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March 17, 2011

**Via eTariff**

Ms. Kimberly Bose, Secretary  
Federal Energy Regulatory Commission  
888 First Street, N.E.  
Washington, DC 20426

RE: **MidAmerican Energy Company**  
**Docket No. ER11-\_\_\_\_\_**  
**First Revised Service Agreement No. 285, Facilities and Operating**  
**Agreement for Council Bluffs Energy Center Unit 4 Transmission**

Dear Ms. Bose:

Pursuant to Section 205 of the Federal Power Act and Part 35 of the Commission's regulations, MidAmerican Energy Company ("MidAmerican") submits for filing Facilities and Operating Agreement for Council Bluffs Energy Center Unit 4 Transmission ("WSEC-4 Transmission Agreement"), First Revised Service Agreement No. 285, which supersedes in its entirety the existing Service Agreement No. 285. Service Agreement No 285 was a service agreement under MidAmerican's formers open access transmission tariff.

**I. OVERVIEW OF FILING**

This filing is related to an exchange of ownership of transmission facilities between MidAmerican and Corn Belt Power Cooperative ("Corn Belt"), with the acquisition of interests by MidAmerican approved by the Commission in Docket No. EC09-99, which affected ownership interests reflected in several Commission-jurisdictional joint-owned transmission agreements: 1) Rate Schedule No. 42, comprised of the Neal 3 Transmission Facilities Agreement and the Neal 3 Transmission Operating Agreement; 2) Rate Schedule No. 63 – Lehigh-Webster Transmission and Webster Terminal Facilities and Operating Agreement; and 3) Service Agreement No. 285 – WSEC-4 Transmission Agreement.

An initial Section 205 filing in this matter was accepted by the Commission in Docket No. ER09-1574. The filing in Docket No. ER09-1574 stated that a two-step process would be utilized to establish a required facilities ownership path from the terminus of Council Bluffs Energy Center Four Transmission (“WSEC-4 Transmission”) to the Corn Belt transmission system in order to allow for Corn Belt and the North Iowa Municipal Electric Cooperative Association (“NIMECA”) members the cities of Spencer, Alta, New Hampton, Sumner and West Bend, Iowa (“WSEC-4 NIMECA Members”) to directly connect their joint ownership shares in WSEC-4 Transmission to the Corn Belt transmission system, thereby eliminating the need for transmission service from MidAmerican or the Midwest Independent Transmission System Operator, Inc. (“Midwest ISO”). The changes approved by the Commission in Docket No. ER09-1574 involved Step 1, whereby Corn Belt assumed from MidAmerican an increased joint ownership percentage in (1) a 345 kV transmission line connecting from the Grimes Substation (the terminus of WSEC-4 Transmission) near Des Moines, Iowa to the Lehigh Switching Station south of Fort Dodge, Iowa (the “Grimes-Lehigh Line”), part of Neal Unit No. 3 Transmission and (2) the Lehigh – Webster Transmission Facilities, in exchange for a portion of Corn Belt’s ownership interests in WSEC-4 Transmission.

In Step 1, Corn Belt obtained the required ownership in the needed facilities on behalf of itself as well as the WSEC-4 NIMECA Members. In Step 2, which is the subject of this filing, the WSEC-4 NIMECA Members will obtain the needed ownership in the Grimes-Lehigh Line and Lehigh-Webster Facilities from Corn Belt in exchange for a portion of the WSEC-4 NIMECA Members’ ownership interests in WSEC-4 Transmission. This two-step process was necessary to accommodate public notification requirements for certain of the WSEC-4 NIMECA Members regarding the pertinent joint ownership agreements.

In order to complete this exchange, the Midwest ISO has made the Step-2 filing related to amendments to MidAmerican Rate Schedule Nos. 42 and 63, which will be re-designated by the Midwest ISO. As its part to conclude this exchange, in the instant filing, MidAmerican submits the Step-2 filing of the revised WSEC-4 Transmission Agreement.

## **II. REVISIONS TO WSEC-4 TRANSMISSION AGREEMENT (SERVICE AGREEMENT NO. 285)**

In this filing, the WSEC-4 Transmission Agreement is proposed to be amended to reflect transfer of partial ownership interests in certain facilities from the Cities of Spencer, Alta, New Hampton, Sumner and West Bend, Iowa to Corn Belt. Service Agreement No. 285 has not been submitted in eTariff previously. The following provisions from Service Agreement No. 285 have been amended:

1. Exhibit B, § I.(B)(2):

Section I.(B)(2) has been amended to describe how the ownership interest transferred by Corn Belt to MidAmerican in Step 1 (Docket No. ER09-1574) included the proportional ownership interests of the Cities of Spencer, Alta, New Hampton, Sumner and West Bend, Iowa, and to state the final ownership interest amount transferred by each.

2. Exhibit B.2A

Exhibit B.2A – ADJUSTED CBEC – GRIMES 345 kV LINE CAPACITY ALLOCATION has been amended by 1) expanding the introductory paragraph to indicate that, together with Corn Belt, the Cities of Spencer, Alta, New Hampton, Sumner and West Bend, Iowa have each transferred a portion of their CBEC – Grimes 345 kV line ownership to MidAmerican; and 2) replacing the table with one showing a proportional decrease in the ownership interests of the Cities of Spencer, Alta, New Hampton, Sumner and West Bend, Iowa totaling 0.39% or 6.93 MWs, along with a corresponding increase in the ownership interest of Corn Belt.

While preparing this amendment, MidAmerican discovered an error in the original ownership table in Exhibit B.2A. The figures in that table are correct except for the MW amounts shown for MidAmerican and Corn Belt. MidAmerican's ownership should have been shown as 1,062.77 MW instead of 1,053.22 MW, and Corn Belt's ownership should have been shown as 67.39 MW instead of 76.94 MW. This error is now corrected.

### **III. DOCUMENTS SUBMITTED IN THIS FILING**

This filing consists of the following:

1. This letter of transmittal;
2. Service Agreement No. 285;
3. Redlined version of. Service Agreement No. 285

### **IV. PROPOSED EFFECTIVE DATE**

MidAmerican requests an effective date of March 17, 2011, for First Revised Service Agreement No. 285. The proposed effective date is requested to coincide with the proposed effective date of the Midwest ISO's filing of corresponding amendments to the former Rate Schedule No. 42 and former Rate Schedule No. 63. MidAmerican respectfully requests that the Commission waive its sixty (60) day notice requirement, as required by Section 35.3 of the Commission's regulations, 18 C.F.R. §35.3(a) and make this service agreement effective as of December \_\_, 2010. This filing does not affect

rates for transmission service. MidAmerican has made this filing as expeditiously as possible, given the need for the parties to secure approval for the multiple governing authorities. Also supporting this request for waiver is the notice of Step 2 previously provided in prior filings. The FPA Sections 203 and 205 filings that were accepted by the Commission without issue and documented the need for this Step 2. Furthermore, the parties to the agreements reflected in the rate schedules support an effective date of March 17, 2011. Accordingly, waiver of the 60-day prior notice requirement is appropriate in this instance.

## V. COMMUNICATIONS

MidAmerican has e-mailed or mailed via U.S. mail a copy of this filing to Lincoln, CIPCO, MEAN, Corn Belt, Cedar Falls, Pella, Spencer, Eldridge, New Hampton, Montezuma, Waverly, Alta, Sumner, West Bend, the Iowa Utilities Board, the Illinois Commerce Commission, the South Dakota Public Utilities Commission and the Office of Consumer Advocate. All communications regarding this filing should be directed to:

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Respectfully Submitted,

*/Suzan M. Stewart/*

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Managing Senior Attorney

SMS/dm  
Enclosures

cc: Iowa Utilities Board  
Illinois Commerce Commission  
South Dakota Public Utilities Commission  
Office of Consumer Advocate

Ms. Kimberly Bose, Secretary  
Federal Energy Regulatory Commission  
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City of Lincoln, Nebraska  
Central Iowa Power Cooperative  
Municipal Energy Agency of Nebraska  
Corn Belt Power Cooperative  
City of Cedar Falls, Iowa  
City of Pella, Iowa  
City of Spencer, Iowa  
City of Eldridge, Iowa  
City of New Hampton, Iowa  
City of Montezuma, Iowa  
City of Waverly, Iowa  
City of Alta, Iowa  
City of Sumner, Iowa  
City of West Bend, Iowa

# FACILITIES AND OPERATING AGREEMENT

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## **FACILITIES AND OPERATING AGREEMENT**

**THIS FACILITIES AND OPERATING AGREEMENT (“Agreement”) for CB4 Transmission** is made and entered into this 17th day of November, 2005, and as herein amended on January \_\_\_, 2011, between and among MIDAMERICAN ENERGY COMPANY (“MidAmerican”), a corporation organized under the laws of the State of Iowa having its principal place of business located at 666 Grand Avenue, Des Moines, Iowa 50309, d/b/a MidAmerican Transmission Function, and; CITY OF LINCOLN, NEBRASKA, a Nebraska Municipal Corporation, operating Lincoln Electric System; CENTRAL IOWA POWER COOPERATIVE, an Iowa Corporation; MUNICIPAL ENERGY AGENCY OF NEBRASKA, a political subdivision of the State of Nebraska; CORN BELT POWER COOPERATIVE, an Iowa Corporation; CITY OF CEDAR FALLS, IOWA, an Iowa Municipal Corporation; CITY OF PELLA, IOWA, an Iowa Municipal Corporation; CITY OF SPENCER, IOWA, an Iowa Municipal Corporation; CITY OF ELDRIDGE, IOWA, an Iowa Municipal Corporation; CITY OF NEW HAMPTON, IOWA, an Iowa Municipal Corporation; CITY OF MONTEZUMA, IOWA, an Iowa Municipal Corporation; CITY OF WAVERLY, IOWA, an Iowa Municipal Corporation; CITY OF ALTA, IOWA, an Iowa Municipal Corporation; CITY OF SUMNER, IOWA, an Iowa Municipal Corporation; CITY OF WEST BEND, IOWA, an Iowa Municipal Corporation, collectively hereinafter referred to as the “Owners”, or individually as an “Owner”.

### **RECITALS**

**WHEREAS**, the Owners executed a Joint Ownership Agreement for Council Bluffs Energy Center Unit 4 (“Unit 4 Agreement”), dated September 4, 2002, as amended, which provided for the

construction, ownership, and operation of Unit 4 at the Council Bluffs Energy Center (“CBEC”) in Council Bluffs, Iowa; and

**WHEREAS**, Article III of said Unit 4 Agreement specifies that a separate agreement is to be prepared to cover construction, ownership, operation and maintenance of related transmission facilities, herein referred to as CB4 Substation and Unit 4 Connection Facilities (“CB4 Substation Facilities”) and Network Upgrades, and collectively referred to hereinafter as CB4 Transmission; and

**WHEREAS**, the Owners recognize and agree that it is mutually advantageous and desirable that, in providing for their respective CBEC Unit 4 generating capacities, they construct, own and operate CB4 Transmission as tenants in common; and

**WHEREAS**, except as provided by this Agreement, the Owners further recognize and agree that, to achieve maximum time and cost efficiencies, MidAmerican shall be appointed as the Owners’ Agent and that MidAmerican, as Agent, shall be given full and complete authority in all matters affecting the development, design, procurement, construction, physical operation, maintenance, repair, replacement and ultimate retirement of CB4 Transmission; and

**WHEREAS**, MidAmerican is willing to serve as the Owners’ Agent in connection with CB4 Transmission, and in accepting this responsibility, MidAmerican agrees that it will use its best efforts to carry out the provisions of this Agreement, as Agent, with reasonable care and in accordance with Good Utility Practice; and

**WHEREAS**, the CBEC Unit 4 Transmission Plan (“Transmission Plan”) was submitted to the MAPP Design Review Subcommittee, which, under the MAPP Restated Agreement dated January 12, 1996, as amended, possesses approval authority over the electric system additions proposed by the plan; and

**WHEREAS**, in accordance with the Transmission Plan, the Owners desire to enter into this Agreement to detail the Owners' responsibilities for engineering, design, material procurement, construction, operation, maintenance, repair and replacement of such electric system facilities; and

**WHEREAS**, this agreement shall include provisions concerning cost allocations and reimbursements for electric system additions and for continuing operations and maintenance.

**NOW THEREFORE**, in consideration of the premises and the mutual covenants contained herein, and other good and valuable consideration, the receipt thereof is hereby acknowledged, and intending to be legally bound, the Owners agree as follows:

### **Article I – DEFINITIONS**

#### **Section 1.01 – Definitions.**

**“Affected System”** means a transmission system owned by an entity who is not an Owner of CBEC Unit 4, but which system is affected by CBEC Unit 4. Affected Systems are identified in Exhibit C.

**“Agent”** means MidAmerican, or its successor, acting in its capacity as agent for the Owners, or any of them, with respect to the development, design, procurement, construction, operation, maintenance, repair, replacement and retirement of CB4 Transmission.

**“Agreement”** means this Facilities and Operating Agreement, as amended from time to time.

**“Appraisal Procedure”** means a procedure whereby two independent appraisers, one chosen by MidAmerican and one chosen jointly by representatives of at least sixty percent (60%) of the minority Owners of CB4 Transmission, will mutually agree upon the determinations then under consideration by the appraisers. MidAmerican shall notify the other Owners in writing of its appointment of an appraiser. The other Owners selecting a second appraiser shall deliver a written

notice to MidAmerican of the appointment of such appraiser within fifteen (15) days after receipt of MidAmerican's aforementioned notice of appraiser appointment, or, if such notification is not delivered to MidAmerican, all Owners shall depend on the findings of the appraiser selected by MidAmerican. Each appraiser will be an engineer experienced in the operation and valuation of electric utility property. If, within thirty (30) days after appointment of the two appraisers, they are unable to agree upon the amount in question, a third independent appraiser will be chosen within ten (10) Business Days thereafter by the mutual consent of such appraisers. The third appraiser will be a disinterested person who is similarly qualified as the first two appraisers. The third appraiser will make the determination of Fair Market Value, and such determination will be binding and conclusive on the Owners. If other Owners choose to appoint a second appraiser, the costs associated with the initial appraiser will be borne by MidAmerican and the costs associated with the second appraiser will be borne by the Owners requesting the appointment thereof. All Owners will share equally in the cost, if any, of a third appraiser.

**“Business Day”** means any weekday except those observed by Federal Reserve banks as holidays.

**“CB4 Transmission”** shall mean all components of the transmission system, as described in Exhibits A and B that are jointly owned by the Owners as tenants in common. The Owners' respective Ownership Interests are specified in Article III.

**“CB4 Transmission Common Facilities”** means all CB4 Transmission equipment and structures, together with all renewals or replacements thereof and other facilities substituted therefore, as well as all land and improvements thereon, used by MidAmerican and/or the owners of CBEC Unit 3. The CB4 Transmission Common Facilities shall include the items listed by Agent in

a report to the Transmission Operating Committee, which will be prepared at a later date when such facilities are determined and identified. This list may be updated by Agent as appropriate from time to time, upon consultation with the Transmission Operating Committee, as needed.

**“CBEC”** means the Council Bluffs Energy Center located in Pottawattamie County, Iowa.

**“Code”** means the Internal Revenue Code of 1986, as amended from time to time.

**“Common Facilities”** means, collectively or individually, Unit 3 Common Facilities, MidAmerican Common Facilities at Grimes Substation, or CB4 Transmission Common Facilities.

**“Confidential Information”** means certain patents, know-how, technical information and experience relating to the development, design, construction, operation, maintenance, management, financing relating to CB4 Transmission owned or controlled by the Owners. Confidential Information may be in written or unwritten form. Confidential Information which is in written form shall be clearly marked as “Confidential”. Oral discussions intended to be confidential shall be designated as such. For purposes of this Agreement, Confidential Information shall not include any information that: (a) was in the lawful possession of the receiving Owner prior to the execution of this Agreement; and/or (b) has become part of the public domain without any prior violation of the confidentiality obligation hereunder, and/or (c) is required by law or legal process to be publicly disclosed. Confidential Information shall include any information that would be considered Confidential Information under the terms of the CBEC Unit 4 Joint Ownership Agreement.

**“Effective Date”** means June 1, 2005 or any date set by the Federal Energy Regulatory Commission upon acceptance for filing of this Agreement.

**“Environmental Laws”** means all federal, state and local laws and regulations relating to pollution and protection of human health or the environment applicable to the CB4 Transmission.

**“Events of Default”** means the events of default pursuant to Article X hereof.

**“Fair Market Value”** means with respect to any property as of any date, the cash price obtainable in an arm’s length sale between an informed and willing buyer (under no compulsion to purchase) and an informed and willing seller (under no compulsion to sell) of the property in question. If the Owners are unable to agree upon a determination of Fair Market Value, such Fair Market Value will be determined in accordance with the Appraisal Procedure.

**“FERC”** means the Federal Energy Regulatory Commission, including any successor governmental agency.

**“Final Ownership Interest”** means each Owner’s relative share in interest in CB4 Transmission, as specified in Section 3.02.

**“Good Utility Practice”** means any of the practices, methods and acts engaged in and generally accepted by the electric utility industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, and acts generally accepted in the region.

**“Licenses and Permits”** means all licenses, permits, inspections, applicable regulatory requirements and other approvals, necessary for the ownership, construction and commercial operation of CB4 Transmission.

**“Lien”** means any encumbrance, lien, charge or security interest upon or in CB4 Transmission.

**“Lender”** means any Person or Persons providing all or a portion of an Owner’s Financing and the successors and assigns of such Person or Persons.

**“MidAmerican Common Facilities at Grimes Substation”** means all equipment and structures, together with all renewals or replacements thereof and other facilities substituted therefore, as well as all land and improvements thereon located at Grimes substation, wholly owned by MidAmerican and used in conjunction with CB4 Transmission. The MidAmerican Common Facilities at Grimes Substation shall include the items listed by Agent in a report to the Transmission Operating Committee, which will be prepared at a later date when such facilities are determined and identified. This list may be updated by MidAmerican as appropriate from time to time, upon consultation with the Transmission Operating Committee, as needed.

**“MidAmerican Units”** means Units 1 and 2 at CBEC, including all of the equipment, facilities, structures and land (including the generator step-up and station service transformers connecting Units 1 and 2 to the CBEC Substation at CBEC), located at CBEC not defined elsewhere in this Agreement.

**“Network Upgrades”** means the electric system additions necessary to the electric transmission grid to reinforce the interconnected power system so that the operation of CBEC Unit 4 will meet the requirements of the Midwest Reliability Organization (MRO) and the Mid-Continent Area Power Pool (MAPP), or any successor organization with respect to neighboring interconnected systems. These electric system additions are described on Exhibit A, “CB4 Transmission Facilities at CBEC Substation,” Exhibit B, “CB4 Offsite Transmission Network Upgrades,” Exhibit C, “Network Upgrades on Affected Systems,” respectively, attached hereto and by this reference made a part hereof.

**“Operation”** means, on and after completion of CB4 Transmission or any component thereof, the operation, maintenance, repair, replacement, or retirement of CB4 Transmission or any component thereof.

**“Owner”** means any one of the Owners, as the case may be.

**“Owner’s Financing”** means the arrangements made by an Owner with a Lender for financing of its Ownership Interest.

**“Owners”** means MidAmerican; City of Lincoln, Nebraska; Central Iowa Power Cooperative; Municipal Energy Agency of Nebraska; Corn Belt Power Cooperative; City of Cedar Falls, Iowa; City of Pella, Iowa; City of Spencer, Iowa; City of Eldridge, Iowa; City of New Hampton, Iowa; City of Montezuma, Iowa; City of Waverly, Iowa; City of Alta, Iowa; City of Sumner, Iowa; and City of West Bend, Iowa, collectively.

**“Person”** means any individual, corporation, partnership, limited liability company, joint venture, association, cooperative, joint-stock company, trust, non-incorporated organization or government or any agency or political subdivision thereof.

**“Pre-Operational Ownership Interest”** means each Owner’s relative share in interest in CB4 Transmission, as specified in Section 3.01.

**“Regular Interest Rate”** means in the case of interest payments owing to any Owner pursuant to this Agreement, the prime rate published in the Wall Street Journal on the first Business Day of the month.

**“Special Interest Rate”** means a rate per annum equal to twice the prime rate published in the Wall Street Journal on the first Business Day of the month.



**“Transmission Operating Committee”** means an operating committee composed of one representative from each of the Owners which shall be available to Agent in an advisory capacity during the operation of CB4 Transmission, as further detailed in Section 5.02.

**“Unit 3”** means all of the equipment, facilities and structures (including the generator step-up and station service transformers connecting Unit 3 to the CBEC Substation), constituting the generating unit described in Section 1.01 of the Unit 3 Agreement, dated July 31, 1973.

**“Unit 3 Common Facilities”** means certain facilities, equipment and structures owned by the owners of Unit 3 and used in relation to Unit 3 and one or more other units at CBEC, and to CB4 Transmission, where applicable. The Unit 3 Common Facilities shall include the items listed by Agent in a report to the Transmission Operating Committee, which will be prepared at a later date when such facilities are determined and identified. This list may be updated by Agent as appropriate from time to time, upon consultation with the Transmission Operating Committee, as needed.

**“Unit 4”** means all of the equipment, facilities and structures (including the generator step-up, station service transformers and Unit 4 Connection Facilities connecting Unit 4 to the CBEC Substation) constituting the new 790 MW generating unit (per initial design rating) under construction and owned by the Owners as in accordance with the CBEC Unit 4 Joint Ownership Agreement dated September 2, 2002, as amended. Unit 4 facilities shall not include MidAmerican Units, Unit 3, Unit 3 Common Facilities, or CB4 Transmission described in these Definitions. After the Effective Date of this Agreement, the CBEC Unit 4 Joint Ownership Agreement shall not govern any aspect of CB4 Transmission that is covered under this Agreement.

**“Unit 4 Connection Facilities”** means those dedicated and non-networked facilities at the CBEC Substation, described in Exhibit D and indicated on the diagrams comprising Exhibits A.2

and A.3 attached hereto and by this reference made a part hereof, necessary to connect the CBEC Unit 4 main step-up transformer and the CBEC Unit 4 reserve auxiliary transformers to the CBEC 345 kV Substation and the CBEC 161 kV Substation, respectively. Unit 4 Connection Facilities shall not be considered a component of Network Upgrades.

**“Uniform System of Accounts”** means FERC’s “Uniform System of Accounts Prescribed for Public Utilities and Licensees (Class A and Class B)” set forth in 18 C.F.R. Part 101, as in effect as of the date of this Agreement, or as such Uniform System of Accounts may be applicable to Class A utilities from time to time. References in this Agreement, or the exhibits thereto, to any specific account number will mean the account number in effect as of the Effective Date of this Agreement.

## **Article II - CB4 TRANSMISSION**

**Section 2.01 – Electrical Transmission System.** The Owners recognize and agree that CB4 Transmission and Network Upgrades On Affected Systems must be designed and constructed so as to enable power to be transmitted from Unit 4 without compromising the reliability of the interconnected electric power system. The Owners agree that the Unit 4 Connection Facilities described in Exhibit D are required to connect Unit 4 to the CBEC 345 kV and 161 kV substations. The Owners agree that all costs incurred in the construction of the Unit 4 Connection Facilities shall be considered a part of the cost of Unit 4. The Owners agree that power flow, short-circuit and stability studies (taken together, the “Electric System Study”), as conducted and having resulted in the Transmission Plan, determined the need for certain Network Upgrades. In determining the Network Upgrades, consideration has been given to long-term electric system requirements, as required by the MAPP Restated Agreement dated January 12, 1996 as amended, as well as to immediate needs, so that the long-term electric system requirements are met in an economical

manner. The Owners agree that all costs incurred in the construction, operation, maintenance, repair, replacement and retirement of Network Upgrades shall be shared by the Owners in accordance with their respective Ownership Interests as specified in Article III. The Owners further agree that all costs incurred in the construction, operation, maintenance, repair, replacement and retirement of Unit 4 Connection Facilities shall be allocated to Unit 4 Owners in accordance with their respective Ownership Interests under the Unit 4 Agreement, as those interests exist at the time such costs are incurred.

**Section 2.02 – Delivery.** It is the sole responsibility of the Owner of a share of the power and energy produced by Unit 4 to arrange for delivery of its share of power and energy from the facilities of CB4 Transmission to that Owner's service area.

**Section 2.03 – Electric System Study.** The Owners, under the direction of Agent, have performed the Electric System Study and recommended the resulting Transmission Plan to the Owners for the Network Upgrades and their individual financial responsibility for the cost of the Network Upgrades. The financial responsibility of each Owner for the Network Upgrades shall be in accordance with Article III of this Agreement.

### **Article III – OWNERSHIP INTERESTS**

**Section 3.01 – Pre-Operational Ownership Interests in CB4 Transmission.** Until CB4 Transmission operations commence, the Owners shall share cost responsibility for and own CB4 Transmission as tenants in common with undivided Ownership Interests in the whole, and each and every item of the component and associated parts, as follows:

Owner	Ownership Interest
MidAmerican Energy Company	60.67%
City of Lincoln, Nebraska	12.66%
Central Iowa Power Cooperative	8.00%
Municipal Energy Agency of Nebraska	6.67%
Corn Belt Power Cooperative	5.33%
City of Cedar Falls, Iowa	2.02%
City of Pella, Iowa	1.33%
City of Spencer, Iowa	1.07%
City of Eldridge, Iowa	0.53%
City of New Hampton, Iowa	0.53%
City of Montezuma, Iowa	0.40%
City of Waverly, Iowa	0.40%
City of Alta, Iowa	0.13%
City of Sumner, Iowa	0.13%
City of West Bend, Iowa	0.13%
Total	100.00%

**Section 3.02 – Final Ownership Interests in CB4 Transmission.** Except as provided in Section 3.03 below, Final Ownership Interests represent the Owners’ interests in CB4 Transmission effective upon commencement of operations of CB4 Transmission, and reflect a transfer of ownership in CB4 Transmission equivalent to an 8 MWs share of CBEC Unit 4 from MidAmerican to CIPCO. The amount of capacity in CB4 Transmission facilities to be transferred from MidAmerican to CIPCO shall be based on the ratio of 8 MW to an assumed CBEC Unit 4 rating of 790 MWs, or 1.01%. This transfer shall become effective at the time CB4 Transmission operations commence. The allocation of original construction costs for CB4 Transmission shall be unaffected by this transfer, and responsibility for such costs will continue in accordance with Section 3.01. After CB4 Transmission operations commence, the Owners shall share CB4 Transmission operation and maintenance and post-original construction costs, and shall own CB4 Transmission as tenants in common with undivided Ownership Interests in the whole, and each and every item of the

component and associated parts, including those facilities to which special allocations have been applied per Section 3.03 (a), -(b) and -(c) below (which allocations, as shown in the referenced Exhibits, include the effect of the aforementioned MidAmerican-to-CIPCO transfer), as follows:

Owner	Ownership Interest
MidAmerican Energy Company	59.66%
City of Lincoln, Nebraska	12.66%
Central Iowa Power Cooperative	9.01%
Municipal Energy Agency of Nebraska	6.67%
Corn Belt Power Cooperative	5.33%
City of Cedar Falls, Iowa	2.02%
City of Pella, Iowa	1.33%
City of Spencer, Iowa	1.07%
City of Eldridge, Iowa	0.53%
City of New Hampton, Iowa	0.53%
City of Montezuma, Iowa	0.40%
City of Waverly, Iowa	0.40%
City of Alta, Iowa	0.13%
City of Sumner, Iowa	0.13%
City of West Bend, Iowa	0.13%
Total	100.00%

The Owners shall have scheduling rights in accordance with their Final Ownership Interests upon commencement of operations of CB4 Transmission.

**Section 3.03 – Ownership of Specific CB4 Transmission Facilities.** In order to facilitate accommodation of the transmission outlet needs of all CBEC Unit 4 Owners, ownership of certain CB4 Transmission facilities will be determined by application of special allocation factors. These special allocations are described in Exhibits A, A.1, B, B.1A and B.1B, B.2A and B.4B, and affect the following CB4 Transmission facilities:

- (a) CBEC Transformer #2 (see Exhibit A.1)
- (b) Jointly owned portion of the 161 kV transmission line from CBEC to OPPD Sub 1206 (see Exhibits B.1A and B.1B)

(c) Grimes 345-161 kV Transformer (see Exhibit B.4B)

(d) CBEC – Grimes 345 kV Line (see Exhibit B.2A)

**Section 3.04 – Ownership of Network Upgrades on Affected Systems.** The Owners shall be responsible for the cost of the original construction of Network Upgrades on Affected Systems, as described in Exhibit C, in accordance with their respective Ownership Interest percentages, as specified in Section 3.01. However, the Owners acquire no ownership interests as a result of these payments. Ownership of Network Upgrades on Affected systems, as well as responsibility for post-original construction and operations and maintenance costs, will be retained by the transmission owner of the Affected System. Each individual Owner shall have the right to seek credits or reimbursement on the Affected System(s) in proportion to their rights in the Network Upgrades on such Affected System(s).

**Section 3.05 – Interest in and Cost Allocation for Unit 3 Common Facilities.** The Unit 3 Common Facilities are owned by the owners of Unit 3. The monthly facility charges that are applicable to the portion of the Unit 3 Common Facilities that are also devoted to CB4 Transmission shall be allocated between the units and the Owners as follows:

(a) The monthly facility charges that are applicable to the portion of Unit 3 Common Facilities that are also devoted to CB4 Transmission shall be allocated by Agent to CB4 Transmission based on the capacity of Unit 4 as compared to the sum of the capacities of all units at CBEC to which Unit 3 Common Facilities are devoted. The capacities of all units, including Unit 4, shall be based on July capabilities as determined by the procedures specified in the Mid-Continent Area Power Pool (MAPP) Restated Agreement dated January 12, 1996 as amended, or any successor thereto. The monthly facility charges so derived and allocated to CB4 Transmission shall be paid by

the Owners based on their Ownership Interests as specified in Section 3.02.

(b) The monthly facility charges, applicable to the Unit 3 Common Facilities, shall be determined by Agent in accordance with procedures and methods as defined in the “Accounting Memorandum” attached hereto as Exhibit E.

(c) The operating and maintenance expenses that are applicable to the portion of the Unit 3 Common Facilities that are also devoted to CB4 Transmission, shall be allocated by Agent to CB4 Transmission based on the capacity of Unit 4 as compared to the sum of the capacities of all units at CBEC to which such facilities are devoted. The operating and maintenance expenses allocated to CB4 Transmission shall be paid by the Owners in accordance with Section 6.01. The operating and maintenance expenses allocable to the Unit 3 Common Facilities shall include all expenses as defined in the Uniform System of Accounts under Transmission Expenses.

These monthly charges applicable to the Unit 3 Common Facilities shall be determined in accordance with procedures and methods as set forth in Exhibit E.

**Section 3.06 – Interest in and Cost Allocation for MidAmerican Common Facilities at Grimes Substation.** MidAmerican Common Facilities at Grimes Substation are owned by MidAmerican. Agent agrees that, during the term of this Agreement, MidAmerican Common Facilities at Grimes Substation shall be maintained, renewed and operated in accordance with Good Utility Practice, so as to be adequate for shared use and service with CB4 Transmission facilities. Monthly charges shall be allocated by Agent among the Owners for their respective share of the cost of use of MidAmerican Common Facilities at Grimes Substation. Such charges shall be subject to Agent’s review and revision on an annual basis. These monthly charges shall be based on the following:

(a) The monthly facility charges that are applicable to the portion of MidAmerican Common Facilities at Grimes Substation that are also devoted to CB4 Transmission shall be allocated by Agent to CB4 Transmission based on the ratio of CB4 Transmission investment in Grimes Substation to total investment in Grimes Substation. The monthly facility charges applicable to the MidAmerican Common Facilities at Grimes Substation shall be paid by the Owners based on their Ownership Interests as specified in Section 3.02.

(b) The monthly facility charges, applicable to MidAmerican Common Facilities at Grimes Substation, shall be determined by Agent in accordance with procedures and methods as defined in the “Accounting Memorandum” attached hereto as Exhibit E.

(c) The operating and maintenance expenses that are applicable to the portion of the MidAmerican Common Facilities at Grimes Substation that are also devoted to CB4 Transmission, shall be allocated by Agent to CB4 Transmission based on the ratio of CB4 Transmission investment in Grimes Substation to total investment in Grimes Substation. The operating and maintenance expenses allocated to CB4 Transmission shall be paid by the Owners in accordance with Section 6.01. The operating and maintenance expenses allocable to the MidAmerican Common Facilities at Grimes Substation shall include all applicable expenses as defined in the Uniform System of Accounts under Transmission Expenses.

**Section 3.07 – Interest in and Cost Allocation for CB4 Transmission Common Facilities.**

The CB4 Transmission Common Facilities shall be owned by the Owners as tenants in common. Owners agree that, during the term of this Agreement, the CB4 Transmission Common Facilities shall be maintained, renewed and operated in accordance with Good Utility Practice so as to be adequate for the use and service of Unit 4, MidAmerican Units, MidAmerican Common Facilities,



Unit 3 and Unit 3 Common Facilities, as well as any other facilities served thereby, and so that Unit 4, MidAmerican Units, MidAmerican Common Facilities, Unit 3 and Unit 3 Common Facilities may be operated to make the respective shares of the owners' output of Units 1, 2 and 3 available to them. Monthly charges shall be allocated by Agent among all users for their respective shares of the cost of the use of CB4 Transmission Common Facilities. Such charges shall be subject to Agent's review and revision on an annual basis. These monthly charges shall be based on the following:

(a) The monthly facility charges that are applicable to the portion of the CB4 Transmission Common Facilities that are also devoted to one or more of the other CBEC units shall be allocated between the units and the owners in the same manner as specified in Section 3.05. These monthly facility charges applicable to the CB4 Transmission Common Facilities shall be determined in accordance with procedures and methods as defined in Exhibit E.

(b) The operating and maintenance expenses that are applicable to the portion of the CB4 Transmission Common Facilities that are also devoted to one or more of the other CBEC units shall be allocated between the units and the owners in the same manner as specified in Section 3.05. The operating and maintenance expenses allocable to the CB4 Transmission Common Facilities shall include all applicable expenses defined in FERC Uniform System of Accounts under Transmission Expenses.

**Section 3.08 – Instruments of Transfer.** Each of the Owners agrees that, from time to time, upon request by another Owner or Owners, it will execute and deliver easements and such further documents or instruments of transfer or confirmation of titles as may, in the opinion of counsel for the requesting Owner or Owners, be necessary or advisable to effectuate and carry out the intent and purpose of this Agreement, so long as such documents are not contrary to the rights of the Owner to

whom such requests are submitted. Each Owner shall, with due diligence, and upon request by Agent, provide all documentation for purposes of obtaining regulatory approvals.

**Section 3.09 – Easements.** To the extent that such land is not hereafter owned by the Owners, as tenants in common, MidAmerican hereby grants to the other Owners, as tenants in common, and subject to Agent’s safety, operating and environmental rules and policies, an easement over, across, under and upon the land upon which the facilities described in Exhibits A and B are installed for the construction, operation, maintenance and inspection of CB4 Transmission. Such easement shall include the right of ingress and egress to and from CB4 Transmission, specifically including any corridor for vehicular access, railroad trackage, electric transmission lines, and other types of access necessary for the construction, operation, maintenance and inspection of CB4 Transmission. Such easement shall last for the term of this Agreement as specified in Section 13.10.

**Section 3.10 – Releases.** Either prior to, or shortly after delivery of any conveyance or related document or instrument provided for or required by this Agreement, the transferor shall obtain the release of the interests and easements to be conveyed, or conveyed, as the case may be, from any liens created by, through or under the transferor (in such manner that the trustee under the transferor’s first mortgage shall be bound by the transferor’s covenants respecting such interests and easements as set forth in this Agreement); provided that if a release cannot be obtained, then the transferor shall obtain a non-disturbance agreement from any such lien or mortgage holder whereby the lien or mortgage holder shall agree not to disturb the interests and easements to be conveyed, or conveyed, as the case may be.

**Section 3.11 – Transferability of Interests.**

(a) Policy. The relation of tenants in common in the design and construction of CB4 Transmission (sometimes referred to herein as “Subject Properties”) as provided by this Agreement,

and the provisions herein for the operation and maintenance thereof by Agent, are each undertaken in mutual trust and confidence in the financial responsibility, engineering and operating competence, efficiency and common objectives of the Owners. Since the effect of a transfer of the interest of one Owner upon the rights and interest of the other Owners over the term of this Agreement cannot be determined at this time, it must be presumed that such effects will be adverse. Therefore, each Owner, for the protection of itself and of the other Owners, agrees that its interests in this Agreement, including its rights, duties, and obligations hereunder shall at all times during the term of this Agreement be subject to the provisions of this Section 3.11. Nothing in this Agreement, including specifically this Section 3.11, shall be construed as subjecting the interest of an Owner to any lien or charge resulting directly or indirectly from the debt or obligation of any other Owner.

(b) Restrictions on Transfer - General. Each Owner agrees that, during the term of this Agreement and except as specifically permitted under subsection (c) of this Section 3.11, neither its interest in this Agreement, including its rights, duties, and obligations hereunder, nor its interest in any of the Subject Properties shall be assigned, transferred or otherwise disposed of, either in whole or in part, and each Owner hereby waives and releases any right it may now have or hereafter acquire to permit or require partition of the Subject Properties, so long as the Subject Properties are used or useful for the transmission of electric power. If the restriction either upon the right to transfer or on the right of partition is deemed to be subject to the rule against perpetuities, such restriction shall only be effective during the lives of the persons referred to in Exhibit F, plus twenty-one years.

(c) Restrictions on Transfer - Exceptions. The provisions of subsection (b) of this Section 3.11 shall not restrict: (i) dispositions and sales by Agent incident to renewals or replacements or retirements of CB4 Transmission facilities, or (ii) the right of any Owner to subject its own interest

to the lien of any mortgage or similar security interest upon all or a portion of its physical electric utility property, or (iii) the rights of the trustee under any such mortgage or similar security interest, or (iv) the rights of any purchaser pursuant to foreclosure on any such mortgage who acquires any interest subject to any such mortgage or similar security interest, or (v) the right of any Owner to transfer voluntarily its interest as an incident to any sale, merger or other transfer of all or a substantial part of its electric transmission facilities as an operating entity, if the transferee assumes the obligations of the transferor under this Agreement and has the ability and adequate financial responsibility to carry out such obligations as determined by a nationally recognized independent certified public accounting firm (CPA firm), or (vi) transfers to wholly owned subsidiaries of any of the Owners hereto which own all or substantially all of the generating and/or transmission facilities of such Owner or to any subsidiary that is jointly owned by all or part of the Owners hereto, or (vii) the right of any Owner to transfer its interest to another Owner under this Agreement, or (viii) assignments or transfers to any entity which is under common ownership and control with any of the Owners hereto, if the transferee assumes the obligations of the transferor under this Agreement and has the ability and adequate financial responsibility to carry out such obligations as determined by a nationally recognized independent CPA firm, or (ix) assignments or transfers of an interest to the Rural Utilities Service or the United States of America in the event of a default by an Owner of its obligations hereunder which assignments or transfers shall not impair the rights of any of the remaining Owners, or (x) the right of any Owner to transfer voluntarily its interest if approved by all Owners and so long as the Owners are offered the right of first refusal to purchase such interest in whole or in part on terms not less favorable than those offered to such outside purchaser (If more than one of the Owners desire to purchase such interest, unless otherwise agreed by the Owners

desiring to purchase, such interest shall be purchased in the ratio that the Ownership Interest of each such Owner desiring to purchase bears to the total Ownership Interests of those Owners desiring to purchase), or (xi) the right of an Owner which is a city or city utility to transfer its interest to an Iowa electric power agency or the right of an Iowa electric power agency to transfer its interest to the city or city utility which was previously an Owner in each case if undertaken incident to any financing or refinancing of an Owner's ownership interest in whole or in part, or (xii) the transfer of operational control by any Owner to a FERC-approved regional transmission organization, independent system operator, independent transmission company, or the functional equivalent thereof.

Notwithstanding the exceptions in the foregoing clauses (i) through (xii), no trustee, purchaser or anyone who forecloses on a mortgage or other transferee of an Owner's interest in any of the Subject Properties, shall have any right greater than specified in subsection (b) above, to partition or to require partitioning of the Subject Properties, and shall agree to be bound by the terms thereof.

**Section 3.12 – Title.** Prior to the conveyances provided for in Sections 3.08 and 3.09, the transferor shall furnish the transferee with satisfactory evidence of unencumbered title, in fee simple, to the property to be conveyed.

**Section 3.13 – Use of Existing Transmission Facilities.** The provisions of this Agreement shall not confer upon any Owner the right to use the existing transmission facilities of any other Owner to transmit its portion of the power generated by Unit 4, or for any other purpose.

**Section 3.14 – Notice as to Claim by Third Party.** Except for the interest of a mortgagee under a mortgage permitted by Section 3.11 (c), each Owner shall notify Agent as soon as it has reason to believe that any other person might have, acquire or allege any claim to any right or interest

under this Agreement or any right to or interest in CB4 Transmission.

**Section 3.15 – Representations of Owners.** Each Owner represents and warrants to the other Owners as follows:

(a) it is duly organized, validly existing and in good standing under the laws of its jurisdiction of formation with all requisite power and authority to enter into this Agreement and to perform its obligations hereunder;

(b) this Agreement constitutes the legal, valid and binding obligation of such Owner enforceable in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium or other similar laws affecting or relating to enforcement of creditors' rights generally and general principles of equity (regardless of whether enforcement is considered in a proceeding at law or in equity);

(c) except as set forth on Exhibit G hereto, no consents or approvals are required from any governmental authority or Person for such Owner to enter into this Agreement. All requisite action on the part of such Owner necessary for the authorization, execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly taken; and

(d) the execution and delivery of this Agreement by such Owner and the consummation of the transactions contemplated hereby by such Owner do not conflict with or contravene the provisions of its organizational documents or any agreement or instrument by which it or its properties are bound or any law, rule, regulation, order or decree to which it or its properties are subject.

## **Article IV – DESIGN And CONSTRUCTION**

**Section 4.01 – Design and Construction of CB4 Transmission.** The Owners recognize and agree that, to achieve maximum time and cost efficiencies, MidAmerican, as Agent, shall be given full and complete authority in all matters affecting the development, design, procurement, construction, operation, maintenance, repair, replacement and ultimate retirement of CB4 Transmission. Accordingly, each Owner, to the extent of its respective interest as specified in Article III, confers upon Agent, and its successors and assigns, the authority to act as its agent in achieving the purposes of this Agreement as provided herein. It is recognized that the completion of CB4 Transmission may be affected by matters beyond the control or contemplation of the Owners, and Agent shall have the sole discretion to extend the completion date should circumstances, other than Agent's transmission resource needs, reasonably dictate. Agent will keep the Owners informed of progress of the work. It is understood, however, that Agent shall have exclusive authority to make final decisions on all matters relating to the design and construction of CB4 Transmission, as well as the selection and purchase of all materials and equipment which are to be incorporated into CB4 Transmission. Agent agrees to cause the construction of CB4 Transmission to be performed in accordance with Good Utility Practice, this Agreement and applicable law. Agent shall have the exclusive right and authority to contract for materials and services necessary for the development, planning, design, engineering, procurement, construction, operation, maintenance, repair, replacement and retirement of CB4 Transmission. The Owners shall recognize and treat CB4 Transmission as grid transmission for all purposes.

**Section 4.02 – Planning, Engineering and Supervision Services by Agent.** Agent shall supervise and perform all planning, engineering, management and other services reasonably required

in connection with the design and construction of CB4 Transmission, and in addition it may provide materials, equipment and supplies from its own inventory, all in accordance with Good Utility Practice, this Agreement and applicable law. In performing all such services, Agent may assign responsibilities to such of its employees, agents, consultants, representatives or contractors as it deems appropriate. Such services (including reasonable overhead expenses), equipment, supplies and materials provided by Agent for CB4 Transmission shall be for the account of each of the Owners in proportion to their respective Ownership Interest, and shall be paid by each of the Owners in proportion to its Ownership Interest.

**Section 4.03 – Network Upgrades on Affected Systems.** To integrate Unit 4 into the regional transmission system while maintaining system reliability, certain upgrades to Affected Systems were included in the CBEC Unit #4 Transmission Plan. These upgrades are described in Exhibit C, Network Upgrades On Affected Systems. The owner of respective Affected System will manage the construction and retain ownership of such upgrade. The original construction costs of these upgrades will be shared among the Owners according to their respective ownership interests, as specified in Section 3.01.

**Section 4.04 – Retirements or Modifications of Existing Facilities.** Subject to the rights of Unit 3 owners it is understood that in the initial construction of CB4 Transmission it will be necessary to adapt, modify, or replace Unit 3 Common Facilities, the existing CBEC Substation, the existing Booneville-Grimes 345 kV line, and the existing 161 kV line from CBEC to Avoca to Atlantic to Earlham and ending at Booneville Substation.

MidAmerican shall have the sole discretion in determining whether to adapt, modify or replace Unit 3 Common Facilities, the existing substation at CBEC, and the affected transmission



lines.

Demolitions, adaptations, retirements or modifications which result in net economic benefits to CB4 Transmission shall be considered to be a cost of construction of CB4 Transmission. The cost of such demolition, adaptation, retirement or modification, or the original depreciated book cost of such facilities demolished, retired or partially demolished or retired, shall be included as part of the cost of construction of CB4 Transmission and shall be paid by the Owners in accordance with their Ownership Interests.

**Section 4.05 – Decision to Rebuild.** If any part of CB4 Transmission should be damaged or destroyed, subject to obtaining any necessary regulatory approval, such part of CB4 Transmission will be repaired or rebuilt unless Agent determines otherwise. If Agent, on behalf of the Owners, repairs or rebuilds CB4 Transmission or any portion thereof, the Owners will, upon receipt of any insurance proceeds applicable to such repair or rebuild, apply such proceeds to rebuilding of CB4 Transmission or any portion thereof, and unless otherwise mutually agreed, Agent will cause such repairs or reconstruction to be made so that CB4 Transmission or portions thereof will be repaired or restored to substantially the same general condition, character or use as existed prior to such damage or destruction. The Owners will share the cost of such repairs or reconstruction not covered by any joint insurance in proportion to their respective Ownership Interests as existed at the time of the incident giving rise to the loss.

**Section 4.06 – Option to Purchase.**

(a) Notwithstanding any resolution of a dispute that results in a determination not to repair or rebuild under this Article IV, if Agent desires to repair or rebuild CB4 Transmission and some Owners do not wish to repair or rebuild, Agent and any Owners wishing to repair or rebuild (the “Purchasing Owner(s)”) shall have the option to purchase the Ownership Interests of the Owner(s)

not wishing to repair or rebuild (the “Selling Owner(s)”). The cost to the Purchasing Owner(s) under this option (the “Purchase Price”) shall be the result of the following calculation:  $A \times (B - C)$ , where  $A$  = the Ownership Interest(s) of the Selling Owner(s);  $B$  = the Fair Market Value of CB4 Transmission; and  $C$  = estimated retirement costs.

(b) Property insurance procured pursuant to Article VIII will contain language that binds the insurer to pay replacement costs on the basis that CB4 Transmission is being rebuilt without regard to ownership change after the loss. If an Owner(s) exercises the right to purchase another Owner’s Ownership Interest in accordance with this Section 4.06, the Fair Market Value of CB4 Transmission will be such value immediately before the damage or destruction. If the option to purchase under this Section 4.06 is exercised, the Purchasing Owner(s) shall be entitled to receive and retain all insurance proceeds payable with respect to CB4 Transmission.

(c) The option to purchase under this Section 4.06 shall be exercised by the delivery of written notice by Purchasing Owner(s) to the Selling Owner(s) within thirty (30) days after the Selling Owner(s) have given written notice of their intention not to repair or rebuild CB4 Transmission. The closing of the sale of such Ownership Interest shall occur within thirty (30) days after payment of the insurance proceeds relating to CB4 Transmission. The Purchase Price shall be payable to the Selling Owner(s) by the Purchasing Owner(s) at closing in immediately available funds. Simultaneously with the payment of the Purchase Price, the Selling Owner(s) shall execute and/or deliver to the Purchasing Owner(s) all documents and instruments necessary to transfer the Selling Owners’ Ownership Interest to the Purchasing Owner(s), free and clear of Liens, including but not limited to, such deeds, bills of sale, certificates of satisfaction, releases, and assignments as may be reasonably requested by the Purchasing Owner(s) and its counsel. In addition, the Selling

Owner(s) shall cooperate with the Purchasing Owner(s) after closing and shall execute and deliver such other documents and take such other actions as may be reasonably requested by the Purchasing Owner(s) in order to complete the transfer of the Ownership Interest into the name of the Purchasing Owner(s).

**Section 4.07 – Salvage after Destruction.** If CB4 Transmission or any portion thereof should be damaged or destroyed and the Owners decide not to rebuild CB4 Transmission or any portion thereof, the Owners will share any joint insurance proceeds and revenues from the salvage or sale, and any costs of removal of parts and equipment from CB4 Transmission or any portion thereof shall be assessed to the Owners in proportion to their respective Ownership Interests at the time of the incident that resulted in the damage or destruction.

**Section 4.08 – Condemnation.** If there occurs a loss of title to, or ownership of, or use and possession of, CB4 Transmission or any portion thereof, as the result of, or in lieu of, or in anticipation of, the exercise of the right of condemnation or eminent domain pursuant to any law, general or special, the Agent will promptly give notice thereof to the Owners, generally describing the nature and extent of such proceedings or negotiations. The Owners will have the right to participate fully in any such proceedings or negotiations. If the Agent represents the Owners, then each Owner will bear its share in proportion to its respective Ownership Interest of all reasonable costs, fees and expenses incurred by the Agent in connection with any condemnation proceedings or negotiations. If each Owner participates, it will bear its own costs, fees and expenses incurred in connection with any condemnation proceedings or negotiations. All awards and payments received by any Owner(s) on account of any condemnation (less the actual cost, fees and expenses incurred by the Agent in collection thereof) will be shared by the Owners in proportion to their respective

Ownership Interests, subject to any rights of set-off contained herein. For purposes of this Agreement, all amounts paid pursuant to any agreement with any condemning authority which has been made in connection with any condemnation proceeding or negotiation will be deemed to constitute an award on account of such condemnation.

## **Article V – OPERATION And MAINTENANCE**

**Section 5.01 – Operation and Maintenance of CB4 Transmission.** Operation and maintenance of CB4 Transmission shall be carried out under the sole and exclusive supervision and direction of Agent. Agent shall keep the Transmission Operating Committee advised of the status of the operation of CB4 Transmission. Agent shall operate and maintain CB4 Transmission in accordance with Good Utility Practice, this Agreement and applicable law, and may utilize its own employees and supervisory personnel, and any independent technical advisors, consultants, contractors and agents which it may select, as may be required in the performance of this Agreement. Subject to the terms of this Agreement, Agent shall have sole and complete authority for the specific manner of operating and maintaining CB4 Transmission. During operating conditions which Agent, in its sole judgment and in accordance with its interpretation of applicable law and standards, deems abnormal, Agent shall take such action as it deems appropriate to safeguard equipment and to maintain service of CB4 Transmission, in compliance with applicable law and standards.

### **Section 5.02 – Transmission Operating Committee**

(a) **Establishment.** A Transmission Operating Committee consisting of a representative of each of the Owners is hereby established. In accordance with Section 13.14, each Owner shall designate its regular representative and may designate an alternate who may at any time act as, and in lieu of, the regular representative at meetings of the Transmission Operating Committee and in other

matters pertaining to duties of the Transmission Operating Committee as the same may arise from time to time. Any Owner, except Agent, may, by proxy, assign another Owner as its representative for any meeting or activity of the Transmission Operating Committee.

(b) Function. The Transmission Operating Committee members shall be the primary contact to receive notices and communications from Agent pursuant to this Agreement and consistent with the intent of the this Agreement, as may be necessary or appropriate to:

- (i) communicate scheduled maintenance of CB4 Transmission facilities as determined by Agent;
- (ii) review accounting for operation, maintenance and repair;
- (iii) review accounting for power and energy losses;
- (iv) review procedures for daily operation and control of CB4 Transmission; and
- (v) perform such other duties as may be necessary or appropriate to carry out the purposes of this Agreement.

(c) Meetings. The Transmission Operating Committee constituted hereunder shall hold its initial meeting no later than 30 days subsequent to the Effective Date hereof, at which the Transmission Operating Committee will select from among its members (1) a Chairman, and (2) a Secretary. Meetings of the Transmission Operating Committee shall be held biennially as scheduled by the Chairman of the Transmission Operating Committee, at his discretion. Additional meetings may be called upon the request of any Transmission Operating Committee member. The Secretary shall record minutes of the meetings of the Transmission Operating Committee and shall distribute such minutes to the Owners within fifteen business days of any such meeting.

(d) Agent shall keep the Transmission Operating Committee advised of the status of the

operation of CB4 Transmission.

(e) Notwithstanding any provision of this Agreement, the Operating Committee shall not have the authority to alter, amend, change, modify, add to, or subtract from any provision of this Agreement.

**Section 5.03 – Metering**

(a) Metering Equipment. Metering equipment and associated telemetering facilities shall be provided as determined by Agent consistent with Good Utility Practice. The location of such metering shall delineate the interchange boundaries of CB4 Transmission and provide adequate information for effective delivery of Unit 4 generation to the Owners and for loss compensation.

(b) Reactive Metering. Reactive (kVAR) metering and associated telemetering facilities shall be provided as determined by Agent consistent with Good Utility Practice. Reactive metering locations shall be selected so as to provide adequate monitoring and subsequent control of the operation of CB4 Transmission and to facilitate reliable interconnection with neighboring transmission systems.

(c) Interchange Metering. Interchange metering kilowatt-hour and sixty (60) minute kilowatt demand metering shall be provided as determined by Agent consistent with Good Utility Practice. Interchange metering locations, at a minimum, shall include the locations of the metering devices referenced in Section 5.03 (a) above. As required, telemetered readings of kilowatt-hours per clock hour at the end of each hour shall be provided for the determination of inter-area energy exchanges on a current basis. Additional interchange accuracy kilowatt-hour metering and sixty (60) minute kilowatt-demand metering shall be provided as required for the determination of transmission losses. Each interchange meter provided for purposes of this Agreement shall be read and recorded by Agent on or about the first day of the calendar month, and the results will be forwarded to the

applicable Owners.

(d) Meter Testing. The meters and associated metering facilities installed and used under this Agreement shall be maintained in good operating condition by the respective owners thereof. Periodic tests and inspections of the interchange meters shall be made at reasonable intervals as is the customary practice of Agent and in accordance with Good Utility Practice, and their accuracy of registration maintained in accordance with the highest practicable commercial standard. The expenses involved in such tests shall be the responsibility of the Owners in accordance with their respective interests per Section 3.02. On request of any Owner, special tests shall be made at the requesting Owner's expense. Any Owner shall be given the opportunity to be present at any or all regular or special tests, if desired. If any tests of metering equipment disclose an inaccuracy exceeding two percent (2%), all Owners shall be promptly notified and the interchange accounts between the Owners for service supplied shall be adjusted appropriately. Such correction and adjustment shall be made from the date the meter became inaccurate, if known; if this date cannot be determined, then such adjustment shall be made for the previous month or from the date of the latest test, if within the previous month, and for the elapsed period in the month during which the test was made. Should any metering equipment at any time fail to register or should the registration thereof be so erratic as to be meaningless, the power and energy transmitted shall be determined by Agent from the best available data.

#### **Section 5.04 – Losses**

(a) Determination. The methodology for determining losses shall be based on principles that have been accepted for modeling CB3 Transmission losses and shall be provided to the Transmission Operating Committee for review and comment.

(b) Responsibility for Energy Losses. Energy losses in all components of the CB4

Transmission shall be shared by the Owners in proportion to their Ownership Interests. Reports for the adjustment of, or compensation for, kilowatt-hour losses each month shall be provided by Agent to the Owners for review and settlement.

(c) Demand Component. For purposes of allocating the demand component of losses, kilowatt losses occurring during any clock hour shall be shared by the Owners in proportion to their Ownership Interests. Reports for the adjustment of the system net demands of the Owners for CB4 Transmission losses shall be provided by Agent to the Owners for review and settlement.

**Section 5.05 – Maintenance Outage Coordination.**

(a) Agent shall use reasonable effort to schedule maintenance outages of CB4 Transmission with due regard to the system requirements of all Owners, such outages to be generally coordinated with outages of the CB4 Unit and scheduled outages of other major electric facilities in the region and with any Regional entity having authority over such outage scheduling, and Agent shall notify the other Owners as soon as possible of such schedule.

(b) Each Owner is entitled to dispose of its proportionate share of the capacity and energy of Unit 4 through scheduled transactions, which may utilize its respective portion of CB4 Transmission. However, such transactions must adhere to scheduling procedures of the pertinent Transmission Provider and any applicable regional authority.

(c) The Owners shall be entitled to their proportionate shares of the capacity available in the transmission facilities, based on their Ownership Interest, at all times the facilities are operational.

**Section 5.06 – Maintenance, Repairs, Replacements, Additions and Retirements.**

Maintenance, repairs and replacements necessary for the operation of CB4 Transmission shall be made as required by Good Utility Practice. All decisions concerning maintenance, repairs, replacements, additions, improvements and retirements (and related dispositions and sales) relating



to CB4 Transmission shall be made by and be under the sole discretion of Agent, consistent with Good Utility Practice. The Transmission Operating Committee may provide comments or suggestions to Agent in connection with such maintenance, repairs, replacements, additions, improvements or retirements. With respect to, and upon appropriate notice by, an Owner, Agent will use its reasonable efforts to cause retirements, sales and other dispositions with respect to such Owner's interest in CB4 Transmission to be effected only in a manner consistent with that Owner's mortgage indenture and this Agreement.

**Section 5.07 – Capacity and Energy.** Subject to Sections 5.01 and 10.08, each Owner shall at all times have full ownership of, and available to it, the portion of the capacity of Unit 4 and, while on-line, the energy associated therewith, corresponding to its Ownership Interest in Unit 4. Subject to its capacity, operating conditions and necessary or unavoidable outage, CB4 Transmission shall be operated so as to deliver a net output, exclusive of losses, equal to the sum of the energy requirements of the Owners. Each Owner is responsible for the hourly scheduling of energy available from its share of Unit 4.

## **Article VI – EXPENDITURES, PAYMENTS AND RECORDS**

**Section 6.01 – Expenditures.** All expenditures in respect to CB4 Transmission shall be accounted for in accordance with Agent's standard procedures and methods and will be in conformity with generally accepted accounting practices, the applicable Uniform System of Accounts, and shall be in accordance with the Accounting Memorandum, attached as Exhibit E.

(a) Prior to the Effective Date of this Agreement, expenditures for the initial and on-going design and construction of CB4 Transmission shall be shared by the Owners in accordance with Article II of the CBEC Unit 4 Joint Ownership Agreement dated September 4, 2002, as amended.

(b) After the Effective date of this Agreement, expenditures for the original design and construction of CB4 Transmission shall be shared by the Owners in proportion to their Ownership Interests, as provided in Section 3.01 of this Agreement. To address the special ownership allocations of specific CB4 Transmission facilities provided for in Section 3.03, when construction of CB4 Transmission is complete and actual construction costs are known, the Ownership Interest of each Owner in all CB4 Transmission facilities will be reconciled with their corresponding share of the construction costs paid for those facilities and a true-up will be performed, based upon which each Owner will be billed or credited, as appropriate.

(c) Expenditures for post-original construction on CB4 Transmission and for the operation and maintenance of CB4 Transmission shall be shared by the Owners in proportion to their Ownership Interests as provided in Sections 3.02 or 3.03, as appropriate. Such costs or expenditures shall be billed in accordance with Exhibit E.

(d) Income taxes, Iowa Utility Replacement tax, property taxes, business taxes and all other taxes of each Owner or chargeable to the ownership of each Owner shall be borne entirely by each Owner. Such items, as well as depreciation, amortization, and financing costs, including allowance for funds used during construction shall not be deemed expenditures for purposes of this Section 6.01.

**Section 6.02 – Payment of Shared Costs.** Each of the Owners shall finance its portion of the cost of planning, development, acquisition, design, procurement, construction, operation, maintenance, repair, replacement and retirement of CB4 Transmission. From time to time, typically monthly, Agent may request each of the Owners to advance to Agent such amounts as are anticipated to be needed for construction, operation and maintenance of CB4 Transmission, payment of which is

to be made to Agent as specified in Exhibit E or as described in such request.

(a) As promptly as practicable after the end of each month, Agent shall send to the Owners a statement in reasonable detail of all expenditures for such month and the amount of each Owner's share thereof.

(b) Payment for all expenditures shall be made by Agent in accordance with sound accounting and disbursement procedures.

**Section 6.03 – Books and Records.** Books of accounts and records concerning details of cost applicable to the design and construction of CB4 Transmission and to its operation and maintenance shall be kept by Agent in accordance with Agent's established procedures and methods adopted for accounting for design, construction, operating, maintenance, repair, replacement and retirement costs, and shall be in conformity with generally accepted accounting practices, the Uniform System of Accounts or the system of accounts of any other regulatory bodies having jurisdiction, and as set forth in Exhibit E hereof. These books shall be open to examination at all reasonable times by the other Owners. The books and records may be audited when a request is presented by sixty percent (60%) of the minority Owners of CB4 Transmission (i.e., the CB4 Owners exclusive of MidAmerican), such vote to be weighted in proportion to Ownership Interests. Cost of the audit shall be paid by those Owners requesting an audit to be performed. Agent shall furnish to the other Owners summaries or counterparts of such books of account and records as may be necessary to satisfy compliance with all applicable regulatory requirements.

**Section 6.04 – Tax Accounting.** The Owners agree that they will take any and all action necessary and appropriate to assure, if possible, that they will not be treated as a partnership for tax purposes under the Code, as amended to date or as it may be amended hereafter, or under any similar

income tax laws.

## **Article VII – LIABILITY**

**Section 7.01 – Agent’s Liability to Owners.** Notwithstanding any other provision of this Agreement, neither MidAmerican, nor its directors, officers, shareholders, employees, agents, consultants or contractors shall be liable, whether in contract (except for performance of this Agreement), tort, negligence, strict liability or otherwise, for any claim, loss, cost, liability, damage or expense incurred by any Owner as the result of any act or failure to act, whether negligent or otherwise, by MidAmerican (including its directors, officers, shareholders, employees, agents, consultants or contractors), in its capacity as Agent under this Agreement, except for actions not taken in good faith which prejudice another Owner, or Owners.

**Section 7.02 – Indemnification of Agent.** Each of the Owners agrees to indemnify and hold harmless, to the fullest extent permitted by law, MidAmerican and its directors, officers, shareholders, employees, agents, consultants, contractors, invitees or assigns from and against any claim, loss, cost, liability, damage or expense (including judgments, costs and attorney’s fees) of any and every character by reason of property damage or injuries to, or death of, any person or persons resulting from, arising out of, or connected with MidAmerican’s acts or failures to act in its capacity as Agent, including but not limited to its acts or failures to act in regard to the development, design, procurement, construction, reconstruction, modification, operation, abandonment, maintenance, repair, replacement or retirement of CB4 Transmission, regardless of whether caused wholly or partially by the negligence of MidAmerican, or its directors, officers, shareholders, employees or agents. Each Owner’s liability to indemnify MidAmerican as Agent shall be limited to its proportionate share of its Ownership Interest in relation to the total claim, loss, cost, liability,

damage or expense (including judgments, costs and attorney's fees). This indemnity obligation shall include, but not be limited to: (i) any workmen's compensation liability of Agent to its employees, (ii) liability to any agents, contractors, subcontractors, or consultants, or (iii) liability to any third parties. This indemnity obligation shall not apply to any claim arising out of the gross negligence or willful misconduct of Agent, its agents, employees, invitees or assigns.

**Section 7.03 – Disclaimer of Consequential Damages by Agent.** Agent shall not be liable to any Owner under any circumstances for any special, indirect, exemplary, punitive, incidental or consequential loss or damage (including damages or claims in the nature of loss of revenue, income, profits or investment opportunities).

**Section 7.04 – Owners Relationship.** In the relationship between the Owners as owners of CB4 Transmission, nothing in this Agreement shall be construed to create joint or several liability of an Owner for the acts, omissions or obligations of other Owners.

**Section 7.05 – Liability of Owners to Each Other.** Subject to the foregoing and to the provisions of Section 390.4, Code of Iowa 2005, as amended, the Owners shall have such rights of indemnity and contribution between themselves with respect to the subject of this Agreement as shall be permitted by law and consistent with the provisions of this Agreement. Nothing in this Agreement shall be construed to create joint or several liability for the benefit of any third party.

**Section 7.06 – Disclaimer of Consequential Damages by Owners.** No Owner shall be liable to any other Owner, under any circumstances, for any special, indirect, exemplary, punitive, incidental or consequential loss or damage (including damages or claims in the nature of loss of revenue, income, profits or investment opportunities).

## **Article VIII – INSURANCE**

**Section 8.01 – Insurance During Construction.** During the period of construction of CB4 Transmission, Agent shall, to the extent it determines exercising its reasonable judgment, to be commercially reasonable, cause to be carried, in the names of the Owners as their interests appear, builder's risk and/or installation floater insurance of the "all risks" type, including the risks of transit, loading and unloading at any point or place of shipment in the world, and continuously thereafter until delivered at job site, while awaiting further transportation, and during construction, installation and testing. Such insurance shall insure the interests of all Owners, the engineer, the contractors and all subcontractors, equipment suppliers and manufacturers. Agent shall also require that all contractors, subcontractors, the engineer, and all equipment suppliers or manufacturers have adequate insurance and limits thereof, with carriers approved by Agent, for worker's compensation, commercial general liability, contractual liability and such other hazards as Agent shall deem appropriate with respect to CB4 Transmission. Agent may provide for an insurance program of the nature of a "wrap-up" or owner controlled insurance program ("OCIP") which may combine all or some hazards, and all of the Owners, contractors, subcontractors, engineers and equipment suppliers and manufacturers, involved in the construction of CB4 Transmission being insureds thereunder as their interests may appear.

**Section 8.02 – Liability Insurance.** During the construction and operation of CB4 Transmission, it is understood that nothing herein shall require or prohibit the carrying of liability insurance by MidAmerican or any of the other Owners. However, if any of the Owners elect to carry liability insurance, such insurance policies shall be written so that the insurers shall have no rights of reimbursement, subrogation or otherwise against Agent or any of the other Owners which is greater

than the rights and obligations of any of the Owners as to any other Owner or Owners.

**Section 8.03 – Property Insurance.** Except as may otherwise be agreed by the Owners, during operation of CB4 Transmission under this Agreement, Agent shall procure and maintain, on a replacement cost basis, property insurance coverage on CB4 Transmission commensurate with that maintained by Agent on its own transmission facilities and on other jointly owned transmission facilities operated by Agent.

### **Article IX – FORCE MAJEURE**

#### **Section 9.01 – Force Majeure.**

(a) In addition to all other limitations on liability contained in this Agreement, neither the Agent nor any Owner will be liable or responsible for any delay in the performance of, or the ability to perform, any duties or obligations required by this Agreement when such delay in performance or inability to perform results from a Force Majeure occurrence, except that the obligation of any Owner to pay money to another Owner, or to pay the Agent or any third party on obligations related to CB4 Transmission in a timely manner is absolute and will not be subject to this Force Majeure provision. “Force Majeure” as used herein shall mean any cause beyond the control of the affected Owner or the Agent, as the case may be, which, by the exercise of reasonable diligence the Owner or the Agent is unable to overcome, including, without limitation, the following: Acts of God, strikes, lockouts or other industrial disturbances; acts of public enemies; orders, or absence of necessary orders and permits of any kind which have been properly applied for from the government of the United States or from any state, municipal county, or territory, or any of their departments, agencies or officials, or from any civil or military authority; extraordinary delay in transportation; unforeseen soil conditions; equipment, material, supplies, labor or machinery shortages; epidemics; landslides;

lightning; earthquakes; fire; hurricanes; tornadoes; storms; floods; washouts; drought; war; terrorist attack; civil disturbances; explosions; breakage or accident to equipment, machinery, transmission lines, pipes or canals; partial or entire failure of utilities; breach of contract by any supplier, contractor, subcontractor, laborer or materialman; sabotage; injunction; blight; famine; blockade; or quarantine.

(b) Each Owner will be obligated to pay in proportion to its Ownership Interest all costs resulting from a Force Majeure event with the understanding that, to the extent joint insurance proceeds are available to cover the cost of such Force Majeure, such proceeds will be shared by the Owners in proportion to their Ownership Interests at the time of the incident.

**Section 9.02 – Remedy.** Any Owner, or the Agent, whatever the case may be, who is suffering an occurrence of a Force Majeure event shall use its reasonable efforts to limit and remedy with all reasonable dispatch the cause or causes preventing the Owner or the Agent from carrying out this Agreement; provided, however, that the settlement of strikes, lockouts and other industrial disturbances will be entirely within the discretion of such Owner or the Agent, and neither shall any Owner or the Agent be required to make settlement of strikes, lockouts or other industrial disturbances by acceding to the demands of other Owners when such course is unfavorable in the sole judgment of the Owner or the Agent.

## **Article X – DEFAULT AND REMEDIES**

**Section 10.01 – Event of Default.** Each of the following will be “Events of Default” under this Agreement:

(a) The failure by any Owner(s) to make any payment then due to the other Owner(s) or to the Agent as required by this Agreement: (i) within two (2) Business Days of the date when such



payment became due, or (ii) within ten (10) Business Days of the date when a written declaration by the non-defaulting Owner(s) of the failure to pay within such two (2) Business Days is delivered to the defaulting Owner that such payment is past due;

(b) Failure by any Owner(s) to perform any other obligation under this Agreement to another Owner or to the Agent, other than obligations for the payment of money, provided that the defaulting Owner(s) will have been given not less than ten (10) Business Days written notice of such failure by the non-defaulting Owner(s) and such defaulting Owner(s) will have failed to correct such default within such time period;

(c) The failure by any Owner(s) to pay any amount when due under any obligation to a third party incurred in connection with such Owner's performance under this Agreement, and such failure continues for two (2) Business Days.

(d) If: (i) any representation or warranty made by a party to this Agreement is not true and correct in all material respects as of the date when made, (ii) the Owner discovering the breach of a representation or warranty has given notice (or the defaulting Owner has failed, within ten (10) Business Days of its discovery of the breach, to give notice) to the other Owner(s), and (iii) the breaching Owner has not cured the breach or eliminated the damage from such breach within ten (10) Business Days of such notice or such other time as is reasonable in light of the fact and circumstances or ten (10) Business Days from its discovery of such breach if no notice has been given.

(e) A receiver, liquidator or trustee of any Owner or of any of its property shall be appointed by a court of competent jurisdiction, and such receiver, liquidator or trustee shall not have been discharged within thirty (30) Business Days, or by decree of such a court an Owner shall be

adjudicated bankrupt or insolvent or any substantial part of its property shall have been sequestered, and such decree shall have continued undischarged and unstayed for a period of thirty (30) Business Days after the entry thereof, or a petition to declare bankruptcy or to reorganize an Owner pursuant to any of the provisions of the United States Bankruptcy Code, as now in effect or as it may hereafter be amended, or pursuant to any other similar statute as now or hereafter in effect, shall be filed against an Owner and shall not be dismissed within thirty (30) Business Days after such filing.

(f) An Owner shall file a voluntary petition in bankruptcy under any provision of any federal or state bankruptcy law or shall consent to the filing of any bankruptcy or reorganization petition against it under any similar law; or, without limiting the generality of the foregoing, an Owner shall file a petition or answer or consent seeking relief or assisting in seeking relief in a bankruptcy under any provision of any federal or state bankruptcy law or shall consent to the filing of any bankruptcy or reorganization petition against it under any similar law; or, without limiting the generality of the foregoing, an Owner shall file a petition or answer or consent seeking relief or assisting in seeking relief in a proceeding under any of the provisions of the United States Bankruptcy Code, as now in effect or as it may hereafter be amended, or pursuant to any other similar state statute as now or hereafter in effect, or an answer admitting the material allegations of a petition filed against it in such a proceeding; or an Owner shall make an assignment for the benefit of its creditors; or an Owner shall admit in writing its inability to pay its debts generally as they become due; or an Owner shall consent to the appointment of a receiver, trustee, or liquidator of it or of all or any part of its property.

**Section 10.02 – Late Payments.** Failure of any Owner to make any payment to the Agent on the date required under this Agreement will obligate such non-paying Owner then to pay the other Owners or the Agent: (a) the unpaid amount, (b) interest on the unpaid amount at the Special Interest Rate from the date such payment was due until the amount is paid, and (c) the expenses incurred by the Agent in collecting the unpaid amount including, but not limited to, reasonable attorneys' fees and costs.

**Section 10.03 – Disputed Payments.** Any Owner shall pay all amounts when due. An Owner must notify Agent of any dispute within 12 months of occurrence of the incident that is being disputed. If the dispute is resolved in favor of the Owner, Agent will return the disputed amount to the Owner along with interest at the Regular Interest Rate from the date of notice of dispute until the disputed amount is paid to the Owner.

**Section 10.04 – Failure to Perform Remedies.** Either Agent or the non-defaulting Owner(s) may, but will not be required to, undertake to remedy any Event of Default under Section 10.01 at the expense of the defaulting Owner and give notice of their intent to do so to the defaulting Owner. If an Owner disputes whether an Event of Default exists under Section 10.01, Agent and/or Owner(s) claiming such an Event of Default may proceed to remedy the alleged Event of Default while pursuing the procedures for resolution of disputes provided in Article XII, and the Owner claiming no such Event of Default exists will not be obligated to reimburse the other Owner(s) unless the dispute resolution procedure has determined that such an Event of Default does exist, in which case the defaulting Owner(s) agrees to reimburse the Agent and/or the non-defaulting Owner(s), with interest at the Special Interest Rate, for services, costs or property provided by the non-defaulting Owner(s) to remedy such Event of Default.

**Section 10.05 – Remedies Not Exclusive.** If an Event of Default under Section 10.01 has been declared, the rights and remedies provided in this Article X will not be exclusive but will be in addition to any other remedy available under this Agreement and, to the extent permitted by law, be cumulative and in addition to all other rights and remedies existing at law, in equity or otherwise, including the right to enforce performance or to recover damages by appropriate proceedings, judicial, administrative or otherwise. If the Owners are in dispute as to whether an Event of Default exists under Section 10.01, the Owner(s) claiming such an Event of Default may exercise their remedies hereunder while pursuing the procedures for resolution of disputes provided in Article XII, and the Owner claiming no such Event of Default exists will not be obligated to make any payments to the other Owner(s) as a result of such exercise of remedies unless the dispute resolution procedure has determined that such an Event of Default does exist, in which case the defaulting Owner agrees to reimburse the non-defaulting Owner(s), with interest at the Special Interest Rate, for costs and expenses incurred by, and damages owed to, the non-defaulting Owner(s) in connection with its exercise of remedies hereunder. No delay or omission to exercise any rights or remedy will impair such right or remedy or constitute a waiver of the default or acquiescence therein. Every right and remedy given by this Agreement, by law or in equity or otherwise, may be exercised from time to time, and as often as may be deemed expedient, by the non-defaulting Owner(s).

**Section 10.06 – Additional Obligations.** With respect to any Owner as to which an Event of Default has occurred, such Owner will use its reasonable efforts to take any and all such further actions and will execute and file, where appropriate, any and all such further legal documents and papers as may be reasonable under the circumstances in order to facilitate the carrying out of this Agreement or otherwise effectuating its purpose, including but not limited to action to seek any

required governmental or regulatory approval and to obtain any other required consent, release, amendment or other similar document.

**Section 10.07 – Agreement to Pay All Costs to Cure Default.**

(a) A late payment charge during periods of default will accrue on any amount in default at an annual rate equal to that of the Special Interest Rate.

(b) In the case of a default in making any payment required under this Agreement, the non-defaulting Owners may require the defaulting Owner to provide, for the benefit of the other Owners, Qualifying Security as defined in subsection 10.07(c). The amount of Qualifying Security shall be equal to such defaulting Owner's share, according to Section 3.02, in the estimated construction, operation and maintenance expenses for the CB4 Transmission for the following 12 months. Any Qualifying Security so provided which is not used to satisfy the defaulting Owner's obligation under this Agreement shall be returned to such Owner at the end of the 12-month period or be applied to such Owner's subsequent obligations.

(c) For purposes of this Agreement, the term "Qualifying Security" shall mean security in the form of: (i) immediately available funds held by a trustee for the benefit of the other Owners and invested at the direction of Agent; (ii) debt securities with less than 6 months to maturity issued by the U.S. Government or U.S. Government Agencies, bank certificates of deposit with a bank having at least a credit rating on their senior unsecured debt obligations of AA- from S&P and Aa3 from Moody's, or bank commercial paper or corporate commercial paper with at least a credit rating of A1 from S&P and P1 from Moody's, held by the other Owners, a trustee or other appropriate escrow agent for the benefit of the other Owners and reinvested within the guidelines of this Section 10.07(c)(i); (iii) an irrevocable transferable letter of credit issued for the benefit of the other Owners (or their assignee), having a stated expiration date of not earlier than one year after the date of

original issuance, issued by a United States branch of any bank, the senior unsecured debt obligations (or long-term deposits) of which are rated by at least one rating agency and are rated at least “AA-” (or the equivalent thereof) by each rating agency providing a rating of such obligations (or deposits) as of the date of the issuance of such letter of credit or bank otherwise suitable to Agent; (iv) an unconditional guaranty to the other Owners from an entity the senior unsecured debt obligations of which are rated by at least one rating agency and are rated at least “AA-” (or the equivalent thereof) by each rating agency providing a rating of such obligations; (v) other security acceptable to Agent; or (vi) a combination of the obligations set forth in clauses (i) through (v) above.

(d) If an Event of Default should occur and the Agent or any Owner not in default should employ attorneys or incur other expenses for the collection of any payment or the enforcement of performance or observation of any condition or obligation of a defaulting Owner or for the exercise of any other remedy hereunder, the defaulting Owner agrees that it will, on demand therefor, reimburse the Agent and/or the other Owners for their reasonable expenses of such attorneys and such other expenses incurred. No default will be deemed cured until all costs payable under this Article X, including all reasonable attorneys’ fees incurred by the Agent or the Owners not in default, and payments pursuant to this Agreement have been paid or reimbursed.

**Section 10.08 – Additional Remedies Upon Default.** During any period that an Owner is in default in whole or in part in performing any of its obligations under this Agreement, such Owner shall be obligated to pay damages resulting from the default, to the non-defaulting Owners, and in case of a default in making any payment required under this Agreement: (a) the defaulting Owner shall not be entitled to schedule any use of CB4 Transmission, including scheduling of energy from Unit 4, during the period of default, and (b) the non-defaulting Owners shall be entitled to all of the

energy from Unit 4 in the same proportion as their respective Ownership Interests or as otherwise agreed to, with responsibility for the payment of all costs associated therewith. If such default occurs prior to the in-service date of Unit 4, the defaulting Owner shall pay during such period of default interest on any amount in default at the Special Interest Rate as provided for in Section 10.07(a), but not in excess of any maximum legal rate applicable to the defaulting Owner.

## **Article XI – GENERAL COVENANTS**

**Section 11.01 – Covenant to Use Reasonable Efforts.** The Owners covenant to use commercially reasonable efforts to ensure that all obligations required to be performed by each of them under this Agreement will be performed in an effective and timely manner. The Owners (consistent with the Agent's primary responsibility), will promptly and with all due diligence, acting jointly or individually as may be appropriate or as required elsewhere by this Agreement, take all necessary actions and endeavor to obtain, maintain in effect and renew all regulatory approvals, licenses, orders, and permits as are necessary for the construction and operation of CB4 Transmission.

**Section 11.02 – Covenants to Provide Information.** Each Owner will, from time to time, provide such information as the other Owner(s) may reasonably request in connection with the issuance or sale of any bonds or securities or evidences of indebtedness, whether public or private, and in connection with the obtaining of all necessary governmental or regulatory approvals, licenses, orders, permits and consents required in connection with the construction and operation of CB4 Transmission. Agent agrees that it will make available to the Owners, upon request, then-current architectural and engineering reports, if any, prepared by or for the Agent setting forth the design of

CB4 Transmission, the status of any required licenses and permits, estimates of construction costs, construction schedules, and reports on the operation of CB4 Transmission.

**Section 11.03 – Financial Statements and Other Documents.** The Owners covenant and agree to furnish to each other promptly upon request, after the same are available, copies of all annual and periodic financial reports that are not confidential which each Owner provides to banks or other financial institutions. The Owners shall cooperate to make available on a limited, restricted and controlled basis such confidential information as may be required for other Owners' financing or to meet other Owners' legal responsibilities.

**Section 11.04 – Confidentiality**

(a) The Owners recognize the proprietary and confidential nature of the Confidential Information which will be exchanged in the course of the performance of this Agreement and, accordingly, undertake to protect and hold in strict confidence any Confidential Information disclosed to each of them by any other Owner. Furthermore, each Owner warrants that it shall use the Confidential Information only for the purposes of development and operation of the CB4 Transmission, or as otherwise expressly agreed. Notwithstanding these provisions, the Owners may disclose such confidential information if required by a legal or governmental authority with appropriate jurisdiction, but only after notifying the other Owner regarding such required disclosure and cooperating with such Owner in reasonable efforts to obtain a protective order to limit disclosure and recognize the confidentiality of such Confidential Information.

(b) The Owners shall limit the access to Confidential Information to their respective governing bodies, directors, officers, employees, affiliates, consultants and attorneys to such extent as is required for the purposes of this Agreement, provided that the Owners shall have informed such



officers, employees, affiliates, consultants and attorneys of the confidential nature of the Confidential Information, and such recipients have agreed to be bound by the terms of this Section 11.04.

(c) From time to time the Owners may be asked to execute more restrictive confidentiality agreements, related to contracts with third parties, entered into by Agent. In the event any Owner does not execute such an agreement, the information or document covered by such agreement will not be disclosed to that Owner.

(d) Notwithstanding the foregoing, nothing in this section shall prohibit Owners who are city utilities in Iowa from making such disclosures of the Agreement as are required by Chapter 390 of the Code of Iowa.

(e) Notwithstanding the foregoing, nothing in this section shall prohibit the City of Lincoln from making such disclosures of the Agreement or other information as are required by Chapter 70, Article 10 and Chapter 84, Articles 7 and 14 of the Revised Statutes of Nebraska, and by Article IV, Section 29 of the Home Rule Charter of the City of Lincoln, Nebraska.

**Section 11.05 – Other Covenants.**

(a) Each Owner covenants and agrees that if any event occurs or condition exists that constitutes, or which after notice, lapse of time, or both, would constitute an Event of Default hereunder with respect to such Owner, it will immediately (and thereafter on a prompt and continuing basis) notify Agent thereof, specifying the nature of the Event of Default and any action taken or proposed to be taken with respect thereto.

(b) Each Owner covenants that, without the prior written consent of Agent, which will not be unreasonably withheld, such Owner will not threaten suit or bring suit against third parties or otherwise make any claim under any contract or arrangement as to matters within the scope of the

agency of Agent granted under this Agreement that arise prior to completion and initial operation of CB4 Transmission with respect to CB4 Transmission, it being understood that Agent has complete and exclusive authority, under this Agreement, with respect to all such matters. If such Owner desires that a suit be threatened or brought or otherwise that any claim be made, or desires that such action contemplated by Agent not be taken, such Owner shall, by written notice to Agent, request Agent to so act or refrain from acting. Upon receipt of such notice, Agent will arrange for consultation on the questions raised within ten (10) Business Days thereafter, and Agent will not make its determination until after such consultation, but notwithstanding anything to the contrary in this Agreement, such determination by Agent will be final. Agent will not threaten or bring suit on behalf of the Owners without giving the Owners ten (10) Business Days advance written notice thereof, unless the circumstances dictate that Agent must take such action within less than such ten (10) Business Days notice to the Owners.

(c) Each Owner covenants that it will notify Agent in writing as soon as possible after learning that any Lien has been or will be imposed upon the covenanting Owner's Ownership Interest or has reason to believe that any such Lien is under discussion with a possible lender or other entity and will furnish Agent promptly with all executed copies of documents relating thereto. Notwithstanding this provision 11.05(c), it is understood that the cooperative Owners are encumbered by a lien on their respective ownership interests by virtue of their indebtedness to all or any of the following: the Rural Utilities Service; the National Rural Utilities Cooperative Finance Cooperation; CoBank, ACB.

(d) Each Owner covenants and agrees that they will give Agent prompt notice of any action, suit, proceeding or investigation by or before the Federal Energy Regulatory Commission, the

Securities and Exchange Commission, the Iowa Utilities Board, any other administrative agency or governmental instrumentality or any court or arbitrator, which: (i) relates to CB4 Transmission, or (ii) if adversely determined, would materially impair such Owner's ability to carry out its obligations under this Agreement, or would in any way adversely affect CB4 Transmission, except that if such action, suit, proceeding or investigation is related to a rate case, fuel adjustment clause, or other revenue related matter, no notice to Agent is required under this Section 11.05(d).

## **Article XII – DISPUTES**

**Section 12.01 – Settlement of Disputes.** Any dispute, difference, controversy or claim between or among Agent or Owner(s) arising out of or relating to this Agreement, or arising out of or in connection with the disposition of the jointly owned property upon termination of this Agreement, or the breach, interpretation, termination, performance or validity hereof, shall first be submitted to the Chief Executive Officer (“CEO”), or his/her designee, of each of the Owners for resolution. The CEOs shall confer and consider such dispute and make a decision within thirty (30) days of the date they receive notice of the dispute. In the event unanimous agreement cannot be reached by the CEOs, the dispute shall be settled as provided in Section 12.02.

**Section 12.02 – Submission to Jurisdiction – Waiver of Jury Trial.** Subject to the provisions of Section 12.01 above, the Owners agree to submit all disputes between or among the Agent or Owner(s) to the jurisdiction of the Iowa District Court for Polk County in Des Moines, Iowa. Each Owner waives to the fullest extent permitted by law, any right it may have to contest venue and a right to trial by jury in respect of any suit, action, claim or proceeding relating to the Agreement.

### **Article XIII - MISCELLANEOUS**

**Section 13.01 – Headings.** The descriptive headings of the various sections and Articles of the Agreement have been inserted for convenience of reference only and shall in no way modify or restrict any of the terms and provisions hereof.

**Section 13.02 – No Waiver.** Any waiver at any time by an Owner of its rights with respect to an Event of Default under this Agreement, or with respect to any other matters arising in connection with this Agreement, shall not be deemed a waiver with respect to any subsequent Event of Default or other matter.

**Section 13.03 – Cooperation.** Each Owner shall reasonably and timely cooperate with Agent and the other Owners as to all aspects relating to the performance of their respective obligations under the Agreement, in accordance with the terms thereof.

**Section 13.04 – Further Acts.** The Owners shall do all such other and further acts and things, and shall execute and deliver such instruments and documents, as may be reasonably requested from time to time in furtherance of the purposes of this Agreement.

**Section 13.05 – Presumptions.** This Agreement shall be construed without regard to any presumption or other rule requiring construction against Agent or against Owners.

**Section 13.06 – No Third Party Beneficiaries.** This Agreement is for the sole benefit of the parties hereto and no other person or entity shall be entitled to rely upon or receive any benefit from this Agreement or any provision hereof except as specifically described herein.

**Section 13.07 – Invalidity.** If any provisions of this Agreement or the application thereof to any person or circumstances shall, to any extent, be invalid or unenforceable, the remainder of this Agreement, or the application of such provision to persons or circumstances other than those as to

which it is held invalid or unenforceable, shall not be affected thereby, and each provision of this Agreement shall be valid and be enforceable to the fullest extent permitted by law.

**Section 13.08 – Entire Agreement.** This Agreement constitutes the entire agreement between the Owners and supersedes any or all previous agreements between the Owners relating to CB4 Transmission and Network Upgrades on Affected Systems.

**Section 13.09 – Conflicts of Interest.** Subject to a duty of confidentiality as set forth in Section 11.04 and a duty to avoid conflicts of interest, nothing in this Agreement shall prohibit any Owner from engaging in or possessing any interest in other projects or business ventures of any nature and description, independently or with others.

**Section 13.10 – Term of Agreement.**

(a) Effective Date. This Agreement shall be effective upon the Effective Date. Following an order from FERC stating acceptance of an Effective Date, Agent shall issue notice to all Owners of such Effective Date and shall issue a conforming copy of this Agreement with the Effective Date so stated.

(b) Duration. This Agreement shall continue in full force and effect for an initial term of forty (40) years from the Effective Date.

(c) Amendment. This Agreement may be amended by written instrument signed by all Owners.

(d) Upon expiration of the initial forty-year term, any owner may terminate its ownership upon December 31 next following the expiration of two (2) years written notice to Agent, which may be provided anytime after completion of the thirty-eighth (38th) year under this agreement; however, no termination shall be effective (1) so long as obligations payable in whole or in part from revenues

derived from the operation of CB4 Transmission are outstanding, and (2) until the terminating Owner has made arrangements acceptable to Agent for payment of the ongoing operation and maintenance expenses associated with the terminating Owner's Ownership Interest. MidAmerican may not terminate under this provision unless reasonable arrangements are in place for the continued ownership, operation, maintenance, repair, replacement and ultimate retirement of CB4 Transmission.

(i) An Owner terminating participation under this Agreement shall offer its ownership to the other Owners at the then Fair Market Value based upon each Owner's then relative Ownership Interest. The Owners shall have right of first refusal, but shall not be obligated to acquire a terminating Owner's Ownership Interest, and the provisions of Section 3.11, Transferability of Interests, shall then govern disposition of a terminating Owner's Ownership Interest.

(e) In the event of an abandonment or determination of impracticability as set forth in this section, all unpaid expenditures incurred by MidAmerican in connection with the abandonment, or retirement of CB4 Transmission (including but not limited to environmental clean-up liability) shall be paid by each Owner in proportion with their Ownership Interest. MidAmerican shall retain such powers hereunder as shall be necessary for the disposition of all property constituting CB4 Transmission at the time of such abandonment, and shall dispose of such property as promptly as practicable. MidAmerican retains the sole right upon such determination to purchase any land or land rights acquired for purposes of CB4 Transmission at the original cost of such land. Upon such disposition, as provided above, MidAmerican shall distribute the proceeds thereof to the Owners in accordance with their respective Ownership Interests at that time.

**Section 13.11 – Survival.** Termination of this Agreement shall not discharge any Owner from any obligation it owes to the other Owners as a result of any transaction occurring prior to such termination.

**Section 13.12 – Successors and Assigns.** This Agreement shall inure to the benefit of the successors and assigns of the Owners, but subject to the provisions of Section 3.11 hereof.

**Section 13.13 – Paramount Authority.** This Agreement and any amendments hereto shall be binding upon the Owners when approved or accepted for filing by the Federal Energy Regulatory Commission and by any other authority or agency having jurisdiction over this Agreement and, as to the execution hereof by Central Iowa Power Cooperative and Corn Belt Power Cooperative, when approved by the administrator or acting administrator of the Rural Utilities Service or successor official of the United States of America.

**Section 13.14 – Representatives, Notices and Communications.** Each Owner, by written notice signed by the Chief Executive Officer or his/her designee and delivered to the other Owners, shall designate one representative and an alternate to receive formal notices and communications with respect to the subject matter of this Agreement and to deliver to the Owners notices, communications, decisions and approvals concerning the subject matter of this Agreement. Appointments to the Transmission Operating Committee shall be conveyed by the Owner's representative designated in accordance with this Section 13.14 to convey and receive notices. The manner of making any decision or giving approval by any Owner shall be determined by such Owner for itself, but any communication received by an Owner from a person designated by another Owner pursuant to the first sentence in this section (unless such designation shall have been previously revoked as provided in Section 13.15) may be conclusively relied upon by the recipient as having

been authorized by said other Owner.

**Section 13.15 – Change of Representatives.** Any designation by an Owner pursuant to Section 13.14 may be revoked by such Owner by designating a substitute representative or alternate by a written notice signed by the chief executive officer or designee and delivered to the other Owners.

**Section 13.16 – Obligation of a City or City Utility.** The obligations of a city or city utility under this Agreement and the public bonds or obligations used to fund such obligations are payable solely out of the future net revenues of the city utility and are not a debt or charge against the city within the meaning of any constitutional or statutory debt limitation provision.

**Section 13.17 – Execution.** Separate copies of the Agreement will be executed by the Owners with the understanding that, when each of the Owners has executed a copy, its separately executed copy will be joined together with all similarly executed copies and one conformed master copy of said Agreement shall be prepared, which shall bind all the Owners to the same extent and purpose as if all of said Owners had joined in the execution of said master copy.

**Section 13.18 – Governing Law.** This Agreement shall be construed, interpreted and controlled by the laws of the State of Iowa.

**IN WITNESS WHEREOF**, the undersigned Owners have duly executed this Agreement, as of the date first written above.



ATTEST:

Paul J. Light  
Secretary

MIDAMERICAN ENERGY COMPANY

By James Overweg  
Vice President, Engineering

ATTEST:

Shelley Sahling Zart  
Assistant Secretary

CITY OF LINCOLN, NEBRASKA

By James J. Binsky  
Administrator and CEO

ATTEST:

Renneth E. Hastings  
Secretary

CENTRAL IOWA POWER COOPERATIVE

By Thomas H. Muraoka  
Executive Vice President & CEO

ATTEST: c

Michael Chang  
Secretary Chief Operating Officer

MUNICIPAL ENERGY AGENCY OF  
NEBRASKA

By J. Gary Hoff  
Executive Director

ATTEST:

Donald M. Fear  
Secretary

CORN BELT POWER COOPERATIVE

By Donald Fellman  
President


ATTEST:

  
Secretary, Board of Trustees of  
the Municipal Electric Utility

**CITY OF CEDAR FALLS, IOWA**

By   
Chair, Board of Trustees of  
the Municipal Electric Utility

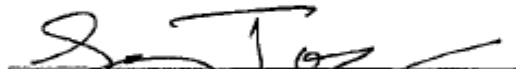
ATTEST:

  
City Clerk

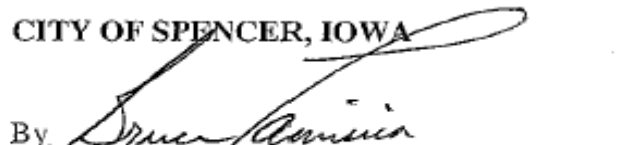
**CITY OF PELLA, IOWA**

By   
Mayor

ATTEST:

  
Secretary, Board of Trustees of  
the Municipal Electric Utility

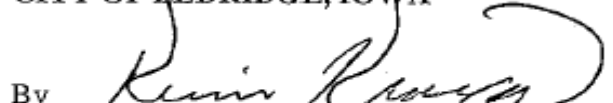
**CITY OF SPENCER, IOWA**

By   
Chair, Board of Trustees of  
the Municipal Electric Utility

ATTEST:

  
Secretary, Board of Trustees of  
the Municipal Electric Utility

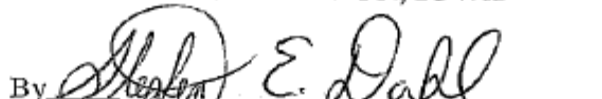
**CITY OF ELDRIDGE, IOWA**

By   
Chair, Board of Trustees of  
the Municipal Electric Utility

ATTEST:

  
Secretary, Board of Trustees of  
the Municipal Electric Utility

**CITY OF NEW HAMPTON, IOWA**

By   
Chair, Board of Trustees of  
the Municipal Electric Utility

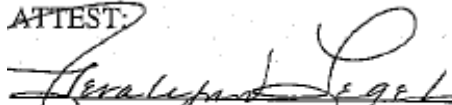
ATTEST:

  
Secretary, Board of Trustees of  
the Municipal Electric Utility


**CITY OF MONTEZUMA, IOWA**

By   
Chair, Board of Trustees of  
the Municipal Electric Utility

ATTEST:

  
Secretary, Board of Trustees of  
the Municipal Electric Utility

**CITY OF WAVERLY, IOWA**

By   
Chair, Board of Trustees of  
the Municipal Electric Utility


ATTEST:

  
Secretary, Board of Trustees of  
the Municipal Electric Utility

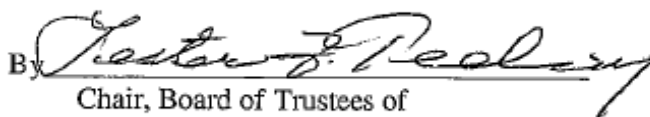
**CITY OF ALTA, IOWA**

By   
Chair, Board of Trustees of  
the Municipal Electric Utility


ATTEST:

  
Secretary, Board of Trustees of  
the Municipal Electric Utility

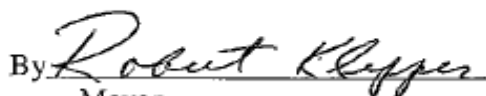
**CITY OF SUMNER, IOWA**

By   
Chair, Board of Trustees of  
the Municipal Electric Utility

ATTEST:

  
City Clerk

**CITY OF WEST BEND, IOWA**

By   
Mayor

## **EXHIBIT A – CB4 TRANSMISSION FACILITIES AT CBEC SUBSTATION**

**The following are the jointly owned CB4 Substation Facilities, and are paid for by the Owners in accordance with their respective Ownership Interests per Article III of the Agreement and as specified below:**

- I. Modifications at the CBEC 345 kV Substation to convert the existing 345 kV ring bus to a breaker-and-a-half configuration, as shown on Exhibit A.2:
  - (A) Facilities include the construction of structures, bus work, switches, surge arresters, metering equipment, protective devices, communications, and control equipment and devices; to include the addition of one (1) 345-161 kV 560 MVA transformer, eight (8) 345 kV 3000 Ampere continuous, 50 kA interrupting, 1300 kV BIL circuit breakers; all as required to convert the CBEC 345 kV substation to a breaker-and-a-half configuration and as required for termination of the following additional connections:
    - (1) CBEC Unit 4 Generator Step-Up Transformer
    - (2) CBEC to Grimes 345 kV line
    - (3) CBEC 345-161 kV Transformer 9T2
    - (4) A span of 345 kV transmission line extending from the CBEC 345 kV substation to the 345-161 kV 560 MVA transformer to be installed as part of CB4 Transmission
- II. Modifications at the CBEC 161 kV Substation to add line terminals to the 161 kV substation, as shown on Exhibit A.3:
  - (A) Facilities include the construction of structures, bus work, switches, surge arresters, metering equipment, protective devices, communications, and control equipment and devices; to include the addition of four (4) 161 kV 3000 Ampere continuous, 40 kA interrupting, 750 kV BIL circuit breakers; all as required for termination of the following additional connections:
    - (1) CBEC Unit 4 Reserve Auxiliary Transformers
    - (2) 161 kV line from CBEC to OPPD Substation 1206
    - (3) CBEC 345-161 kV Transformer 9T2
    - (4) A span of 161 kV transmission line extending from the CBEC 161 kV substation to the 345-161 kV 560 MVA transformer to be installed as part of CB4 Transmission, with steel and/or wood supporting structures, twin bundled 1192 ACSR conductors and all necessary shielding, insulators, hardware and accessory devices.
- III. Addition of CBEC 345-161 kV Transformer #2 including 161 kV and 345 kV connections to this transformer and including two 25 MVAR switchable tertiary-connected reactors.

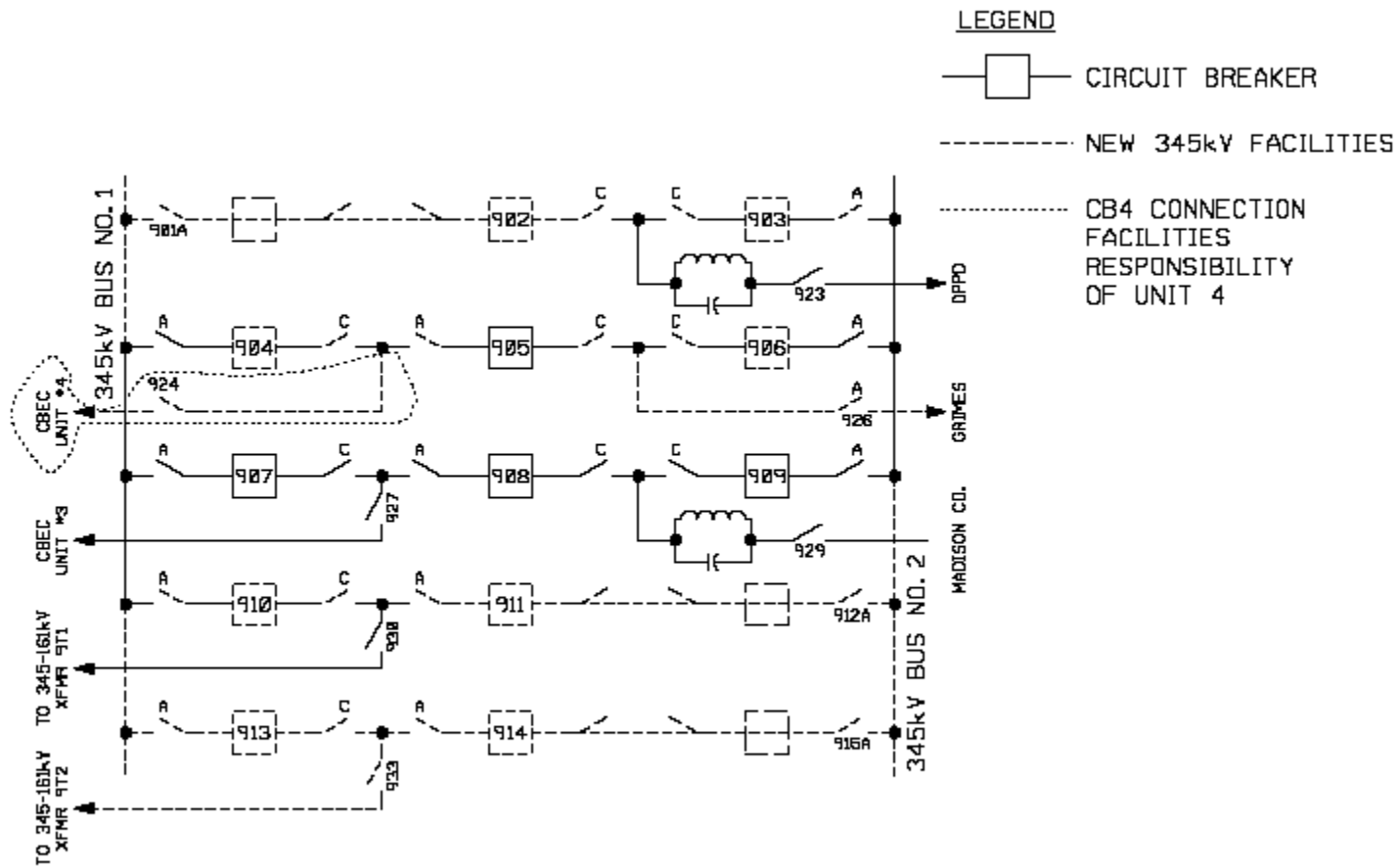
(A) In consideration for certain value received by CIPCO from LES at Grimes Substation, per Section I. (D) of Exhibit B, LES acquires an additional 34.4 MW of capacity in Transformer #2 that was originally allocated to CIPCO as its Ownership Interest. LES assumes ownership of this 34.4 MW capacity in Transformer #2 along with all associated benefits and responsibilities. The adjusted ownership in Transformer #2 shall be as illustrated on Exhibit A.1 attached hereto. This adjustment of ownership percentage applies only to the assembled transformer as it was provided by the manufacturer and is exclusive of all external devices attached to the transformer.

**EXHIBIT A.1 – ADJUSTED CBEC TRANSFORMER #2 CAPACITY  
 ALLOCATION**

As described in Exhibit A, Section III. A. above, the table below reflects a transfer of 34.4 MW (6.14%) of capacity in CBEC Transformer #2 from Central Iowa Power Cooperative to the City of Lincoln, Nebraska. This transfer was arranged to accommodate the transmission delivery needs of these Owners.

Owner	Ownership Interest	Capacity Allocation (MWs)
MidAmerican Energy Company	59.66%	334.08
City of Lincoln, Nebraska	18.84%	105.50
Central Iowa Power Cooperative	2.83%	15.86
Municipal Energy Agency of Nebraska	6.67%	37.35
Corn Belt Power Cooperative	5.33%	29.85
City of Cedar Falls, Iowa	2.02%	11.31
City of Pella, Iowa	1.33%	7.45
City of Spencer, Iowa	1.07%	5.99
City of Eldridge, Iowa	0.53%	2.97
City of New Hampton, Iowa	0.53%	2.97
City of Montezuma, Iowa	0.40%	2.24
City of Waverly, Iowa	0.40%	2.24
City of Alta, Iowa	0.13%	0.73
City of Sumner, Iowa	0.13%	0.73
City of West Bend, Iowa	0.13%	0.73
Total Capacity	100.00%	560.00

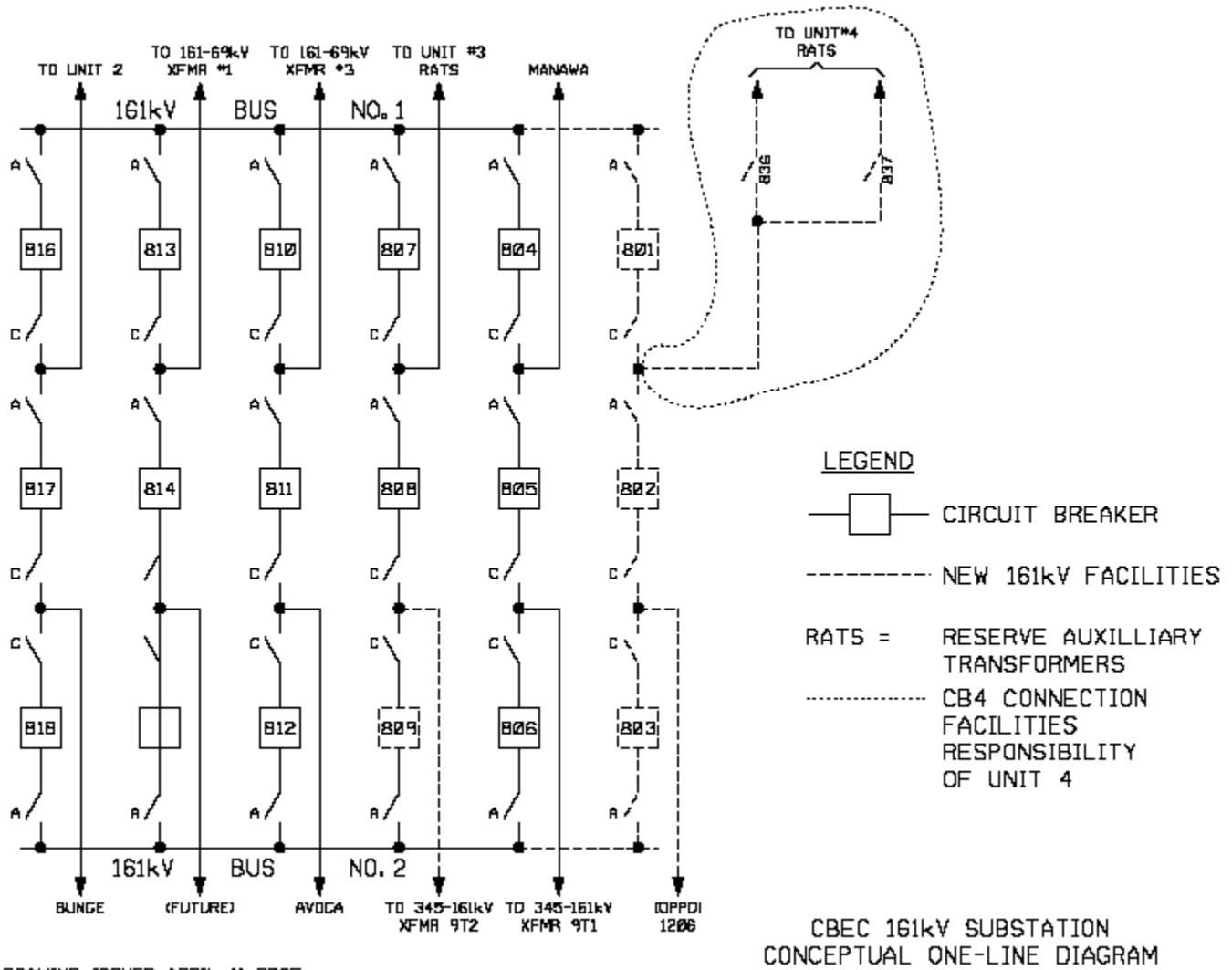
## EXHIBIT A.2 – CBEC 345 kV SUBSTATION AND CONNECTION FACILITIES



CBEC 345kV SUBSTATION  
 CONCEPTUAL ONE-LINE DIAGRAM

DATE DRAWING ISSUED: APRIL 11, 2005

## EXHIBIT A.3 – CBEC 161 kV SUBSTATION AND CONNECTION FACILITIES



DATE DRAWING ISSUED: APRIL 11, 2005



## **EXHIBIT B – CB4 OFFSITE TRANSMISSION NETWORK UPGRADES**

**The following are the jointly owned facilities beyond the CBEC Substation facilities described in Exhibit A that constitute CB4 Transmission Network Upgrades.**

**I. These Network Upgrades are paid for by the Owners in accordance with their respective Ownership Interests per Article III of the Agreement.**

**(A) CBEC – OPPD 161 kV Line Segment**

- (1) A 161 kV transmission line approximately 5.8 miles in length extending from the CBEC 161 kV substation to the middle of the Missouri River (“Iowa portion of the CBEC to OPPD Substation 1206 161 kV Line” – see Exhibit B.1A), with steel structures, all necessary hardware and accessory devices and all required easements and other land rights;
- (2) In consideration for certain value received by CIPCO from LES at Grimes Substation, per Section I. (D)(2) below, LES acquires an additional 34.60 MW of capacity in the CBEC-OPPD 161 kV line that was originally allocated to CIPCO’s Ownership Interest. LES assumes Ownership Interest in this 34.60 MW line capacity along with all associated benefits and responsibilities. The adjusted Ownership Interest in CBEC-OPPD 161 kV line shall be as illustrated on Exhibit B.1B attached hereto.

**(B) CBEC – Grimes 345 kV Line**

- (1) A 345 kV transmission line approximately 124 miles in length extending from the CBEC 345 kV Substation to the Grimes Substation (consisting of double-circuit structure construction with CBEC-Avoca-Atlantic-Earlham-Booneville 161 kV line and with Booneville-Grimes 345 kV line – see Exhibit B.2) with steel supporting structures, and all necessary hardware and accessory devices, together with all required easements and other land rights.
- (2) As approved by FERC on October 21, 2009 in Docket No. ER09-1574, Corn Belt Power Cooperative transferred to MidAmerican, in exchange for equitable capacity ownership in certain other MidAmerican transmission facilities, ownership of 25.30 MWs of Corn Belt’s capacity in the CBEC – Grimes 345 kV line. MidAmerican assumes Ownership Interest in this 25.30 MW line capacity along with all associated benefits and responsibilities. Corn Belt entered into this exchange of ownership in its own interest and in the interests of the members of the North Iowa Municipal Electric Cooperative Association (“NIMECA”) that are CB4 transmission owners (i.e., the Iowa municipalities of Alta, New Hampton, Spencer, Sumner, and West Bend). Accordingly, the initial 25.30 MW reduction in Corn Belt’s ownership interest in the CBEC – Grimes 345 kV line is allocated among Corn Belt and NIMECA-member CB4 transmission owners in proportion to their relative ownership interests in CB4 transmission, as follows:

• Corn Belt	18.37 MW
• Alta	0.45 MW
• New Hampton	1.85 MW
• Spencer	3.73 MW
• Sumner	0.45 MW
• West Bend	<u>0.45</u> MW
Total	<u>25.30</u> MW

The resulting adjusted Ownership Interest for the CBEC - Grimes 345 kV Line shall be as shown in Exhibit B.2A.

**(C) Booneville – Grimes 345 kV Line**

- (1)** A 16.45 - mile line segment that was originally the North-South leg of MidAmerican's Booneville – Sycamore 345 kV transmission line. At the cost of the CBEC 4 Owners, this segment is to be dismantled and restrung with new conductor and insulators on new double circuit structures as the East circuit of a double circuit section of the CBEC – Grimes 345 kV Line extending from Booneville Substation to Grimes Substation. (The CBEC – Grimes 345 kV line bypasses the Booneville substation and becomes the West circuit of this double circuited segment.) The capacity of the East circuit line segment is limited to 956 MW by equipment in Booneville Substation. This line will be owned by Owners according to their Ownership Interests as specified in Section 3.02. The ownership of capacity in the Booneville – Grimes 345 kV Line is shown on Exhibit B.3.

**(D) Grimes Substation 345 kV Facilities**

- (1)** The 345 kV portion of a new substation to be constructed near Grimes, Iowa as described and schematically shown on Exhibit B.4A, including the construction of transmission line tap structures, bus work, switches, surge arresters, metering equipment, protective devices, communications; and control equipment and devices, including six (6) 345 kV 3000 Ampere continuous, 50 kA interrupting, 1300 kV BIL circuit breakers - all as required for termination of the following circuits:
  - (a)** CBEC – Grimes 345 kV Line
  - (b)** Grimes – Booneville 345 kV Line
  - (c)** Grimes – Lehigh 345 kV Line
  - (d)** Grimes – Sycamore 345 kV Line Circuit Number 1
  - (e)** Grimes - Sycamore 345 kV Line Circuit Number 2
  - (f)** Grimes 345-161 kV Transformer
- (2)** A new 345-161 kV 560 MVA transformer, including 161 kV and 345 kV connections to this transformer and including two (2) 25 MVAR 13.8 kV switchable tertiary-connected reactors

- (a) In consideration for certain value received by LES from CIPCO in the form of 1) capacity on Transformer #2 at CBEC Substation, per Section III.(A) of Exhibit A, and 2) capacity in the CBEC-OPPD 161 kV line per Section I.(A)(1) above, CIPCO herein acquires Ownership Interest in all of the capacity in this Grimes Transformer originally allocated to LES's Ownership Interest. CIPCO assumes Ownership Interest in this capacity in Grimes Transformer together with all associated benefits and responsibilities. In addition, all other Owners have reduced their respective Ownership Interests in Grimes Transformer on a pro rata basis to grant CIPCO an additional 38.65 MW of capacity in the Grimes Transformer. The adjusted Ownership Interests in Grimes Transformer shall be as illustrated on Exhibit B.4B attached hereto. This adjustment of Ownership Interest percentages applies only to the assembled transformer as it was provided by the manufacturer and is exclusive of all external devices attached to the transformer.

**(E) Grimes Substation 161 kV Facilities**

- (1) Connections to the 345-161 kV 560 MVA transformer identified in IV. B. above.

**II. The following Facilities are Owned and Paid For by Agent:**

**(A) Grimes Substation 161 kV Facilities**

- (1) The 161 kV portion of a substation to be constructed near Grimes, Iowa as described and schematically shown on Exhibit B.4A, including construction of transmission line tap structures, bus work, switches, surge arresters, metering equipment, protective devices, communications, and control equipment and devices; three (3) 161 kV 3000 Ampere continuous, 50 kA interrupting, 750 kV BIL circuit breakers - all as required for termination of the following circuits:
  - (a) Grimes – 88<sup>th</sup> Street Substation 161 kV Line
  - (b) Grimes – 100<sup>th</sup> & 54<sup>th</sup> Avenue Substation 161 kV Line
  - (c) Grimes 345-161 kV Transformer

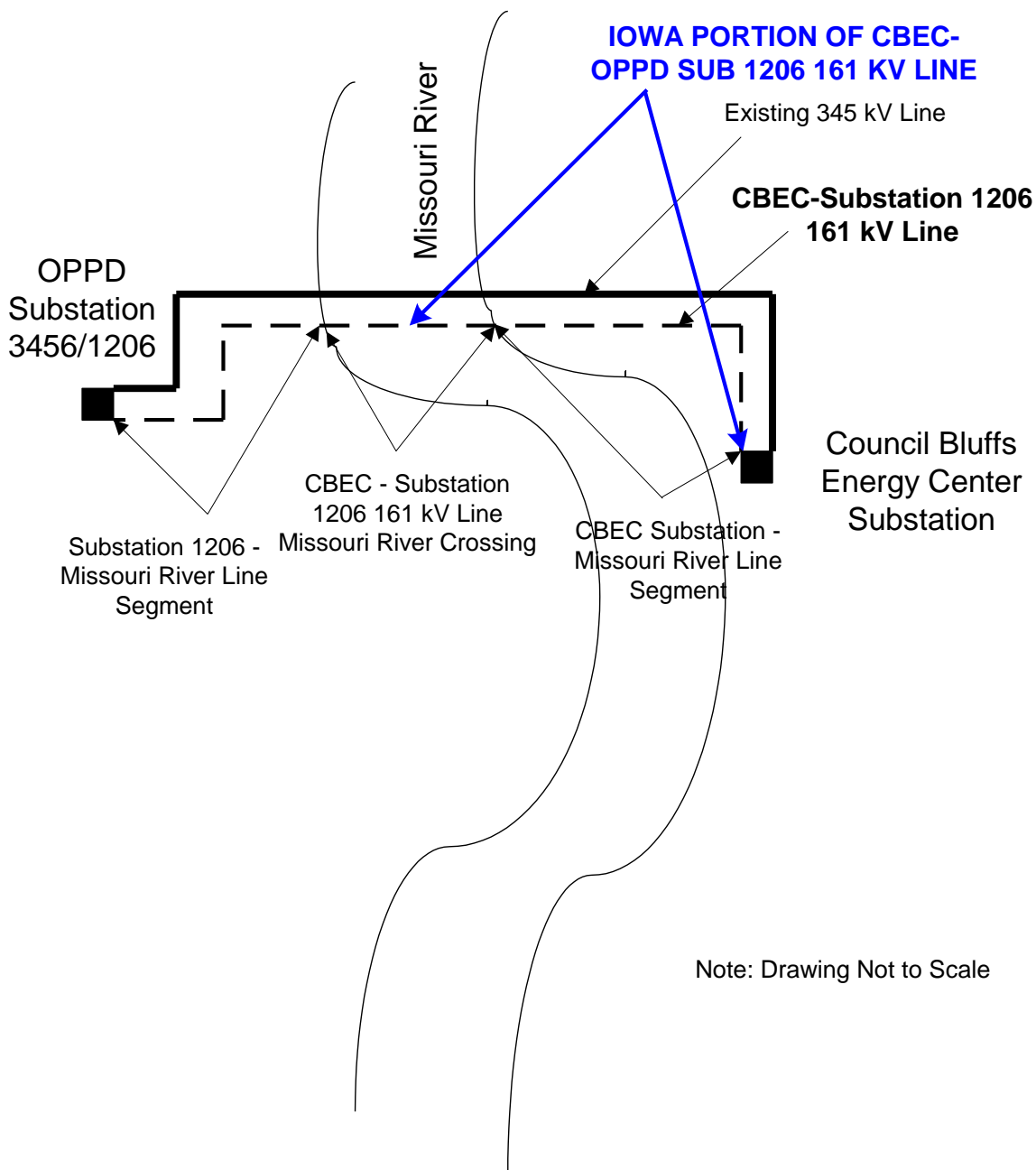
**III. The Following Facilities Are Owned by Agent and Paid for, In Part, by Owners**

**(A) New Booneville-Norwalk 161 kV line including 161 kV line terminals at Booneville and at Norwalk**

- (1) The Owners will pay for 19.42% of the cost of constructing the Booneville – Norwalk 161 kV line, which share represents the costs to accelerate the timeline for construction of these facilities from a previously planned completion date of 2010 to the in-service date of CB4 Transmission. An Owner will be eligible to receive credits to the extent of that Owner's investment in the Booneville – Norwalk 161 kV line, on a dollar-for-dollar basis including interest, against the non-usage-sensitive portion of any network transmission service charges under MidAmerican's OATT.
- (2) MidAmerican will pay for 80.58% of the cost of construction of the Booneville – Norwalk 161 kV line, will own the line and will pay 100% of its ongoing O&M, repair, replacement and retirement costs.

**(B)** The right-of-way for MidAmerican's existing 161 kV transmission line, CBEC-Avoca-Atlantic-Earlham-Bonneville, is to be used for a portion of the line route for the new CBEC to Grimes 345 kV transmission line. To achieve use of this common right-of-way, the Owners will install new double circuit structures and will install the MidAmerican 161 kV circuit on the new common structures. MidAmerican shall continue to have sole ownership of the 161 kV circuit, which supplies three intervening load-serving substations. MidAmerican shall have no payment obligation to Owners in any form with regard to the 161 kV circuit. The Owners shall have responsibility to maintain the double circuit structures. After the double circuit lines are placed in service, the Owners shall be responsible for all costs related to the 345 kV circuit and MidAmerican shall be responsible for all costs related to the 161 kV circuit.

**EXHIBIT B.1A – IOWA PORTION OF 161 kV LINE FROM CBEC TO**  
**OPPD SUB 1206**  
(Drawing issued 4/7/05)



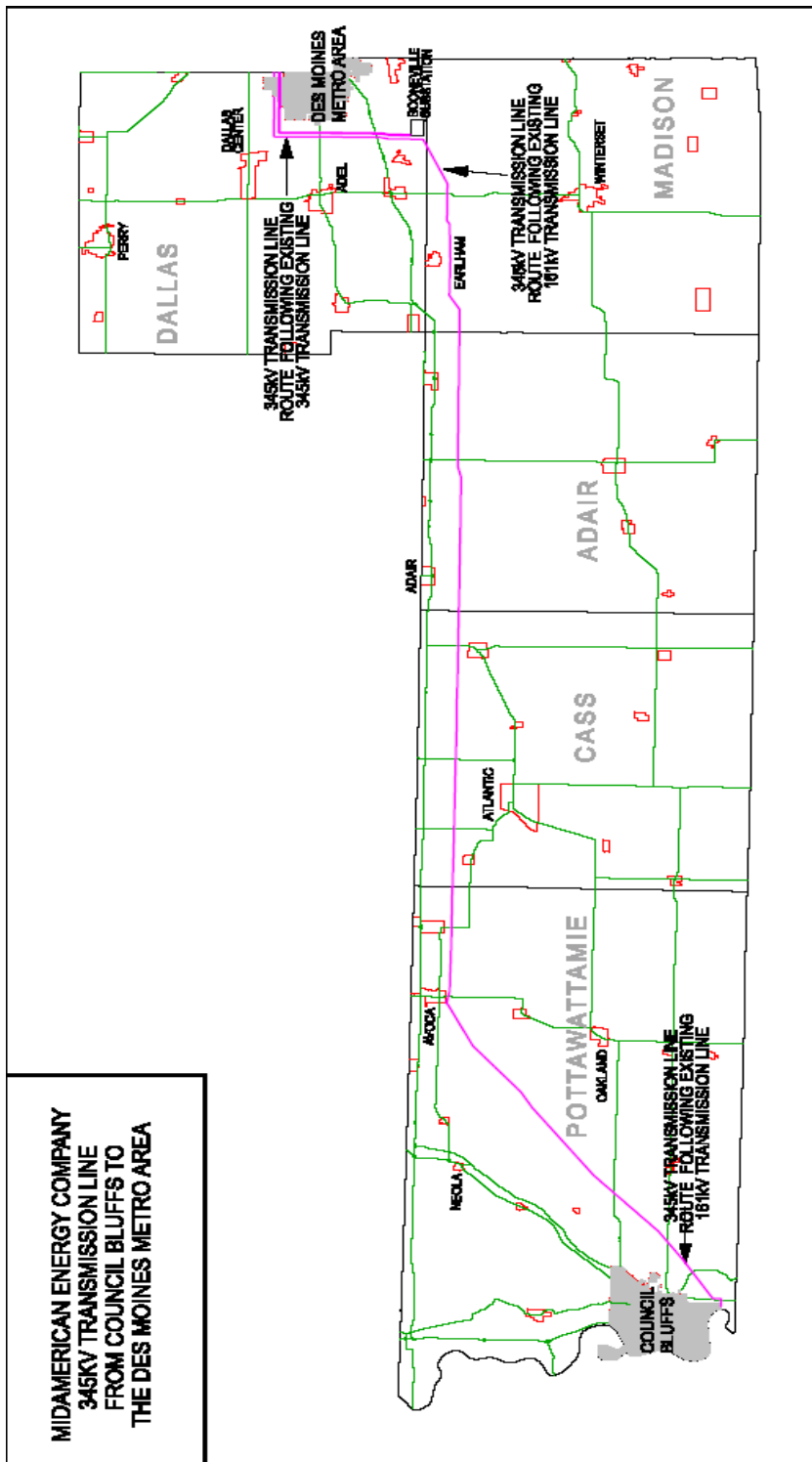
Note: Drawing Not to Scale

**EXHIBIT B.1B – ADJUSTED CBEC TO OPPD 161 kV LINE CAPACITY ALLOCATION**

As described in Exhibit B, Section I. (A) above, the table below reflects a transfer from Central Iowa Power Cooperative to the City of Lincoln, Nebraska of capacity in the jointly owned portion of the CBEC - OPPD Substation 1206 161 kV transmission line in the amount of 34.60 MWs (6.21%). This transfer was arranged to accommodate the specific transmission needs of these Owners.

Owner	Ownership Interest	Capacity Allocation (MWs)
MidAmerican Energy Company	59.66%	332.89
City of Lincoln, Nebraska	18.86%	105.24
Central Iowa Power Cooperative	2.81%	15.68
Municipal Energy Agency of Nebraska	6.67%	37.22
Corn Belt Power Cooperative	5.33%	29.74
City of Cedar Falls, Iowa	2.02%	11.27
City of Pella, Iowa	1.33%	7.42
City of Spencer, Iowa	1.07%	5.97
City of Eldridge, Iowa	0.53%	2.96
City of New Hampton, Iowa	0.53%	2.96
City of Montezuma, Iowa	0.40%	2.23
City of Waverly, Iowa	0.40%	2.23
City of Alta, Iowa	0.13%	0.73
City of Sumner, Iowa	0.13%	0.73
City of West Bend, Iowa	0.13%	0.73
Total Capacity	100.00%	558.00

## EXHIBIT B.2 – CBEC TO GRIMES 345 kV LINE (INCLUDING BOONEVILLE-GRIMES LINE)



**EXHIBIT B.2A – ADJUSTED CBEC – GRIMES 345 kV LINE**  
**CAPACITY ALLOCATION**

As described in Exhibit B, Section I. (B)(2) above, the table below reflects a transfer from Corn Belt Power Cooperative and the NIMECA-member owners of CB4 Transmission (the Iowa municipalities of Alta , New Hampton, Spencer, Sumner, and West Bend) to MidAmerican Energy Company of capacity in the jointly owned portion of the CBEC – Grimes 345 kV transmission line in the amount of 25.30 MWs (1.45%). This transfer was arranged as part of an exchange of transmission facility ownership to accommodate the specific CB4 transmission outlet needs of Corn Belt and those Iowa municipalities.

Owner	Ownership Interest	Allocation MWs
MidAmerican Energy Company	61.11%	1,062.77
City of Lincoln, Nebraska	12.66%	220.16
Central Iowa Power Cooperative	9.01%	156.68
Municipal Energy Agency of Nebraska	6.67%	115.99
Corn Belt Power Cooperative	4.27%	74.32
City of Cedar Falls, Iowa	2.02%	35.13
City of Pella, Iowa	1.33%	23.13
City of Spencer, Iowa	0.85%	14.88
City of Eldridge, Iowa	0.53%	9.22
City of New Hampton, Iowa	0.42%	7.37
City of Montezuma, Iowa	0.40%	6.96
City of Waverly, Iowa	0.40%	6.96
City of Alta, Iowa	0.11%	1.81
City of Sumner, Iowa	0.11%	1.81
City of West Bend, Iowa	0.11%	1.81
Total Capacity	100.00%	1,739.00

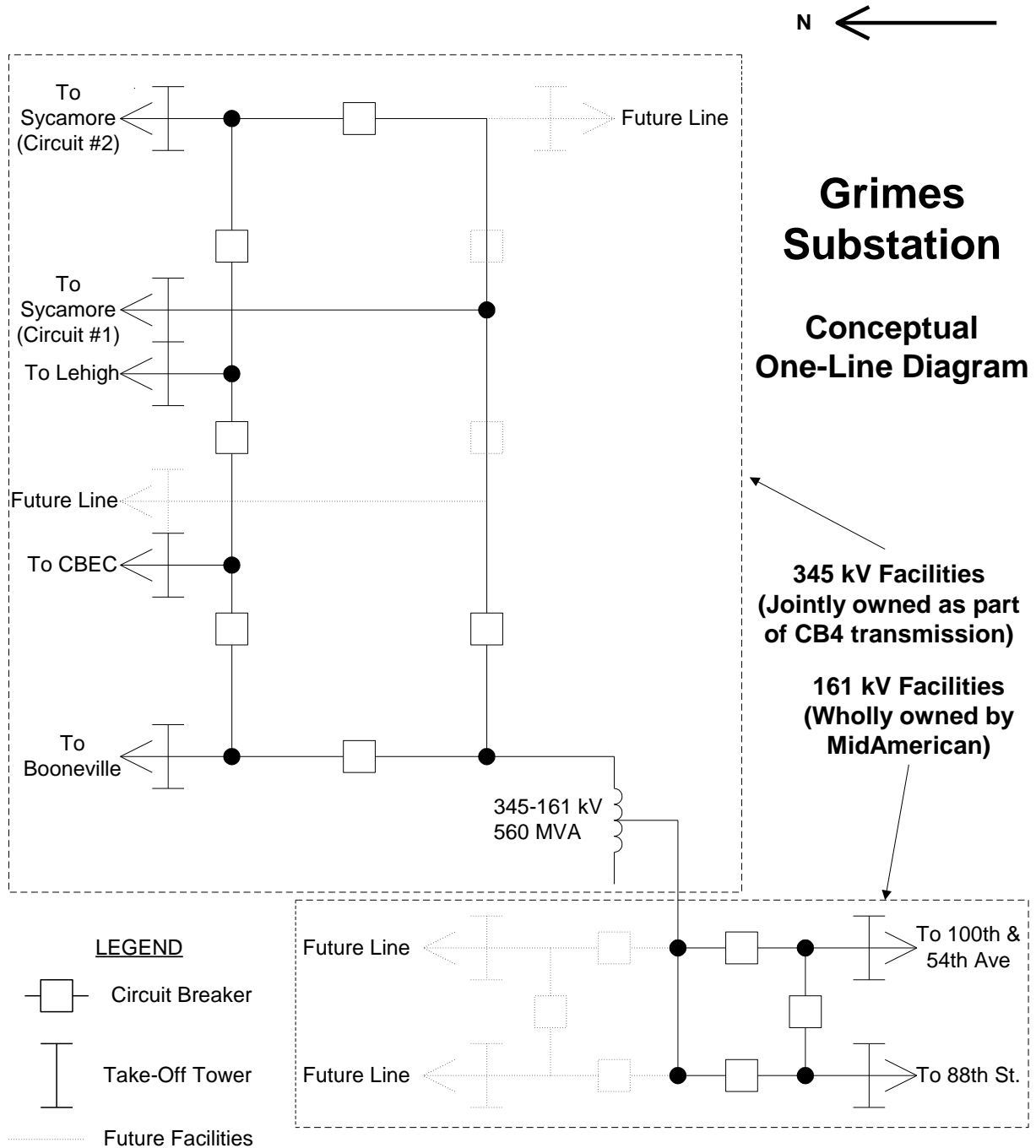


### **EXHIBIT B.3 – BOONEVILLE TO GRIMES 345 kV LINE**

As described in Exhibit B, Section I. (C) above, the table below shows that the Ownership Interest in the former 16.45 mile North-South leg of MidAmerican’s Booneville – Sycamore 345 kV transmission line is allocated on the basis of CBEC 4 ownership per Section 3.02 of the Agreement. As part of the CBEC 4 project, the CBEC 4 Owners are responsible for the cost of dismantling and restringing this line segment with new insulators and conductor on new structures as the East circuit of a double circuit section of the CBEC – Grimes 345 kV Line extending from Booneville Substation to Grimes Substation. The CBEC – Grimes 345 kV line bypasses Booneville Substation and becomes the West circuit of this double circuited segment. The capacity of the East circuit is limited initially to 956 MW by equipment in Booneville Substation. The rebuilding of this line shall not be treated as a component of Network Upgrades on Affected Systems. The resulting capacity allocations are shown below.

Owner	Ownership Interest	Capacity Allocation (MW)
MidAmerican Energy Company	59.66%	570.36
City of Lincoln, Nebraska	12.66%	121.03
Central Iowa Power Cooperative	9.01%	86.14
Municipal Energy Agency of Nebraska	6.67%	63.77
Corn Belt Power Cooperative	5.33%	50.95
City of Cedar Falls, Iowa	2.02%	19.31
City of Pella, Iowa	1.33%	12.71
City of Spencer, Iowa	1.07%	10.23
City of Eldridge, Iowa	0.53%	5.07
City of New Hampton, Iowa	0.53%	5.07
City of Montezuma, Iowa	0.40%	3.82
City of Waverly, Iowa	0.40%	3.82
City of Alta, Iowa	0.13%	1.24
City of Sumner, Iowa	0.13%	1.24
City of West Bend, Iowa	0.13%	1.24
Total Capacity	100.00%	956.00

**EXHIBIT B.4A – GRIMES SUBSTATION**  
 (Drawing issued 4/7/05)



**EXHIBIT B.4B – ADJUSTED GRIMES TRANSFORMER CAPACITY  
 ALLOCATION**

As described in Exhibit B, Section I. (D)(2) above, the table below reflects a transfer of 70.90 MW (12.66%) of capacity in the Grimes 345-161 kV Transformer from the City of Lincoln, Nebraska to Central Iowa Power Cooperative, and an additional 38.65 MW of capacity in this transformer to Central Iowa Power Cooperative by a pro rata reduction in the Ownership Interests of the other Owners, resulting in an Ownership Interest in the Grimes 345-161 kV Transformer on the part of Central Iowa Power Cooperative of 160.00 MW (28.57%). These transfers were arranged to facilitate accommodation of the specific transmission needs of certain Owners.

Owner	Ownership Interest	Capacity Allocation (MW)
MidAmerican Energy Company	54.42%	304.65
City of Lincoln, Nebraska	-	-
Central Iowa Power Cooperative	28.57%	160.00
Municipal Energy Agency of Nebraska	6.08%	34.06
Corn Belt Power Cooperative	4.86%	27.22
City of Cedar Falls, Iowa	1.84%	10.31
City of Pella, Iowa	1.21%	6.79
City of Spencer, Iowa	0.98%	5.46
City of Eldridge, Iowa	0.48%	2.71
City of New Hampton, Iowa	0.48%	2.71
City of Montezuma, Iowa	0.36%	2.04
City of Waverly, Iowa	0.36%	2.04
City of Alta, Iowa	0.12%	0.67
City of Sumner, Iowa	0.12%	0.67
City of West Bend, Iowa	0.12%	0.67
Total Capacity	100.00%	560.00

## **EXHIBIT C – NETWORK UPGRADES ON AFFECTED SYSTEMS**

**The following facilities are owned by the owner of the respective Affected System, as indicated, and the original construction costs of these facilities are paid for by the Owners in accordance with their respective Ownership Interests per Section 3.01 of the Agreement:**

- I. Omaha Public Power District (“OPPD”) Network Upgrades – The facilities identified below on the OPPD transmission system are specified and described in the Facilities Agreement between MidAmerican Energy Company and Omaha Public Power District dated December 10, 2004.
  - A) Substation 1206 – CBEC 161 kV Line Segment
    - 1) A new 161 kV transmission line approximately 3.8 miles in length extending from OPPD’s 161 kV Substation 1206 to the middle of the Missouri River (a part of the CBEC to OPPD Substation 1206 161 kV Line – see Exhibit C.1), with steel supporting structures, and all necessary shielding, insulators, hardware and accessory devices; together with all required easements and other land rights
  - B) Substation 1206 – Substation 1217 161 kV Line
    - 1) A new 161 kV transmission line extending from OPPD’s 161 kV Substation 1206 to OPPD’s Substation 1217, with steel and/or wood supporting structures, and all necessary shielding, insulators, hardware and accessory devices; together with all required easements and other land rights
  - C) Substation 1206 161 kV Substation Modifications
    - 1) Facilities at OPPD’s 161 kV Substation 1206 including construction of bus work, surge arresters, metering equipment, protective devices, communications, and control equipment and devices; all as required for termination of the following new line circuits:
      - a) CBEC – Substation 1206 161 kV Line
      - b) Substation 1206 – Substation 1217 161 kV Line
  - D) Substation 1217 161 kV Substation Modifications
    - 1) Facilities at OPPD’s 161 kV Substation 1217, including construction of bus work, surge arresters, metering equipment, protective devices, communications, and control equipment and devices; all as required for termination Substation 1206 – Substation 1217 161 kV Line.
  - E) Substation 3456 Modifications
    - 1) 345 kV switch replacements at OPPD’s Substation 3456 on the CBEC 345 kV line terminal
  - F) Substation 3456 – Substation 3459 Communications Enhancements

- 1) Fiber Optic Communications Shield Wire between OPPD's 345 kV Substation 3456 and OPPD's 345 kV Substation 3459

G) Cooper – St. Joseph 345 kV Line Modifications

- 1) Modifications to the existing Cooper – St. Joseph 345 kV line between the 345 kV Cooper Substation and the Missouri River to increase its maximum operating temperature due to clearance limits to 85 degrees Celsius.

II. Aquila Network Upgrades – The facilities indicated below are required on the Aquila transmission system and are to be specified and described in a Facilities Agreement between MidAmerican Energy Company and Aquila.

A) Cooper – St. Joseph 345 kV Line Modifications

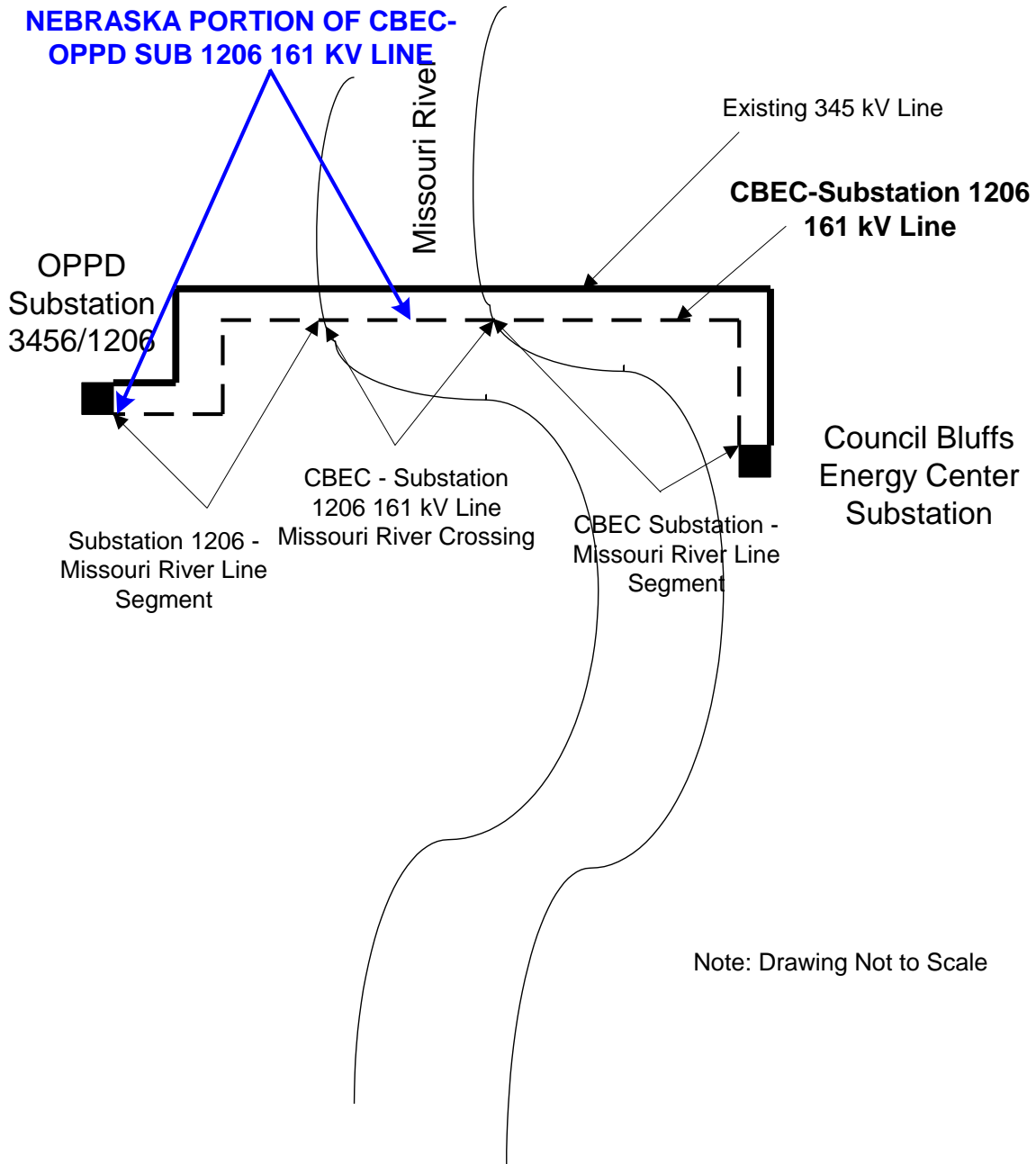
- 1) Modifications to the existing Cooper – St. Joseph 345 kV line between the Missouri River and the St. Joseph 345 kV substation to increase its maximum operating temperature due to clearance limits to 85 degrees Celsius.

III. Nebraska Public Power District (“NPPD”) Network Upgrades – The facilities indicated below are required on the NPPD transmission system to be specified and described in the Facilities Agreement between MidAmerican Energy Company and Nebraska Public Power District.

A) Cooper Substation Modifications

- 1) Modifications and equipment replacements at NPPD's 345 kV Cooper Substation including replacing breakers, disconnect switches and current transformers associated with the Cooper terminal of the Cooper – St. Joseph 345 kV line and including replacing current transformers associated with the Cooper terminal of the Cooper – Fairport 345 kV line.

**EXHIBIT C.1 – NEBRASKA PORTION OF 161 kV LINE FROM CBEC TO**  
**OPPD SUB 1206**  
(Drawing issued 4/7/05)



## **EXHIBIT D – UNIT 4 CONNECTION FACILITIES**

### I. Unit 4 Connection Facilities:

(A) The local transmission line spans extending from CBEC Substation to Unit 4, as indicated schematically on Exhibit A.2 and Exhibit A.3, which, per FERC policy, are treated as generator facilities:

- (1) A span of 345 kV transmission line extending from the CBEC 345 kV substation to the generator step-up transformer associated with Unit 4;
- (2) A span of 161 kV transmission line extending from the CBEC 161 kV substation to the reserve auxiliary transformers associated with Unit 4, including Switches B36 B37.

## **EXHIBIT E – ACCOUNTING MEMORANDUM**

### **For CB4 Transmission Facilities and Operating Agreement**

#### **I. Purpose**

This Accounting Memorandum (“Memorandum”) is part of the Agreement among the Owners, relating to the development, design, procurement, construction, operation and maintenance, repair, replacement and retirement of CB4 Transmission. The terms used in this Memorandum shall have the same meaning as in the Agreement.

It is recognized this Memorandum may not include all the necessary accounting procedures. The Transmission Operating Committee shall meet from time to time to establish business practices for implementation of this memorandum, or to discuss accounting procedures and questions to attempt to reach mutually satisfactory amendments to this Memorandum. In the event any dispute arises out of or relating to this Memorandum, which cannot be resolved to the mutual satisfaction of all Owners, an independent expert, such as one of the five largest public accounting firms, may be retained to provide guidance to the Owners.

#### **II. Books and Records**

Books and records applicable to shared costs shall be kept by Agent at its principal office or its other storage facilities, in accordance with Section 6.03 of the Agreement and retained as required by Part 125 – “Preservation of Records of Public Utilities and Licensees” – of the FERC regulations or any other regulatory body having jurisdiction. Agent shall, during normal working hours, make available at its principal office all such original records and supporting documents to authorized representatives of the other Owners. The records shall also be made available, on written request by any of the Owners, to independent auditors and representatives of any regulatory body or taxing authority having jurisdiction for inspection, copying, audit or other proper business requirements. Upon request by the Owners, Agent shall furnish copies of such records and shall be reimbursed for the expense of preparing such copies by the Owner making such request.

#### **III. Construction Costs**

Construction costs shall be accounted for in accordance with the accounting procedures typically used by MidAmerican. All “shared” original construction costs shall be allocated to the Owners according to their Ownership Interests as set forth in Section 3.01 of the Agreement. The Final Ownership Interests described in subsection III.4. below represent the Owners’ interests in and cost responsibility for CB4 Transmission post-original construction,



and reflect a transfer of ownership in CB4 Transmission equivalent to an 8 MWs share of CBEC Unit 4 from MidAmerican to CIPCO. This transfer of ownership in CB4 Transmission will become effective upon initial operation of CB4 Transmission.

1. **Shared costs** are those costs in which all Owners participate. These costs shall include but not necessarily be limited to the following:
  - (a) Site selection and acquisition costs
  - (b) Costs of obtaining permits and certificates
  - (c) Environmental studies and evaluations
  - (d) Cost of studies required by applicable regional transmission authorities
  - (e) Design, construction engineering and project management costs
  - (f) Contractors' costs
  - (g) Material and equipment costs
  - (h) Insurance costs
  - (i) Sales, use and local option sales taxes
  - (j) MidAmerican construction labor
  - (k) MidAmerican overheads applicable to construction
  
2. **Cost Sharing With Respect to Specific CB4 Transmission Facilities**
  - (a) Booneville – Norwalk 161 kV Line costs are those costs incurred in the construction of the new Booneville – Norwalk 161 kV Line, which will be allocated as follows:
    - (i) Agent – 80.58%;
    - (ii) Joint Owners – 19.42%, according to pro rata ownership shares per Section 3.01.
  - (b) CBEC Transformer #2 costs will be allocated as shown in Exhibit A.1
  - (c) Iowa segment of the CBEC - OPPD Sub 1206 161 kV Line costs will be allocated as shown in Exhibit B.1B
  - (d) Grimes 345-161 kV Transformer costs will be allocated as shown in Exhibit B.4B
  
3. **Unshared costs** are those costs incurred by any of the Owners to be paid for, “owned” and recorded solely by such Owner. These costs shall include but not necessarily be limited to the following:
  - (a) Financing costs, including allowance for funds used during construction
  - (b) Income taxes
  - (c) Iowa Utility Replacement tax
  - (d) Depreciation and amortization
  
4. **Final Ownership Interests** - MidAmerican shall cede and transfer from its Ownership Interest in CB4 Transmission to CIPCO an amount of capacity in CB4 Transmission equivalent to a fixed 8 MW of ownership in CBEC Unit 4. The revisions to the respective Ownership shares of MidAmerican and CIPCO in CB4 Transmission facilities shall be based on the ratio of 8 MW to an assumed CBEC Unit 4 rating of 790 MWs, or

1.01%. This transfer will become effective at such time as CB4 Transmission operations commence. The allocation of original construction costs for CB4 Transmission shall be unaffected by this transfer, and responsibility for such costs will continue in accordance with Section 3.01. After this transfer becomes effective, Ownership Interests in CB4 Transmission, except for the special allocations applied to certain CB4 Transmission facilities referenced in III.2.(b), -(c) and -(d) above (which include the effect of this transfer), shall be according to the Final Ownership Interests, as follows:

Owner	Ownership Interest
MidAmerican Energy Company	59.66%
City of Lincoln, Nebraska	12.66%
Central Iowa Power Cooperative	9.01%
Municipal Energy Agency of Nebraska	6.67%
Corn Belt Power Cooperative	5.33%
City of Cedar Falls, Iowa	2.02%
City of Pella, Iowa	1.33%
City of Spencer, Iowa	1.07%
City of Eldridge, Iowa	0.53%
City of New Hampton, Iowa	0.53%
City of Montezuma, Iowa	0.40%
City of Waverly, Iowa	0.40%
City of Alta, Iowa	0.13%
City of Sumner, Iowa	0.13%
City of West Bend, Iowa	0.13%
Total	100.00%

**IV. Description of MidAmerican Construction Cost Elements**

MidAmerican, as a part of its project management and coordination responsibilities, shall provide certain services for all of the Owners. Charges for these services are defined in the following sections:

1. **MidAmerican Payroll** – Direct labor cost and labor-related loadings, such as those described in 2. a. through e. below shall be charged to the CB4 Transmission.
  
2. **MidAmerican Indirect Costs** – Indirect costs shall be charged to CB4 Transmission through loadings rates applied to the related MidAmerican direct costs charged to CB4 Transmission. The loading rates shall be reviewed regularly and adjusted as necessary to provide for the proper loading of indirect costs.
  - a. **Paid Absences** – The cost of paid absences such as vacation, holidays, sickness and

other paid time off shall be charged to CB4 Transmission as percentages of direct construction payroll according to MidAmerican procedures. The loading rate applied to direct payroll shall be based on MidAmerican's system-wide experience for paid absences.

- b. **Payroll Taxes** – Payroll taxes such as federal and state unemployment taxes and FICA taxes shall be charged to CB4 Transmission as percentages of direct construction payroll according to MidAmerican procedures. The loading rate applied to direct payroll shall be based on MidAmerican's system-wide experience for payroll taxes.
  - c. **Pensions and Benefits** – The cost of pensions and benefits shall be charged to CB4 Transmission as percentages of direct construction payroll according to MidAmerican procedures. The loading rate applied to direct payroll shall be based on MidAmerican's system-wide experience for pensions and benefits.
  - d. **Performance Incentive Plan** – The cost of MidAmerican's performance incentive plan shall be charged to CB4 Transmission as a percentage of direct construction payroll according to MidAmerican procedures.
  - e. **Injuries and Damages** – A provision for injuries and damages shall be charged to CB4 Transmission as percentages of direct construction payroll according to MidAmerican procedures. The loading rate applied to direct payroll shall be based on MidAmerican's system-wide experience for injuries and damages.
  - f. **Stores Expense** – The cost of CB4 Transmission materials obtained from MidAmerican storerooms shall include a stores expense loading and shall be the same as used by MidAmerican to load similar stores issues to other work orders during the month.
3. **MidAmerican Vehicle and Equipment Expenses** – The cost of project-related usage of vehicles and equipment owned by MidAmerican shall be charged to CB4 Transmission according to MidAmerican's procedures.
4. **MidAmerican Administrative and General Expenses**
- a. **Legal, Accounting and Consulting Costs** – Retainer fees shall not be capitalized unless the firm has been retained specifically as a result of CB4 Transmission. Professional fees and out-of-pocket expenses in excess of normal retainers shall be charged directly to CB4 Transmission.
  - b. **Audit of Construction Costs** – During the period of construction, CB4 Transmission construction costs will be audited annually, in conjunction with CBEC Unit 4 construction costs, by an independent auditor chosen by MidAmerican.

Reports summarizing findings and recommendations of these reviews shall be furnished to each Owner. The costs associated with these audits shall be shared among the Owners per terms of the CBEC Unit 4 Joint Operating Agreement.

- c. **Other Expenses** – All other administrative and general expenses not covered above which are related to the construction of CB4 Transmission shall be identified and charged to CB4 Transmission.
5. **Financing Costs or Allowance for Funds Used During Construction** – Each Owner shall record its own financing costs, including allowance for funds used during construction.
6. **Construction Power** – Construction power shall be charged to CB4 Transmission until the date that the pertinent facilities are placed in service.
7. **Other Costs** – Other costs not covered above which are related to the construction of CB4 Transmission shall be identified and charged to the CB4 Transmission.

## V. **Banking and Funds**

All shared costs of CB4 Transmission shall be paid by MidAmerican from funds provided by the Owners.

1. **Estimate of Cash Requirements** – At least 5 Business Days prior to the date specified for deposit an estimate of the cash requirement for the following month shall be prepared and provided to the Owners. During the initial construction of CB4 Transmission, a supplemental cash estimate showing the anticipated cash requirements by months for the next succeeding twelve months and annually for succeeding years shall be prepared and provided to the Owners.
2. **Request for Advance Funds** – On the date specified for deposit each Owner shall deposit, via electronic funds transfer, its share of CB4 Transmission costs for that month in the account specified by MidAmerican based on the most recent estimate of cash requirements. MidAmerican shall coordinate as necessary to ensure funds are deposited to meet payment requirements.

## VI. **Property Records and Reports**

MidAmerican shall furnish the Owners a monthly report showing the allocation of shared costs to the Owners. After the completion of construction, MidAmerican shall unitize CB4 Transmission expenditures in accordance with the FERC Uniform System of Accounts using its own procedures and property units and shall inform the Owners as to the total of shared costs for each property unit. Subsequent additions or retirements shall be reported to the Owners by property units.

## VII. Facility Charges

1. **Monthly Facility Charge – Unit 3 Common Facilities** – The monthly facility charge to be paid to the Unit 3 owners by the Owners shall be based on the following formula applied on an annual basis:

Unit 4 Capacity \* Costs applicable to Unit 3 Common Facilities  
B

Where “B” is equal to the sum of the capacities of all units at CBEC to which Unit 3 Common Facilities are devoted.

Determination of costs applicable to Unit 3 Common Facilities is based on the following:

- a. **Depreciation** – A provision for depreciation shall be computed on depreciable property using the straight–line method and lives applied to original installed book cost as determined from MidAmerican unit property records or estimated by MidAmerican. For the purposes of this computation, the rate shall be applied to original book cost as of the preceding calendar year–end.
- b. **Iowa Utility Replacement and State-Wide Property Taxes** – Iowa Utility Replacement taxes and state-wide property taxes shall be based on the best available information. The property tax component of the facility charge rate to be applied to CB4 Transmission common facilities will be calculated by applying the product of 1) the ratio of assessed value to book value of transmission, 2) the mil levy rate for the taxing district/1000, 3) the percentage share of the taxed facilities allocated by capacity, to the book value of the designated CB4 common transmission facilities.
- c. **Insurance** – Any insurance costs allocable to the Unit 3 Common Facilities. The insurance component of the facility charge rate to be applied to CB4 Transmission common facilities will be calculated by applying the rate derived by dividing the insurance premiums assessed to jointly owned transmission facilities by the insurable value of those facilities, to the insurable value of the designated CB4 common transmission facilities.
- d. **Income Taxes and Return** – The Facility Charge Rate component for Income Taxes and Return will be based on the format and methodology used to derive MidAmerican’s Return on Rate Base [i.e., Weighted Cost of Capital (WCC)] and Composite Income Tax components in MidAmerican’s FERC-approved generation cost-based rate filing of August 1, 2005 (Docket Nos. ER96-719-006 and EL05-59-001). Those calculations are shown on Pages 2 and 3 of Attachment C of that filing. For purposes of computing the Return component of the CB4 Transmission Common Facility Charge rate, the return on common equity (ROE) of 10.50% in use under the presently effective FERC-approved transmission tariff will be substituted for the 12.25% ROE used in the above-referenced filing. This adjustment results in a Return

component for the CB4 Transmission Facility Charge rate of 7.84%, and also causes a decrease in the Composite Income Tax component from 3.11% to 2.59%, resulting in a total Income Tax and Return rate for CB4 Transmission of 10.43%. This rate will remain fixed for the year until unless and until there is a significant change in any of the factors used in computing the rate, except that the 10.50% ROE will remain fixed unless and until FERC approves a different ROE for use under MidAmerican's Open Access Transmission Tariff.

The facility charge, as calculated above, shall remain fixed for the year unless and until there is a significant change in any of the factors used to calculate the components. Such charges shall commence with commercial operation of CB4 Transmission or any applicable component thereof.

**2. Monthly Facility Charge - MidAmerican Common Facilities at Grimes Substation –**

The monthly facility charge to be paid to MidAmerican by the Owners will be based on the following formula applied on an annual basis:

$$\frac{\text{CB4 Transmission Investment at Grimes}}{\text{Total Grimes Substation Investment}} * \frac{\text{Costs applicable to MidAmerican Common Facilities at Grimes Sub}}{\text{Common Facilities at Grimes Sub}}$$

The facility charges, as calculated above, shall remain fixed for the year unless and until there is a significant change in any of the factors used to calculate the components. Such charges shall commence with commercial operation of CB4 Transmission or any applicable component thereof.

Costs applicable to MidAmerican Common Facilities at Grimes Substation are determined in a like manner as in Section VII, Paragraph 1. a. through d. above.

**3. Monthly Facility Charge – CB4 Transmission Common Facilities –**

- a. The monthly facility charge to be paid by MidAmerican to the Owners shall be based on the following formula applied on an annual basis:

$$\frac{\text{Units 1 \& 2 Capacity}}{C} * \frac{\text{Costs applicable to CB4 Transmission Common Facilities used at CBEC Substation, if any}}{\text{used at CBEC Substation, if any}}$$

Where "C" is equal to the sum of the capacities of all units at CBEC to which CB4 Transmission Common Facilities are devoted.

- b. The monthly facility charge to be paid by the Unit 3 owners to the Owners shall be based on the following formula applied on an annual basis:

$$\text{Unit 3 Capacity} * \text{Costs applicable to CB4 Transmission Common Facilities}$$

C                    used at CBEC Substation, if any

Where “C” is equal to the sum of the capacities of all units at CBEC to which CB4 Transmission Common Facilities are devoted.

The facility charge, as calculated above, shall remain fixed for the year unless and until there is a significant change in any of the factors used to calculate the components. Such charges shall commence with commercial operation of CB4 Transmission or any applicable component thereof.

Costs applicable to CB4 Transmission Common Facilities are determined in a like manner as in Section VII, Paragraph 1. a. through d. above.

### **VIII. Operating and Maintenance Expenses**

All operating and maintenance expenses incurred by MidAmerican for CB4 Transmission, Unit 3 Common Facilities, MidAmerican Common Facilities at Grimes Substation, and CB4 Transmission Common Facilities, and shall be shared by the Owners in accordance with Sections 3.02, 3.05, 3.06, 3.07, and 6.01 of the Agreement. Specific portions of these expenses shall be charged to the Owners in the following manner:

1. **CB4 Transmission Operating and Maintenance Expenses** – As practical, labor and other operating and maintenance expenses, which can be directly identified with CB4 Transmission, shall be charged directly to CB4 Transmission. Payroll expenses shall include loadings as described in Section IV. 2., a. through f. of this Memorandum. Expenses partially, but not wholly, applicable to CB4 Transmission shall be allocated to CB4 Transmission on an equitable basis approved by the Transmission Operating Committee.
2. **Administrative and General Expenses** – In order for MidAmerican to recover its indirect costs associated with the operation of CB4 Transmission, overhead loadings shall be added to the operations and maintenance expenses billed to the Owners. The overhead loading amounts will be calculated by multiplying MidAmerican’s estimated Transmission/HV Distribution G&A Loading Rate by the sum of the direct payroll and paid absence loading.
  - a. The Transmission/HV Distribution G&A Loading Rate loading rate is calculated by dividing the total of Administrative and General Salaries, Office Supplies and Expenses, Rents, and Maintenance of General Plant by direct O&M payroll. The G&A loading rate is applied to the sum of direct Transmission O&M payroll as charged plus paid absence loading.
  - b. The Paid Absence Loading Rate, by dividing Vacation, Sick Leave and Holiday costs by productive (non-paid absence) direct payroll. Throughout the year, the associated accruals are monitored against actual costs and the rate is adjusted as necessary so that the accruals

match actual costs at yearend. The paid absence loading rate is applied to productive (non-paid absence) Transmission O&M direct payroll.

Following the end of each year the actual overhead loading rate for that year shall be calculated and a true-up adjustment shall be made.

All other administrative and general expenses allocable to CB4 Transmission shall be identified and charged directly to CB4 Transmission.

**3. Third Party Charges** – Any applicable charges allocated to Agent based on, or as a consequence of, CB4 Transmission, including but not limited to FERC fees, NERC or Regional Reliability Council allocations, charges allocated by a regional entity having authority over CB4 Transmission, or charges from any other entity having a legitimate basis to allocate charges to CB4 Transmission.

**IX. Materials and Supplies**

Materials and supplies shall be charged to CB4 Transmission at cost plus an appropriate loading charge, where applicable. The loading rate for Materials and Supplies is computed by dividing Stores labor and transportation expenses by the balance in Stores Inventory. The rate is monitored monthly and adjusted as necessary through the year. The Stores loading rate is applied to the value of stores issuances. Thus, any materials issued from an MEC storeroom for use on a jointly owned transmission facility would be charged to a joint transmission O&M account and would include loading at this rate.

**X. Vehicle and Equipment Charges**

The cost of MidAmerican vehicles and equipment used in relation to CB4 Transmission shall be charged to CB4 Transmission. Vehicle usage rates are developed by assigning vehicle overheads (maintenance costs, license fees, lease payments) to pools of vehicles based on type and dividing the pool cost by the number of vehicles in the pool to derive a per-vehicle cost. The per-vehicle cost is then divided by 12 to obtain a monthly cost that is assigned to each pool vehicle. If a MidAmerican pool vehicle were to be used in service to jointly owned transmission, the O&M charge to a joint transmission account would include an allocation of that overhead cost based on the hours that vehicle is used to serve CB4 Transmission.

**XI. Spare Parts**

The initial spare parts for CB4 Transmission shall be capitalized. After the date of commercial operation, replacements for parts taken from the spare parts inventory shall be expensed at the time of purchase.

Purchase or sale of such parts to or from MidAmerican shall be at the replacement cost plus appropriate overheads.



**XII. Calculation of Percentages**

Percentages for any allocations required in this Memorandum shall be rounded to the nearest one-one hundredth of one percent.

- XIII.** All the necessary accounting procedures provided for hereunder as well as the underlying costs shall be recorded consistently with Generally Accepted Accounting Principles and the Federal Energy Regulatory Commission's Uniform System of Accounts. Costs incurred and charged to owners shall be just, reasonable and shall be generally consistent with regulatory requirements and practices.

**EXHIBIT F – NAMES OF OFFICERS, TITLES, AND ALL CHILDREN AND GRANDCHILDREN**

**MIDAMERICAN ENERGY COMPANY**

<u>OFFICER</u>	<u>TITLE</u>	<u>CHILDREN AND GRANDCHILDREN</u>
David L. Sokol	Chairman	Kelly Sokol, daughter
Gregory E. Abel	President & CEO	Kirsten Dawn Abel, daughter Melissa Anne Abel, daughter Drew William Abel, son
Jack L. Alexander	Senior Vice President, Supply and Marketing	Catherine S. Alexander, daughter Lisa M. Alexander, daughter Jill R. Alexander, daughter John M. Alexander, son Mark T. Alexander, son
Douglas L. Anderson	Senior Vice President, General Counsel, and Corporate Secretary	Kyle M. Anderson, son Katherine L. Anderson, daughter
Patrick J. Goodman	Senior Vice President and Chief Financial Officer	Paul James Goodman, son Adam Patrick Goodman, son Andrea Nichole Goodman, daughter
Keith D. Hartje	Senior Vice President and Chief Administrative Officer	Anna Katherine Hartje, daughter
Todd M. Raba	Senior Vice President, Delivery Services	Vanessa Lynn Raba, daughter Laura Ann Raba, daughter
James Averweg	Vice President, Engineering and Asst. Secretary	Michael James Averweg, son Christine Erin Averweg, daughter
Steven R. Evans	Director, Tax Services	Marinda J. Jespersen, daughter Benjamin S. Evans, son Daniel R. Evans, son Jennifer A. Evans, daughter Lisa M. Evans, daughter Kellie J. Evans, daughter Jodi L. Evans, daughter Kylie S. Jespersen, granddaughter Spencer R. Jespersen, grandson Jessica A. Jespersen, granddaughter

**MIDAMERICAN ENERGY COMPANY**

(CONTINUED)

<u>OFFICER</u>	<u>TITLE</u>	<u>CHILDREN AND GRANDCHILDREN</u>
Brent E. Gale	Vice President, Legislation and Regulation and Asst. Secretary	Andrea K. Gale, daughter James C. Gale, son Christopher C. Gale, son Paisley A. Gale, granddaughter Keaton Gale, grandson
Jim C. Galt	Assistant Treasurer	Emily Christine Galt, daughter
David L. Graham	Vice President, Customer Service Operations	Bridget Sue Wichmann, daughter Brooke Elizabeth Graham, daughter Rachel Susan Wichmann, granddaughter Ryan David Wichmann, grandson
Brian K. Hankel	Vice President and Treasurer	No children
James J. Howard	Vice President, Regulatory Affairs and Asst. Secretary	Jaimie A. Howard, daughter
Paul J. Leighton	Vice President, Secretary and Asst. General Counsel	Steven Paul Leighton, son David Robert Leighton, son Mark William Leighton, son Michael Blair Leighton, son
Garry Wayne Osborn	Vice President, Financial Services	Anne Kathleen Osborn, daughter
Thomas B. Specketer	Vice President and Controller	Kyle R. Specketer, son Krista L. Specketer, daughter
Steven R. Weiss	Vice President and General Counsel	Benjamin J. Weiss, son Daniel E. Weiss, son
Russell H. White, Jr.	Vice President, General Services	Velvet A. Jeratowski, daughter Nicole R. Bauer, daughter Russell H. White III, son Hailey A. Jeratowski, granddaughter McKensy L. Bebo, granddaughter Tristan M. Bauer, grandson Sage D. Bauer, grandson

**MIDAMERICAN ENERGY COMPANY**

(CONTINUED)

<u>OFFICER</u>	<u>TITLE</u>	<u>CHILDREN AND GRANDCHILDREN</u>
Cathy S. Woollums	Vice President, Environmental	Kyle Clellan Woollums, son Connor Charles Woollums, son

**CENTRAL IOWA POWER COOPERATIVE**

<u>OFFICER</u>	<u>TITLE</u>	<u>CHILDREN AND GRANDCHILDREN</u>
Keith Wirt	President	Doug Wirt, son Kevin Wirt, son Tobin Wirt, son Cindy Chew, daughter Heidi Wirt, granddaughter Keesia Wirt, granddaughter Troy Wirt, grandson Bandy Wirt, granddaughter Jordan Chew, grandson Cody Chew, grandson Logan Chew, grandson
Marvin Focht	Vice President	Jeff Focht, son Mark Focht, son Rod Focht, son Sue Reynolds, daughter Andrew Focht, grandson Aaron Focht, grandson Grant Focht, grandson Ryan Focht, grandson Greg Focht, grandson Amanda Focht, granddaughter Ally Focht, granddaughter
Wayne Hornocker	Secretary-Treasurer	Pamela Nannas, daughter Peggy Sudol, daughter Michelle Nannas, granddaughter John Nannas, grandson Jacob Sudol, grandson
Melvin Neil	Assistant Secretary-Treasurer	Troy Neil, son Todd Neil, son Trevor Neil, grandson Blake Neil, grandson Cole Neil, grandson

### LINCOLN ELECTRIC SYSTEM

<u>OFFICER</u>	<u>TITLE</u>	<u>CHILDREN AND GRANDCHILDREN</u>
Terrill L. Bundy	Administrator and Chief Executive Officer	Alyssa D. Bundy, daughter
Douglas D. Bantam	Power Supply Manager	Emily N. Koenig, daughter Tena D. Grossman, daughter Madeline J. Koenig, granddaughter Willa Koenig, granddaughter
Keith Brown	Manager, Finance & Accounting	Sarena M. Waddel, daughter Michael S. Brown, son Marissa N. Waddel, granddaughter Cassandra P. Waddel, granddaughter
Neil G. Engelman	Operations Manager	Brent R. Engelman, son Stacy L. Engelman, daughter Cara J. Engelman, daughter
David E. Mannering	Director, Information Technology	Steven D. Mannering, son
Debbra L. Mersed	Director, Human Resources	Jacob Hoy-Elswick, son Hannah Hoy-Elswick, daughter
Danny L. Pudenz	Manager, Engineering Services	Kristen L. Pudenz, daughter Lauren C. Pudenz, daughter Alex D. Pudenz, son
Shelley R. Sahling-Zart	Policy Analysis Director & Assistant Counsel	Aaron M. Zart, son Kyle J. Zart, son

## CORN BELT POWER COOPERATIVE

<u>OFFICER</u>	<u>TITLE</u>	<u>CHILDREN AND GRANDCHILDREN</u>
Donald L. Feldman	President	Robin Dee Majewski, daughter Troy Donald Feldman, son Tim Allan Feldman, son Tyler Duane Majewski, grandson Melissa Rose Majewski, granddaughter Lisa Kaye Feldman, granddaughter Jared Troy Feldman, grandson Brady Allan Feldman, grandson Kelsey Rose Feldman, granddaughter Megan Sue Feldman, granddaughter
Ron Deiber	Vice President	Erik Lee Deiber, son Michele Renee Kumm, daughter Isaiah Lee Deiber, grandson Aaron Elijah Deiber, grandson
Carrol W. Boehnke	Treasurer	Caroline Ann Boehnke Becker, daughter William Ray Boehnke, son Heather Lynn Boehnke Bangard, daughter Samantha Becker, granddaughter Alexandria Becker, granddaughter Erica Becker, granddaughter Nathan Boehnke, grandson Michael Boehnke, grandson Aaron Boehnke, grandson Benjamin Bangard, grandson Andrew Bangard, grandson
Donald McLean	Secretary	Dennis McLean, son Douglas McLean, son David McLean, son Denise Williams, daughter Dawn Winters, daughter Megan McLean, granddaughter Marcy McLean, granddaughter Marcus McLean, grandson Christina McLean, granddaughter Phillip McLean, grandson Lucas McLean, grandson Abigail McLean, granddaughter Lance Williams, grandson Tyler Williams, grandson Shane Williams, grandson Amanda Winters, granddaughter

**MUNICIPAL ELECTRIC UTILITY OF THE CITY OF CEDAR FALLS, IOWA**

<u>OFFICER</u>	<u>TITLE</u>	<u>CHILDREN AND GRANDCHILDREN</u>
Rosalyn A. Lorenz	Chair, Board of Trustees	Adam S. Lorenz, son Stephen J. Nicol, grandson Jacque Chizewsky, granddaughter
Vilas L. Morris	Vice Chair, Board of Trustees	Jeff Morris, son Dan Morris, son Molly Morris, granddaughter Taylor Morris, grandson Riley Morris, grandson Claire Morris, granddaughter Jordan Terrones, granddaughter
Mark W. Baldwin	Secretary, Board of Trustees	Amy Marie Baldwin, daughter Julie Ann Baldwin, daughter
Roger A. Kueter	Trustee, Board of Trustees	Kelly Flege, daughter Daniel Kueter, son Sarah Tierney, daughter Nicholas Flege, grandson Christian Flege, grandson Ethan Flege, grandson Andrea Kueter, granddaughter
Pamela L. Taylor	Trustee, Board of Trustees	Benjamin James Taylor, son Michael Allen Taylor, son Jonathan Bradley Taylor, son



**CITY OF PELLA, IOWA**

<u>OFFICER</u>	<u>TITLE</u>	<u>CHILDREN AND GRANDCHILDREN</u>
Theodore N. Zylstra	Mayor	Tedd E. Zylstra, son Rebecca J. Zylstra, daughter
Bruce Schiebout	Council Member	Zechaviah Schiebout, son
Robert S. Pippel	Council Member	Paul D. Pippel, son Pamela Boehn, daughter Heather Pippel, granddaughter Bramina Boehn, granddaughter Emily Boehn, granddaughter
Mark A. DeJong	Council Member	Craig Wm. DeJong, son Kristen L. DeJong, daughter
Howard Wayne Vroom	Council Member	Paul David Vroom, son Jeff Dean Vroom, son Jamie Ellen Vroom, daughter Daren James Vroom, son Daniel James Vroom, son Hannah Elizabeth Vroom, granddaughter Lucas Jeffrey Vroom, grandson Hayton James Vroom, grandson Delaney Marie Vroom, granddaughter
Martha Racheter	Council Member	Annalese Racheter, daughter Alena Racheter, daughter Donald Paul Bryon Racheter, son
Arvin Bandstra	Council Member	Russell Bandstra, son Stephen Bandstra, grandson Elizabeth Bandstra, granddaughter Christopher Bandstra, grandson

### SPENCER MUNICIPAL UTILITIES

<u>OFFICER</u>	<u>TITLE</u>	<u>CHILDREN AND GRANDCHILDREN</u>
Bruce Tamisiea	Chair	Tyler Tamisiea, son Reid Tamisiea, son Brooke Tamisiea, daughter
Dave Hultgren	Vice Chair	Amy Hultgren, daughter Ryan Hultgren, son Allison Hultgren, daughter
Gary Tolzmann	Secretary	Deanna Tolzmann, daughter Aaron Tolzmann, son
Murray W. Hart	Treasurer	Tiffany Hart, daughter Todd Hart, son Tory Hart, son Summer Hart, granddaughter Jordan Hart, grandson Piper Hart, granddaughter Emerson Hart, granddaughter
Thomas R. Howe	Trustee	Allison Howe Simpson, daughter Robert F. Howe, son Katherine Simpson, granddaughter Amelia Howe, granddaughter Thomas R. Howe II, grandson

**ELDRIDGE ELECTRIC AND WATER UTILITY**

<u>OFFICER</u>	<u>TITLE</u>	<u>CHILDREN AND GRANDCHILDREN</u>
Kevin A. Kroeger	Chairman	Shaun K. Kroeger, son Jessica D. Kroeger, daughter Bret K. Kroeger, son Brock K. Kroeger, son Madeline G. Kroeger, daughter Benjamin K. Kroeger, son
Donald M. Stoltenberg	Vice-Chairman	Douglas D. Stoltenberg, son Cynthia R. Hall, daughter Nathan W. Stoltenberg, grandson Russell D. Stoltenberg, grandson William S. Hall, grandson Jessica Hall, granddaughter
Michael E. Ripperger	Secretary	Jeana Larvenz, daughter Michael W. Ripperger, son Jamie Ripperger, granddaughter
Lawrence B. Rauch	Trustee	Dena L. Campie, daughter Jeffrey L. Rauch, son Peter L. Campie, grandson Lucy Ellen Campie, granddaughter Abigail S. Rauch, granddaughter Madalen J. Rauch, granddaughter
Brian M. Roesler	Trustee	Cristine A. Powers, daughter Cathleen E. Roesler, daughter
Daniel W. Glunz	Utility Manager	Clint D. Glunz, son Kara M. Glunz, daughter

### NEW HAMPTON MUNICIPAL LIGHT PLANT

<u>OFFICER</u>	<u>TITLE</u>	<u>CHILDREN AND GRANDCHILDREN</u>
Gary Wegner	Board Chairperson	Janet Marie Wegner, daughter Linda Renae Denner, daughter James Christopher Wegner, daughter Nicholas Jonathon Wegner, daughter Zachary David Denner, grandson Hannah Marie Denner, granddaughter Michael Adam Denner, grandson Darian Marie Wegner, granddaughter Sydney Nichole Wegner, granddaughter
Steven Dahl	Board Member	Christopher Dahl, son Jaydon Dahl, son Delanie Dahl, granddaughter Branigan Dahl, granddaughter
Larry Thronson	Board Member	Robert Lawrence Thronson, son Jessica Anne Thronson, daughter Jeremy Robert Thronson, grandson Althea Rose Thronson, granddaughter William Isaac Thronson, grandson
Shirley Engel	Board Member	Laura Lee Zipse, daughter Wayne Allen Engel, son David Scott Engel, son Michelle Renee Engel, granddaughter Chad Allen Engel, grandson Gretchen Lee Zipse, granddaughter Edward Mark Zipse, grandson Brian Allan Zipse, grandson Kerbie Renae Engel, granddaughter Kacey Leigh Engel, granddaughter Kirsten Elizabeth Engel, granddaughter Kei David Engel, grandson
Wayne Moetsch	Board Member	Ann D. Knight, daughter Ellen R. Moetsch, daughter Merrilyn Berg, daughter Megan Knight, granddaughter

**MONTEZUMA MUNICIPAL LIGHT & POWER**

<u>OFFICER</u>	<u>TITLE</u>	<u>CHILDREN AND GRANDCHILDREN</u>
Don Hall	Chairman – Board of Trustees	Cyndy Smith, daughter Rebecca Bilbro, daughter Shari McWilliams, daughter Karen Murillo, daughter Richard Hall, son Rhonda Steele, daughter Jeffrey Hall, son Paul Smith, grandson Jason Bilbro, grandson Chris Bilbro, grandson Jeff Bilbro, grandson Scott Hall, grandson Gabriel Hall, grandson Austin Hall grandson Will Hall, grandson Jade Murillo, granddaughter Ciara Murillo, granddaughter Alexa Murillo, granddaughter Shannon Steele, granddaughter Paige Steele, granddaughter Colen Steele, grandson Macy Hall, granddaughter Wesley Hall, grandson Bryce Hall, grandson Elyse Hall, granddaughter
Dean Hubbard	Board Member	Allison Pargeon, daughter Alica Minner, daughter Adam Hubbard, son Vanessa Minner, granddaughter Keaton, Minner, grandson Aliya Pargeon, granddaughter Mya Pargeon, granddaughter
Gordon Alexander	Board Member	Dave Alexander, son Danielle Alexander, daughter

**MONTEZUMA MUNICIPAL LIGHT & POWER**  
**(CONTINUED)**

<u>OFFICER</u>	<u>TITLE</u>	<u>CHILDREN AND GRANDCHILDREN</u>
Don Fahlenkamp	Secretary of the Board	Lanny E. Fahlenkamp, son Jacquelee Johnston, daughter Michael D. Fahlenkamp, son Lana C. Taylor, daughter Patricia A. Collins, daughter Lewis J. Fahlenkamp, son Darren McKeag, grandson David Watts, grandson Marty Watts, grandson Heather Dearman, granddaughter Chad Fahlenkamp, grandson Kindle Fahlenkamp Merrell, granddaughter Jerimia Fahlenkamp, grandson Westly Fahlenkamp, grandson Cory Ann Fahlenkamp, granddaughter Glen Vogt, grandson

### WAVERLY LIGHT AND POWER

<u>OFFICER</u>	<u>TITLE</u>	<u>CHILDREN AND GRANDCHILDREN</u>
Christopher K Schmidt	Chairman	Dean J. Schmidt, son Aaron M. Schmidt, son
Mark J Hanawalt	Vice Chairman	Michael J. Hanawalt, son Matthew J. Hanawalt, son David M. Hanawalt, son Daniel M. Hanawalt, son
Karen L Bergmann	Secretary	Amy L. Hurley, daughter Darin J. Bergmann, son Michael T. Hurley, grandson
Gloria L Campbell	Trustee	Amy A. Lamb, daughter Wendy M. Campbell, daughter Kevan G. Campbell, son Meghan Lamb, granddaughter Emma Lamb, granddaughter
Jeff L Plagge	Trustee	Thomas J. Plagge, son Adam J. Plagge, son Brian D. Plagge, son
Thomas J Taiber	Trustee	Julie M. Taiber, daughter Joseph D. Taiber, son Anthony T. Taiber, son Jonathan M. Taiber, son Nicholas Taiber, son Allaire I. Taiber, granddaughter Gilmore N. Taiber, grandson Louis M. Taiber, son

### ALTA MUNICIPAL UTILITIES

<u>OFFICER</u>	<u>TITLE</u>	<u>CHILDREN AND GRANDCHILDREN</u>
Dennis Lee Weber, Sr.	Chairman of Board	Dennis Lee Weber II, son Michael Allen Weber, son Dennis Lee Weber III, grandson Madison Ann Weber, granddaughter Kaidee Lauryn Weber, granddaughter Rebekka Nicole Weber, granddaughter Justine Caitlyn Ross, granddaughter Taylor Jane Weber, granddaughter Abbygale Jean Weber, granddaughter
C. Alan Wadsley	Board Member	Jake Timothy Wadsley, son Luke Daniel Wadsley, son
Kevin N. Walsh	Board Member	Justin Ryan Walsh, son Gabriel James Walsh, son
Thomas G. French	Board Member	Jerry French, son Michelle Mackey, daughter Jill French, daughter Austin French, grandson Davis French, grandson Taylor French, granddaughter Carter French, grandson Mackenzie Mackey, granddaughter
Anthony Joe Weber	Board Member	Joshua Anthony Weber, son Tyler Dean Weber, son Drew Charles Weber, son



### CITY OF SUMNER, IOWA

<u>OFFICER</u>	<u>TITLE</u>	<u>CHILDREN AND GRANDCHILDREN</u>
Lester Teeling	Board Chairman	Bruce Teeling, son Gregory Teeling, son Nancy Pierson, daughter David Teeling, son Kim Nolte, daughter Patty Mechtel, daughter Roger Teeling, son Michelle Teeling, granddaughter Michael Teeling, grandson Blake Teeling, grandson Austin Teeling, grandson Moriah Teeling, granddaughter Benjamin Pierson, grandson Alex Pierson, grandson Brenton Teeling, grandson Kyle Teeling, grandson Owen Teeling, grandson Clayton Niewoehner, grandson Jordon Niewoehner, grandson Austin Niewoehner, grandson Nolan Nolte, grandson
Robert Jergens	Board Secretary	Gail Wolfe, daughter Sharon Warner, daughter David Jergens, son Doug Jergens, son Michael Jergens, son Greg Jergens, son Angela VanZante, granddaughter Audra Wolfe, granddaughter Austyn Wolfe, grandson Jermiah Warner, grandson Stephanie Warner, granddaughter Casey Jergens, grandson Davey Jergens, grandson Courtney Jergens, granddaughter Paige Jergens, granddaughter
Richard Rath	Board Member	Brian Rath, son Marc Rath, son Trevor Rath, grandson Joshua Rath, grandson

**CITY OF SUMNER, IOWA  
(CONTINUED)**

<u>OFFICER</u>	<u>TITLE</u>	<u>CHILDREN AND GRANDCHILDREN</u>
Margaret Becker	Board Member	Sarah Becker, daughter Matthew Becker, son Cole Becker, son

**WEST BEND MUNICIPAL UTILITIES**

<u>OFFICER</u>	<u>TITLE</u>	<u>CHILDREN AND GRANDCHILDREN</u>
Laura A. Montag	Mayor	Deborah Catherine Johnson, daughter Diane Marie Gerber, daughter Donald Alan Montag, son Dennis Mark Montag, son Mathew Mark Johnson, grandson Daniel Marenus Johnson, grandson Carl David Gerber, grandson Annette Diane Gerber, granddaughter Amanda Rose Gerber, granddaughter Callie Ann Gerber, granddaughter Andrew James Montag, grandson Travis Mark Montag, grandson
Joseph E. Montag	Council Member	Marissa Joann Conrad, daughter Kellie Ann Shamek, daughter Jared Joseph Montag, son Lannie Joe Montag, son Payton Alexander Conrad, grandson Nathan Bradley Conrad, grandson
Jeffrey W. Miller	Council Member	Abigail Therese Miller, daughter Jack Henry Miller, son
Mary Jane Hanselman	Council Member	Patricia Jane Gahn, daughter Bruce Richard Hanselman, son Barbara Kay Schmidt, daughter Karla Mae Schmidt, daughter Tristan Patricia Gahn, granddaughter Heather Jo Gahn, granddaughter Rachelle Kay Hanselman, granddaughter Stephanie Mae Schmidt, granddaughter Shelby Lynn Schmidt, granddaughter Jordyn Elizabeth Schmidt, granddaughter Madison Marie Schmidt, granddaughter Alex Jeffrey Schmidt, grandson Randy Mark Schmidt, grandson Mollie Ann Hanselman, granddaughter Nicholas Taylor Hanselman, grandson

**WEST BEND MUNICIPAL UTILITIES  
(CONTINUED)**

<u>OFFICER</u>	<u>TITLE</u>	<u>CHILDREN AND GRANDCHILDREN</u>
William J. Hoskins	Council Member	Cole Thomas Hoskins, son
Joseph Eoriatti	Council Member	Daniel Joseph Eoriatti, son Ross Anthony Eoriatti, son Alan Michael Eoriatti, son Lynette Eileen Streck, daughter Janelle Marie Eoriatti, daughter Sara Jean Eoriatti, daughter Amanda Christine Fawcett, granddaughter Trevor Joseph Eoriatti, grandson Halley Marie Eoriatti, granddaughter

## **EXHIBIT G – REQUIRED CONSENTS AND APPROVALS**

### **MIDAMERICAN ENERGY COMPANY**

Federal Energy Regulatory Commission

### **CITY OF LINCOLN, NEBRASKA**

None.

### **CENTRAL IOWA POWER COOPERATIVE**

Rural Utilities Service

National Rural Utilities Cooperative Finance Corporation

CoBank, AWS

### **MUNICIPAL ENERGY AGENCY OF NEBRASKA**

MEAN Board of Directors

### **CORN BELT POWER COOPERATIVE**

Rural Utilities Service

National Rural Utilities Cooperative Finance Corporation

### **CITY OF CEDAR FALLS, IOWA**

A majority vote of the governing body of the city utility following a public hearing on the Agreement, per Section 390.4, Code of Iowa

### **CITY OF PELLA, IOWA**

A majority vote of the governing body of the city utility following a public hearing on the Agreement, per Section 390.4, Code of Iowa

### **CITY OF SPENCER, IOWA**

A majority vote of the governing body of the city utility following a public hearing on the Agreement, per Section 390.4, Code of Iowa

### **CITY OF ELDRIDGE, IOWA**

A majority vote of the governing body of the city utility following a public hearing on the Agreement, per Section 390.4, Code of Iowa

### **CITY OF NEW HAMPTON, IOWA**

A majority vote of the governing body of the city utility following a public hearing on the Agreement, per Section 390.4, Code of Iowa

### **CITY OF MONTEZUMA, IOWA**

A majority vote of the governing body of the city utility following a public hearing on the Agreement, per Section 390.4, Code of Iowa

**CITY OF WAVERLY, IOWA**

A majority vote of the governing body of the city utility following a public hearing on the Agreement, per Section 390.4, Code of Iowa

**CITY OF ALTA, IOWA**

A majority vote of the governing body of the city utility following a public hearing on the Agreement, per Section 390.4, Code of Iowa

**CITY OF SUMNER, IOWA**

A majority vote of the governing body of the city utility following a public hearing on the Agreement, per Section 390.4, Code of Iowa

**CITY OF WEST BEND, IOWA**

A majority vote of the governing body of the city utility following a public hearing on the Agreement, per Section 390.4, Code of Iowa