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September 18, 2013

### Via eTariff

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

RE: MidAmerican Energy Company
Docket No. ER13-\_\_\_\_
Transmission Interconnection Agreement by and between MidAmerican Energy
Company and East River Electric Power Cooperative

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 Transmission Interconnection Agreement by and between MidAmerican and East River Electric Power Cooperative ("East River") ("New Agreement"), Rate Schedule No. 105, which will supersede the existing Emergency Interconnection and Operating Agreement, First Revised Service Agreement No. 238 ("Current Agreement"), in its entirety. The Current Agreement was a service agreement under MidAmerican's open access transmission tariff, which was replaced with a renamed "Services Tariff" when MidAmerican integrated its transmission system with the Midcontinent Independent System Operator.<sup>1</sup>

#### I. OVERVIEW OF FILING

This filing is to recognize the replacement of the Current Agreement, last filed in Docket ER04-583-001 and accepted for filing on May 27, 2004, with the New Agreement. The Current Agreement covers a single normally open 69 kV interconnection on the East River system near Alcester, South Dakota that that may be closed at the request of MidAmerican when needed to serve a MidAmerican radial load in the area. Under the Current Agreement MidAmerican pays a monthly fee to East River to retain the interconnection, plus additional charges if the

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<sup>&</sup>lt;sup>1</sup> MidAmerican Energy Company, Docket No. ER09-1260-000, Letter Order (July 16, 2009).

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interconnection is closed. The New Agreement covers two normally open interconnections: the Alcester, South Dakota tie described above, and a new interconnection at MidAmerican's McCook substation that benefits East River. There are no additional charges to or from either party under the New Agreement.

### II. DOCUMENTS SUBMITTED IN THIS FILING

This filing consists of the following:

- 1. This letter of transmittal;
- 2. Transmission Interconnection Agreement by and between MidAmerican Energy Company and East River Electric Power Cooperative

### III. PROPOSED EFFECTIVE DATE

MidAmerican requests an effective date of September 1, 2013 for the Transmission Interconnection Agreement, Rate Schedule No. 105. 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 September 1, 2013. Given that this filing does not affect rates for transmission service, waiver of the 60-day prior notice requirement is appropriate in this instance.

#### IV. COMMUNICATIONS

MidAmerican has e-mailed or mailed via U.S. mail a copy of this filing to East River, 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,

/Suzan M. Stewart/

Suzan M. Stewart Managing Senior Attorney

cc: Iowa Utilities Board
Illinois Commerce Commission
South Dakota Public Utilities Commission
Office of Consumer Advocate
East River Electric Power Cooperative

# TRANSMISSION INTERCONNECTION AGREEMENT

by and between

# **MidAmerican Energy Company**

and

**East River Electric Power Cooperative** 

Dated: <u>July 7, 2013</u>

eTariff Information

Tariff Submitter: MidAmerican Energy Company FERC Tariff Program Name: FERC FPA Electric Tariff

Tariff Title: Transmission Interconnection Agreement – East River

Tariff Record Proposed Effective Date: September 1, 2013

Tariff Record Description: Rate Schedule No. 105

Option Code: A

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#### TRANSMISSION INTERCONNECTION AGREEMENT

THIS TRANSMISSION INTERCONNECTION AGREEMENT ("Agreement"), dated July 7, 2013, is entered into by and between MidAmerican Energy Company, an Iowa corporation ("MidAmerican") and East River Electric Power Cooperative, ("East River"), a South Dakota Cooperative. MidAmerican and East River are referred to herein individually as "Party", and collectively, as "Parties".

### WHEREAS:

East River and MidAmerican each independently own and operate electric transmission facilities, and engage in the business of providing electric energy to the general public or to electric distributing utilities or agencies; and

Portions of the respective transmission systems of East River and MidAmerican lay in the same general vicinity; and

East River and MidAmerican have a normally open transmission interconnection in the vicinity of Alcester, South Dakota; and

East River and MidAmerican intend to establish a new normally open transmission interconnection in the vicinity of McCook Lake, South Dakota; and

The Parties desire to obtain maximum benefits of economy and continuity of service; and

The Parties intend that the existing Emergency Electric Interconnection and Operating Agreement between the Parties, dated January 30, 1991 and amended on January 26, 2004, be superseded, terminated and replaced by this Agreement upon its effective date; and

The Parties agree to cooperate and execute their respective obligations and responsibilities under this Agreement in good faith.

NOW THEREFORE, in consideration of the mutual representations, covenants, and agreements hereinafter set forth, and intending to be legally bound hereby, the Parties agree as follows:

### **ARTICLE 1 – DEFINITIONS**

Wherever used in this Agreement with initial capitalization, the following terms shall have the meanings specified or referred to in this Article 1.

1.1 "Abnormal Condition" means any condition on the MidAmerican Transmission System, or the East River Transmission System, or the transmission systems of other utilities, which is outside normal operating parameters such that facilities are either operating outside their normal ratings or reasonable operating limits have been exceeded, but which has not resulted in an Emergency Event, as defined in Section 1.8 below. An Abnormal Condition may include, but is not limited to, high or low deviations in voltage, frequency,

- power flow, equipment temperature, equipment pressures, or other equipment and operating parameters.
- 1.2 "Affiliate" means, with respect to a corporation, partnership or other entity, an entity that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such corporation, partnership or other entity.
- 1.3 "Applicable Laws and Regulations" shall mean all duly promulgated applicable federal, state and local laws, regulations, rules, ordinances, codes, decrees, judgments, directives, or judicial or administrative orders, permits and other duly authorized actions of any Governmental Authority having jurisdiction over the Parties, their respective facilities and/or the respective services they provide.
- 1.4 "Applicable Regional Reliability Organization" shall mean the regional reliability organization or any successor regional organization responsible for compliance with reliability standards.
- 1.5 "Applicable Reliability Coordinator" shall mean the entity designated by both the Party and NERC that is responsible for the reliable operation of that Party's bulk electric system.
- 1.6 "Agreement" shall mean this Transmission Interconnection Agreement by and between MidAmerican and East River, including all appendices attached hereto, as the same may be amended, supplemented, revised, altered, changed or restated in accordance with its terms.
- 1.7 "East River Transmission System" shall mean the transmission facilities owned or controlled by East River.
- 1.8 "Effective Date" shall mean the effective date of this Agreement as determined pursuant to Section 2.1 of this Agreement
- 1.9 "Emergency Event" shall mean an occurrence, condition or situation requiring the closing of a normally open interconnection that (1) in the reasonable judgment of the Party making the claim is imminently likely to endanger, or is contributing to the endangerment of, life or property, or public health and safety; or (2) in the case of a Party, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to the MidAmerican Transmission System, the East River Transmission System, or the electric systems of others interconnected with the MidAmerican Transmission System or East River Transmission System.
- 1.10 "Energy Service" shall mean the power and energy provided by a Party, at that Party's sole discretion, to the other Party upon notice by the receiving Party of its need for such power and energy due either to an Emergency Event or a Scheduled Event, as provided in Section 7.

- 1.11 "Environmental Law" shall mean the applicable laws or regulations relating to pollution or protection of the environment or natural resources.
- 1.12 "FERC" shall mean the Federal Energy Regulatory Commission or its successor.
- 1.13 "Good Utility Practice" shall mean any of the applicable practices, methods and acts engaged in or approved by a significant portion of the electric utility industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment by a Party 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, giving due regard to the requirements of governmental agencies having jurisdiction. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather includes all acceptable practices, methods, or acts generally accepted in the region as they may be applicable to the Parties as transmission system owners and/or operators.
- 1.14 "Governmental Authority" shall mean any federal, state, local, or other governmental regulatory or administrative agency, court, commission, department, board, or other governmental subdivision, legislature, rulemaking board, tribunal, arbitrating body, or other governmental authority having jurisdiction over the Parties, their respective facilities, or the respective services they provide, and exercising or entitled to exercise any administrative, executive, police, or taxing authority or power; provided, however, that such term does not include the Parties to this Agreement.
- 1.15 "Interconnection Facilities" are the equipment and other facilities installed and owned by a Party on its respective side of a Point of Interconnection, which are necessary to interconnect the MidAmerican Transmission System and the East River Transmission System, including protection and control devices, metering equipment and all other necessary connection, switching, transmission, distribution, safety, engineering, communication and administrative facilities.
- 1.16 "Investment Grade Credit Rating" shall mean with respect to any entity (i) a rating on senior unsecured long term debt of "Baa3" or better from Moody's, "BBB-" or better from S&P, and (ii) a net worth of at least One Hundred Million Dollars (\$100,000,000).
- 1.17 "MAPP" shall mean the Mid-Continent Area Power Pool, or its successor.
- 1.18 "MidAmerican Transmission System" shall mean the transmission facilities owned or controlled by MidAmerican.
- 1.19 "Midwest ISO" shall mean the Midwest Independent Transmission System Operator, Inc., or its successor.
- 1.20 "MRO" shall mean the Midwest Reliability Organization, or its successor.

- 1.21 "Modification" means any material new construction, additions, design changes or modifications made to, or the abandonment, retirement, relocation or rearrangement of, the MidAmerican Transmission System or the East River Transmission System.
- 1.22 "NERC" shall mean the North American Electric Reliability Corporation or its successor electric reliability organization.
- 1.23 "Operational Authority" shall mean the Party in charge of and responsible for directing and coordinating operation of system equipment. This includes complete authority for switching, voltage control, equipment loading, and any other activity pertinent to proper operation, subject to the equipment limitations.
- 1.24 "Operational Change" shall mean any material change in the day-to-day routine, practices or procedures pertaining to the operation of either the MidAmerican Transmission System or the East River Transmission System, but excluding any change in connection with either a planned or unplanned outage, an Emergency Event or a Scheduled Event.
- 1.25 "Point of Interconnection" is the point at which MidAmerican's ownership of the MidAmerican Transmission System ends and East River's ownership of the East River Transmission System begins, as represented and described in each interconnection description included in an appendix to this Agreement.
- 1.26 "Reasonable Efforts" shall mean, with respect to an action required to be attempted or taken by a Party under this Agreement, efforts that are timely and consistent with Good Utility Practice and are otherwise substantially equivalent to those a Party would use to protect its own interests.
- 1.27 "Regulatory Requirements" shall mean any of the applicable practices, methods and acts required by NERC, FERC, MRO, Midwest ISO or Governmental Authority, or any successor of any of these entities, having jurisdiction over the Parties with regard to the subject matter of this Agreement.
- 1.28 "SCADA" means supervisory control and data acquisition equipment.
- 1.29 "Scheduled Event" shall mean an occurrence, condition or situation requiring the closing of a normally open interconnection due to a Party's planned or scheduled need, such as maintenance.
- 1.30 "Western" shall mean the Western Area Power Administration.

### **ARTICLE 2 – EFFECTIVE DATE**

2.1 <u>Effective Date</u>. Subject to required regulatory authorizations, including, without limitation, acceptance by FERC under Section 205 of the Federal Power Act, this

- Agreement shall be effective on the first day of the next month following 90 days after the date first written above, or on such other date established by FERC.
- 2.2 <u>Effect on Prior Agreement</u>. Arrangements between MidAmerican and East River with respect to emergency operation of the Alcester Interconnection are currently governed by FERC Service Schedule No. 238 <u>Emergency Electric Interconnection and Operating Agreement</u> between MidAmerican Energy Company and East River Electric Power Cooperative, dated January 26, 2004 ("Service Schedule No. 238"). Effective upon acceptance for filing, or upon such later date if so ordered by FERC, Service Schedule No. 238 shall be terminated and superseded by this Agreement. The Parties shall cooperate in making appropriate filings with FERC to effectuate this termination and succession.

### ARTICLE 3 – PURPOSE AND SCOPE

3.1 <u>Purpose</u>. The purpose of this Agreement is to set forth the terms and conditions governing the ownership and operational coordination of system interconnections between MidAmerican and East River. The details and configuration of such interconnections and associated facilities are described in appendices to this Agreement, which are incorporated herein by this reference.

#### **ARTICLE 4 – SYSTEM INTERCONNECTIONS**

- 4.1 <u>Interconnections</u>. The points of interconnection are described in appendices to this Agreement. Any additional Point of Interconnection shall become, upon inclusion in an appendix by mutual agreement of the Parties, an addition to this Agreement without further modification or amendment hereof. The appropriate geographical reference, a description of the facilities and any applicable special terms and conditions shall be stated in the Point of Interconnection description in each such appendix.
- 4.2 <u>Modification or Additions</u>. Modifications or additions to this Agreement may be recommended by either Party at any time and shall become effective upon mutual acceptance, subject to approval by any relevant Governmental Authority. The Parties will make any appropriate filings of such revisions to this Agreement or to the appendices as required under Applicable Laws and Regulations, subject to the standards of review set forth in Section 22.8 hereof.

### ARTICLE 5 – OPERATIONS AND MAINTENANCE

5.1 <u>Parties' Obligations</u>. The Parties shall operate and maintain their respective transmission systems and their respective Interconnection Facilities in accordance with Good Utility Practice.

- 5.2 <u>Switching, Tagging, and Blocking Rules.</u> The Parties shall abide by their respective switching, tagging and blocking rules for obtaining clearances for work or for switching operations at the Interconnection Facilities.
- 5.3 Operating Practices. The systems of the Parties shall normally be operated 'open' and, when interconnected during either an Emergency Event or a Scheduled Event, maintained to minimize, in accordance with Good Utility Practice, the likelihood of a disturbance originating in the system of one Party causing impairment to service of the other Party's system or any other system connected therewith.
  - 5.3.1 East River and MidAmerican will, each respectively, provide or cause to be provided proper and adequate facilities to supply all of its own reactive power requirements. Each Party shall maintain a power factor on its respective side of the Point of Interconnection between ninety-five percent (95%) lagging and ninety-five percent (95%) leading at all times.
  - 5.3.2 Each system shall maintain voltage levels at the points of interconnection as are deemed appropriate by the Coordinating Committee (Article 9 herein) and as are compatible with Good Utility Practice and interconnected operations with other systems.
  - 5.3.3 To the extent conditions are controllable, neither Party shall impose any unusual load upon the other Party's system, and each Party agrees to notify the Control Center of the other Party before intentionally taking energy to such an extent as may affect the delivering Party's service, voltage or schedules.
  - 5.3.4 In order to prevent nonsynchronous operation of the Parties' systems, operating procedures shall be implemented by MidAmerican and East River to assure that the two systems will not be tied together or operated in parallel when the region's higher voltage systems are not intact. The Coordinating Committee shall review the operating procedures adopted by MidAmerican and East River.
- 5.4 Preventive and Corrective Maintenance Outages.
  - 5.4.1 <u>Planning and Scheduling</u>. In accordance with Good Utility Practice and in order to facilitate maintenance or reliability of the respective transmission systems of the Parties, the Parties shall confer as necessary to coordinate the planning and scheduling of preventive and corrective maintenance of, and Modifications or Operational Changes to, the Interconnection Facilities that might reasonably be expected to affect the operation of the other Party's transmission system. Absent an Emergency Event or a contrary directive from the Applicable Reliability Coordinator, the Parties shall coordinate their respective schedules for any such activities and will, to the extent practicable and appropriate under the circumstances, give reasonable consideration to, among other things, the impact of the schedule on the other Party's operations; provided, however, that neither Party shall be obligated to schedule such activities to coincide with the other

Party's scheduled outages, except to the extent required by the Applicable Reliability Coordinator.

### 5.5 <u>Inspections and Testing.</u>

- 5.5.1 <u>Inspections</u>. The Parties shall perform routine inspection and testing of their equipment on their respective Interconnection Facilities in accordance with Good Utility Practice and the requirements of the Applicable Reliability Coordinator as may be necessary to ensure the continued interconnection of the MidAmerican Transmission System and East River Transmission System in a safe and reliable manner.
- 5.5.2 <u>Right to Observe Testing</u>. The Parties shall have the right to observe the testing of the testing Party's Interconnection Facilities, the performance of which may reasonably be expected to affect the reliability of the observing Party's transmission system. The testing Party shall notify the observing party in advance of such testing unless, in the testing Party's reasonable judgment, the testing must be performed immediately, in which case the testing Party shall provide notice as soon as practicable. The observing Party may have a representative attend and be present during such testing.
- 5.6 <u>Disconnection</u>. In the event of an Emergency Event, either Party may disconnect the Interconnection Facilities for so long as is necessary under Good Utility Practice or the requirements of the Applicable Reliability Coordinator, including the period of time necessary to establish the reconnection of the Interconnection Facilities.
- 5.7 <u>Planned Outage</u>. In the event of a planned outage of either Party's transmission system that may adversely affect equipment or reliability of the other Party with respect to its transmission system, the Party whose transmission system is incurring the outage will use efforts, consistent with Good Utility Practice, and in accordance with directions from the Applicable Reliability Coordinator, to restore the transmission system to service in accordance with its schedule for the work that necessitated the planned outage.
- Access Rights. Upon reasonable notice by either Party, and subject to any required or necessary regulatory approvals, a Party (the "Granting Party") shall furnish at no cost to the other Party (the "Access Party") any rights of use, licenses, rights of way and easements with respect to lands owned or controlled by the Granting Party, its agents, or any Affiliate, that are necessary to enable the Access Party to obtain ingress and egress to construct, operate, maintain, repair, test (or witness testing), inspect, replace or remove facilities and equipment to: (i) interconnect the Interconnection Facilities; (ii) operate and maintain the Interconnection Facilities; and (iii) disconnect or remove the Access Party's facilities and equipment upon termination of this Agreement. In exercising such licenses, rights of way and easements, the Access Party shall not unreasonably disrupt or interfere with normal operation of the Granting Party's business and shall adhere to the safety rules and procedures established in advance, as such rules and procedures may be changed from time to time by the Granting Party and provided to the Access Party.

#### **ARTICLE 6 – EMERGENCIES**

- 6.1 <u>Generally</u>. Both Parties agree to comply with applicable emergency procedures of the Applicable Reliability Coordinator, and the Parties' respective emergency procedures, as applicable, for implementing reliability requirements, other Regulatory Requirements, and the Parties' operating commitments, as applicable, with respect to an Emergency Event, and to comply with directives issued thereunder.
- 6.2 <u>Notice</u>. A Party shall, promptly under the circumstances, provide to the other Party, by oral notification to the individuals designated in Section 21.3, notice of an Emergency Event that may reasonably be expected to affect the other Party's operation of its transmission system, to the extent the notifying Party should reasonably be aware of the Emergency Event. Such notification shall describe, as known, the nature of the Emergency Event, the extent of any damage or deficiency, its anticipated duration, and the corrective action taken and/or to be taken. The initial notice shall be followed as soon as practicable with written notice.
- 6.3 Immediate Action. A Party that becomes aware of an Emergency Event may, in accordance with Good Utility Practice and using its reasonable judgment, take such action with respect to its own facilities as is reasonable and necessary to prevent, avoid, or mitigate injury, danger and/or loss of life or property. The Parties shall, consistent with Good Utility Practice, take whatever actions or inactions the Parties deem necessary during an Emergency Event, including, without limitation, to request and comply with applicable directives of MAPP, the Midwest ISO and/or the Applicable Reliability Coordinator, in order to: (i) preserve public health and safety; (ii) preserve the reliability of the Parties' transmission systems; (iii) limit or prevent damage; and (iv) expedite restoration of service.
- 6.4 <u>Abnormal Conditions</u>. To the extent a Party reasonably should be aware of any Abnormal Condition, such Party, subject to the satisfaction of and compliance with Regulatory Requirements, will make Reasonable Efforts to promptly notify the other Parties of such Abnormal Condition if it may reasonably be expected to affect a Party's operation of its transmission system. However, the failure of a Party to provide notice in conformance with this Section shall not constitute a material breach of this Agreement.

### **ARTICLE 7 – ENERGY SERVICE**

7.1 Energy Service will be made available in accordance with this Agreement for that portion of either Party's system that lies in the vicinity of the Point of Interconnection, and shall not be used to make up any deficiency in either Party's system during normal operating conditions. Each Party reserves sole discretion in determining its capability to meet a request for Energy Service from the other Party. Nothing in this Agreement shall require a Party to agree to close the interconnection if such closure might impair service on that Party's system.

- 7.1.1 <u>Notice</u>. It is understood that Energy Service will be provided only upon notice by either Party to the Control Center of the other Party, as follows:
  - 7.1.1.1 In the case of an Emergency Event, such notice will specify the cause and nature of the Emergency Event that has arisen, the amount of power required, and the probable duration of the Emergency Event. The notifying Party shall also notify the other Party's Control Center promptly when the Emergency Event has ended and Energy Service is no longer required.
  - 7.1.1.2 In the case of a Scheduled Event, such notice will be given as far in advance as reasonably practical and will specify the reason Energy Service is required and the expected duration of the Scheduled Event. The notifying Party shall also notify the other Party's Control Center promptly when the Scheduled Event has ended and Energy Service is no longer required.
- 7.1.2 <u>Availability</u>. In offering to provide Energy Service, neither Party is dedicating any portion of its system to the other Party. Capacity made available by either Party shall be on the condition that such capacity is in excess of its system requirements. The Party supplying the Energy Service shall have sole discretion in determining if capacity is available under the terms of this Agreement.
- 7.1.3 <u>Maximum Capacity</u>. The maximum amount of capacity to be delivered at each point of interconnection will be defined in Appendix A. If either Party exceeds its maximum as defined in Appendix A, additional negotiations will be undertaken to determine what changes or revisions to this Agreement will be required. Either Party has the right to not allow use of the interconnection if the maximum is exceeded in order to protect its own facilities.
- 7.1.4 <u>Accounting Period</u>. Interconnection megawatt-hour accounting will be determined on a monthly basis. Meters shall be read in accordance with Section 11.3.
- 7.1.5 <u>Losses</u>. Metered quantities shall be adjusted by an amount equal to one and seven hundredths (1.07) factor, or as mutually agreed to by the Parties, to account for losses through the MidAmerican or East River system.
- 7.1.6 Payback for Energy Service. Paybacks for Energy Service received by one Party from the other Party through an interconnection listed in Appendix A shall be repaid based upon the actual metered amount received at the interchange point and shall be adjusted to include losses. The receiving Party shall repay the delivering Party by way of energy-in-kind payback, unless an alternative payback mechanism has been mutually agreed to by the Parties.

### ARTICLE 8 – MODIFICATIONS OR OPERATIONAL CHANGES

- 8.1 <u>Generally</u>. Modifications or Operational Changes to Interconnection Facilities may be recommended by either Party to the other Party at any time. Each Party shall make such Modifications or Operational Changes to its Interconnection Facilities as are necessary to comply with Good Utility Practice and as may be provided in Appendix A to this Agreement. Any such Modifications or Operational Changes will be subject to any necessary transmission studies and to any necessary Governmental Authority approvals in accordance with Section 22.8 hereof and shall become effective upon mutual acceptance. The Parties will make any appropriate filings of such revisions to this Agreement or to the Appendices as required under Applicable Laws and Regulations, subject to the standards of review set forth in Section 22.8 hereof.
- Notice. In the event a Party plans to undertake Modifications or Operational Changes to its Interconnection Facilities that reasonably may be expected to impact the other Party's transmission system, the initiating Party shall provide the other Party with at least ninety (90) days' advance notice of the desired Modifications or Operational Changes. The nature of and the schedule of work for performing such Modifications, or the nature of the Operational Changes shall be subject to review and acceptance by the other Party, whose review and acceptance shall not be untimely nor unreasonably withheld or delayed, to ensure that such Modifications or Operational Changes will (i) not adversely affect a Party's transmission system, or other facilities, (ii) are consistent with Good Utility Practice, and (iii) are as provided in Appendix A to this Agreement. The suitability and the responsibility for the safe and adequate design, operation and maintenance of the initiating Party's facilities shall be and remain the sole obligation of the initiating Party.
- 8.3 Cost Responsibility. When the actions of a Party necessitate Modifications or Operational Changes to the other Party's Interconnection Facilities that are not required by the other Party, NERC, MRO, applicable Reliability Coordinator, FERC or Governmental Authority, or are not otherwise needed to satisfy Regulatory Requirements, such Modifications or Operational Changes to the other Party's Interconnection Facilities shall be made at the sole cost and expense of the Party initiating the changes, unless otherwise agreed to in writing by the Parties. The initiating Party's responsibility for such Modification or Operational Change costs is limited to those costs that are incremental to costs already planned to be incurred by the other Party.

### **ARTICLE 9 – COORDINATING COMMITTEE**

9.1 Each Party will appoint one (1) representative to act for it in matters pertaining to the interconnected operation of their respective electric systems and for the deliveries of power and energy herein provided, said representatives being referred to collectively as the Coordinating Committee. 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

- representative on the Coordinating Committee. Each Party may similarly designate an alternate representative to act in the absence of a designated representative.
- 9.2 The Coordinating Committee shall meet annually or otherwise, as necessary.
- 9.3 The principal responsibilities of the Coordinating Committee shall include:
  - (1) Development of guidelines for carrying out the specifics of this Agreement;
  - (2) Establish meter reading practices;
  - (3) Adjustment or settlement of any disputed billing rendered;
  - (4) A periodic review of all functions of this Agreement;
  - (5) Performance of such other duties as may be required for the proper functioning of operations, billing and accounting under this Agreement.
- 9.4 The representatives constituting the Coordinating Committee shall be of equal authority, and all decisions made and directions given must be unanimous. If the Coordinating Committee is unable to agree on any matters within its jurisdiction, such matters shall be resolved by the mutual agreement of the President of MidAmerican and the General Manager of East River or their designated representatives.
- 9.5 Written minutes shall be kept for all meetings of the Coordinating Committee, and decisions or agreements made by the Coordinating Committee shall be reduced to writing.

### ARTICLE 10 – DOCUMENTATION AND INFORMATION REPORTING

10.1 <u>Information Reporting Obligations</u>. Subject to applicable Regulatory Requirements and/or confidentiality agreements, each Party shall, in accordance with Good Utility Practice, work with the other Party regarding the transfer of information that may reasonably be necessary to support the reliability of the other Party's facilities.

### ARTICLE 11 – METERING AND TELEMETERING

Metering and Telemetering Equipment. Each Party shall own and maintain its respective metering and telemetering equipment consistent with all applicable Regulatory Requirements and in keeping with sound technology in practice at the time. Such metering shall be mutually acceptable to the Parties and shall include all watthour meters, demand meters, var meters, energy recorders, current and potential transformers and associated equipment at each point of interconnection for billing and system control. Each Party will be responsible for the installation, operation and maintenance of the communication channel and telemetering equipment required to retrieve the necessary interchange metering data. Ownership and specific metering responsibilities at each Point of Interconnection shall be as defined in Appendix A.

- 11.2 The transfer of power and energy shall be measured by metering equipment at the locations and at the voltages described in the appendices.
- 11.3 <u>Meter Readings</u>. MidAmerican and East River will each read its aforesaid meters regularly, at times to be mutually agreed upon, and promptly forward a copy of such meter readings to the other Party. The documentation recorded by the meters at the foregoing locations shall be available at all reasonable times to authorized employees and agents of each of MidAmerican and East River for the purposes of this Agreement.
- 11.4 <u>Meter Tests, Accuracy, and Adjustments</u>.
  - 11.4.1 Each meter used hereunder shall, by comparison with accuracy standards, be tested and calibrated by the Party owning the meter at approximate intervals of three years. If a meter shall be found inaccurate, it shall be restored to an accurate condition or an accurate meter substituted.
  - 11.4.2 Either Party shall have the right to request that a special test of metering equipment be made at any time. If any test, made at such Party's request, discloses that the metering equipment tested is registering within 2 % of normal, the Party requesting the test shall bear the expense thereof. The expense of all other tests shall be borne by the Party owning the metering equipment.
  - 11.4.3 The results of all tests and calibrations shall be open to examination by both Parties, and a report of every test shall be furnished immediately to the other Party. Any meter tested and found to be not more than 2 % above or below normal shall be considered accurate. If, as a result of any test, any meter is found to register in excess of 2 % either above or below normal, then the readings of such meter previously taken shall be corrected according to the percentage of inaccuracy so found, but no such correction shall extend beyond six months previous to the day on which inaccuracy is discovered by such test.
  - 11.4.4 Should any such metering equipment at any time fail to register, or should the registration thereof be so erratic as to be meaningless, the power and energy delivered shall be determined from the best information available.

### **ARTICLE 12 – ASSIGNMENT**

- 12.1 <u>Successors and Assigns</u>. This Agreement, and the rights and obligations created thereby, shall bind and inure to the benefit of the successors and permitted assigns of the Parties hereto.
- 12.2 <u>Consent Required</u>. Except as specified in Section 12.3 below, no Party may assign any rights or obligations hereunder without obtaining the consent of the other Party, which consent shall not unreasonably be withheld.

- 12.3 Assignment or Transfer in Event of Merger, Financing, or Sale.
  - 12.3.1 This Agreement shall be considered vested by operation of law in the survivor of a merger of a Party with another entity, who shall then be considered the Party. In the event of a consolidation, reorganization or other material change in organizational structure of a Party involving substantially all the Party's transmission assets, this Agreement may be assigned by a Party, without the consent of the other Parties as may be required by Section 12.2 by the provision of written notice, provided that the surviving entity(ies) agrees, in writing, to assume the assigning Party's obligations and duties under, and be bound by, the terms of this Agreement and further satisfy one of the following criteria:
    - (a) the assignee has an Investment Grade Credit Rating;
    - (b) the obligations of the assignee are guaranteed by a parent with an Investment Grade Credit Rating; or
    - (c) the assignment is being made in connection with a merger, consolidation or sale of substantially all the assignor's transmission assets to another party that has an Investment Grade Credit Rating at least equal to that of the assignor.
  - 12.3.2 Notwithstanding anything to the contrary herein, a Party or its permitted assignee may, without the consent of the other Party assign, transfer, pledge or otherwise dispose of its rights and interests hereunder to a trustee or lending institution for the purposes of financing or refinancing any of the assigning Party's facilities. Each Party agrees to execute and deliver such documents at the assigning Party's expense as may be reasonably necessary to accomplish any such assignment, transfer, pledge, or other disposition of rights hereunder for purposes of the financing or refinancing.
- 12.4 Party to Remain Responsible. Except for assignments pursuant to Section 12.3.1, no assignment, transfer, pledge, conveyance, or disposition of rights or obligations under this Agreement by a Party will relieve that Party from liability and financial responsibility for the performance thereof after any such assignment, transfer, conveyance, pledge, or disposition unless and until the transferee or assignee agrees in writing to assume the obligations and duties of that Party under this Agreement and the non-assigning Party has consented in writing to such assumption and to a release of the assigning Party from such liability.
- 12.5 <u>Termination of Corporate Existence</u>. If a Party terminates its existence as a corporate entity by acquisition, sale, consolidation, or otherwise, or if all or substantially all of such Party's assets are transferred to another person or business entity, without complying with Sections 12.2 or 12.3 above, the other Party will have the right, enforceable in a court of competent jurisdiction, to enjoin the Party's successor from using its facilities in any manner that interferes with, impedes, or restricts the other Party's ability to carry out its ongoing business operations, rights and obligations.

#### **ARTICLE 13 – FORCE MAJEURE**

- 13.1 Force Majeure Defined. The term "Force Majeure" means any cause beyond the reasonable control of and without fault or negligence of the Party claiming Force Majeure, including but not limited to acts of God, strike or other labor disturbance, act of the public enemy, flood, earthquake, storm, fire, lightning, explosion, epidemic, war, insurrection, riot, civil disturbance, sabotage, breakage or accident to machinery or equipment, changes in Applicable Laws and Regulations subsequent to the date hereof, any order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities, and action or inaction by any Governmental Authority which, in any of the foregoing cases, by exercise of due foresight such Party could not reasonably have been expected to avoid, and which, by the exercise of due diligence, it is unable to overcome.
- 13.2 <u>Effect of Force Majeure</u>. The Parties shall be excused from performing their respective obligations under this Agreement and shall not be liable in damages or otherwise if and to the extent that they are unable to so perform or are prevented from performing by a Force Majeure, provided that:
  - 13.2.1 the non-performing Party, as promptly as reasonably practicable after the Party reasonably determines that a Force Majeure event has occurred and such Force Majeure event will adversely impact the Party's ability to perform its obligations hereunder, gives the other Party written notice describing the particulars of the occurrence;
  - 13.2.2 the suspension of performance is of no greater scope and of no longer duration than is reasonably required by the Force Majeure;
  - 13.2.3 the non-performing Party uses all Reasonable Efforts to remedy its inability to perform; and
  - 13.2.4 as soon as the non-performing Party is able to resume performance of its obligations excused as a result of the occurrence, it gives prompt written notification thereof to the other Party.

### ARTICLE 14 – LIABILITY AND INDEMNIFICATION

14.1 <u>Limitation on Liability</u>. A Party, its affiliates, directors, officers, employees and agents, or any of them, shall not be liable to the other Party, its affiliates, directors, officers, employees and agents, or any of them, or to any third party or other person for any damages whatsoever arising or resulting from any act or omission in any way associated with service provided under this Agreement, including, but not limited to, any act or omission that results in an interruption, deficiency or imperfection of interconnection service.

### 14.2 Indemnification.

- 14.2.1 Subject to the Limitations of Liability set forth in Section 14.1, a Party (the "Indemnifying Party") shall at all times indemnify, defend, and hold the other Party ("Indemnified Party") harmless from any and all losses relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the other Party's performance, or non-performance of its obligations under this Agreement on behalf of the Indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the Indemnified Party.
  - 14.2.1.1 <u>Indemnified Party</u>. If an Indemnified Party is entitled to indemnification under this Article 14 as a result of a claim by a third party, and the Indemnifying Party fails, after notice and reasonable opportunity to proceed under Article 14.2, to assume the defense of such claim, such Indemnified Party may at the expense of the Indemnifying Party contest, settle or consent to the entry of any judgment with respect to, or pay in full, such claim.
  - 14.2.1.2 <u>Indemnifying Party</u>. If an Indemnifying Party is obligated to indemnify and hold any Indemnified Party harmless under this Article 14, the amount owing to the Indemnified Party shall be the amount of such Indemnified Party's actual loss, net of any insurance or other recovery.
  - 14.2.1.3 <u>Indemnity Procedures</u>. Promptly after receipt by an Indemnified Party of any claim or notice of the commencement of any action or administrative or legal proceeding or investigation as to which the indemnity provided for in Article 14.2 may apply, the Indemnified Party shall notify the Indemnifying Party of such fact. Any failure of or delay in such notification shall not affect a Party's indemnification obligation unless such failure or delay is materially prejudicial to the Indemnifying Party.

The Indemnifying Party shall have the right to assume the defense thereof with counsel designated by such Indemnifying Party and reasonably satisfactory to the Indemnified Party. If the defendants in any such action include one or more Indemnified Parties and the Indemnifying Party and if an Indemnified Party reasonably concludes that there may be legal defenses available to it and/or other Indemnified Parties which are different from or additional to those available to the Indemnifying Party, the Indemnified Party shall have the right to select separate counsel to assert such legal defenses and to otherwise participate in the defense of such action on its own behalf. In such instances, the Indemnifying Party shall only be required to pay the fees and expenses of one additional attorney to represent an Indemnified Party having such differing or additional legal defenses.

The Indemnified Party shall be entitled, at its expense, to participate in any such action, suit or proceeding, the defense of which has been assumed by the Indemnifying Party. Notwithstanding the foregoing, the Indemnifying Party (i) shall not be entitled to assume and control the defense of any such action, suit or proceedings if and to the extent that, in the opinion of the Indemnified Party and its counsel, such action, suit or proceeding involves the potential imposition of criminal liability on the Indemnified Party, or there exists a conflict or adversity of interest between the Indemnified Party and the Indemnifying Party, in such event the Indemnifying Party shall pay the reasonable expenses of the Indemnified Party, and (ii) shall not settle or consent to the entry of any judgment in any action, suit or proceeding without the consent of the Indemnified Party, which shall not be reasonably withheld, conditioned or delayed.

14.2.2 Subject to the limitation of liability set forth in Section 14.1 and the terms and provisions of this indemnity, the Indemnifying Party shall protect, defend, indemnify and save harmless the Indemnified Party from, against and in respect of, any and all loss, liability, damage and reasonable expenses for accounting, consulting, engineering, investigation, cleanup, response, removal and/or disposal and other remedial costs, directly or indirectly imposed upon, incurred by or asserted against the Indemnified Party arising out of or in conjunction with any claim or claims by any third party or parties (including, without limitation, a Governmental Authority), arising out of or in connection with (i) the use, generation, refining, manufacture, transportation, transfer, production, processing, storage, handling, or treatment of any substances, materials, products, or wastes which are classified as hazardous or toxic under any applicable federal, state or local law, or any regulations promulgated thereunder, effective as of the Effective Date of this Agreement ("Regulated Materials"), on, under or from the facilities of the Indemnifying Party; (ii) an actual or threatened release, spill, leak, discharge, or escape into the environment, of any Regulated Materials on, under or from the facilities of Indemnifying Party; (iii) the cleanup, removal and/or disposal of any Regulated Materials on, under or from the facilities of the Indemnifying Party required by any Environmental Law or any Governmental Authority; (iv) any personal exposure or injury (including wrongful death) or property damage (real or personal) arising out of or related to such Regulated Materials, including any damage arising out of any cleanup required by the Governmental Authorities or Environmental Laws; (v) any lawsuit brought or threatened, settlement reached, or government order relating to such Regulated Materials on, under or from the facilities of the Indemnifying Party; or (vi) any violation of laws, orders, rules, regulations, requirements, guidelines, or demands of Governmental Authorities, including permits and licenses under Environmental Laws, which are based upon or in any way related to such Regulated Materials on, under or from the facilities of the Indemnifying Party. Nothing in this Section shall require a Party to indemnify the other Party with respect to any matter

- described in clauses (i) through (vi) above except in connection with the Interconnection Facilities.
- 14.3 <u>Survival</u>. The limitation of liability provided for, and the indemnification obligations of each Party under this Article shall continue in full force and effect regardless of whether this Agreement has either expired or been terminated or canceled with respect to matters that arise during the effectiveness of this Agreement.
- 14.4 <u>Limitation on Damages</u>. Notwithstanding anything to the contrary contained in this Agreement, each Party waives all claims against the other Party (and against the other Party's parent company, affiliates, directors, officers, contractors, subcontractors, employees and agents) for any consequential, incidental, indirect, special, or exemplary damages (including, but not limited to, loss of actual or anticipated profits, revenues or product; loss by reason of shutdown or non-operation; increased expense of operation; cost of replacement power; interest charges; cost of capital; or claims of its customers to which service is made), and regardless of whether any such claim arises out of breach of contract or warranty, tort, product liability, indemnity, contribution, strict liability or any other legal theory. The above limitations shall not be construed as a limitation on indemnification of death, bodily injury or third party claims pursuant to Section 14.1.
- 14.5 <u>Risk of Loss</u>. Each Party shall have the full risk of loss for its own Interconnection Facilities and related equipment and materials.
- 14.6 <u>No Personal Liability</u>. In no event shall any member, partner, shareholder, owner, officer, director, employee, or affiliate of a Party be personally liable to the other Party for any payments, obligations, or performance under this Agreement.
- 14.7 <u>Insurance</u>. At a minimum, each Party shall, at its own expense, maintain in force throughout the term of this Agreement, the following minimum insurance coverage, with insurers authorized to do business or an approved surplus line carrier in South Dakota:
  - 14.7.1 Employers' Liability and Workers' Compensation Insurance providing statutory benefits in accordance with the laws and regulations of South Dakota. The minimum limits for the Employers' Liability insurance shall be one million dollars (\$1,000,000) each accident bodily injury by accident, one million dollars (\$1,000,000) each employee bodily injury by disease, and one million dollars (\$1,000,000) policy limit bodily injury by disease.
  - 14.7.2 Commercial General Liability Insurance including premises and operations, personal injury, broad form property damage, broad form blanket contractual liability coverage products and completed operations coverage, coverage for explosion, collapse and underground hazards, independent contractors coverage, coverage for pollution to the extent normally available and punitive damages to the extent normally available and a cross liability endorsement, with minimum limits of one million dollars (\$1,000,000) per occurrence/one million dollars

- (\$1,000,000) aggregate combined single limit for personal injury, bodily injury, including death and property damage.
- 14.7.3 Comprehensive Automobile Liability Insurance for coverage of owned and nonowned and hired vehicles, trailers or semi-trailers designed for travel on public roads, with a minimum, combined single limit of one million dollars (\$1,000,000) per occurrence for bodily injury, including death, and property damage.
- 14.7.4 Excess Public Liability Insurance over and above the Employers' Liability Commercial General Liability and Comprehensive Automobile Liability Insurance coverage, with a minimum combined single limit of nine million dollars (\$9,000,000) per occurrence/nine million dollars (\$9,000,000) aggregate.
- 14.7.5 The Commercial General Liability Insurance, Comprehensive Automobile Insurance and Excess Public Liability Insurance policies shall name the other Party as an additional insured for the negligent acts of the insuring Party under this Agreement to the extent available. All such policies shall contain provisions whereby the insurers waive all rights of subrogation in accordance with the provisions of this Agreement against the other Party and endeavor to provide thirty (30) days written notice, prior to the anniversary date, of cancellation or any material change in coverage or conditions.
- 14.7.6 Each Party shall be responsible for its respective deductibles or retentions.
- 14.7.7 The Commercial General Liability Insurance, Comprehensive Automobile Liability Insurance and Excess Public Liability Insurance policies, if written on a claims first made basis, shall be maintained in full force and effect for two (2) years after termination of this Agreement, which coverage may be in the form of tail coverage or extended reporting period coverage if agreed by the Parties.
- 14.7.8 The requirements contained herein as to the types and limits of all insurance to be maintained by the Parties are not intended to and shall not in any manner, limit or qualify the liabilities and obligations assumed by the Parties under this Agreement.
- 14.7.9 Upon request, each Party shall provide certification of all insurance required in this Agreement, executed by each insurer or by an authorized representative of each insurer.
- 14.7.10 Notwithstanding the foregoing, each Party may self-insure to the extent it maintains a self-insurance program; provided that, such Party has an Investment Grade Credit Rating. For any period of time that a Party does not have an Investment Grade Credit Rating, such Party shall comply with the insurance requirements applicable to it under this Article. In the event that a Party is permitted to self-insure pursuant to this Article, it shall not be required to

- comply with the insurance requirements applicable to it under the applicable Sections to the extent it self-insures such losses and occurrences.
- 14.7.11 The Parties agree to report to each other in writing as soon as reasonably practical all accident or occurrences resulting in injuries to any person, including death, and any property damage arising out of this Agreement.

### ARTICLE 15 – BREACH, CURE AND DEFAULT

- 15.1 <u>Breach</u>. A breach of this Agreement shall occur upon the failure by a Party to perform any material term or condition of this Agreement.
- 15.2 Events of Breach. A breach of this Agreement shall include:
  - 15.2.1 The failure to comply with any material term or condition of this Agreement, including but not limited to any material breach of a representation, warranty or covenant made in this Agreement;
  - 15.2.2 If a Party: (i) by decree of a court of competent jurisdiction is adjudicated bankrupt or insolvent; (ii) files 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; (iii) makes a general assignment for the benefit of its creditors; or (iv) consents to the appointment of a receiver, trustee or liquidator;
  - 15.2.3 Assignment of this Agreement in a manner inconsistent with the terms of Sections 12.2 or 12.3 of this Agreement;
  - 15.2.4 Failure of a Party to provide such access rights, or a Party's attempt to revoke or terminate such access rights, as provided under this Agreement; or
  - 15.2.5 Failure of a Party to provide information or data to the other Party as required under this Agreement, provided the Party entitled to the information or data under this Agreement requires such information or data to satisfy its obligations under this Agreement or to satisfy Regulatory Requirements.
- 15.3 <u>Continued Operation</u>. In the event of a breach by a Party, the Parties shall continue to operate and maintain, as applicable, protection and metering equipment, telemetering equipment, SCADA equipment, transformers, circuit breakers, switches, communications equipment, building facilities, software, documentation, structural components, and other facilities and appurtenances that are reasonably necessary for the Parties to operate and maintain their respective transmission systems in a safe and reliable manner.

### 15.4 Cure and Default

- 15.4.1 A Party automatically will be deemed to be in "Default" of this Agreement upon the occurrence of any one of the events described in Sections 15.2.2 of the Agreement.
- 15.4.2 Upon the occurrence of any event of breach other than those described in Section 15.2.2, the Party not in breach (hereinafter the "Non-Breaching Party"), when it becomes aware of any such breach, shall give written notice of the breach to the Breaching Party. Such notice shall set forth, in reasonable detail, the nature of the breach, and where known and applicable, the steps necessary to cure such breach. Upon receiving written notice of the breach hereunder, the Breaching Party shall have thirty (30) days to cure such breach. If the breach is such that it cannot be cured within such thirty-day (30-day) time period, the Breaching Party will commence in good faith all steps as are reasonable and appropriate to cure the breach within such thirty-day (30-day) time period and thereafter diligently pursue such action to completion within ninety (90) days from the receipt of the breach notice. In the event the Breaching Party fails to cure the breach or to commence reasonable and appropriate steps to cure the breach within such thirty-day (30-day) time period, or the Breaching Party fails to cure the breach within the ninety-day (90-day) time period, the Breaching Party will be in "Default" of this Agreement.
- 15.4.3 Upon the occurrence of a Default, any Non-Breaching Party may, subject to the limitations contained in Article 16, terminate this Agreement as to the Breaching Party by providing written notice of termination to the Breaching Party, except that where a Default has been disputed by the Breaching Party, termination of this Agreement on account of such Default may not occur absent a final, binding and non-appealable decision by FERC, a Governmental Authority, an arbitrator, or a court of competent authority having jurisdiction, making a determination of said Default.

### ARTICLE 16 – TERM AND TERMINATION OF INTERCONNECTION SERVICE

16.1 <u>Term.</u> This Agreement shall remain in full force and effect from the Effective Date and shall continue in effect thereafter for an initial term of twenty (20) years, unless terminated in accordance with this Article. This Agreement shall continue in effect after the end of said initial term, until terminated as of any date following the end of said initial term by either Party at any time upon two (2) years' written notice to the other Party of its intention to so terminate, unless sooner terminated in accordance with this Article or as provided in an Appendix of this Agreement with respect to the separate Points of Interconnection.

### 16.2 Termination.

16.2.1 <u>By Mutual Consent</u>. This Agreement may be terminated at any time by mutual written agreement of both Parties.

- 16.2.2 <u>For Cause.</u> MidAmerican or East River may terminate this Agreement, upon the occurrence of any of the following events:
  - (a) planned or actual removal from service of a Party's facilities used to provide the interconnection under this agreement, which in such case shall be preceded by no less than two years advance notice;
  - (b) as to a Breaching Party, a Default by said Breaching Party as provided in Section 15.4; or
  - (c) upon order from FERC.
- 16.3 <u>FERC Approval</u>. No termination hereunder shall become effective until the terminating Party (or the Parties jointly) tender(s) to FERC any required notification of termination of this Agreement and obtains such acceptance thereof by FERC as may be necessary to comply with applicable Regulatory Requirements.
- 16.4 <u>Disconnection</u>. Upon termination of this Agreement in accordance with this Article, a Party may, in coordination with the other Party, physically disconnect its transmission system from the terminated Party's transmission system.
- 16.5 <u>Survival of Rights</u>. Termination of this Agreement shall not relieve either Party of any of its liabilities and obligations arising hereunder prior to the date termination becomes effective, and each Party may take whatever judicial or administrative actions as appear necessary or desirable to enforce its rights hereunder. Applicable provisions of this Agreement will continue in effect after expiration, cancellation or termination of this Agreement to the extent necessary to provide for final billings, billing adjustments, and the determination and enforcement of liability and indemnification obligations arising from events or acts that occurred while this Agreement was in effect.

#### ARTICLE 17 – LABOR RELATIONS

17.1 Each Party agrees to immediately notify the other Party, orally and then in writing, of any labor dispute or anticipated labor dispute of which its management has actual knowledge that might reasonably be expected to affect the operations of the other Party with respect to this Agreement.

#### ARTICLE 18 – SUBCONTRACTOR

18.1 <u>Generally</u>. Nothing in this Agreement shall prevent a Party from utilizing the services of such subcontractors as it deems appropriate to perform its obligations under this Agreement; provided, however, that both Parties shall require their subcontractors to comply with all applicable terms and conditions of this Agreement in providing such services.

- 18.2 <u>Responsibility of Principal</u>. The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this Agreement. Each Party shall be fully responsible to the other Party for the acts or omissions of any subcontractor it hires as if no subcontract had been made. Any applicable obligation imposed by this Agreement upon a Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.
- 18.3 <u>No Third Party Beneficiary</u>. No subcontractor is intended to be, nor will it be deemed to be, a third-party beneficiary of this Agreement.
- 18.4 <u>No Limitation by Insurance</u>. The obligations under this Article will not be limited in any way by any limitation on subcontractor's insurance.

### **ARTICLE 19 – CONFIDENTIALITY**

- 19.1 <u>Nondisclosure</u>. No Party shall disclose any Confidential Information of the other Party obtained pursuant to or in connection with the performance of this Agreement to any third party without the express written consent of the other Party, except that either Party may produce Confidential Information in response to a subpoena, discovery request or other compulsory process issued by a judicial body or Governmental Authority.
- Definition. "Confidential Information" means any confidential, proprietary or trade secret 19.2 information of a plan, specification, pattern, procedure, design, device, list, concept, policy or compilation relating to the present or planned business of a Party, which is designated as Confidential Information by the Party supplying the information, whether conveyed orally, electronically, in writing, through inspection, or otherwise. Confidential Information shall include, without limitation, all information relating to a Party's technology, research and development, business affairs, and pricing, and any information supplied by a Party to the other Party on a confidential basis prior to the execution of this Agreement. Confidential Information shall include all information and documentation that is designated as Critical Energy Infrastructure Information ("CEII") in accordance with 18 C.F.R. Section 388.113(c)(1). Confidential Information shall not include information that the receiving Party can demonstrate: (i) is generally available to the public other than as a result of a disclosure by the receiving Party; (ii) was in the lawful possession of the receiving Party on a non-confidential basis before receiving it from the disclosing Party; (iii) was supplied to the receiving Party without restriction by a third party, who, to the knowledge of the receiving Party, after due inquiry, was under no obligation to the other Party to keep such information confidential; (iv) was independently developed by the receiving Party without reference to Confidential Information of the disclosing Party; or (v) is, or becomes, publicly known, through no wrongful act or omission of the receiving Party or breach of this Agreement. Information designated as Confidential Information will no longer be deemed confidential if the Party that designated the information as Confidential Information notifies the other Party that such information no longer is confidential. Finally, for the purposes of this Agreement, information is Confidential Information only if it is clearly designated or marked in

- writing as confidential on the face of the document, or, if the information is conveyed orally or by inspection, if the Party providing the information orally informs the Party receiving the information that the information is confidential.
- 19.3 <u>Standard of Care</u>. Both Parties shall use at least the same standard of care to protect Confidential Information it receives as it uses to protect its own Confidential Information from unauthorized disclosure, publication or dissemination.
- 19.4 Use of Confidential Information. Either Party may use Confidential Information solely to fulfill its obligations to the other Party under this Agreement or to operate its facilities in compliance with its Regulatory Requirements, including those of its Applicable Regional Reliability Organization, its applicable Reliability Coordinator, or in any proceeding under Article 20 or 22 or in any administrative agency or court of competent jurisdiction addressing any dispute arising under this Agreement, subject either to a confidentiality agreement with all participants (including, if applicable, arbitrator(s)) or to a protective order. Notwithstanding the absence of a protective order or waiver, a Party may disclose such Confidential Information, which, in the opinion of its counsel, the Party is legally compelled to disclose. In the event that the receiving Party is legally requested or required (by oral questions, interrogatories, requests for information or documents, subpoena, civil investigative demand or similar process; or in the opinion of its counsel, by federal or state securities or other statutes, regulations or laws) to disclose any Confidential Information, the receiving Party shall promptly notify the disclosing Party of such request or requirement prior to disclosure, so that the disclosing Party may seek an appropriate protective order and request confidential treatment of any such disclosure and/or waive compliance with the terms of this Agreement.
- Damages. The Parties agree that monetary damages by themselves may be inadequate to compensate a Party for the other Party's breach of its obligations under this Section. Each Party accordingly agrees that the other Party is entitled to equitable relief, by way of injunction or otherwise, if it breaches or threatens to breach its obligations under this Section.
- 19.6 <u>Survival</u>. The confidentiality provisions of this Article shall survive termination of this Agreement for a period of two (2) years.
- 19.7 <u>FERC Standards of Conduct.</u> All information supplied by a Party to the other Party shall be treated as if subject to FERC's standards of conduct for transmission providers and shall not be disclosed by the receiving Party in violation of such standards set forth in Part 358 of FERC's rules and regulations. Both Parties are subject to this Section 19.7, that is, neither Party will be allowed to avoid compliance with this section 19.7 by application of §358.1(c).

#### **ARTICLE 20 – DISPUTE RESOLUTION**

- 20.1 <u>Disputes.</u> Any claims, disputes or other controversies between the Parties arising out of, or relating to, this Agreement shall initially be submitted to a senior executive from each Party for resolution by mutual agreement between the Parties. Any mutual determination by the senior executives shall be final and binding upon the Parties. In the event the senior executives are unable to resolve the dispute within a reasonable period of time, not to exceed ninety (90) days or such other period as the Parties may agree upon in writing or via e-mail, then such controversy shall be submitted to a third-party mediator, such mediation to be administered in accordance with procedures established by the American Arbitration Association ("AAA") under its Commercial Mediation Rules, unless both Parties agree to use the Dispute Resolution Services established by FERC.
- Mediation. The Parties shall share equally the compensation and expenses of the mediator as well as all fees and expenses associated with transcripts, hearing room rentals, filing fees and administrative costs. Each Party shall be responsible for its own costs and legal fees, if any. Should mediation not resolve the matter between the Parties within thirty (30) calendar days of submission to mediation, either Party may litigate the controversy in the appropriate court or at FERC. TO THE FULLEST EXTENT PERMITTED BY LAW, EACH OF THE PARTIES HERETO WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS CONTRACT. EACH PARTY FURTHER WAIVES ANY RIGHT TO CONSOLIDATE ANY ACTION IN WHICH A JURY TRIAL HAS BEEN WAIVED WITH ANY OTHER ACTION IN WHICH A JURY TRIAL CANNOT BE OR HAS NOT BEEN WAIVED.
- 20.3 <u>Disputes involving the Midwest ISO.</u> For any claims, disputes, or other controversies involving provisions subject to the Midwest ISO Tariff, if applicable, the Parties shall submit such controversy for resolution in accordance with the dispute resolution procedures of the Midwest ISO Tariff.

### **ARTICLE 21 – NOTICES AND COMMUNICATIONS**

21.1 Unless otherwise specified herein, all notices, requests, claims, demands and other communications required or permitted to be given under this Agreement must be in writing, and must be given (and will be deemed to have been duly given if so given) by recognized national courier, or by depositing the same with the United States Postal Service with postage prepaid, for delivery by certified or registered mail, addressed to the Party, or personally delivered to the respective Parties as follows:

### To MidAmerican:

Manager, Electric System Planning MidAmerican Energy Company One RiverCenter Place

### **To East River:**

Assistant General Manager - Operations East River Electric Power Cooperative 211 South Harth Avenue 106 East 2<sup>nd</sup> Street Davenport, IA 52801 T: (563) 333-8129

F: (563) 333-8112

P.O. Box 227

Madison, SD 57042 T: (605) 256-8002 F: (605) 256-8054

Any such notice or communication will be deemed to have been given as of the date received.

- 21.2 Any Party may change its address or designated representative for notices by notice to the other Party in the manner provided above.
- 21.3 Notwithstanding Section 21.1, any notice hereunder concerning an Emergency Event, Scheduled Event, or other occurrence requiring prompt attention, or as necessary during day-to-day operations, may be made by telephone, electronically or in person provided that such notice is confirmed in writing promptly thereafter. Notice of an Emergency Event, Scheduled Event or as necessary during day-to-day operations, shall be provided: (i) if by MidAmerican, to the dispatcher for transmission at East River's control center, and (ii) if by East River, to the supervisor for transmission at MidAmerican's control center.

### **ARTICLE 22 – MISCELLANEOUS PROVISIONS**

- 22.1 <u>General</u>. Each Party makes the following representations and warranties and, to its knowledge as of the Effective Date of this Agreement, covenants:
  - 22.1.1 Good Standing. Such Party is duly organized, validly existing and in good standing under the laws of the state in which it is organized, formed, or incorporated, as applicable; that it is qualified to do business in the state or states in which the Interconnection Facilities owned by such Party are located; and that it has the corporate power and authority to own its properties, to carry on its business as now being conducted and to enter into this Agreement and carry out the transactions contemplated hereby and perform and carry out all covenants and obligations on its part to be performed under and pursuant to this Agreement.
  - Authority. Such Party has the right, power and authority to enter into this Agreement, to become a Party hereto and to perform its obligations hereunder. This Agreement is a legal, valid and binding obligation of such Party, enforceable against such Party in accordance with its terms, except as the enforceability thereof may be limited by applicable bankruptcy, insolvency, reorganization or other similar laws affecting creditors' rights generally and by general equitable principles (regardless of whether enforceability is sought in a proceeding in equity or at law).

- 22.1.3 <u>No Conflict</u>. The execution, delivery and performance of this Agreement does not violate or conflict with the organizational or formation documents, or bylaws or operating agreement, of such Party, or any judgment, license, permit, order, material agreement or instrument applicable to or binding upon such Party or any of its assets.
- 22.1.4 Consent and Approval. Notwithstanding Section 22.3 of this Agreement, such Party has sought or obtained, or, in accordance with this Agreement will seek or obtain, each consent, approval, authorization, order, or acceptance by any Governmental Authority in connection with the execution, delivery and performance of this Agreement, and it will provide to any Governmental Authority notice of any actions under this Agreement that are required by Applicable Laws and Regulations.

### 22.2 Governing Law.

- 22.2.1 When not in conflict with or preempted by federal law, this Agreement will be governed by and construed in accordance with the laws of the State of South Dakota without giving effect to the conflict of law principles thereof.
- 22.2.2 Except for those matters covered in this Agreement and which are either jurisdictional to FERC or submitted to dispute resolution pursuant to Article 20, any action arising out of or concerning this Agreement must be brought in any state or federal court of competent jurisdiction in the State of South Dakota. Both Parties hereby consent to the jurisdiction of any state or federal court of competent jurisdiction in the State of South Dakota for the purpose of hearing and determining any action not pre-empted by FERC.
- 22.3 <u>Regulatory Approval</u>. This Agreement shall be subject to the approval of the regulatory agencies having jurisdiction.
  - 22.3.1 <u>FERC Approval</u>. As soon as practicable after execution by the Parties, MidAmerican will file this Agreement with FERC for approval under Section 205 of the Federal Power Act. East River agrees to support such filing, to reasonably cooperate with respect to the filing, and to provide any information, including the filing of testimony, reasonably required to comply with applicable filing requirements.
  - 22.3.2 <u>Rural Utilities Service ("RUS") Approval</u>. The Parties hereto agree and MidAmerican understands that: (1) this Agreement is subject to approval by the administrator or acting administrator of RUS, which approval is required by the loan documents between East River and the RUS; (2) approval of this Agreement by the Administrator of RUS shall not be construed or considered by MidAmerican as a condition precedent or a want of mutuality to the effectiveness of this Agreement on the part of MidAmerican. The Parties hereto acknowledge that this Agreement is founded upon a consideration. East River

will provide the consideration and service herein pending such approval and thereafter according to the terms and conditions of this Agreement.

- 22.4 Relationship of the Parties. Nothing in this Agreement is intended to create a partnership, joint venture, or other joint legal entity making either Party jointly or severally liable for the acts of the other Party. Unless otherwise agreed to in a writing signed by both Parties, no Party shall have any authority to create or assume in the other Party's name or on its behalf any obligation, express or implied, or to act or purport to act as the other Party's agent or legally-empowered representative for any purpose whatsoever. Each Party shall be solely liable for the payment of all wages, taxes, and other costs related to the employment of persons by that Party to perform under this Agreement, including all federal, state, and local income, social security, payroll and employment taxes and statutorily-mandated workers' compensation coverage. None of the persons employed by either Party shall be considered employees of the other Party for any purpose; nor shall either Party represent to any person that such persons are or shall become employees of the other Party. Except as expressly provided for herein, no Party shall be liable to any third party in any way for any engagement, obligation, commitment, contract, representation, or for any negligent act or omission to act of the other Party.
- 22.5 <u>No Third Party Rights</u>. Nothing in this Agreement, express or implied, is intended to confer on any person, other than the Parties hereto, any benefits, interests, rights, or remedies under or by reason of the Agreement.
- 22.6 <u>Waiver</u>. Except as otherwise provided in this Agreement, a Party's compliance with any obligation, covenant, agreement, or condition herein may be waived by the Party entitled to the benefits thereof only by a written instrument signed by the Party granting such waiver, but such waiver or failure to insist upon strict compliance with such obligation, covenant, agreement, or condition will not operate as a waiver of, or estoppel with respect to, any subsequent or other failure.
- 22.7 <u>Failure to Enforce</u>. Failure of either Party to enforce or insist upon compliance with any of the terms or conditions of this Agreement, or to give notice or declare this Agreement or the rights hereunder terminated, shall not constitute a waiver or relinquishment of any rights set out herein, but the same shall be and remain at all times in full force and effect, unless and only to the extent expressly set forth in a writing signed by the Party granting such waiver or relinquishing any such right(s). Any waiver granted, or relinquishment of any right, by a Party shall not operate as a relinquishment of any other rights or a waiver or of any other failure of the Party granted the waiver to comply with any obligation, covenant, agreement, or condition herein.
- 22.8 <u>Amendment Modification.</u> Except as otherwise provided in Sections 12.2 and 12.3 above, (a) this Agreement may only be modified in writing and signed by both Parties, and (b) no amendment or modification to this Agreement or waiver of a Party's rights hereunder shall be binding unless the same shall be in writing and signed by the Party against which enforcement is sought. The standard of review FERC shall apply when acting on

- proposed modifications to this Agreement, either on FERC's own motion or on behalf of a signatory or a non-signatory, shall be the "just and reasonable" standard of review.
- 22.9 <u>Severability</u>. If any term, condition, covenant, restriction or other provision of this Agreement is held by a court or regulatory agency of competent jurisdiction or by legislative enactment to be invalid, void or otherwise unenforceable, the remainder of the terms, conditions, covenants restrictions and other provisions of this Agreement shall remain in full force and effect unless such an interpretation would materially alter the rights and privileges of either Party. If any term, condition, covenant, restriction or other provision of this Agreement is held invalid, void or otherwise unenforceable, the Parties shall attempt to negotiate an appropriate and equitable replacement, revision or adjustment to the provision of this Agreement to restore the benefits and obligations conferred under the original Agreement.
- 22.10 <u>Headings and Captions</u>. Article headings, section headings, and/or other captions are included in this Agreement for reference purposes only and shall not constitute a part of this Agreement or in any way affect the meaning or interpretation of this Agreement. Whenever used herein the singular number shall include the plural, the plural shall include the singular, and the use of any gender shall include all genders.
- 22.11 <u>Further Assurances</u>. Each Party shall do such other and further acts and things, and shall execute and deliver such instruments and documents, as the other Party reasonably requests from time to time in furtherance of the purposes of this Agreement.
- 22.12 Entire Agreement. This Agreement, including all schedules, Appendices and other attachments hereto and made part hereof, sets forth the entire understanding and agreement of the Parties as to the subject matter of this Agreement and merges and supersedes all prior written and oral understandings, offers, agreements, commitments, representations, writings, discussions or other communications of every kind between the Parties with respect thereto.
- 22.13 <u>Rights Cumulative</u>. The rights and remedies set forth in this Agreement are cumulative and non-exclusive.
- 22.14 <u>Counterparts</u>. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.
- 22.15 Reporting. Upon request by a Party, and in accordance with Article 19, the other Party shall cooperate in making available information as may be reasonably required for the requesting Party to comply with reporting requirements of duly constituted authorities or Governmental Authority having jurisdiction over the subject matter herein, including the Iowa Utilities Board (IUB), the South Dakota Public Utilities Commission, FERC, NERC, MRO, the applicable Reliability Coordinator, and any successor organizations. The requesting Party shall have full responsibility for preparing and submitting all such reports and the other Party providing information to the requesting Party shall have the

right to review all such reports and the documentation used by the requesting Party to compile such reports.

IN WITNESS WHEREOF, the Parties have caused their authorized representatives to execute this Agreement as of the date first above written.

# MidAmerican Energy Company

By:

Name: Jeffery J. Gust

Title: Vice President - Compliance and Standards

East River Electric Power Cooperative

By:

Name: Jeffrey L. Nelson

Title: General Manager

#### APPENDIX A – POINTS OF INTERCONNECTION

TRANSMISSION INTERCONNECTION AGREEMENT by and between MidAmerican Energy Company and East River Electric Power Cooperative

### **Section A.1**

### Alcester 69 kV Interconnection

- 1. MidAmerican owns, operates and maintains a 69 kV line beginning at the existing MidAmerican line in the Southeast Corner of Section 9, Township 95N, Range 49W, Union County, South Dakota, and extending north a distance of 2.5 miles to a point of interconnection with the existing East River Electric Power Cooperative 69 kV line located at the West Quarter Corner of Section 34, Township 96N, Range 49W, Lincoln County, South Dakota (see Appendix B, Figure 1).
- 2. MidAmerican owns, operates and maintains a radio-operated, remote controlled, air break switch located one line-span south of the point of interconnection. This switch will be operated in a normally open position, except as necessary to serve emergency or planned maintenance needs for MidAmerican loads. The MidAmerican System Control Center will inform the East River Control Center prior to operation of the switch.
- 3. East River does not presently require this interconnection and does not expect to benefit from it. As such, MidAmerican has paid for the expenses associated with this interconnection.
- 4. MidAmerican owns and maintains 69 kV metering to measure energy and maximum demand. These facilities are located approximately one line-span south of the above-described Point of Interconnection.
- 5. East River owns and maintains a 69 kV wood pole structure, including necessary guying and insulators, suitable for the point of interconnection. East River performed 69 kV line changes as necessary to accommodate the tap structure, and MidAmerican reimbursed East River for the cost of all additions and modifications to its line facilities made necessary for this interconnection. East River will perform required maintenance on the pole and guys at the Point of Interconnection.
- 6. It is estimated that the MidAmerican load to be supplied by Energy Service from East River through this interconnection will be no more than 10,000 kW. East River

agrees to furnish Energy Service to MidAmerican at the Alcester interconnection in such amounts up to 10,000 kW as will not, in the sole reasonable judgment of East River, endanger its facilities or interfere with its obligation to its consumers. In the event that East River supplies Energy Service to MidAmerican, MidAmerican will repay East River for such power and energy via payback-in-kind energy schedules, unless an alternative payback mechanism is mutually agreed to by the Parties.

- 7. If Energy Service is requested by East River, the load to be supplied through this interconnection will be limited to 10,000 kW. MidAmerican agrees to furnish Energy Service to East River at the Alcester interconnection in such amounts up to 10,000 kW as will not, in the sole reasonable judgment of MidAmerican, endanger its facilities or interfere with its obligation to its consumers. In the event that MidAmerican supplies power and energy to East River, East River will repay MidAmerican for such power and energy via payback-in-kind energy schedules, unless an alternative payback mechanism is mutually agreed to by the Parties.
- 8. Terms of this Appendix A Alcester 69 kV Interconnection shall comply with terms of the Agreement, as amended, and shall be subject to approval by regulatory bodies having jurisdiction.
- 9. MidAmerican will continue to pay East River invoices per terms of the Emergency Electric Interconnection and Operating Agreement dated January 30, 1991, as amended, through the end of month immediately preceding the month in which the McCook 69 kV Interconnection described in Section A.2 below becomes available for use. After the in-service date of the McCook Interconnection neither Party will bill the other for transmission service under this Agreement.
- 10. Upon termination of this Agreement, MidAmerican shall, at its own expense, restore East River's line and supporting structures to their original or to a mutually agreed upon condition.

# **Section A.2**

# McCook 69 kV Interconnection

- 1. MidAmerican owns, operates and maintains the 69 kV McCook Substation located near the center of Section 10, Township 89N, Range 48W, Union County, South Dakota (see Appendix B, Figure 2).
- 2. At the request of East River, MidAmerican will provide one 69 kV terminal at McCook Substation for connection of East River's 69 kV line from its McCook Lake Tap. The terminal will include a circuit breaker and control and relaying.

MidAmerican will install 69 kV interchange metering for this terminal to measure energy and maximum demand. The terminal and associated facilities will be owned, operated, maintained, repaired and replaced by MidAmerican. The 69 kV breaker will be operated in a normally open position except as necessary to serve emergency or planned maintenance needs for either Party.

- 3. Because the terminal to be provided for East River's use currently connects MidAmerican's Logan Park 69 kV line, MidAmerican will construct or cause to be constructed a new terminal at McCook Substation to reconnect its Logan Park line. East River will reimburse MidAmerican for the cost of construction of the new terminal and of moving MidAmerican's Logan Park 69 kV line to the new terminal, as well as the purchase and installation cost of the interchange metering described in 2. above. Costs will include actual materials, direct labor and normal overheads. The construction cost reimbursements shall be made through monthly payments, which shall commence upon the effective date of this agreement, as such costs are incurred. The reimbursements will be accounted for as a non-taxable contribution to capital. However, if the payments are later determined to be taxable as Contributions in Aid of Construction, East River agrees to reimburse MidAmerican for any taxes imposed by the Internal Revenue Service, including penalty or interest.
- 4. East River will construct, own, operate, maintain, repair and replace approximately 5 miles of 69 kV line extending from its McCook Lake Tap to the take-off tower at MidAmerican's McCook Substation
- 5. The southern 2.1 miles of the East River-owned portion of the McCook Lake Tap McCook 69 kV line from where the line crosses underneath Nebraska Public Power District's 230 kV line to MidAmerican's McCook Substation shall be constructed in accordance with the following requirements:
  - Structures shall be designed to accommodate a future second 69 kV circuit.
  - Construction shall utilize grade B NESC standards and P delta loading criteria.
  - The conductor will be designed for an initial circuit of 336 ACSR 26/7 Linnet and a future circuit of 477 ACSR 26/7 Hawk.
- 6. MidAmerican shall have the right at any time to purchase any portion of the McCook Lake Tap McCook 69 kV line owned by East River up to 2.1 miles from the McCook Substation at a price equal to the net book value of those facilities.
- 7. No carrying charges shall be assessed to East River for use of McCook Substation or the MidAmerican-owned portion of the McCook Lake Tap McCook 69 kV line.

- 8. East River and MidAmerican shall share operation, maintenance, repair and replacement costs for the MidAmerican-owned facilities covered by this Section A.2 as follows:
  - East River shall be responsible for 100% of the operation, maintenance, repair and replacement costs on the McCook Lake Tap McCook 69 kV line terminal and associated facilities, including metering.

Costs shall be billed annually on a calendar year basis and shall include actual materials, direct labor and normal overheads

- 9. Upon request from MidAmerican, East River agrees to furnish Energy Service to MidAmerican at the McCook interconnection in such amounts up to 15,000 kW as will not, in the sole reasonable judgment of East River, endanger its facilities or interfere with its obligation to its consumers. In the event that East River supplies Energy Service to MidAmerican, MidAmerican will repay East River for such power and energy via payback-in-kind energy schedules, unless an alternative payback mechanism is mutually agreed to by the Parties.
- 10. Upon request from East River, MidAmerican agrees to furnish Energy Service to East River at the McCook interconnection in such amounts up to 15,000 kW as will not, in the sole reasonable judgment of MidAmerican, endanger its facilities or interfere with its obligation to its consumers. In the event that MidAmerican supplies power and energy to East River, East River will repay MidAmerican for such power and energy via payback-in-kind energy schedules, unless an alternative payback mechanism is mutually agreed to by the Parties.
- 11. In the event that MidAmerican constructs a high voltage substation near the Nebraska Public Power District 230 kV line to provide an additional 69 kV source into the McCook Substation, the East River McCook interconnection will be terminated and East River shall be allowed to terminate their 69 kV line at the new substation, where a 69 kV terminal will be provided for that purpose at no charge to East River. The 69 kV breaker will be operated in a normally open position except as necessary to serve emergency or planned maintenance needs for either Party. MidAmerican will own, operate and maintain such 69 kV terminal. East River shall be responsible for 100% of the operation, maintenance, repair and replacement costs on the new 69 kV line terminal and associated facilities, including metering. MidAmerican will then assume all future responsibilities for the 69 kV facilities in the McCook Substation and the portion of line MidAmerican purchases from East River, and will reimburse East River for the value of the 69 kV line from the McCook Substation to the Point of Interconnection with East River at an amount equal to original cost of such line segment less accumulated depreciation through the end of the month preceding the in-service date of the new high voltage substation. East River will be responsible for terminating their 69 kV line at the new substation. While this section defines the principles of the revised interconnection should

MidAmerican build such a 230-69 kV substation, this Agreement shall be amended when the substation is built to reflect the specific terms agreed to by the Parties at that time.

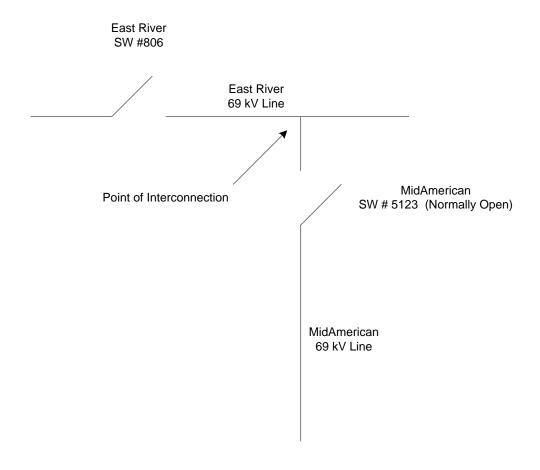
12. Terms of this Appendix A, Section A.2 – McCook 69 kV Interconnection shall comply with terms of this Agreement, as amended, and shall be subject to approval by regulatory bodies having jurisdiction.

# APPENDIX B

### TRANSMISSION INTERCONNECTION AGREEMENT

by and between
MidAmerican Energy Company,
and
East River Electric Power Cooperative

**Figure 1: Alcester Interconnection** 



**Figure 2: McCook Interconnection** 

