

INTERCOMPANY ADMINISTRATIVE SERVICES AGREEMENT

BETWEEN

MIDAMERICAN ENERGY HOLDINGS COMPANY

AND

ITS SUBSIDIARIES

This Intercompany Administrative Services Agreement ("Agreement") is entered into as of March 31, 2006 by and between MidAmerican Energy Holdings Company (hereinafter the "Company") and each of the entities identified on Exhibit A hereto, its direct and indirect subsidiaries (hereinafter the "Subsidiaries") (each a "Party" and together the "Parties").

WHEREAS, the Company provides senior management, executive oversight and other administrative services that provide value to and benefit the Subsidiaries as entities in the consolidated group;

WHEREAS, the Subsidiaries have access to professional, technical and other specialized resources that the Company may wish to utilize from time to time in the provision of such administrative services; and

WHEREAS, the Company and Subsidiaries may desire to utilize the professional, technical and other specialized resources of certain Subsidiaries;

NOW, THEREFORE, in consideration of the premises and mutual agreements set forth herein, the Company and Subsidiaries agree as follows:

ARTICLE 1. USE OF FACILITIES AND PROVISION OF ADMINISTRATIVE SERVICES

Upon and subject to the terms of this Agreement, facilities and services will be provided between and among the Company and its Subsidiaries that are not directly applicable to the production, distribution or sale of a product or service available to customers of the Company or its subsidiaries ("Facilities and Administrative Services"). For purposes of this Agreement, Facilities and Administrative Services shall include, but not be limited to the following:

- a) services by executive, management, professional, technical and clerical employees;
- b) financial services, payroll processing services, employee benefits participation, supply chain and purchase order processing services, tax and accounting services, contract negotiation and administration services, risk management services, environmental services and engineering and technical services;
- c) the use of office facilities, including but not limited to office space, conference rooms, furniture, equipment, machinery, supplies, computers and computer software, insurance policies and other personal property;
- d) the use of automobiles, airplanes, other vehicles and equipment;

To obtain specialized expertise or to achieve efficiencies, the following situations may arise under this Agreement whereby Administrative Services may be provided between and among the Company and its Subsidiaries:

- a) The Company may directly assign or allocate common costs to the Subsidiaries,
- b) The Company may procure Facilities and Administrative Services from the Subsidiaries for its own benefit,
- c) The Company may procure Facilities and Administrative Services from the Subsidiaries for subsequent allocation to some or all Subsidiaries commonly benefiting, or
- d) The Subsidiaries may procure Facilities and Administrative Services from each other.

ARTICLE 2. DEFINITIONS

For purposes of this Agreement these terms shall be defined as follows:

- a) "ICC" shall mean the Illinois Commerce Commission.
- b) "Laws" shall mean any law, statute, rule, regulation or ordinance.
- c) "MEHC" shall mean MidAmerican Energy Holdings Company.
- d) "Parties" shall mean any of MidAmerican Energy Holdings Company and the entities identified on Exhibit A hereto, as amended from time to time in accordance with the provisions of this Agreement subject to regulatory approval in those jurisdictions in which regulatory approval is required.
- e) "Providing Party" means a Party who has been requested to, and who is able and willing to, furnish facilities, provide services or both to a Recipient Party under the terms of this Agreement.
- f) "Recipient Party" means a Party who desires to use facilities, receive services or both, and has requested another Party to furnish such facilities, provide such services, or both.
- g) "State Commissions" shall mean any state public utility commission or state public service commission with jurisdiction over a rate-regulated Party.
- h) "Subsidiaries" shall mean ~~current and future direct and indirect majority-owned subsidiaries of the Company~~ any of the entities identified on Exhibit A hereto, as amended from time to time in accordance with the provisions of this Agreement subject to regulatory approval in those jurisdictions in which regulatory approval is required, other than MidAmerican Energy Holdings Company.

ARTICLE 3. EFFECTIVE DATE

This Agreement shall be effective as of the date set forth above; provided, however, that in those jurisdictions in which regulatory approval is required before the Agreement becomes effective, the effective date shall be as of the date of such approval.

ARTICLE 4. USE OF FACILITIES AND SERVICES

Facilities and Services. Upon the terms and subject to the conditions of this Agreement, a Recipient Party may request a Provider or Providers to make available or provide, and, subject to the provisos at the end of this Section, such Provider or Providers may make available or provide to such Recipient Party, Facilities and Administrative Services, as described in Article 1, *provided, however,* that a Provider shall have no obligation to provide any of the foregoing, considering such factors as the extent that such facilities and administrative services are not available; and *provided further,* it is understood that a Provider has sole discretion in scheduling the use by a Recipient Party of facilities, equipment or administrative services so as to avoid interference with such Provider's operations.

Agreements. A Provider and Recipient Party may evidence their agreement with respect to the availability, provision or use of the facilities, services and activities described in this Article 4 by entering into an agreement, lease, license or other written memorandum or evidence; provided such agreement, lease, license or other written memorandum or evidence shall not contain terms inconsistent with this Agreement; and further provided that this Article 4 shall not be deemed to require any such agreement, lease, license or other written memorandum or evidence.

ARTICLE 4. ~~ARTICLE 5.~~ CHARGES AND PAYMENT

a) CHARGES.

For Administrative Services rendered by or to a rate-regulated subsidiary of the Company or each cost category subject to allocation to rate-regulated subsidiaries by the Company, Parties shall charge for Facilities and Administrative Services on the following basis:

- (i) Facilities and Administrative services provided by a rate-regulated subsidiary of the Company to another Party shall be charged by the Providing Party to the Recipient Party at: (1) the prevailing price for which the service is provided for sale to the general public by the Providing Party (i.e., the tariffed rate or other pricing mechanism approved by the applicable rate setting authority) or, if no such prevailing price exists, (2) an amount equal to or greater than the fully distributed cost (determined as provided in Article 6) incurred by the Providing Party in providing such service to the Recipient Party.
- (ii) Facilities and Administrative services provided to a rate-regulated subsidiary of the Company by another Party shall be charged by the Providing Party to the Recipient Party at: (1) the prevailing price for which the service is provided for sale to the general public by the Providing Party (i.e., the price charged to non-affiliates if such transactions with non-affiliates constitute a substantial portion of the Providing Party's total revenues from such transactions) or, if no such prevailing price exists, (2) an amount not to exceed the fully distributed cost (determined as provided in Article 6) incurred by the Providing Party in providing such service to the Recipient Party.
- (iii) Facilities and Administrative services provided by one rate-regulated subsidiary of the Company to another rate-regulated subsidiary of the Company shall be charged by the Providing Party to the Recipient Party at an amount equal to the fully distributed cost incurred by the Providing Party in providing such service to the Recipient Party.

Costs charged on a fully distributed cost basis:—shall include direct labor, direct materials and direct purchased services associated with the related asset or service. These amounts shall be increased by a portion of indirect costs to reflect labor, administrative and general and other overhead amounts as provided in Article 6.

- i. Direct Charges: The Party receiving the benefit of Administrative Services (“Recipient Party”) will be charged for the operating costs incurred by the Party providing the Administrative Services (“Providing Party”), including, but not limited to, allocable salary and wages, incentives, paid absences, payroll taxes, payroll additives (insurance premiums, health care

- and retirement benefits and the like), direct non labor costs, if any, and similar expenses, and reimbursement of out-of-pocket third party costs and expenses.
- ~~ii. Service Charges: Costs that are impractical to charge directly but for which a cost/benefit relationship can be reasonably identified. A practical allocation method will be established by Providing Party that allocates the cost of this service equitably and consistently to the Recipient Party. Any changes in the methodology will be communicated in writing to rate-regulated subsidiaries at least 180 days before the implementation of the change.~~
 - ~~iii. Allocations: Costs incurred for the general benefit of the entire corporate group for which direct charging and service charges are not practical. An allocation methodology will be established and used consistently from year to year. Any changes to the methodology will be communicated in writing to rate-regulated subsidiaries at least 180 days before the implementation of the change.~~

The charges constitute full compensation to the Providing Party for all charges, costs and expenses incurred by the Providing Party on behalf of the Recipient Party in providing the Administrative Services, unless otherwise specifically agreed to in writing between the Parties.

~~If events or circumstances arise which, in the opinion of the Parties, render the costs of providing any Administrative Services materially different from those charged under a specific rate or formula then in effect, the specific rate or formulas shall be equitably adjusted to take into account such events or changed circumstances.~~

Providing Parties will bill each and all Recipient Parties, as appropriate, for Facilities and Administrative Services rendered under this Agreement in as specific a manner as practicable. To the extent that direct charging for services rendered is not practicable, the Providing Party may utilize the allocation methodology set forth in Article 6 to assign charges for Facilities and Administrative Services provided to the Recipient Party methodologies to assign charges for services rendered to the Recipient Party, reflective of the drivers of such costs. ~~Such allocation methodologies may utilize allocation bases that include, but are not limited to: employee labor, employee counts, assets, and multi factor allocation formulae.~~

~~Any cost allocation methodology for the assignment of corporate and affiliate costs will comply with the following principles:~~

- ~~i) For Administrative Services rendered to a rate-regulated subsidiary of the Company or each cost category subject to allocation to rate-regulated subsidiaries by the Company, the Company must be able to demonstrate that such service or cost category is reasonable for the rate-regulated subsidiary for the performance of its regulated operations, is not duplicative of Administrative Services already being performed within the rate-regulated subsidiary, and is reasonable and prudent.~~
- ~~ii) The Company and Providing Parties will have in place positive time reporting systems adequate to support the allocation and assignment of costs of executives and other relevant personnel to Recipient Parties.~~
- ~~iii) Parties must maintain records sufficient to specifically identify costs subject to allocation, particularly with respect to their origin. In addition, the records must be adequately supported in a manner sufficient to justify recovery of the costs in rates of rate-regulated subsidiaries.~~

~~iv) It is the responsibility of rate regulated Recipient Parties to this Agreement to ensure that costs which would have been denied recovery in rates had such costs been directly incurred by the regulated operation are appropriately identified and segregated in the books of the regulated operation.~~

b) PAYMENT.

(i) Each Providing Party shall bill the Recipient Party monthly for all charges pursuant to this Agreement via billings to the Company. The Company, in its capacity as a clearinghouse for intercompany charges within the Company shall aggregate all charges and bill all Recipient Parties in a single bill. Full payment to or by the Company for all Administrative Services shall be made by the end of the calendar month following the intercompany charge. Charges shall be supported by reasonable documentation, which may be maintained in electronic form. All invoices for services rendered must be submitted monthly with sufficient information and in sufficient detail to permit each Party where applicable, to identify and classify the charge in terms of the system of accounts prescribed by the regulatory authorities to which it is subject. Each month a statement must be rendered to each rate-regulated Party to whom services were provided containing a summary of the accounts by work order and showing the charges, classified as direct cost, indirect cost, and compensation for use of capital.

(ii) The Parties shall make adjustments to charges as required to reflect the discovery of errors or omissions or changes in the charges. The Parties shall conduct a true-up process at least quarterly and more frequently if necessary to adjust charges based on reconciliation of amounts charged and costs incurred. It is the intent of the Parties that such true-up process will be conducted using substantially the same process, procedures and methods of review as have been in effect prior to execution of this Agreement by the Parties. A report summarizing the results of each true-up process will be submitted to the Manager of Accounting of the ICC within 15 days of the acceptance of a reconciliation of amounts charged and costs incurred, during the first two years this agreement is in effect.

(iii) Late payments shall bear a rate of interest equal to the prime rate of interest most recently published in the Wall Street Journal and such interest shall be based on the period of time that the payment is late.

ARTICLE 6. COST APPORTIONMENT METHODOLOGY

General Principles. Any cost allocation methodology for the assignment of corporate and affiliate costs will comply with the following principles:

- a) For Facilities or Administrative Services rendered to a rate-regulated subsidiary of the Company or each cost category subject to allocation to rate-regulated subsidiaries by the Company, the Company must be able to demonstrate that such service or cost category is reasonable for the rate-regulated subsidiary for the performance of its regulated operations, is not duplicative of Facilities or Administrative Services already being performed within the rate-regulated subsidiary, and is reasonable and prudent.
- b) The Company and Providing Parties will have in place positive time reporting systems adequate to support the allocation and assignment of costs of executives and other relevant personnel to Recipient Parties.

- c) Parties must maintain records sufficient to specifically identify costs subject to allocation, particularly with respect to their origin. In addition, the records must be adequately supported in a manner sufficient to justify recovery of the costs in rates of rate-regulated subsidiaries.
- iv) It is the responsibility of rate-regulated Recipient Parties to this Agreement to ensure that costs which would have been denied recovery in rates had such costs been directly incurred by the regulated operation are appropriately identified and segregated in the books of the regulated operation.

Costs shall be charged to a Party in accordance with these general principles using either a direct charge or the allocation methodology set forth in this Article 6. Costs of facilities or services specifically attributable to a Party should be charged directly to such Party. Joint and common costs not specifically attributable to a Party should be charged to the appropriate Parties based on the allocation methodology set forth in this Article 6.

Direct Charges: The Recipient Party will be charged for the operating costs incurred by the Providing Party, including, but not limited to, allocable salary and wages, incentives, paid absences, payroll taxes, payroll additives (insurance premiums, health care and retirement benefits and the like), direct non-labor costs, if any, and similar expenses, and reimbursement of out-of-pocket third party costs and expenses.

Service Charges: Costs that are impractical to charge directly but for which a cost/benefit relationship can be reasonably identified. Such costs shall be assigned by the Providing Party to each such Recipient Party using the Two-Factor Method set forth in this Article 6.

Indirect Costs: The direct and allocated costs apportioned to a Party or Parties shall be increased to reflect indirect labor, administrative and general and other overhead amounts. These indirect costs are not specifically identifiable or attributable to the direct costs incurred on behalf of a Party. All direct labor charges apportioned to a Party, either apportioned directly or using an allocation methodology, shall be increased by a loading factor to reflect indirect labor-driven costs. For each Party, this loading factor shall be determined annually based on forecasted indirect labor driven charges. The labor loading shall include payroll taxes, medical, dental and vision insurance costs, pension and other post-retirement health care benefits costs; employee savings plans costs; training costs; other employee benefits; the employee benefits department costs; communications and computer support; and facilities costs. Facilities costs include buildings and related property, such as equipment, machinery, furniture and fixtures, and related services, such as mail delivery and library services. These indirect charges shall include an amount to reflect the cost of such assets (e.g., depreciation operations, maintenance, utilities, insurance and real estate taxes) and, for owned assets or assets leased under capital leases, a return equal to the rate of return on rate base most recently authorized by the ICC.

Allocations: Costs incurred for the general benefit of the entire corporate group for which direct charging and service charges are not practical. The Providing Party will allocate these costs using the allocation methodology set forth below.

Allocation Methodology:

The Parties shall maintain unique account numbers in their respective general ledger systems: Consolidated Pool accounts and Unallocated Pool accounts. All costs incurred by a Party and not directly

charged to another Party and all costs apportioned and billed to the Party by other Parties shall be charged to one of these two types of accounts.

- a) Consolidated Pool Costs: The Consolidated Pool accounts shall be charged with costs related to activities that jointly benefit more than one of the Parties. Each month, the costs accumulated in the Consolidated Pool shall be apportioned and billed to the Parties (other than the Provider) using a two-factor formula methodology. A representative listing of the types of services for which costs shall be charged to the Consolidated Pool is as follows:

Accounting and Auditing
Branding and Other Marketing
Budgeting
Corporate Planning
Corporate Secretary's Office
Executive Services
Financial Reporting
Finance
Forecasting
Governmental Affairs
Information Systems
Investor Relations
Legal
Risk Management
Shareholder Services
Tax Administration

- b) Unallocated Costs: The Unallocated accounts shall be charged with costs that have been determined as neither directly related to another Party nor appropriate for apportionment by the Provider.

Two-Factor Methodology. In each and every month, costs charged to the Consolidated Pool shall be apportioned and billed by Provider to the other Parties based on a two-factor formula methodology. Under this approach, each such Party is allocated and billed for a portion of the total costs in the Consolidated Pool based on an average of such Party's gross payroll and total asset amounts relative to the corresponding averages for the other Parties. To adjust for seasonality in operations, the gross payroll amounts used in this allocation shall be the twelve-month-ended amounts through the prior quarter-end. The total asset amount shall reflect the month-end balance from the prior quarter ended.

ARTICLE 5-ARTICLE 7. GENERAL OBLIGATIONS; STANDARD OF CARE

Rate-regulated Parties will comply with all applicable State and Federal Laws regarding affiliated interest transactions, including timely filing of applications and reports. The Parties agree not to cross-subsidize between the rate-regulated and non-rate-regulated businesses or between any rate-regulated businesses, and shall comply with any applicable State Commission Laws and orders. Subject to the terms of this Agreement, the Parties shall perform their obligations hereunder in a commercially reasonable manner.

~~ARTICLE 6.~~ ARTICLE 8. TAXES

Each Party shall bear all taxes, duties and other similar charges except taxes based upon its gross income (and any related interest and penalties), imposed as a result of its use of Facilities or receipt of Administrative Services under this Agreement, including without limitation sales, use, and value-added taxes.

~~ARTICLE 7.~~ ARTICLE 9. ACCOUNTING AND AUDITING

Providing Parties and the Company shall maintain such books and records as are necessary to support the charges for Administrative Services, in sufficient detail as may be necessary to enable the Parties to satisfy applicable regulatory requirements ("Records"). All Parties:

- (a) shall provide access to the Records at all reasonable times;
- (b) shall maintain the Records in accordance with good record management practices and with at least the same degree of completeness, accuracy and care as it maintains for its own records; ~~and~~
- (c) shall maintain its own accounting records, separate from the other Party's accounting records; and
- (d) shall perform an internal audit of the charges for Facilities and Administrative Services at least every year.

Subject to the provisions of this Agreement, Records supporting intercompany billings shall be available for inspection and copying by any qualified representative or agent of either Party or its affiliates, at the expense of the inquiring Party. In addition, State Commission staff or agents may audit the accounting records of Providing Parties that form the basis for charges to rate-regulated subsidiaries, to determine the reasonableness of allocation factors used by the Providing Party to assign costs to the Recipient Party and amounts subject to allocation or direct charges. All Parties agree to cooperate fully with such audits.

~~ARTICLE 8.~~ ARTICLE 10. BUDGETING

In advance of each budget year, Providing Parties shall prepare and deliver to the Recipient Parties, for their review and approval, a proposed budget for Administrative Services to be performed during that year. The approved schedule of budgeted Administrative Services shall evidence the base level of Administrative Services. The schedule shall be updated at least annually. Each Party shall promptly notify the other Party in writing of any requested material change to the budget costs for any service being provided.

~~ARTICLE 9.~~ ARTICLE 11. COOPERATION WITH OTHERS

The Parties will use good faith efforts to cooperate with each other in all matters relating to the provision and receipt of Facilities and Administrative Services. Such good faith cooperation will include providing electronic access in the same manner as provided other vendors and contractors to systems used in connection with Facilities and Administrative Services and using commercially reasonable efforts to obtain all consents, licenses, sublicenses or approvals necessary to permit each Party to perform its obligations. Each Party shall make available to the other Party any information required or reasonably requested by the other Party regarding the provision or performance of any Facility or Administrative Service and shall be responsible for timely providing that information and for the accuracy and completeness of that information; provided, however, that a Party shall not be liable for not providing any information that is subject to a confidentiality obligation owed by it to a person or regulatory body other than an affiliate of it or the other

Party. Either Party shall not be liable for any impairment of any Facility or Administrative Service caused by it not receiving information, either timely or at all, or by it receiving inaccurate or incomplete information from the other Party that is required or reasonably requested regarding that Facility or Administrative Service. The Parties will cooperate with each other in making such information available as needed in the event of any and all internal or external audits, utility regulatory proceedings, legal actions or dispute resolution. Each Party shall fully cooperate and coordinate with each other's employees and contractors who may be awarded other work. The Parties shall not commit or permit any act, which will interfere with the provision, performance of or receipt of Facilities or Administrative Services by either Party's employees or contractors.

ARTICLE 10-ARTICLE 12. COMPLIANCE WITH ALL LAWS

Each Party shall be responsible for (i) its compliance with all laws and governmental regulations affecting its business, including but not limited to, laws and governmental regulations governing federal and state affiliate transactions, workers' compensation, health, safety and security, and (ii) any use it may make of the Administrative Services to assist it in complying with such laws and governmental regulations.

ARTICLE 11-ARTICLE 13. LIMITATION OF LIABILITY

Notwithstanding any other provision of this Agreement and except for (a) rights provided under Article ~~12~~ 14 in connection with Third-Party Claims, (b) direct or actual damages as a result of a breach of this Agreement, and (c) liability caused by a Party's negligence or willful misconduct, no Party nor their respective directors, officers, employees and agents, will have any liability to any other Party, or their respective directors, officers, employees and agents, whether based on contract, warranty, tort, strict liability, or any other theory, for any indirect, incidental, consequential, special damages, and no Party, as a result of providing a Facility or Administrative Service pursuant to this Agreement, shall be liable to any other Party for more than the cost of the Facility or Administrative Service(s) related to the claim or damages.

ARTICLE 12-ARTICLE 14. INDEMNIFICATION

Each of the Parties will indemnify, defend, and hold harmless each other Party, members of its Board of Directors, officers, employees and agents against and from any third-party claims resulting from any negligence or willful misconduct of a Party's employees, agents, representatives or subcontractors of any tier, their employees, agents or representatives in the performance or nonperformance of its obligations under this Agreement or in any way related to this Agreement. If a Third-Party claim arising out of or in connection with this Agreement results from negligence of multiple Parties (including their employees, agents, suppliers and subcontractors), each Party will bear liability with respect to the Third-Party Claim in proportion to its own negligence.

ARTICLE 13-ARTICLE 15. DISPUTE RESOLUTION

The Parties shall promptly resolve any conflicts arising under this Agreement and such resolution shall be final. If applicable, adjustments to the charges will be made as required to reflect the discovery of errors or omissions in the charges. If the Parties are unable to resolve any service, performance or budget issues or if there is a material breach of this Agreement that has not been corrected within ninety (90) days, representatives of the affected Parties will meet promptly to review and resolve those issues in good faith.

ARTICLE 14. ARTICLE 16. TERMINATION FOR CONVENIENCE

A Party may terminate its participation in this Agreement either with respect to all, or with respect to any one or more, of the Facilities or Administrative Services provided hereunder at any time and from time to time, for any reason or no reason, by giving notice of termination at least sixty (60) days in advance of the effective date of the termination to enable the other Party to adjust its available staffing and facilities. In the event of any termination with respect to one or more, but less than all, Facilities or Administrative Services, this Agreement shall continue in full force and effect with respect to any Facilities or Administrative Services not terminated hereby. If this Agreement is terminated in whole or in part, the Parties will cooperate in good faith with each other in all reasonable respects in order to effect an efficient transition and to minimize the disruption to the business of all Parties, including the assignment or transfer of the rights and obligations under any contracts. Transitional assistance service shall include organizing and delivering records and documents necessary to allow continuation of the Facilities or Administrative Services, including delivering such materials in electronic forms and versions as reasonably requested by the Party.

ARTICLE 15. ARTICLE 17. CONFIDENTIAL INFORMATION/NONDISCLOSURE

To the fullest extent allowed by law, the provision of any Facility or Administrative Service or reimbursement for any Facility or Administrative Service provided pursuant to this Agreement shall not operate to impair or waive any privilege available to either Party in connection with the Facility or Administrative Service, its provision or reimbursement for the Facility or Administrative Service.

All Parties will maintain in confidence Confidential Information provided to each other in connection with this Agreement and will use the Confidential Information solely for the purpose of carrying out its obligations under this Agreement. The term Confidential Information means any oral or written information, (including without limitation, computer programs, code, macros or instructions) which is made available to the Company, its Subsidiaries or one of its representatives, regardless of the manner in which such information is furnished. Confidential Information also includes the following:

a. All Information regarding the Facilities or Administrative Services, including, but not limited to, price, costs, methods of operation and software, shall be maintained in confidence.

b. Systems used to provide or perform the Facilities or Administrative Services provided hereunder are confidential and proprietary to the Company, its Subsidiaries or third parties. Both Parties shall treat these systems and all related procedures and documentation as confidential and proprietary to the Company, its Subsidiaries or its third party vendors.

c. All systems, procedures and related materials provided to either Party are for its internal use only and only as related to the Facilities or Administrative Services or any of the underlying systems used to provide the Facilities or Administrative Services.

Notwithstanding anything in this Article 15 to the contrary, the term "Confidential Information" does not include any information which (i) at the time of disclosure is generally available to and known by the public (other than as a result of an unpermitted disclosure made directly or indirectly by a Party), (ii) was available to a Party on a non-confidential basis from another source (provided that such source is not or was not bound by a confidentiality agreement with a Party or had any other duty of confidentiality to a Party), or (iii) has been independently acquired or developed without violating any of the obligations under this Agreement.

The Parties shall use good faith efforts at the termination or expiration of this Agreement to ensure that all user access and passwords are cancelled.

All Confidential Information supplied or developed by a Party shall be and remain the sole and exclusive property of the Party who supplied or developed it.

ARTICLE 16-ARTICLE 18. PERMITTED DISCLOSURE

Notwithstanding provisions of this Agreement to the contrary, each Party may disclose Confidential Information (i) to the extent required by a State Commission, a court of competent jurisdiction or other governmental authority or otherwise as required by law, including without limitation disclosure obligations imposed under the federal securities laws, provided that such Party has given the other Party prior notice of such requirement when legally permissible to permit the other Party to take such legal action to prevent the disclosure as it deems reasonable, appropriate or necessary, or (ii) on a "need-to-know" basis under an obligation of confidentiality to its consultants, legal counsel, affiliates, accountants, banks and other financing sources and their advisors.

ARTICLE 17-ARTICLE 19. SUBCONTRACTORS

To the extent provided herein, the Parties shall be fully responsible for the acts or omissions of any subcontractors of any tier and of all persons employed by such subcontractors and shall maintain complete control over all such subcontractors. It being understood and agreed that not anything contained herein shall be deemed to create any contractual relation between the subcontractor of any tier and the Parties.

ARTICLE 18-ARTICLE 20. NONWAIVER

The failure of a Party to insist upon or enforce strict performance of any of the terms of this Agreement or to exercise any rights herein shall not be construed as a waiver or relinquishment to any extent of its right to enforce such terms or rights on any future occasion.

ARTICLE 19-ARTICLE 21. SEVERABILITY

Any provision of this Agreement prohibited or rendered unenforceable by operation of law shall be ineffective only to the extent of such prohibition or unenforceability without invalidating the remaining provisions of this Agreement.

ARTICLE 20-ARTICLE 22. ENTIRE AGREEMENT/DOCUMENTS INCORPORATED BY REFERENCE

All understandings, representations, warranties, agreements and any referenced attachments, if any, existing between the Parties regarding the subject matter hereof are merged into this Agreement, which fully and completely express the agreement of the Parties with respect to the subject matter hereof.

ARTICLE 21-ARTICLE 23. OTHER AGREEMENTS

This Agreement does not address or govern the Parties' relationship involving: (a) the tax allocation agreement nor (b) any other relationships not specifically identified herein. All such relationships not addressed or governed by this Agreement will be governed and controlled by a separate agreement or tariff specifically addressing and governing those relationships or by applicable Laws or orders.

This Agreement has been duly executed on behalf of the Parties as follows:

MIDAMERICAN ENERGY HOLDINGS COMPANY

By: _____

Title: _____

NNGC ACQUISITION, LLC

By: _____

Title: _____

PPW HOLDINGS LLC

By: _____

Title: _____

KR HOLDING, LLC

By: _____

Title: _____

CE ELECTRIC UK FUNDING COMPANY

By: _____

Title: _____

CALENERGY INTERNATIONAL SERVICES, INC.

By: _____

Title: _____

HOME SERVICES OF AMERICA, INC.

By: _____

Title: _____

CE CASECNAN WATER AND ENERGY COMPANY, INC.

By: _____

Title: _____

MIDAMERICAN FUNDING, LLC

By: _____

Title: _____

Parties to the Intercompany Administrative Services Agreement

Midamerican Energy Holdings Company (“Company”)

Midamerican Energy Company

CBEC Railway Inc.

Dakota Dunes Development

Iowa Realty Relocation

Iowa Title Company

Midwest Capital Group Inc.

MHC Inc.

Northern Natural Gas

CE Generation

HomeServices

InterCoast Capital Company

Kern River

MidAmerican Funding Co. LLC

MidAmerican Construction Services

MidAmerican Services Company

Cordova Energy Center

PacifiCorp