



MidAmerican Energy Company
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Suzan M. Stewart
Managing Senior Attorney

November 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. ER14-_____

Dear Secretary Bose:

Pursuant to Section 205 of the Federal Power Act and Part 35 of the Commission's regulations, 18 CFR § 35.12, MidAmerican Energy Company ("MidAmerican Energy") submits for filing an Engineering and Procurement Agreement ("E&P agreement") for engineering and procurement activities to be completed by MidAmerican Transmission as the Transmission Owner of the planned Macksburg 161 kV Interconnection Substation to which MidAmerican Generation desires to interconnect a Generating Facility. MidAmerican Generation presently has an interconnection request for the Generating Facility expansion in the MISO Generator Interconnection Queue. MidAmerican Generation has requested that MidAmerican Transmission enter an E&P Agreement to advance the implementation of its interconnection. As such this E&P Agreement describes the activities that MidAmerican Transmission will undertake to engineer and procure the necessary equipment to construct the Macksburg Substation. This E&P Agreement does not cover any engineering or procurement services for other required Network Upgrades that may ultimately be identified in the MISO evaluation of this interconnection request.

This filing consists of the following:

1. This letter of transmittal;
2. Engineering & Procurement Agreement between MidAmerican Transmission and MidAmerican Generation, dated November 15, 2013, designated as Rate Schedule No. 122 (PUBLIC version);
3. Clean Tariff Attachment – PUBLIC version.

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4. Clean Tariff Attachment – CONFIDENTIAL version (contains CEII).

MidAmerican Energy requests that the effective date be November 18, 2013. MidAmerican Energy seeks waiver of the 60-day notice period. Waiver should be granted as the customer has consented to the Agreement and it promotes the Commission's policy of open access.

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

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

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

Sincerely,

/Suzan M. Stewart/

Suzan M. Stewart
Managing Senior Attorney

Enclosures

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

MidAmerican Energy Company
Rate Schedule No. 122

ENGINEERING AND PROCUREMENT AGREEMENT
between the
Transmission Function of MidAmerican Energy Company
and the
Generation Supply Function of MidAmerican Energy Company

eTariff Information

Tariff Submitter: MidAmerican Energy Company

FERC Tariff Program Name: FERC FPA Electric Tariff

Tariff Title: Engineering and Procurement Agreement – Macksburg

Tariff Record Proposed Effective Date: November 18, 2013

Tariff Record Description: Rate Schedule No. 122

Option Code: A

ENGINEERING AND PROCUREMENT AGREEMENT

THIS ENGINEERING AND PROCUREMENT AGREEMENT

(“**Agreement**”) is made and entered into this 15th day of November, 2013, by and between the Transmission Function of MidAmerican Energy Company, an Iowa corporation (“**Transmission Owner**”), and the Generation Supply Function of MidAmerican Energy Company, an Iowa corporation (“**Interconnection Customer**”). Transmission Owner and Interconnection Customer each may be referred to as a “Party” or collectively as the “Parties.”

Recitals

WHEREAS, Interconnection Customer is planning to construct an approximately 100 MW wind farm called the Macksburg Wind Farm (“**Project**”), which is assigned queue number J274 in the Midcontinent Independent System Operator, Inc. (“**MISO**”) Generation Interconnection Queue, and is proposing to interconnect to Transmission Owner’s Winterset Jct–Creston 161 kV line; and

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

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

WHEREAS, Interconnection Customer has requested Transmission Owner to do detailed engineering and procurement activities associated with the construction of the

Macksburg 161 kV interconnection substation (“**Macksburg 161 kV Substation**”) prior to the execution of the GIA to advance implementation of the interconnection; and

WHEREAS, the Parties wish to set forth their agreement with respect to such engineering and procurement services related to the Macksburg 161 kV Substation necessary to accommodate interconnection of the Project to Transmission Owner’s transmission system and payment therefore;

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

Agreement

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

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

Services shall mean the services set out in Exhibits A and B, incorporated herein by this reference, which reflect estimated costs, and shall also include such other services as Transmission Owner reasonably determines are necessary in order to engineer, design, specify, obtain bids, place purchase orders, and otherwise procure materials, consultant services, real property interests and contractors for the Macksburg 161 kV Substation, including the services of any consultant or professional engineering firms that may be reasonably required by Transmission Owner in connection therewith. Transmission Owner will also request and coordinate with MISO the required outages of the Winterset Jct–Creston 161 kV line to construct and commission the Macksburg 161 kV Substation.

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

A preliminary general arrangement drawing showing the proposed Network Upgrades and Transmission Owner's Interconnection Facilities at the Macksburg 161 kV Substation is provided as Exhibit A1 and incorporated herein by reference. The Parties may agree to add to or subtract from the Services by amending Exhibit B as provided in this Agreement.

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

3. Provision of Security. Prior to the commencement of the Services by Transmission Owner, Interconnection Customer may be required to provide to Transmission Owner, at Transmission Owner's option, any of the following forms of security as selected by Interconnection Customer: a cash security deposit, a guarantee, a surety bond, letter of credit or other form of security that is reasonably acceptable to

Transmission Owner. If required, such security for payment shall be in an amount sufficient to cover the applicable costs and cost commitments of the Services pursuant to the schedule for Services provided in Exhibit B.

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

5. Payment. Interconnection Customer shall be responsible for payment of actual costs of the Services. Transmission Owner, if requested, shall submit to Interconnection Customer, on a monthly basis, invoices of the amounts due for the preceding month. Each invoice shall state the month to which the invoice applies and fully describe the Services provided and costs associated with each category, together with reasonable supporting documentation evidencing the provision of the Services invoiced, for the current period and cumulative under this Agreement, and otherwise be in a format acceptable to Interconnection Customer. Interconnection Customer shall pay

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

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

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

(b) Consequential Damages. In no event shall either Party be liable under any provision of this Agreement for any losses, damages, costs or expenses for any special, indirect, incidental, consequential, punitive or exemplary damages, including but not limited to loss of profit or revenue, loss of the use of equipment, cost of capital, cost of

temporary equipment or services, whether based in whole or in part in contract, in tort, including negligence, strict liability, or any other theory of liability; provided, however, that damages for which a Party may be liable to the other Party under another agreement will not be considered to be special indirect, incidental, or consequential damages hereunder.

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

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

9. **Effective Date, Term and Termination.** This Agreement shall become effective one day after a fully executed copy of this Agreement is filed for acceptance with FERC or on such later date as FERC shall order (“Effective Date”), provided that the Parties shall commence performance of their responsibilities consistent with Exhibit B upon execution of the Agreement. Interconnection Customer may terminate this Agreement for convenience after giving Transmission Owner thirty (30) days advance written notice of cancellation. Transmission Owner may terminate the Agreement following (a) issuance and delivery by Transmission Owner to Interconnection Customer of a written notice of breach describing the breach by Interconnection Customer and (b)

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

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

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

If to Transmission Owner:

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

with a copy to:

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

If to Interconnection Customer:

Vice President, Wind Generation and Development
MidAmerican Energy Company
4299 NW Urbandale Drive
Urbandale, Iowa 50322-7916
FAX: 515-652-6410

with a copy to:

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

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

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Parties have executed this Agreement in duplicate originals, each of which shall constitute and be an original effective Agreement between the Parties.

Transmission Owner
MIDAMERICAN ENERGY COMPANY

Interconnection Customer
MIDAMERICAN ENERGY COMPANY

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

Exhibit A

Work Scope

The general work scope associated with the Macksburg 161 kV Substation (including the associated 161 kV line taps) is listed below.

Work Scope for Macksburg 161 kV Substation:

Engineer, design, specify, obtain bids, place purchase orders and otherwise procure materials, consultant services and contractors in connection with constructing the Macksburg 161 kV Substation to a three breaker ring bus and provide a 161 kV terminal for the interconnection to the Project. Initiate outage requests from MISO to accommodate the construction and commissioning of the Macksburg 161 kV Substation as necessary.

General Description of Transmission Owner's Interconnection Facilities

The Transmission Owner's Interconnection Facilities shall consist of a section of 161 kV tubular bus tapping the 161 kV ring bus, a 1200 Amp 161 kV disconnect switch, and metering accuracy potential transformers. The facilities shall include associated support structures and foundations. The Transmission Owner's Interconnection Facilities shall also include a suitable revenue accuracy meter for measuring power deliveries from the generator as well as for measuring station service requirements when the generator is not on-line.

General Description of Stand Alone Network Upgrades

The Stand Alone Network Upgrades shall include a new 161 kV interconnection substation that will bisect the Winterset – Creston 161 kV line. The 161 kV interconnection substation will consist of a 161 kV ring bus, three 161 kV breakers, two 161 kV dead end structures, disconnect switches, motor-operated line terminal switches, control building and associated other equipment including relaying, metering, and control systems and support structures and foundations. It is assumed that a suitable substation site will be provided.

General Description of Non-Stand Alone Network Upgrades

The Non-Stand Alone Network Upgrades include two MidAmerican 161 kV line taps to connect the interconnection substation to the Winterset Jct–Creston 161 kV line. It is assumed that the substation site will be adjacent to the existing line and that the line taps will each be one short span to the appropriate substation line terminal. It is further assumed that the substation site and the existing line is contiguous and that the existing right-of-way for the existing line and the new land to be owned by the Transmission Owner is adequate to tap line such that franchising is not required for the new facilities. It is expected that two single pole dead-end structures would be installed to provide an in and out into the proposed 161 kV interconnection substation. It is assumed drilled pier reinforced concrete foundations will be utilized.

Exhibit A - Preliminary Drawing

PUBLIC VERSION

PUBLIC VERSION - CEII REDACTED

Exhibit B

Engineering and Procurement Services to be Provided

The Services and cost estimates associated with the work scope in Exhibit A are shown in the table below. Interconnection Customer agrees to allow Transmission Owner to complete the necessary work to meet the Interconnection Customer's desired In-service/Backfeed date of August 25, 2014 and that there may be unknown factors that may be beyond Transmission Owner's control that could potentially delay the completion date for the substation. Transmission Owner shall use Reasonable Efforts to energize the substation by the date requested by Interconnection Customer.

1. Transmission Owner's Interconnection Facilities: Substation Work

Description	Estimated Cost (\$)
Steel	\$ 6,500
Bus Work	\$ 2,000
Disconnect Switches	\$ 10,000
Control & Metering Panels	\$ 50,000
Foundations	\$ 14,500
Transmission Owner Labor	\$ 1,500
<u>Consultant Labor</u>	<u>\$ 2,500</u>
Total	\$ 87,000

2. Stand Alone Network Upgrades: Substation Work

Description	Estimated Cost (\$)
Circuit Breakers	\$ 225,000
Substation Steel	\$ 178,000
Bus Work/Conductor	\$ 55,000
Disconnect Switches	\$ 87,000
Control & Metering Panels	\$ 295,000
Above Grade Other	\$ 125,000
Transmission Owner Labor	\$ 15,000
<u>Consultant Labor</u>	<u>\$ 150,000</u>
Total	\$ 1,130,000

3. Non-Stand Alone Network Upgrades: Line Work

Description	Estimated Cost (\$)
Steel Structures	\$ 88,000
Transmission Owner Labor	\$ 5,000
<u>Other</u>	<u>\$ 1,000</u>
Total	\$ 94,000

Note: All estimates are preliminary and subject to change and are not binding on the part of Transmission Owner. Estimates do not include installation.