

February 14, 2012

IOWA UTILITIES BOARD

RPU-2009-0003

**Wind VII Iowa Project
Status Update for the Iowa Utilities Board
February 14, 2012**

A. Background

This is MidAmerican Energy Company's ("MidAmerican") status update for the Iowa Utilities Board ("Board") in response to the Board's orders in Docket No. RPU-2009-0003. This document and related attachments are offered in fulfillment of the requirements established in the Board's Final Order and the January 25, 2011 compliance filing order in the above-mentioned docket.

B. Status for Wind VII Iowa Project (Docket No. RPU-2009-0003)

MidAmerican completed the installation of 593.4 MW of wind-powered generation in 2011. Total costs for the 593.4 MW, excluding the non-cash allowance for equity funds used during construction but including other costs not under contract, are estimated to be approximately \$_____. (An unredacted copy of this page has been provided pursuant to a Request for Confidential Treatment.) The three large components of the \$_____ total are: (i) a 593.4 MW turbine supply agreement in the amount of \$_____; (ii) the balance of plant construction costs of \$_____; and (iii) an asset purchase agreement for a 119.6 MW site development in the amount of \$_____. The remaining project costs are currently estimated to total slightly less than ___% of the overall project's costs. Based on this overall projection of costs, the per kW cost of the first 593.4 MW of the Wind VII Iowa Project will be approximately \$_____/kW, as compared to MidAmerican's cost cap of \$_____/kW for 2011 and 2012. (Again, an unredacted copy of this page has been provided pursuant to a Request for Confidential Treatment.)

C. Transmission Studies and Off-site transmission

Below is a summary, by wind farm site, of the status of the transmission studies and off-site system upgrades associated with the various Wind VII sites.

Status for the 1,001 MW Wind VII Iowa Project (Docket No. RPU-2009-0003)

MidAmerican has two self-developed sites that currently accommodate approximately 473.8 MW of new wind generation: (i) the Rolling Hills Site mentioned below, and (ii) the expansion of the Pomeroy Site also mentioned below. MidAmerican also acquired a third party-developed 119.6 MW site (Laurel) in Marshall County. These three (3) sites currently accommodate the 593.4 MW mentioned in "B" above. In addition, MidAmerican has acquired the Eclipse (200.1 MW), Morning Light (101.2 MW) and Vienna (103.5 MW) wind farm sites, each a third party-developed site. These sites, along with a 2012 2.3 MW addition at the Rolling Hills site, will allow MidAmerican to achieve construction of 1,000.5 MW of the 1,001 MW of Wind VII capacity authorized by the Board.

443.9 MW Rolling Hills Site¹

The Rolling Hills Site, located in Adair, Adams and Cass Counties, is a wind farm which interconnects to the 345 kV line between the Council Bluffs Substation and the Madison County Substation. All 443.9 MW of the farm's current wind turbine capacity were in-service by December 31, 2011.

The transmission studies have been completed for 250.7 MW of wind generation interconnection at the Rolling Hills Site and were previously provided to the Board with the February 2011 update.

MISO completed Optional Studies for the interconnection of a 92 MW addition and a 101.2 MW addition at Rolling Hills and a provisional Facilities Study for the facilities necessary at Rolling Hills that were previously provided with the August 2011 update. MISO needs to complete additional transmission studies for the two above-mentioned additions (92 MW and 101.2 MW) before final system upgrade requirements are known. These studies will be provided as part of a future update. A provisional generation interconnection agreement with MISO was executed in September 2011.

29.9 MW Expansion at Pomeroy Site

This project is a 29.9 MW expansion of MidAmerican's Pomeroy Site. (MidAmerican has increased the capacity of this expansion by 5.9 MW.) The initial 123 MW at the Pomeroy site was built as part of Wind III, and subsequent expansions of 75 MW and 58.5 MW were constructed as part of Wind IV. As noted in the January 2010 update (page 7), the System Impact Study completed for the latter Pomeroy expansion was evaluated for up to an 80 MW expansion. The 29.9 MW expansion project was partially studied as part of Wind IV but was ultimately built as part of Wind VII. All turbines at the Pomeroy site are in-service. An amended and restated generation interconnection agreement with MISO was executed in October 2011 for a total of 292 MW.

119.6 MW Laurel Site

The Laurel Site, located in Marshall County, is a wind farm that was developed by a third party which interconnects to the ITC Midwest 161 kV line between the Marshalltown Substation and the Jasper Substation. All turbines at the Laurel site are in-service. All required transmission studies have been completed through the MISO interconnection study process for interconnection of 119.6 MW at this site and were included in the February 2011 update. In addition to the wind farm collector substation, which will be constructed by MidAmerican, the following ITC Midwest system upgrades are necessary to accommodate the interconnection.

1. New 3-breaker 161 kV switching station tapping Marshalltown to Jasper 161 kV line
2. Re-route Marshalltown to Jasper 161 kV line to connect new 161 kV switching station

¹ An additional 2.3 MW wind turbine generator will be installed in 2012, bringing the total Rolling Hills site to 446.2 MW.

All current required upgrades have been completed for this project.

200.1 MW Eclipse Site

The Eclipse Site, located in Audubon and Guthrie Counties, is a wind farm that was developed by Clipper Windpower Development Company Inc. (“Clipper”) and acquired by MidAmerican. This project will interconnect to the 345 kV Fallow Avenue Substation that taps the 345 kV line between Council Bluffs Substation and Grimes Substation. A System Impact Study has been completed and provided separately (see Exhibit A) in this February 2012 update pursuant to a Request for Confidential Treatment. In addition to the Eclipse Substation, the wind farm collector substation, the construction of the Fallow Avenue Substation was required as well as a 345 kV line from Fallow Avenue to the Eclipse Substation. MidAmerican and MISO are working to amend and restate the existing interconnection agreement. The planned in-service date of the wind farm is September 30, 2012.

Note: The above-mentioned Exhibit A erroneously refers to Adair County, Illinois (e.g., See page ii, Executive Summary); the reference should be to Audubon and Guthrie Counties, in Iowa. The Fallow Avenue Substation, where the project is to interconnect with MidAmerican’s system, is along the northern edge of Adair County, very near Audubon and Guthrie Counties; hence the confusion. Exhibit A also refers to “Morning Light” which was the original name of the Eclipse Site. The “R38” reference in Exhibit A is a reference to the Eclipse Site.

101.2 MW Morning Light Site

The Morning Light Site, located in Adair County, is a wind farm that was also developed by Clipper and will interconnect to the 345 kV Fallow Avenue Substation that taps the 345 kV line between Council Bluffs Substation and Grimes Substation. A System Impact Study has been completed and provided (see Exhibit B) separately in this February 2012 update pursuant to a Request for Confidential Treatment. In addition to the Morning Light wind farm collector facilities at the Fallow Avenue Substation, the expansion of the 345 kV bus at the Fallow Avenue Substation is required. MidAmerican and MISO are working to amend and restate the existing interconnection agreement including adding MISO to the agreement. The planned in-service date of the wind farm is November 30, 2012.

Note: The above-mentioned Exhibit B erroneously refers to Adair County, Illinois (e.g., See page ii, Executive Summary); the reference should be to Adair County, Iowa. The references in Exhibit B, to “R41,” are references to the Morning Light Site.

103.5 MW Vienna Site

The Vienna Site, located in Tama County, is a wind farm that was developed by RPM Access, LLC and that will interconnect to the ITC Midwest 161 kV line between the Marshalltown Substation and the Traer Substation. MISO has completed an Optional Study for Generation Interconnection for this site (see Exhibit C). Due to the MISO's treatment of the Optional Study as a non-confidential document, MidAmerican has not requested confidential treatment for this Study. A Facilities Study for the site has also been completed (see Exhibit D). The Facilities Study is treated as a confidential document by the MISO and it has been provided separately pursuant to a Request for Confidential Treatment. The above studies were based upon an assumed interconnection of 150 MW at this site. The associated studies are provided separately in this February 2012 update and, where applicable, pursuant to a Request for Confidential Treatment. A provisional generation interconnection agreement exists with MISO and ITC Midwest. The planned in-service date of the wind farm is November 1, 2012.

In addition to the wind farm collector substation, which will be constructed by MidAmerican, MidAmerican will complete any required system upgrades that are necessary to accommodate the project's interconnection under the generation interconnection agreement.

Next Report

MidAmerican will file the next status update by August 15, 2012, as ordered by the Board.