

August 14, 2012

IOWA UTILITIES BOARD

**Wind VII Iowa Project
Status Update for the Iowa Utilities Board
August 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 \$962 million _____.

(An unredacted copy of this page has been provided pursuant to a Request for Confidential Treatment.) The three large components of the \$962 million 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 4% 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 \$1,621/kW, as compared to MidAmerican's cost cap of \$2,300/kW for 2011.

MidAmerican is constructing 407.1 MW of wind-powered generation in 2012. Total costs for the 407.1 MW, excluding the non-cash allowance for equity funds used during construction but including other costs not under contract are estimated to be approximately \$675 million _____.

(An unredacted copy of this page has been provided pursuant to a Request for Confidential Treatment.) The three large components of the \$675 million total are: (i) a 407.1 MW turbine supply agreement in the amount of _____; (ii) the balance of plant construction costs of \$ _____; and (iii) site acquisition costs of \$ _____. The remaining project costs are currently estimated to total slightly less than 9% of the overall project's costs. Based on this overall projection of costs, the per kW cost of this 407.1 MW 2012 component of the Wind VII Iowa Project will be approximately \$1,658/kW, as compared to MidAmerican's 2012 cost cap of \$2,300/kW.

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 of 2011 projects mentioned in “B” above. In addition, MidAmerican has acquired the Eclipse (200.1 MW), Morning Light (101.2 MW) and Vienna (105.8 MW)¹ wind farm sites, each a third party-developed site. These sites 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 Site

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 needs to complete additional transmission studies for two additions at the Rolling Hills Site, of 92 MW and 101.2 MW, before final system upgrade requirements are known. Operation of the additions is guided by the provisional generation interconnection agreement with MISO.

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 were 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, which is limited to 280 MW of net output until additional studies, and any subsequent network upgrades, are completed. Additional studies by Midwest ISO are scheduled to be

¹ The Vienna wind farm site has been acquired with a capacity of up to 150 MW. However, only 105.8 MW is being developed under Wind VII. Plans for developing the remaining capacity have not been determined.

completed in August 2012 to determine the extent of any required transmission system upgrades.

119.6 MW Laurel Site

The Laurel Site, located in Marshall County, is a wind farm that was developed by a third party. The site 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 system studies, on-site upgrades, and off-site upgrades required for this site have been completed and were previously submitted in prior updates.

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. 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 completed an amended and restated interconnection agreement in March 2012. The planned in-service date of the wind farm is September 30, 2012.

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. 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 completed an amended and restated interconnection agreement in March 2012. The planned in-service date of the wind farm is November 1, 2012.

105.8 MW Vienna Site

The Vienna Site, located in Tama County, is a wind farm that was developed by RPM Access, LLC. The site will interconnect to the ITC Midwest 161 kV line between the Marshalltown Substation and the Traer Substation. A provisional generation interconnection agreement exists with MISO and ITC Midwest, having been negotiated by RPM Access, LLC. MidAmerican is working with MISO to amend and restate the provisional generation interconnection agreement to accommodate variances in the transformer size, wind turbine blade length, and wind turbine generator size. The planned in-service date of the wind farm is December 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 February 15, 2013, as ordered by the Board.