



MidAmerican Energy Company
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January 29, 2016

Via eTariff

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

RE: **MidAmerican Energy Company**
Docket No. ER16-_____
Amended and Restated Interconnection Agreement between Waverly Municipal
Electric Utility, d/b/a Waverly Light and Power, and MidAmerican Energy Company

Dear Ms. Bose:

Pursuant to Section 205 of the Federal Power Act and Part 35 of the Commission's regulations, 18 CFR § 35.13, MidAmerican Energy Company ("MidAmerican") submits for filing Amended and Restated Interconnection Agreement between Waverly Municipal Electric Utility, d/b/a Waverly Light and Power ("Waverly"), and MidAmerican Energy Company ("Agreement"), First Revised Rate Schedule No. 114.¹

I. OVERVIEW OF FILING

This filing is primarily to amend the arrangement between MidAmerican and Waverly to recognize the addition of a new interconnection point between the parties, which is located at the west city limits of Waverly on a 69 kV line extending eastward from MidAmerican's Clarksville Substation and westward from Waverly's Waverly West Substation. Other changes to the original agreement include establishment of an Operating Committee and modification of the terms addressing responsibility for fines resulting from any NERC violations as well as minor editorial updates to terms used in the Agreement.

Specifically, the revisions to the Interconnection Agreement between Waverly and MidAmerican are as follows:

- 1) In the title of the agreement, "Amended and Restated" has been added, and Waverly's dba reference has been changed to "Waverly Utilities".

¹ This agreement restates and supersedes the agreement approved by the Commission in Docket No. ER10-755-000.

- 2) The initial reference to the Midwest Independent System Operator has been changed to Midcontinent Independent System Operator, and subsequent references have been changed from Midwest ISO to MISO.
- 3) A provision concerning the establishment and responsibilities of an Operating Committee has been added as Article IV, and the former Article IV (NERC Responsibilities) and all subsequent provisions have been renumbered sequentially.
- 4) Article V, NERC Responsibilities, has been changed to provide that any penalties imposed by any regulatory body will be apportioned between the parties according to responsibility for the condition that resulted in the penalty.
- 5) A spelling error has been corrected in the title to Article VII.
- 6) In Service Schedule A – Facilities and Points of Interconnection, Section 1 – Facilities of Waverly, the former Paragraph 1.03, which referred to Waverly’s normally open 69 kV interconnection with Corn Belt Power Cooperative, has been replaced by a new Paragraph 1.03 that describes Waverly’s new Waverly West Substation; in addition, Paragraph 1.04 has been added describing Waverly’s two-mile 69 kV line section from Waverly West Substation to its interconnection with MidAmerican’s 69 kV line from MidAmerican’s Clarksville Substation.
- 7) In Service Schedule A, Section 2 – Facilities of MidAmerican, Paragraph 2.05 has been added describing MidAmerican’s 69 kV line from its Clarksville Substation and the location the interconnection with Waverly’s 69 kV line from its Waverly West Substation.
- 8) In Service Schedule A, Section 4 – Points of Interconnection and Voltages, Paragraph 4.01 has been modified to change the number of interconnections between Waverly and MidAmerican from two to three, and a Paragraph 4.01 (c) has been added describing the location of the new 69 kV interconnection between MidAmerican and Waverly.
- 9) In Service Schedule A, Section 5 – System Configuration, Paragraph 5.01 has been modified to remove reference to a normally open interconnection between Waverly and Corn Belt Power Cooperative, which is no longer relevant to this agreement.
- 10) In Service Schedule B – Metering, Paragraph 1.03 has been added to describe the metering at Waverly West Substation and the respective ownership thereof.

II. DOCUMENTS SUBMITTED IN THIS FILING

This filing consists of the following:

1. This letter of transmittal; and
2. Amended and Restated Interconnection Agreement between Waverly Municipal Electric Utility, d/b/a Waverly Light and Power, and MidAmerican Energy Company

III. PROPOSED EFFECTIVE DATE AND REQUEST FOR WAIVER

MidAmerican respectfully requests that the Commission waive its sixty (60) day notice requirement, as required by Section 35.3(a) of the Commission's regulations, 18 C.F.R. §35.3(a), and make this amended agreement effective as of January 29, 2016. The Commission's policy permits waivers of the 60-day notice requirement in the case of uncontested filings that do not change rates². Given that this filing does not affect rates for transmission service, waiver of the 60-day prior notice requirement is appropriate in this instance. The parties have indicated their intention for and support of an effective date of January 29, 2016.

IV. COMMUNICATIONS

MidAmerican has e-mailed or mailed via U.S. mail a copy of this filing to East River Electric Power Cooperative, the Iowa Utilities Board, the Illinois Commerce Commission, the South Dakota Public Utilities Commission and the Iowa Office of Consumer Advocate. All communications regarding this filing should be directed to:

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Respectfully Submitted,

/Brian J. Rybarik/

Brian J. Rybarik
Managing Senior Attorney

cc: Iowa Utilities Board
Illinois Commerce Commission
South Dakota Public Utilities Commission
Office of Consumer Advocate
Waverly Light and Power

² The Commission's policy permits waivers of the 60-day prior notice of filing requirement in the case of a non-rate change to the terms and conditions of a Commission-accepted rate schedule. See *Central Hudson Gas & Electric Corp.*, 60 FERC ¶ 61,106, *reh'g denied*, 61 FERC ¶ 61,189 (1992).

MidAmerican Energy Company
First Revised Rate Schedule No. 114

Amended and Restated Interconnection Agreement
Between
Waverly Municipal Electric Utility, d/b/a Waverly Utilities
And
MidAmerican Energy Company

eTariff Information

Tariff Submitter: MidAmerican Energy Company

FERC Tariff Program Name: FERC FPA Electric Tariff

Tariff Title: Interconnection Agreement - Waverly

Tariff Record Proposed Effective Date: January 29, 2016

Tariff Record Description: Rate Schedule 114-1st Rev

Option Code: A

Amended and Restated Interconnection Agreement

Between

Waverly Municipal Electric Utility, dba Waverly Utilities

And

MidAmerican Energy Company

This Amended and Restated Interconnection Agreement (“Agreement”) first entered into effective February 1, 2010, as amended and restated herein effective January 29, 2016, by and between Waverly Municipal Electric Utility (“Waverly”), a municipal utility and MidAmerican Energy Company (“MidAmerican”), an Iowa corporation. Waverly and MidAmerican may hereinafter be referred to individually as “Party” and collectively as “Parties” where appropriate.

WHEREAS, Waverly and MidAmerican are parties to a Network Operating Agreement under MidAmerican’s then-current Open Access Transmission Tariff, dated February 1, 1997 and expiring on February 1, 2010;

WHEREAS, MidAmerican integrated its transmission system into the Midcontinent Independent System Operator, Inc. (“MISO”) on September 1, 2009 and at such time its Open Access Transmission Tariff ceased to be in effect;

WHEREAS, effective September 1, 2009, Waverly’s load is served under the MISO Open Access Transmission, Energy and Operating Reserve Markets Tariff (“MISO Tariff”) by virtue of the Municipal Energy Agency of Nebraska, Waverly’s agent, designating Waverly’s load as a network load under such MISO tariff;

WHEREAS, the Parties desire to enter into an Interconnection Agreement to continue their interconnected electric system arrangement and operations;

In consideration of the mutual covenants and agreements herein combined, the Parties hereto covenant and agree as follows:

ARTICLE I PURPOSE

1.1 Purpose: This Agreement defines the terms and conditions under which Waverly shall operate its electric facilities; the interconnections between the Parties and associated responsibilities; the operational procedures to be utilized by the Parties; and any other technical or operational requirements needed for implementation of this Agreement. These Procedures shall require Waverly to plan, construct, operate and maintain its interconnected facilities and electric system in accordance with Good Utility Practice, as defined in the MISO Tariff, which shall include, but not be limited to, all applicable standards and guidelines of North American Electric Reliability Corporation (“NERC”) and the Midwest Reliability Organization, as they may be modified from time to time, and any generally accepted practices in the region that are consistently adhered to by MidAmerican as a local balancing authority area operator.

ARTICLE II TERM

2.1 Agreement Effective Date: This Agreement shall become effective on February 1, 2010 subject to acceptance for filing of this Agreement by the Federal Energy Regulatory Commission (“FERC”) and shall continue in force so long as it is

effective unless and until terminated by mutual agreement of the Parties, or, except as hereinafter limited, until cancelled by either Party effective December 31 next following expiration of three (3) years' written notice provided no earlier than the seventh (7th) anniversary of the date first stated above. As long as the systems of the Parties are interconnected this Agreement shall not be terminated unless it is superseded by a new agreement governing the provision of interconnected operations between the Parties. It is understood and agreed that any service schedule, or part thereof, as may be attached hereto may contain the term of agreement appropriate to that service schedule, or part thereof, and the consequences of its termination or cancellation. Neither Party shall cancel this Agreement in a manner, which is inconsistent with the cancellation provisions of such service schedule, or part thereof, nor shall this Agreement be cancelled in respect thereto by either Party effective during the term of such service schedule, or part thereof. Cancellation by either Party of a service schedule, or part thereof, according to its provisions shall not affect the duration of any other service schedule, or part thereof, or of this Agreement.

ARTICLE III POINTS OF INTERCONNECTION

3.1 Facilities and Points of Interconnection: Each Party shall own, operate and maintain, for the term of this Agreement, the facilities and Points of Interconnection described in Service Schedule A and its system facilities (together with the necessary terminal, control and synchronizing equipment on its system) required to accommodate such Points of Interconnection.

3.2 Deliveries: All electric power and energy delivered at the Points of

Interconnection shall be of a character commonly known as three-phase, sixty-cycle energy and shall be delivered at nominal voltages and through facilities which each Party shall furnish, own, operate and maintain in a manner suitable for such delivery of power and energy as may be agreed upon.

3.3 Not a Reservation for Transmission Service: Nothing in this Agreement shall constitute an express or implied representation or warranty on the part of MidAmerican with respect to the current or future availability of transmission service or create any obligation on the part of MidAmerican to accept deliveries unless Waverly has arranged for transmission service in accordance with the MISO Tariff and applicable laws and regulations.

3.4 Operation of Local Generators: Each Party shall have responsibility for the operation and protection of the generating units located on its side of the Points of Interconnection and for the safety of the systems energized by the generators. Safety and operation provisions for the local generator(s) with regard to the interconnected transmission system include, but are not limited to, the following:

- (a) Each Party shall be solely responsible for any synchronizing of the generators with a power source from the other Party's system. Each Party shall provide the necessary protective devices to prevent parallel operation of generating equipment with a power source of the other Party unless the source voltage is of normal magnitude and phase sequence.
- (b) Control devices and procedures shall prevent any unscheduled energization of a de-energized transmission line by either Party's generators.

- (c) The Parties shall provide the necessary protective equipment to detect system abnormalities in either system and shall have the capability to isolate the sources of the disturbance. At a minimum, the Parties shall provide protective devices to:
- (i) Detect and clear the generator(s) from short circuits on facilities of either Party serving the interconnecting facilities;
 - (ii) Detect and clear the generator(s) for voltage and frequency changes which can occur if facilities of the other Party serving the interconnecting facilities are disconnected from the main system; and
 - (iii) Prevent reclosing generator(s) to the other Party's system after an incident of trouble until authorized by the other Party's Control Center.
- (d) Facilities serving the interconnection facilities may be equipped with high speed re-closing to expedite returning the facilities to service following a fault of temporary nature. The lines may also be re-energized at any time by remote control from the MidAmerican Control Center. Should future operating practices or regulations dictate the need for synchronism check relays or hot line supervision of reclosing at MidAmerican's remote interconnecting terminals, the equipment required to accommodate said functions shall be installed at Waverly's expense.
- (e) The first Party shall discontinue parallel operation of its generator(s) with the second Party's system when requested by the second Party during emergencies on the system of the second Party, or to facilitate maintenance, test, or repair of the second Party's system.

- (f) Nothing in this section shall preclude either Party from obtaining and operating local generation. The Parties shall cooperate in synchronizing, scheduling, and transmitting such generation.

ARTICLE IV OPERATING COMMITTEE

4.1 Establishment: An Operating Committee is hereby established consisting of a representative of each party. Each party 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, and in matters pertaining to duties, of the Operating Committee as the same may arise from time to time. Each Party will evidence such appointments by written notice to the other Party, and by similar notice either Party may at any time change its representatives on the Operating Committee.

4.2 Responsibilities: The principal responsibilities of the Operating Committee with respect to this Agreement shall include, but not be limited to the following:

- (a) Establish guidelines and schedules for operation and maintenance of the transmission interconnections.
- (b) Establish meter reading and record keeping practices.
- (c) Adjustment or settlement of any disputed billing rendered under this Agreement.
- (d) Coordination of planning for regional transmission located in the counties where both Parties serve customers.
- (e) Coordinate communication facilities.

- (f) Coordinate emergency and temporary service request.
- (g) Implement programs of compliance for the requirements of MISO, NERC or other agencies, as applicable, having authority over the integrity of the interconnected transmission system.
- (h) Perform other duties as may be required for the proper functioning of this Agreement, including initiation of updates to the Agreement's Service Schedules.

4.3 Authority: The representatives constituting the Operating Committee shall be of equal authority, and all decisions made and directions given must be unanimous. The Operating Committee shall have no authority to alter, amend, change, modify, add to or subtract from any provision of this Agreement nor to bind or to take any action which would bind the Parties on any issues other than those arising from the authority specifically given to the Operating Committee under this Agreement. The Operating Committee may change previously established operating procedures and standard practices from time to time to meet changing conditions. If the Operating Committee is unable to agree on any matter coming under its jurisdiction, that matter shall be referred to the chief executive of each of the parties, or his/her designated representative, Should the said executives or their representatives fail to reach an agreement, then the matter shall be resolved by arbitration. Such arbitration shall be conducted before a board of three arbitrators selected by the American Arbitration Association and the arbitration shall be conducted in accordance with the commercial arbitration rules of the American Arbitration Association then in effect, subject to the further qualification that the arbitrators named under said rules shall be competent by

virtue of education and experience in the particular matter subject to arbitration.

4.4 Meetings: The Operating Committee shall hold an initial meeting within 90 days of execution of this Agreement and shall meet thereafter whenever reasonably requested by either Party. The Party requesting such meeting shall submit a written agenda to the other Party. Written minutes shall be kept for all meetings of the Operating Committee and shall be issued for review within 15 working days following such meeting. All decisions or agreements made by the Operating Committee shall be reduced to writing and approved by the Operating Committee prior to being issued.

ARTICLE V

NERC RESPONSIBILITIES

5.1 Designations: MidAmerican is registered as a NERC-recognized Balancing Authority with specification that MISO operates a single Balancing Authority Area with MidAmerican performing certain functions as a Local Balancing Authority. Waverly is a non-registered entity under NERC criteria in MidAmerican's Local Balancing Authority Area. Upon providing reasonable notice to the other Party, either Party may change its NERC registration designations stated in this Section 5.1.

5.2 Obligations: The MidAmerican and Waverly Operating Committee shall assure that the facilities of Waverly are operated on a coordinated basis in full accordance with applicable NERC or regional reliability standards, operating guides and Good Utility Practice. Waverly shall be responsible for charges from a reliability entity allocated on the basis of Waverly's load. The Parties also agree that responsibility for any penalty imposed by any jurisdictional regulatory body shall be apportioned between the Parties according to the degree to which each Party's actions or inactions

contributed to condition that resulted in such penalty.

ARTICLE VI

METERING AND RECORDS

6.1 Metering: The electric power and energy transmitted over the facilities which are the subject of this Agreement shall be determined from measurements taken at, or adjusted to measurements at Waverly's load as recorded by the revenue measurement devices referred to in Service Schedule B, or from a Service Schedule of delivered quantities. Revenue measurement devices means properly compensated, calibrated and programmed electric metering equipment, including but not limited to watt/var-hour meters and transducers used to measure electrical energy being delivered at the interconnection points for the purpose of billing. Electric metering equipment means electric meters and associated equipment including, without limitation, metering transformers (i.e., potential and current), telemetric devices, meters for measuring kilowatt-hours and reactive volt-ampere hours, and any such other appurtenances as shall be necessary to give the instantaneous values of kilowatts and kilovars utilized in determining the amount of energy at the interconnection points and for the automatic recording of kilowatt-hours of energy for each clock hour or on such time frame as pricing changes are made in the market. Metering equipment will include all devices between the line (supply) side and meter output side including meter bypass equipment, modems, wireless communications device and isolation device for pulse output. Advanced metering equipment shall be used to provide the monitoring and/or recording of electric consumption data to enable the interval measurement of energy and demand either through interval metering or other advanced methods. Interval metering devices

measure and record units of electrical consumption at prescribed time intervals to enable the synchronization of energy consumption and market pricing.

When there is a possibility of flows of electricity in either direction, electric metering equipment shall be installed to provide hourly metering data for each direction of flow.

The specific types of metering equipment, the details of the metering arrangement, and the records to be kept shall be determined by MidAmerican.

The timing devices of all meters having such devices shall be maintained in time synchronism as closely as practicable.

The meters shall be sealed and the seals shall be broken only upon occasions when the meters are to be tested or adjusted.

6.2 Testing: The aforesaid metering equipment shall be tested at suitable intervals by the Party providing such equipment and its accuracy of registration shall be maintained in accordance with then-current utility industry practice. On request of either Party, a special test may be made at the expense of the Party requesting such special test. Representatives of both of the Parties shall be afforded an opportunity to be present at all routine or special tests and upon occasions when any readings, for purposes of settlements, are taken from meters not bearing an automatic record.

If any test of metering equipment shall disclose any inaccuracy exceeding two percent (2%), the accounts between the Parties for service theretofore delivered pursuant to this Agreement shall be adjusted to correct for the inaccuracy disclosed over the shorter of the following two periods: (a) for the thirty (30)-day period immediately preceding the day of the test; or (b) for the period that such inaccuracy may

be determined to have existed. If the metering equipment as provided hereunder at any time fail to register, the electric power and energy delivered shall be determined from the best available data.

For the purpose of checking the records of the metering equipment installed by one of the Parties as herein above provided, the other Party shall have the right to install check metering equipment at the metering points. Metering equipment so installed by one Party on the premises of the other Party, shall be owned and maintained by the Party installing such equipment. Upon termination of this Agreement, the Party owning such metering equipment shall remove it from the premises of the other Party. Authorized representatives of both Parties shall have access at all reasonable business hours to the premises where the meters are located and to the records made by the meters.

6.3 Data Acquisition: Service shall not commence until Waverly and MidAmerican have installed all metering equipment, data acquisition facilities, communication equipment and associated equipment necessary to provide the metered data to Waverly and any Agent of Waverly as well as MidAmerican's system control center in a manner comparable with MidAmerican's technical specifications and consistent with applicable NERC and Midwest Reliability Organization guidelines for the reliable operation of the MidAmerican electric system.

6.4 Record-Keeping Obligations: MidAmerican and Waverly shall keep such records as may be needed to afford a history of all transactions under this Agreement. The originals of all such records shall be retained in accordance with applicable law. Copies shall be delivered to the other party on request.

6.5 Supply of Data: MidAmerican and Waverly shall furnish to the other data available to it on such time basis as they may establish when such data are needed for settlement, operating records, or other purposes consistent with the objectives thereof. As promptly as reasonably practicable, MidAmerican and Waverly shall render to the other statements setting forth data from sources available to it in such detail and with such segregation as may be needed pursuant to this Agreement, operating records, verification of billings, or settlements relating to transmission service.

6.6 Power Factor: Power factor terms and conditions shall be pursuant to this Section 5.6. Neither Party shall be obligated to deliver kilovars for the benefit of the other Party, or to receive kilovars when to do so may introduce objectionable operating conditions on its system. Waverly's power factor at the interchange metering location shall be:

- (1) 95% or higher during the clock hour of the Parties coincident monthly system peak demand (kW) for each of the calendar months of June, July, August, and September, and
- (2) 90% or higher during all other clock hours.

6.7 Power Quality: Neither Party's facilities shall cause excessive voltage flicker nor introduce excessive distortion to the sinusoidal voltage or current waves as defined by ANSI Standard C84.1-1989, in accordance with IEEE Standard 519, or any applicable superseding electric industry standard. In the event of a conflict between ANSI Standard C84.1-1989, or any applicable superseding electric industry standard, ANSI Standard C84.1-1989, or the applicable superseding electric industry standard, shall control.

6.8 Parallel Operation: When the systems of the Parties both operate in

parallel with some other system or systems, there may be periods when the actual deliveries of energy among the various systems cannot be reconciled with the deliveries by each system to each other system. In such an event the Parties, in cooperation with the authorized representative or representatives of the other system or systems concerned, will reconcile such deliveries and determine the actual deliveries hereunder.

ARTICLE VII GENERAL PROVISIONS

7.1 Force Majeure: An event of Force Majeure means storm, flood, lightning, earthquake, fire, explosion, failure of facilities not due to lack of proper care or maintenance, civil disturbance, labor disturbance, sabotage, war, national emergency, act of the public enemy, act of terrorism, insurrection, riot, restraint by court or public authority, or any other cause beyond a Party's control. A Force Majeure event does not include an act of negligence or intentional wrongdoing. Neither MidAmerican nor Waverly will be considered in default as to any obligation under this Agreement if prevented from fulfilling the obligation due to an event of Force Majeure. However, a Party whose performance under this Agreement is hindered by an event of Force Majeure shall make all reasonable efforts to perform its obligations under this Agreement.

7.2 Indemnification: As between the Parties hereto, each shall at all times assume and bear all loss, damage or injury which its own property may suffer arising out of the transaction covered by this Agreement, no matter how such loss, damage or injury may occur. Furthermore, each of the Parties hereto agrees to assume sole liability for all loss, damage or injury which its own employees or their property may suffer while

such employees may be engaged in working in, about or upon the facilities described in this Agreement, no matter how such loss, damage or injury may occur, and without regard to the existence of legal liability on the part of the other Party for such loss, damage or injury. In case of a claim made against one of the Parties hereto, or against its agents or employees, by an employee of the other Party for such loss, damage or injury, such other Party does hereby agree to investigate, settle, compromise, or pay said claim or to defend any action or proceeding brought against either Party on account thereof and to pay any final judgment that may be rendered in such action against either Party, and otherwise to indemnify and hold harmless the one Party for such loss, damage or liability to the employee of the other which each hereinabove agreed to assume and bear on its behalf.

Except as hereinbefore provided, each of the Parties shall assume, bear and pay all loss, damage or injury to third persons or to their property for which it may be legally liable and which are proximately caused by its negligent acts or omissions of those of its agents or employees in the course of their employment, or its failure at any time to comply with the provisions of this Agreement. Each of the Parties will indemnify and save harmless the other Party hereto, and its agents, contractors and employees, from any and all liability to such third persons for such loss, damage or injury caused by the negligence or default of such negligence or defaulting Party, its agents or employees, without the concurrence of any negligence or default of said other Party, its agents or employees. If one of the Parties hereto shall be liable by operation of law for the negligence of the other, then the latter shall indemnify and hold harmless the first Party for all losses, cost, damage or liability it shall sustain by reason hereof, and will

investigate, settle, compromise or pay said claim or defend any action or proceeding brought against either Party on account thereof and pay any final judgment that may be rendered therein against either Party.

Where either of the Parties has herein agreed to defend any claim and, after reasonable notice from the other, fails or refuses to take charge of such defense, the other Party may do so. The other Party may settle or compromise said claim or defend the same as it sees fit. Any amount paid by it either in compromise settlement of said claim or otherwise shall be conclusive against the Party failing or refusing to perform its agreement to defend as herein set forth. The Party failing or refusing to defend shall be liable to the other Party for the amount so expended, together with the reasonable and necessary cost of its defense, including attorney fees.

7.3 Governing Law: The validity, interpretation and performance of this Agreement and each of its provisions shall be governed by the laws of the State of Iowa, or the laws of the United States, as applicable.

7.4 Notices: Any notice, demand, or request required by the contract or these Provisions to be in writing shall be considered properly given when delivered in person, or sent by either registered or certified mail, postage prepaid, or prepaid telegram addressed to each Party's authorized representative at the principal offices of the Party. The designation of the person to be notified may be changed at any time by similar notice.

7.5 Waivers: Any waiver at any time by either Party of its rights with respect to a default under this Agreement, or with respect to any other matter arising in

connection with this Agreement, shall not be deemed a waiver with respect to any other default or other matter arising in connection herewith.

7.6 Successors and Assigns: This Agreement is not intended to and shall not create rights of any character whatsoever in favor of any person, corporation, or association other than the Parties hereto, and the obligations herein assumed are solely for the use and benefit of the Parties to this Agreement. This Agreement shall inure to the benefit of and shall bind the Parties hereto and their successors and assigns but, unless the other Party shall consent thereto, may not be assigned by either Party except to a successor to all or substantially all of the property and assets of such Party or to a corporation resulting from a reorganization, merger or consolidation of a Party with another corporation or association.

7.7 Entire Agreement: This Agreement, constitutes the entire agreement between the Parties with reference to the subject matter hereof, and supersedes all prior and contemporaneous understandings or agreements, oral or written, between the Parties with respect to the subject matter of this Agreement. There are no other agreements, representations, warranties, or covenants, which constitute any part of the consideration for, or any condition to, either Party's compliance with its obligations under this Agreement.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be signed by their duly authorized officers as of the day and year above written.

Municipal Electric Utility of Waverly, Iowa

MidAmerican Energy Company

BY: */s/Darrel Wenzel*

BY: */s/Jeffery J. Gust/*

Name: Darrel Wenzel

Name: Jeffery J. Gust

Title: CEO

Title: Vice President - Compliance and
Planning

Service Schedule A

Facilities and Points of Interconnection

Section 1 - Facilities of Waverly

- 1.01** Waverly owns approximately 2.75 miles of 69 kV line from Waverly's North Plant to the MidAmerican owned Waverly Junction Substation.
- 1.02** Waverly owns approximately four (4) miles of 69 kV line from the Waverly South Substation to the point of interconnection with MidAmerican at the north city limits of Janesville, Iowa.
- 1.03** Waverly will build, own and operate the Waverly West Substation. The substation will consist of three 69 kV breakered line terminations, one of which will be used to interconnect with the MidAmerican Clarksville line. The substation further will consist of associated control and relaying equipment, a MidAmerican-owned remote terminal unit for interface to the MidAmerican Control Center, a control house, a battery bank, and associated facilities in keeping with sound utility engineering practices.

The information to be supplied to MidAmerican through the remote terminal unit shall consist of the open/close status of the three line 69 kV line breakers, the MW and MVAR flow on each of the three lines and the 69 kV bus voltage.

- 1.04** Waverly will construct, own and operate approximately two (2) miles of 69 kV line from the Waverly West Substation to the point of interconnection with MidAmerican near the intersection of 20th Street NW and Knight Avenue in northwest Waverly.

Section 2 - Facilities of MidAmerican:

- 2.01** MidAmerican owns and operates the Waverly Junction Substation located near the North 1/4 corner of Section 25, T-92N, R-14W, Bremer County, Iowa, less than one mile from the northeast city limits of Waverly, Iowa. The substation consists of four 69 kV breakered line terminations, one of which is dedicated to Waverly. The substation further consists of associated control and relaying equipment, 69 kV interchange metering on Waverly's line termination, a remote terminal unit for interface to the MidAmerican Control Center, a control house, a

battery bank, and associated facilities in keeping with sound utility engineering practices.

- 2.02** MidAmerican owns and operates the Black Hawk Substation and 161-69kV transformation included therein located in Black Hawk County, Iowa.
- 2.03** MidAmerican owns and operates a 69kV line from its Black Hawk Substation in Black Hawk County, Iowa extending to the north city limits of Janesville, Iowa, where such line interconnects with Waverly's south 69kV line.
- 2.04** MidAmerican owns and operates a 69kV line from its Black Hawk Substation in Black Hawk County, Iowa extending north to Facilities of MidAmerican Section 2.01.
- 2.05** MidAmerican will own and operate a 69kV line from its Clarksville Substation in Butler County, Iowa extending to the point of interconnection with Waverly at the west city limits of Waverly, Iowa near the intersection of 20th Street NW and Knight Avenue in northwest Waverly.

Section 3 - Facility Access:

- 3.01** MidAmerican and its authorized representatives shall have access to the facilities of Waverly listed above at reasonable times to observe the installation of any equipment covered by this Agreement and its operation, maintenance or condition, or to read or witness the testing of any metering equipment installed in connection with the operation of said facilities related to the connection established herein.

Section 4 - Points of Interconnection and Voltages:

- 4.01** Waverly and MidAmerican established three (3) points of 69 kV interconnection. This arrangement provides Waverly with three transmission sources.
 - (a) The north end of Waverly's existing 69 kV line extends northward to terminate at a breakered terminal in MidAmerican's Waverly Junction Substation.
 - (b) The south end of Waverly's existing 69 kV line extends southward to interconnect with the MidAmerican 69 kV line at an approximate location where the Illinois Central Railroad meets the north city limits of Janesville, Iowa.
 - (c) The west end of Waverly's 69 kV line which will extend westward to interconnect with the MidAmerican 69 kV line near the intersection of 20th Street NW and Knight Avenue in northwest Waverly.

Section 5 - System Configuration:

- 5.01** Waverly's 69 kV interconnections with MidAmerican will be operated normally closed.
- 5.02** Additions or modifications to Waverly's transmission system shall be reviewed in advance with MidAmerican and shall conform to generally accepted engineering standards. The costs of any modifications required on the MidAmerican side of the interconnection to accommodate additions or modifications on Waverly's side of the interconnection will be borne by Waverly. Ownership of such modifications shall thereafter reside with MidAmerican and such modification costs shall not be included in the establishment of Wholesale Distribution Service charges to Waverly or agent of Waverly.
- 5.03** Waverly may permit a cogenerator, independent power producer or other third party to connect to the Waverly-owned 69 kV line when Good Utility Practices are followed and standard interconnection practices are demonstrated to MidAmerican's satisfaction. Waverly shall ensure that the interconnection meets MidAmerican technical and operating requirements to the extent consistent with law.

Service Schedule B

Metering

Section 1. Metering

1.01 Waverly Junction Substation

Metering equipment will be owned, operated and maintained by MidAmerican at its Waverly Junction Substation and shall include watthour meters and associated periodic demand meters.

1.02 Waverly South Substation

Metering equipment will be owned, operated and maintained by MidAmerican at Waverly's Waverly South Substation and shall include watthour meters and associated periodic demand meters.

1.03 Waverly West Substation

The electronic meter will be owned, operated and maintained by MidAmerican at Waverly's Waverly West Substation. The remaining metering equipment will be owned, operated and maintained by Waverly at their Waverly West Substation, and shall include meter grade current transformers (CTs) and meter grade potential transformers (PTs). Waverly and MidAmerican shall have the ability to access meter data.