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401 Douglas Street  
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Suzan M. Stewart  
Managing Senior Attorney

October 3, 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-\_\_\_\_\_**

Dear Secretary Bose:

Pursuant to Section 205 of the Federal Power Act and Part 35 of the Commission's regulations, 18 CFR § 35.12, MidAmerican Energy Company ("MidAmerican Energy") submits for filing an Engineering and Procurement Agreement ("E&P agreement") for engineering and procurement activities to be completed by the Transmission Function of MidAmerican Energy ("MidAmerican Transmission") as the Transmission Owner of the Rolling Hills 345 kV Substation to which the Generation Supply Function of MidAmerican Energy ("MidAmerican Generation") desires to interconnect a Generating Facility expansion.

The subject E&P Agreement is for engineering and procurement activities to be completed by MidAmerican Transmission as the Transmission Owner of the Rolling Hills 345 kV Substation to which MidAmerican Generation desires to interconnect a Generating Facility expansion. MidAmerican Generation presently has an interconnection request for the Generating Facility expansion in the Midwest ISO Generator Interconnection Queue. MidAmerican Generation has requested that MidAmerican Transmission enter an E&P Agreement to advance the implementation of its interconnection. As such this E&P Agreement describes the activities that MidAmerican Transmission will undertake to engineer and procure the necessary equipment to expand the Rolling Hills Substation. This E&P Agreement does not cover any engineering or procurement services for other required Network Upgrades that may ultimately be identified in the Midwest ISO evaluation of this interconnection request.

This filing consists of the following:

1. This letter of transmittal;
2. Engineering & Procurement Agreement between MidAmerican Transmission and MidAmerican Generation, dated August 23, 2011, designated as Rate Schedule No. 119.

MidAmerican Energy requests that the effective be one day after a fully executed copy of this Agreement is filed for acceptance with the Commission or on such later date as the Commission shall order. MidAmerican seeks waiver of the 60-day notice period. Waiver should be granted as the customer has consented to the Agreement and it promotes the Commission's policy of open access.

MidAmerican Energy has provided a copy of this filing to the Iowa Utilities Board, the Illinois Commerce Commission and the South Dakota Public Utilities Commission. All communications regarding this filing should be directed to:

Suzan M. Stewart  
Managing Senior Attorney  
MidAmerican Energy Company  
401 Douglas Street  
P. O. Box 778  
Sioux City, Iowa 51102  
712-277-7587 (voice)  
712-252-7396 (facsimile)

Peter J. Schuster  
Supervisor-Electric System Planning  
MidAmerican Energy Company  
106 East Second Street  
Davenport, Iowa 52801

Sincerely,

*/Suzan M. Stewart/*

Suzan M. Stewart  
Managing Senior Attorney

Enclosures

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

## ENGINEERING AND PROCUREMENT AGREEMENT

**THIS ENGINEERING AND PROCUREMENT AGREEMENT** (“**Agreement**”) is made and entered into this 23rd day of August, 2011, by and between the Transmission Function of MidAmerican Energy Company, an Iowa corporation (“**Transmission Owner**”), and the Generation Supply Function of MidAmerican Energy Company, an Iowa corporation (“**Interconnection Customer**”). Transmission Owner and Interconnection Customer each may be referred to as a “Party” or collectively as the “Parties.”

### Recitals

**WHEREAS**, Interconnection Customer is planning to construct an approximately 101 MW wind farm addition at the Rolling Hills Wind Farm (“**Project**”) and is proposing to interconnect to Transmission Owner’s Rolling Hills 345 kV Substation which is assigned to queue number J191 in the Midwest Independent Transmission System Operator, Inc. (“**Midwest ISO**”) Generation Interconnection Queue; and

**WHEREAS**, the Midwest ISO is in the process of completing reliability studies necessary to evaluate the terms and conditions under which the Interconnection Customer will be allowed to enter into a provisional Generator Interconnection Agreement with Transmission Owner and the Midwest ISO (the “**GIA**”) pursuant to the Midwest ISO Open Access Transmission, Energy, and Operating Reserve Markets Tariff (“**MISO OATT**”) for the Project; and

**WHEREAS**, the costs of the Services described in this Agreement will be included within the GIA; and

**WHEREAS**, Interconnection Customer has requested Transmission Owner to do detailed engineering and procurement activities associated with the expansion of the Rolling Hills 345 kV Substation (“**Rolling Hills 345 kV Substation Expansion**”) prior to the execution of the GIA to advance implementation of the interconnection; and

**WHEREAS**, the Parties wish to set forth their agreement with respect to such engineering and procurement services related to the Rolling Hills 345 kV Substation Expansion necessary to accommodate interconnection of the Project to Transmission Owner’s transmission system and payment therefor;

**NOW THEREFORE**, in consideration of and subject to the mutual covenants contained herein, it is agreed:

### **Agreement**

**Definitions.** Unless specifically defined herein, capitalized terms shall have the meaning as defined in the MISO OATT.

1. **Engineering and Procurement Services to Be Provided.** Upon execution of this Agreement, Transmission Owner shall commence the engineering and procurement services as further described herein (“**Services**”).

Services shall mean the services set out in Exhibits A and B, incorporated herein by this reference, which reflect estimated costs, and shall also include such other services as Transmission Owner reasonably determines are necessary in order to engineer, design, specify, obtain bids, place purchase orders, and otherwise procure materials, consultant services, real property interests and contractors for the Rolling Hills 345 kV Substation Expansion, including the services of any consultant or professional engineering firms that may be reasonably required by Transmission Owner in connection therewith. Transmission Owner will also request and coordinate with the Midwest ISO the required

outages of the Rolling Hills 345 kV Substation to construct and commission the Rolling Hills 345 kV Substation Expansion.

Transmission Owner will make commercially reasonable efforts to complete the Services in accordance with the schedule set forth in Exhibit B. Execution of this Agreement shall not obligate Transmission Owner to perform any construction work, acquire easements or undertake any obligations not expressly provided for in this Agreement.

A preliminary general arrangement drawing showing the proposed Network Upgrades and Transmission Owner's Interconnection Facilities at the Rolling Hills 345 kV Substation is provided as Exhibit A1 and incorporated herein by reference. The Parties may agree to add to or subtract from the Services by amending Exhibit B as provided in this Agreement.

**2. Performance Standards.** Each Party shall perform all its obligations under this Agreement in accordance with Applicable Laws and Regulations, Applicable Reliability Standards, and Good Utility Practice. To the extent a Party is required or prevented or limited in taking any action by such regulations and standards, such Party shall not be deemed to be in breach of this Agreement for compliance therewith. Provided Transmission Owner has used commercially reasonable efforts to complete the Services as set forth in Section 2 above, in no event shall Transmission Owner be responsible under the terms of this Agreement for any delay in completion of the Services.

**3. Provision of Security.** Prior to the commencement of the Services by Transmission Owner, Interconnection Customer may be required to provide to Transmission Owner, at Transmission Owner's option, any of the following forms of

security as selected by Interconnection Customer: a cash security deposit, a guarantee, a surety bond, letter of credit or other form of security that is reasonably acceptable to Transmission Owner. If required, such security for payment shall be in an amount sufficient to cover the applicable costs and cost commitments of the Services pursuant to the schedule for Services provided in Exhibit B.

**4. Compensation.** Interconnection Customer shall be responsible to reimburse and pay Transmission Owner for all costs and expenses reasonably incurred by Transmission Owner in connection with providing the Services pursuant to this Agreement. Such costs and expenses shall include, but not be limited to, reasonable costs charged under the terms of contracts with professional engineering firms and consultants and equipment suppliers, the Internal Labor Costs (as described below) of Transmission Owner's employees and any and all applicable taxes on such Services. "**Internal Labor Costs**" shall consist of the current applicable Transmission Owner salary rate plus applicable overheads and reasonable out-of-pocket expenses. Such costs and expenses shall also include any reasonable cancellation fees and costs in the event Transmission Owner is required to cancel or terminate any purchase order or other contract for the delivery of goods or services prior to the full performance under such contract due to a breach or the termination of this Agreement by Interconnection Customer.

**5. Payment.** Interconnection Customer shall be responsible for payment of actual costs of the Services. Transmission Owner, if requested, shall submit to Interconnection Customer, on a monthly basis, invoices of the amounts due for the preceding month. Each invoice shall state the month to which the invoice applies and fully describe the Services provided and costs associated with each category, together with reasonable supporting documentation evidencing the provision of the Services

invoiced, for the current period and cumulative under this Agreement, and otherwise be in a format acceptable to Interconnection Customer. Interconnection Customer shall pay the invoice within thirty (30) days of receipt, which may be in immediately available funds payable to the Transmission Owner or by appropriate accounting entries on the Parties' books, except for any amounts reasonably disputed by Interconnection Customer, in which case the Parties shall attempt to resolve in good faith. Notwithstanding the foregoing, in the event that security is provided by Interconnection Customer pursuant to Section 4 of this Agreement in the form of a cash security deposit, undisputed amounts invoiced by Transmission Owner shall be deducted by Transmission Owner from the cash security deposit within thirty (30) days of issuance of the invoice in lieu of payment by Interconnection Customer. Payment of invoices will not constitute a waiver of any rights or claims either Party may have under this Agreement.

**6. Indemnity and Consequential Damages.** (a) Indemnity. Each Party shall at all times indemnify, defend, and hold the other Party harmless from, any and all damages, losses, claims, including claims and actions relating to death of any person (including employees) or damage to property, demands, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from its performance or non-performance of its obligations under this Agreement.

It shall be a condition to a Party's obligation to indemnify pursuant to this Section that it be given written notice of the obligation and in the case of claims, demands or suits, an opportunity to defend, and the right to approve any settlement.

(b) Consequential Damages. In no event shall either Party be liable under any provision of this Agreement for any losses, damages, costs or expenses for any special, indirect, incidental, consequential, punitive or exemplary damages, including but not limited to loss of profit or revenue, loss of the use of equipment, cost of capital, cost of temporary equipment or services, whether based in whole or in part in contract, in tort, including negligence, strict liability, or any other theory of liability; provided, however, that damages for which a Party may be liable to the other Party under another agreement will not be considered to be special indirect, incidental, or consequential damages hereunder.

7. **Waiver, Severability**. No provision of this Agreement shall be deemed to have been waived unless such waiver is in writing signed by the waiving Party. If any provision of this Agreement is held invalid or unenforceable for any reason by a court or governmental agency, then the unobjectionable parts of the Agreement shall remain unaffected and in force.

8. **Amendment**. This Agreement sets forth the entire Agreement between the Parties on the subject matter of this Agreement, and supersedes all prior agreements of the Parties with respect to the subject matter. No amendment of any provision of this Agreement shall be effective unless set forth in a written document signed by authorized representatives of both Parties.

9. **Effective Date, Term and Termination**. This Agreement shall become effective one day after a fully executed copy of this Agreement is filed for acceptance with FERC or on such later date as FERC shall order (“Effective Date”), provided that the Parties shall commence performance of their responsibilities consistent with Exhibit B upon execution of the Agreement. Interconnection Customer may

terminate this Agreement for convenience after giving Transmission Owner thirty (30) days advance written notice of cancellation. Transmission Owner may terminate the Agreement following (a) issuance and delivery by Transmission Owner to Interconnection Customer of a written notice of breach describing the breach by Interconnection Customer and (b) reasonable time for Interconnection Customer to effect a cure of such breach, but in no event less than a 10 day cure period, in the event of the following circumstances: (1) Interconnection Customer does not provide the security under Section 4; or (2) Interconnection Customer does not agree to proposed cost increases under Section 5 beyond the total amount set forth in Exhibit B; or (3) Interconnection Customer does not make timely payment to Transmission Owner under Section 6. In the event of termination, the provisions of this Agreement shall remain in effect as necessary to ensure the satisfaction of the obligations of each Party to the other, if any, with regard to the period prior to such termination, and Transmission Owner shall make good faith efforts to mitigate costs and expenses relating to the Services. Upon completion of the Services and payment therefor, or in the event of termination of this Agreement, any unused security shall be promptly released and returned by Transmission Owner to Interconnection Customer.

**10. GIA.** When Transmission Owner, Interconnection Customer, and Midwest ISO enter into the GIA, the Services shall be incorporated into the work to be performed under the terms of the GIA, which when made effective, shall replace and supersede this Agreement and shall govern the performance or obligations arising out of or related to the Services or this Agreement, and this Agreement shall terminate, except to the extent that amounts due under this Agreement have not been invoiced or paid. The

security posted pursuant to this Agreement shall be carried forward as security under the GIA.

**11. Notices.** All communications related to this Agreement shall be to the persons listed below or to such other persons that the parties may specify in writing:

**If to Transmission Owner:**

Manager, Electric System Planning  
MidAmerican Energy Company  
106 East Second Street  
Davenport, Iowa 52801  
FAX: 563-333-8112

with a copy to:

Suzan Stewart  
Managing Senior Attorney  
MidAmerican Energy Company  
401 Douglas Street  
P. O. Box 778  
Sioux City, Iowa 51102  
FAX: 712-252-7396

**If to Interconnection Customer:**

General Manager, Wind Development  
MidAmerican Energy Company  
4299 NW Urbandale Drive  
Urbandale, Iowa 50322-7916  
FAX: 515-652-6410

with a copy to:

Paul Leighton  
MidAmerican Energy Company  
4299 NW Urbandale Drive  
Urbandale, Iowa 50322-7916  
FAX: 515-281-2460

**12. Governing Law.** This Agreement shall be governed by and interpreted in accordance with the laws of the State of Iowa without regard to conflict of law principles.

**[SIGNATURE PAGE FOLLOWS]**



## **Exhibit A**

### **Work Scope**

The general work scope associated with the Rolling Hills 345 kV Substation Expansion is listed below.

#### **Work Scope for Rolling Hills 345 kV Substation Expansion:**

Engineer, design, specify, obtain bids, place purchase orders and otherwise procure materials, consultant services and contractors in connection with expanding the Rolling Hills 345 kV Substation to a five breaker ring bus and provide a 345 kV terminal for the interconnection to the Project. Initiate outage requests from the Midwest ISO to accommodate the construction and commissioning of the Rolling Hills 345 kV Substation Expansion as necessary.

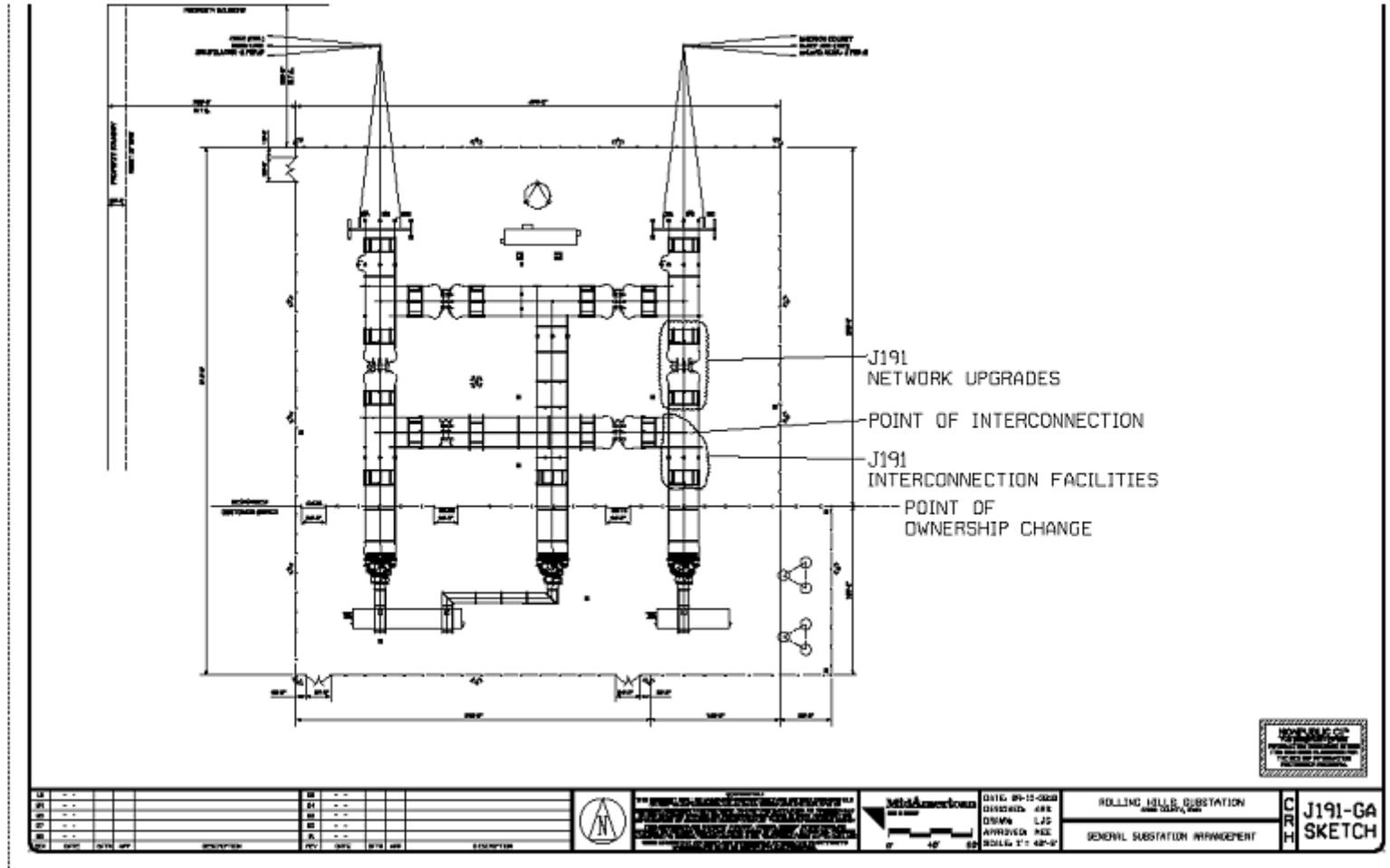
#### **General Description of Transmission Owner's Interconnection Facilities**

The Transmission Owner's Interconnection Facilities shall consist of a section of 345 kV tubular bus tapping the 345 kV ring bus, a 3,000 Amp 345 kV motor-operated disconnect switch, and metering accuracy potential transformers. The facilities shall include associated support structures and foundations. The Transmission Owner's Interconnection Facilities shall also include a suitable revenue accuracy meter for measuring power deliveries from the generator as well as for measuring station service requirements when the generator is not on-line.

#### **General Description of Non-Stand Alone Network Upgrades**

The Non-Stand Alone Network Upgrades shall include those facilities necessary to expand the Rolling Hills Substation to a five breaker 345 kV ring bus. Additions to the Rolling Hills 345 kV Substation will consist of adding one (1) 345 kV circuit breaker with isolation switches to the ring bus.

**Exhibit A1 - Preliminary Drawing**



## Exhibit B

### Engineering and Procurement Services to be Provided

The Services and cost estimates associated with the work scope in Exhibit A are shown in the table below. Interconnection Customer agrees to allow Transmission Owner to complete the necessary work to meet the Interconnection Customer's desired In-service/Backfeed date of November 30, 2011.

#### 1. Transmission Owner's Interconnection Facilities

<b>Description</b>	<b>Cost</b>
Steel	\$ 25,000
Bus Work	\$ 6,000
Disconnect Switches	\$ 40,000
Control and Metering Panels	\$ 20,000
Consultant Labor	\$ 25,000
<b>Total</b>	<b>\$ 116,000</b>

#### 2. Non-Stand Alone Network Upgrades

<b>Description</b>	<b>Cost</b>
Circuit Breaker	\$ 225,000
Steel	\$ 30,000
Bus Work	\$ 3,000
Disconnect Switches	\$ 80,000
Control and Metering Panels	\$ 30,000
Consultant Labor	\$ 20,000
<b>Total</b>	<b>\$ 388,000</b>

**Note:** All estimates are preliminary and subject to change and are not binding on the part of Transmission Owner.