum EADIT Carrying Charge

Iowa
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- 1 Excess Accumulated Deferred Income Tax Regulatory Liability
- 2 Cost of Capital
- 3 Carrying Charge
- 4 Current Year Revenue Sharing
- 5 Minimum Carrying Charge (carrying charge less revenue sharing but not less than zero)



XII Calculation of Revenue Sharing Benefit of EADIT Regulatory Liability

Not applicable.

Iowa Utilities Board

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Period Ended: December 31, 2019

| (\$000's) | Original Iowa Electric | Change | In the Absence of Repowering Iowa Electric | |
|---|------------------------------|--------------|---|----------------------------------|
| I Rate Base | | | | |
| 1 Utility Plant in Service | \$ 18,508,025 | | | |
| 2 Accum Prov Depreciation | (5,056,551) | | | |
| 3 Acquisition Adjustment, Net of Amortization | 322 | | | |
| 4 Working Capital Amount | 133,056 | | | |
| 5 Customer Advances - Constr | (32,693) | | | |
| 6 Accum Deferred Taxes | (2,621,777) | | | |
| 7 EADIT Regulatory Liability | (41,828) | | | |
| 8 Unamort Pre - 1971 ITC | (20) | | | |
| 9 Other | | | | |
| a Customer Deposits | (1,781) | | | |
| b Reserves | (22,231) | | | |
| c Accumulated Uncollectibles | (4,214) | | | |
| 10 Net Utility Rate Base | \$ 10,860,308 | | | |
| II Income Statement | | | | |
| 1 Operating Revenues | \$ 2,009,842 | | | |
| Operating Expenses | | | | |
| 2 Operations | \$ 687,736 | | | |
| 3 Maintenance | 235,565 | | | |
| 4 Depreciation & Amortization | 550,774 | | | |
| 5 Taxes Other than Income Taxes | 117,857 | | | |
| 6 Income Taxes - Current | (549,974) | | | |
| 7 Prov Deferred Income Taxes - Net | 159,291 | | | |
| 8 Investment Tax Credit - Net | (979) | | | |
| 9 Gains from Disposition of Allowances | - | | | |
| 10 Total Operating Expenses | \$ 1,200,270 | | | |
| 11 Operating Income Before Adjustments | \$ 809,572 | | | |
| 12 Less: Rate Reduction (Net of Tax) | - | | | |
| 13 (Plus) Accrual for Sharing (Net of Tax) | 17,128 | | | |
| 14 Less: Net Revenues for Energy Efficiency F | - | | | |
| 15 (Plus) Wind IX Energy Adjustment Clause C | 1,408 | | | |
| 16 Net Operating Income | \$ 828,108 | | | |
| 17 Return on Rate Base | 7.625% | | | |
| III Cost of Capital | | | | |
| | Amount | Ratio | Cost | Weighted Average Cost |
| 1 Common Equity | \$ 6,838,255 | 51.137% | | |
| 2 Preferred Equity | - | 0.000% | 0.000% | 0.000% |
| 3 Long Term Debt | 6,534,261 | 48.863% | 4.224% | 2.064% |
| 4 Cost of Debt and Preferred | | | | 2.064% |
| 5 Total | \$ 13,372,516 | | | |

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| | Original Iowa Electric | Change | In the Absence of Repowering Iowa Electric |
|---|------------------------------|--------|---|
| IV Summary | | | |
| 1 Operating Income | \$ 828,108 | | |
| 2 Rate Base | \$ 10,860,308 | | |
| 3 Rate of Return | 7.625% | | |
| 4 Cost of Debt & Preferred | 2.064% | | |
| 5 Available for Common | 5.561% | | |
| 6 Common Equity Percentage | 51.137% | | |
| 7 Imputed Return on Common | 10.875% | | |
| V Sharing Over Threshold ROE | | | |
| 1 Operating Income | \$ 828,108 | | |
| 2 Operating Income @ Threshold ROE | 810,065 | | |
| 3 Difference | 18,042 | | |
| 4 90% Sharing | 16,238 | | |
| 5 Tax Gross Up Factor | 29.600% | | |
| 6 Tax Gross Up Dollars | 6,827 | | |
| 7 Sharing Over Threshold ROE | \$ 23,065 | | |
| VI Threshold ROE | | | |
| | Weighted Average | | Weighted Average |
| 1 Wind I | 0.069% | | |
| 2 Wind II | 0.014% | | |
| 3 Wind III | 0.116% | | |
| 4 Wind IV | 0.353% | | |
| 5 Wind V | 0.080% | | |
| 6 Wind VI | 0.038% | | |
| 7 Wind VII | 0.909% | | |
| 8 Wind VIII | 1.082% | | |
| 9 Wind IX | 0.153% | | |
| 10 Wind X | 0.605% | | |
| 11 Wind XI | 2.225% | | |
| 12 Wind XII | 0.150% | | |
| 12 GDMEC | 0.119% | | |
| 13 WSEC-4 | 0.196% | | |
| 14 All other | 4.441% | | |
| 15 Total | 10.550% | | |
| VII ROE for Non-Ratemaking Principle Rate Base | | | |
| 1 Moody's Yield on 30-year A-rated utility bond | 3.720% | | |
| 2 Plus 400 basis points | 4.000% | | |
| 3 Total | 7.720% | | |
| 4 Greater of 9.50% or line 3 | 9.500% | | |

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| (\$000's) | Original Iowa Electric | Change | In the Absence of Repowering Iowa Electric | |
|---|------------------------------|---------|---|--------------------------|
| VIII Disposition of Revenue Sharing | | | | |
| 1 Walter Scott Energy Center Unit 4 | \$ 23,065 | | | |
| 2 Ottumwa Generating Station | - | | | |
| 3 GDMEC | - | | | |
| 4 Total | \$ 23,065 | | | |
| IX Balance of Depreciation Deferral | \$ 248,804 | | | |
| X Minimum EADIT Carrying Charge Cost of Capital | | | | |
| | Amount | Ratio | Cost | Weighted Average Cost |
| 1 Common Equity | \$ 6,838,255 | 51.137% | 10.000% | 5.114% |
| 2 Preferred Equity | - | 0.000% | 0.000% | 0.000% |
| 3 Long Term Debt | 6,534,261 | 48.863% | 4.224% | 2.064% |
| 4 Cost of Capital | | | | 7.178% |
| 5 Total | \$ 13,372,516 | | | |
| XI Minimum EADIT Carrying Charge | | | | |
| | Original Iowa Electric | Change | In the Absence of Repowering Iowa Electric | |
| 1 Excess Accumulated Deferred Income Tax I | \$ 41,828 | | | |
| 2 Cost of Capital | 7.178% | | | |
| 3 Carrying Charge | 3,002 | | | |
| 4 Current Year Revenue Sharing | 23,065 | | | |
| 5 Minimum Carrying Charge (carrying charge less revenue sharing but not less than zero) | \$ - | | | |
| XII Calculation of Revenue Sharing Benefit of EADIT Regulatory Liability | | | | |

Not applicable.