

MIDAMERICAN ENERGY COMPANY
SERVICES TARIFF

Communications concerning this tariff may be sent to:

Dehn Stevens
Manager – Transmission Services
MidAmerican Energy Company
106 East Second Street
P.O. Box 4350
Davenport, Iowa 52808
563-333-8138 (voice)
563-333-8244 (fax)
dastevens@midamerican.com

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1 Definitions

- 1.1 Ancillary Services:** Those services that are necessary to support the transmission of capacity and energy from resources to loads while maintaining reliable operation of the Transmission Provider's Transmission System in accordance with Good Utility Practice.
- 1.2 Designated Agent:** Any entity that performs actions or functions on behalf of the Transmission Provider, an Eligible Customer, the Transmission Customer or the Transmission Owner required under the Tariff.
- 1.3 Eligible Customer:** (i) Any electric utility (including the Transmission Owner and any power marketer), Federal power marketing agency, or any person generating electric energy for sale for resale is an Eligible Customer under the Tariff. Electric energy sold or produced by such entity may be electric energy produced in the United States, Canada or Mexico. However, with respect to transmission service that the Commission is prohibited from ordering by Section 212(h) of the Federal Power Act, such entity is eligible only if the service is provided pursuant to a state requirement that the Transmission Provider offer the unbundled transmission service, or pursuant to a voluntary offer of such service by the Transmission Provider. (ii) Any retail customer taking, or eligible to take, unbundled Transmission Service pursuant to a state requirement that the Transmission Provider offer the

transmission service, or pursuant to a voluntary offer of such service by the Transmission Provider, is an Eligible Customer under the Tariff.

- 1.4 Service Agreement:** The initial agreement and any amendments or supplements thereto entered into by the Transmission Customer and the Transmission Provider for service under the Tariff.
- 1.5 Tariff:** The open access transmission tariff of the Transmission Provider
- 1.6 Transmission Customer:** Any Eligible Customer (or its Designated Agent) that (i) executes a Service Agreement, or (ii) requests in writing that the Transmission Provider file with the Commission, a proposed unexecuted Service Agreement to receive transmission service under Module B of the Tariff. This term is used in the Module A Common Service Provisions to include customers receiving Transmission Service under Module B of the Tariff.
- 1.7 Transmission Owner:** MidAmerican Energy Company.
- 1.8 Transmission Provider:** The Midwest Independent Transmission System Operator, Inc. (MISO), or its successor organization.
- 1.9 Transmission Service:** Point-To-Point Transmission Service provided under Module B of the Tariff on a firm and non-firm basis and Network Integration Transmission Service under Module B of the Tariff.
- 1.10 Wholesale Distribution Service:** The transmission of electric energy in interstate commerce over Transmission Owner's Distribution Facilities pursuant to a Commission accepted Open Access Transmission Tariff.

2 Wholesale Distribution Service

A Transmission Customer currently paying for Wholesale Distribution Service through an existing Service Agreement or Wholesale Distribution Service Agreement will continue paying the existing rate for Wholesale Distribution Service until such time as its Service Agreement and/or Wholesale Distribution Service Agreement either terminates or is amended.

3 Ancillary Services

Ancillary Services are needed with transmission service to maintain reliability within and among the control areas affected by the transmission service. The Transmission Provider is required to provide (or offer to arrange with the local control area operator as discussed below), and the Transmission Customer is required to purchase, the following Ancillary Services (i) scheduling, system control and dispatch, and (ii) reactive supply and voltage control from generation or other sources.

The Transmission Provider shall specify the rate treatment and all related terms and conditions in the event of an unauthorized use of Ancillary Services by the Transmission Customer.

The specific Ancillary Services, prices and/or compensation methods are described on the Schedules that are attached to and made a part of the Tariff.

3.1 Reactive Supply and Voltage Control from Generation or Other Sources

Service: The rates and/or methodology are described in Schedule 2.

4 Regulatory Filings

Nothing contained in the Tariff shall be construed as affecting in any way the right of the Transmission Owner to unilaterally make application to the Commission for a change in the rates, terms and conditions set forth in this Services Tariff under Section 205 of the Federal Power Act and pursuant to the Commission's rules and regulations promulgated thereunder.

Nothing contained in the Tariff or any Service Agreement shall be construed as affecting in any way the ability of any Eligible Customer receiving service under the Tariff to exercise its rights under the Federal Power Act and pursuant to the Commission's rules and regulations promulgated thereunder.

SCHEDULE 2

Reactive Supply and Voltage Control from Generation or Other Sources Service

In order to maintain transmission voltages on the Transmission Provider's transmission facilities within acceptable limits, generation facilities and non-generation resources capable of providing this service that are under the control of the control area operator are operated to produce (or absorb) reactive power. Thus, Reactive Supply and Voltage Control from Generation or Other Sources Service must be provided for each transaction on the Transmission Provider's transmission facilities. The amount of Reactive Supply and Voltage Control from Generation or Other Sources Service that must be supplied with respect to the Transmission Customer's transaction will be determined based on the reactive power support necessary to maintain transmission voltages within limits that are generally accepted in the region and consistently adhered to by the Transmission Provider.

Reactive Supply and Voltage Control from Generation or Other Sources Service is to be provided directly by the Transmission Provider (if the Transmission Provider is the control area operator) or indirectly by the Transmission Provider making arrangements with the control area operator that performs this service for the Transmission Provider's transmission system. The Transmission Customer must purchase this service from the Transmission Provider or the control area operator. The charges for such service will be based on the rates set forth below. To the extent the control area operator performs this service for the Transmission Provider,

charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by the control area operator.

The charge for this service shall be \$0.18/MWh.