A black and white photograph of a worker wearing a hard hat and a safety vest, kneeling and working on a gas distribution system. The worker is wearing a hard hat with the MidAmerican Energy Company logo. The background shows a building with horizontal siding.

WAUKEE GAS DISTRIBUTION SYSTEM BID



MidAmerican Energy Company
P.O. Box 657
Des Moines, IA 50306-0657

July 29, 2024

PFM Financial Advisors LLC
c/o Ben Kapenstein
100 Market Street
Harrisburg, PA 17101

RE: Offer to purchase Waukeemunicipal gas utility distribution system

Dear Mr. Kapenstein:

MidAmerican Energy is pleased to submit the enclosed offer to purchase the Waukeemunicipal gas distribution system. We are proud to be the City of Waukeem's electric provider today, and we are even prouder to have established a valued and trusted partnership with the community. As a result, MidAmerican is uniquely situated to provide natural gas service to Waukeem and its residents – something we have been in active discussions with city leadership about over the past decade. We are excited this opportunity has come to fruition, and we believe that now is the right time for us to expand our service to the community by obsessively, relentlessly delivering natural gas service to your residents.

As the electric provider to the city and the primary natural gas provider to the greater Des Moines area, MidAmerican is uniquely positioned to best meet all of the stated bid criteria, including:

- **Low Rates.** MidAmerican has the lowest rates of any investor-owned utility in Iowa, from both a base rate and gas commodity perspective. This is no accident – it's the result of our commitment to managing costs. In fact, MidAmerican's 2023 gas rate case was our first in 21 years despite major changes to the operating, regulatory and cybersecurity landscape for gas utilities. To operate at the same rates for 21 years, we focused on innovating our operating practices and finding efficiencies because we know how important low, stable rates are to our customers. Additionally, MidAmerican's prudent gas purchasing practices and liquified natural gas assets have ensured that our purchased gas adjustment rates are consistently the lowest in the area. Moving Waukeem's customers to MidAmerican's current gas rates will provide them immediate rate relief without sacrificing high quality and reliable service – something we deliver today as their electric provider. Please see Section A 6.1 of the bid proposal for additional information.
- **Ability to execute the transaction.** MidAmerican has the financial capability to execute the transaction with a 2023 financial position that included \$25.2 billion in total assets and \$3.4 billion in operating revenue. MidAmerican is also proud to be headquartered in central Iowa, with deep roots in the community dating back over 125 years. Most importantly for the City's customers, MidAmerican is uniquely positioned to provide added benefits through the consolidation to a single energy bill for many customers, as well as a seamless service transition for those customers already receiving electric service from MidAmerican. With



MidAmerican Energy Company
P.O. Box 657
Des Moines, IA 50306-0657

over 1.6 million gas and electric customers in Iowa, South Dakota, Illinois and Nebraska, MidAmerican has the operating staff to provide outstanding support and customer service to the residents of Waukee.

- **Ability to comply with ongoing regulatory requirements.** MidAmerican operates over 10,000 miles of gas main, over 526,000 gas service lines, and over 609 miles of intrastate gas transmission in Iowa, which not only meets but exceeds regulatory requirements. We have strong compliance and integrity management teams that monitor both final and proposed PHMSA regulations and develop action plans to ensure MidAmerican complies with regulatory changes, including the final Transmission Mega Rule, final Valve Rule, proposed Gas Leak Detection and Repair Rule, and the proposed Gas Distribution Pipeline Rule. In short, MidAmerican is no stranger to complying with regulatory requirements. Instead it is something we embrace, as Regulatory Integrity is one of the six core principles under which we operate.
- **Purchase Price.** We are pleased to provide a 10% premium above the book value of the gas distribution system. MidAmerican's low operating costs allow us to provide a fair purchase price that includes a premium on top of the asset's net book value, while also allowing the City's customers to take service at MidAmerican's low rates without creating any special riders to help recover the cost (as stipulated in Section 13.2 of the proposed asset purchase agreement).

MidAmerican's six core principles demonstrate why we are the clear choice to provide natural gas service to your residents.

CUSTOMER SERVICE

- **The City's residents will benefit from exceptional customer service** – In 2023, MidAmerican ranked No. 1 of 16 utilities in the Midwest Large segment and No. 2 of 85 utilities nationally for the J.D. Power Gas Utility Residential Customer Satisfaction Study. Additionally, in 2023, MidAmerican ranked No. 1 of 18 utilities in the Midwest region and No. 6 of 48 utilities in the industry for the J.D. Power Gas Utility Business Customer Satisfaction Study. Our commitment to customer service goes beyond providing utilities to Waukee. MidAmerican's robust corporate citizenship program, CARES, supports our communities to ensure they are strong and thriving.

EMPLOYEE COMMITMENT

- **MidAmerican will find suitable employment opportunities for the City's five gas utility employees as part of a successful bid** – MidAmerican has a proven track record of ensuring employees have good, well-paying jobs even in times of economic turmoil. Currently, MidAmerican has 88 employees residing in Waukee with hundreds more in the greater Des Moines region.

ENVIRONMENTAL RESPECT

- **MidAmerican is actively reducing natural gas emissions as part of an over-arching strategy to achieve net-zero emissions** – MidAmerican has achieved a 69% reduction in system leaks during the past decade and has implemented new technology innovations, such as cross compression equipment, to



MidAmerican Energy Company
P.O. Box 657
Des Moines, IA 50306-0657

further reduce emissions. The City's natural gas system fits well in MidAmerican's net zero-vision, as the system is predominantly medium- and high-density polyethylene plastic, a material that will not drastically increase the active leaks. That will allow us to continue to lead on leak reduction efforts within the industry.

REGULATORY INTEGRITY

- **MidAmerican has demonstrated a consistent track record for compliance with state and federal regulations throughout the annual inspection process** – We manage various plans, programs and procedures to ensure consistency across the organization. That includes a robust distribution integrity management plan, transmission integrity management plan and the conditions program, which targets the identification and remediation of issues found in the field in a timely manner.

OPERATIONAL EXCELLENCE

- **MidAmerican is an experienced natural gas operator that prioritizes safe, reliable service to customers at an affordable cost** – MidAmerican's 24/7/365 emergency response, journeyman construction team and 99.77% on-time locating performance are just a part of the efficient and cost-effective use of our resources, which have allowed us to maintain declining costs per customer and avoid a rate case for over 20 years.

FINANCIAL STRENGTH

- **MidAmerican's current rates are substantially lower than the City's rates** – Waukee residents will benefit from a rate decrease on their current bills. With the savings provided by switching to MidAmerican, the City could implement a franchise fee to provide future cash for infrastructure investments and still lower costs for customers.

The enclosed offer includes the six forms provided by the City in Section A, and additional clarifications and exceptions in Section B.

Thank you for the opportunity to present this proposal to you. We have been honored to be a part of your community, and we are excited to continue to be obsessively, relentlessly at the service of all the residents and businesses of Waukee – not only as their electric provider, but also at the prospect of being their natural gas provider, as well.

Sincerely,

Bradley Lewis
Vice President, Gas Delivery

Attachments

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MidAmerican Energy Company
P.O. Box 657
Des Moines, IA 50306-0657

**Proposal Form 1 – City of Waukee Gas System RFB
Transmittal Letter**

July 29, 2024

PFM Financial Advisors LLC
c/o Ben Kapenstein
100 Market Street
Harrisburg, PA 17101

Re: Waukee Gas System Request for Bids

Dear Waukee:

MidAmerican Energy Company _____ (the "Proposer") hereby submits the attached Proposal in response to the City of Waukee' Gas System Request for Bids (the "RFB") issued by the City of Waukee ("Waukee") on July 1, 2024, as amended.

The undersigned Proposer hereby unconditionally and irrevocably offers to enter into the Asset Purchase Agreement (the "APA") for identified gas facilities owned and operated by Waukee. Capitalized terms not otherwise defined in this Proposal have the meanings set forth in the APA.

The Proposer, by its undersigned duly-authorized representative, hereby covenants, certifies, represents, and warrants, as follows in connection with this Proposal:

1. **RFB and Addendum Acknowledgement.** The Proposer acknowledges receipt of the RFB and the following addenda to the RFB:

<u>Addendum No.</u>	<u>Date</u>
Schedules and Exhibits to Asset Purchase Agreement	July 17, 2024

2. **Due Authorization.** The submittal of the Proposal has been duly authorized by, and in all respects is binding upon, the Proposer.

3. **Completeness; Warranty as to Proposal Information.** The Proposer has submitted all Proposal Forms and such Proposal Forms are a part of this Proposal. All information and statements contained in the Proposal are current, correct, and complete, and are made with full knowledge that will rely on such information and statements in determining which Proposals are responsive and responsible, and in ultimately selecting the Proposal deemed most advantageous to Waukee and executing the respective APA.
4. **Identity of Buyer.** The Buyer will be the Proposer, provided that the Proposer may, prior to the execution of the APA pursuant to paragraph 8 below, create a subsidiary to be the Buyer (the "Subsidiary"), in which event the Subsidiary shall carry out all of the obligations of the Buyer under the APA from and after such execution.
5. **Final Agreements.** The Proposer agrees to enter into the APA in each case in the form identified as "Binding Proposal, Execution Copy" as posted in the Virtual Data Room for this Transaction (except for filling in indicated blanks and completion of Schedules as provided therein).
6. **Purchase Price/Consideration.** The amount of the Purchase Price/Consideration that Proposer will pay (inclusive of the escrow funds as described in the APA) will be the total set forth in Proposal Form 6.
7. **Proposal Effective Period.** This Proposal and offer shall remain in effect and irrevocable until 5:00 p.m. Central Daylight Savings Time on December 31, 2024, unless extended to 5:00 p.m. Central Daylight Savings Time on June 30, 2025, by Waukee or unless further extended by mutual consent of both Waukee and the Proposer (the "Termination Time"). In the event that the Proposal submission date is delayed, the Termination Time will be extended for the same such period. If Waukee does not give written notice to the Proposer that Waukee is prepared to enter into the APA on or prior to the Termination Time, this offer, and the terms of this Proposal shall terminate at the Termination Time.
8. **Agreement Execution.** If at any time prior to the Termination Time, Waukee gives written notice to the Proposer, at the address specified below, that they are prepared to enter into the APA with the Proposer, the Proposer will, within two Business Days of its receipt of such notice, execute and deliver the APA to Waukee.
9. **Debarment.** Neither the Proposer, the Operator, nor any other member of Proposer's project team is currently suspended or debarred from doing business with any governmental entity.
10. **Contract Disclosures.** Except as disclosed in Proposal Form 5, neither Proposer nor any member of Proposer's team has entered into any arrangement with any person or entity involving a finder's fee, fee splitting, firm affiliation, or relationship with any broker-dealer, payments to consultants, lobbyists, or commissioned representatives or other contractual arrangements that could present a real or perceived conflict of interest.
11. **No Litigation.** There is no action, suit or proceeding, at law or in equity, before any court or similar governmental body, against the Proposer, wherein an unfavorable decision, ruling or finding would have a materially adverse effect on the ability of the Proposer to perform its obligations under the APA contemplated hereby, or which, in any

way, would have a materially adverse effect on the validity or enforceability of the obligations proposed to be undertaken by the Proposer, or any APA or instrument entered into by the Proposer in connection with the Transaction contemplated hereby.

12. ***Certain Representations.*** The Proposer represents and warrants that (1) Proposer has full power and authority to make this offer and submit this Proposal; (2) Proposer, or the Subsidiary, will have full power and authority to execute and deliver the APA pursuant to the terms hereof; (3) such actions do not and will not violate the terms of any of the Proposer's or the Subsidiary's organizational documents or any agreement binding upon it or the terms of any Applicable Law; (4) no further consent to this offer or Proposal or to the execution of the APA pursuant to the terms hereof is required to be obtained from any other Person or Governmental Authority; and (5) this offer and Proposal constitute, and the APA, if executed pursuant to the terms hereof, will constitute duly authorized, valid and legally binding obligations of the Proposer, or the Subsidiary, enforceable in accordance with their respective terms, except as may be limited by bankruptcy, reorganization, insolvency, moratorium, fraudulent conveyance or transfers, or other laws affecting creditor's rights generally, and subject to general principles of equity (regardless of whether in law or in equity).
13. ***Material Changes.*** The Proposer has disclosed as an attachment to this Proposal all material changes from the information provided in the Proposer's RFQ Response.
14. ***Principal Contact.*** The principal contact person who will serve as the interface between the Governmental Party and the Proposer for all communications is:



MidAmerican Energy Company
P.O. Box 657
Des Moines, IA 50306-0657

NAME: Bradley Lewis
TITLE: Vice President, Gas Delivery
ADDRESS: 3500 104th St., Urbandale, IA 50322

PHONE: (712) 233-4840
FAX: (515) 242-4398
EMAIL: bradley.lewis@midamerican.com

Submitted by:

Name of Proposer: MidAmerican Energy Company
Name of Designated Signatory Bradley Lewis
Signature *Bradley Lewis*
Title: Vice President, Gas Delivery


(Notary Public)

State of Iowa

County of Woodbury

On this 29th day of July, 2024, before me appeared Bradley Lewis who is Vice President, Gas Delivery of MidAmerican Energy Company, an Iowa Corporation, personally known to me to be the person described in and who executed this Non-Collusion Statement and acknowledged that she/he signed the same freely and voluntarily for the uses and purposes therein described.

In witness thereof, I have hereunto set my hand and affixed my official seal the day and year last written above.



Notary Public in and for the State of Iowa



Kirk Maxfield

(Name printed)

Residing at Sioux City IA 51106

Commission Number

**Proposal Form 3 – City of Waukee Gas System RFB
Statement of Ownership – Proposer**

Name of Proposer: MidAmerican Energy Company

Business Address: 1615 Locust St., Des Moines, IA 50309

Legal Form of Proposer: Corporation

State of Incorporation or Organization: Iowa

If not organized in Iowa, is Proposer authorized to do business in Iowa?

- Yes
 No

List Names and Titles of All Principal Officers and Directors:

Kelcey Brown: President & CEO
Mark Lowe: Senior Vice President, General Counsel & Assistant Secretary
Blake Groen: Vice President & CFO

Significant Equity Owners of the Proposer:

List the names, business addresses and percentage ownership interests of all Persons (individuals or entities) who own, directly or indirectly, 10% or more of the capital stock, units, partnership or membership interests, or other equity interests or securities of the Proposer (including options, warrants and other rights to acquire such equity interests) (the "Significant Equity Owners"). If none, please state "NONE." If one or more such Significant Equity Owner(s) of Proposer is an entity, then list the names and addresses of all Significant Equity Owners of such entity; if none, please state "None." This disclosure shall be continued until names and addresses of every Significant Equity Owner exceeding the ten percent ownership criteria of each entity listed has been identified. Additional pages may be attached.

<u>Name</u>	<u>Address</u>	<u>% Interest</u>
MHC Inc.	1615 Locust Ave., Des Moines, IA 50309	100
MidAmerican Funding	1615 Locust Ave., Des Moines, IA 50309	Indirect (see explanation below)
Berkshire Hathaway Energy	1615 Locust Ave., Des Moines, IA 50309	Indirect (see explanation below)
Berkshire Hathaway Inc.	3555 Farnam Street Omaha, NE 68131	Indirect (see explanation below)

MidAmerican Funding, LLC, a wholly owned subsidiary of Berkshire Hathaway Energy Company, is a holding company headquartered in Iowa that owns all of the outstanding common stock of MHC Inc., which is a holding company owning all of the common stock of MidAmerican Energy Company. MidAmerican Funding, LLC and MidAmerican Energy Company are indirect consolidated subsidiaries of Berkshire Hathaway Inc. MidAmerican Funding, LLC conducts no business other than activities related to its debt securities and the ownership of MHC Inc. MHC Inc. conducts no business other than the ownership of its subsidiaries. MidAmerican Energy Company is a substantial portion of MidAmerican Funding, LLC's and MHC Inc.'s assets, revenue and earnings. MidAmerican Energy Company is an indirect wholly owned subsidiary of Berkshire Hathaway Energy Company.

Proposal Form 4- City of Waukee Gas System RFB
Operator Information

If the Proposer is not the Operator, the Proposer must clearly identify the entity or entities that will serve as the Operator under the APA. For the proposed Operator, please provide the following information.

1. **Name & Address of Proposed Operator:**

MidAmerican Energy Company
1615 Locust St., Des Moines, IA 50309

2. **Operator's Primary Representative:**

Bradley Lewis, Vice President Gas Delivery

3. **Operator Experience (if not previously provided in response to the RFQ):**

Included in RFQ

4. **Operator's References (if not previously provided in response to the RFQ):**

Included in RFQ

5. **Material Change:** Any change in condition (financial or otherwise), development, occurrence or circumstance that could be materially adverse to the Operator that has arisen after the date of the RFQ, and which would have been responsive to the RFQ if such change, development, occurrence or circumstance had arisen prior to the Proposer's response to the RFQ.

None

Proposal Form 5 – City of Waukee Gas System RFB
Contract and Lobbyist Disclosure

Proposer hereby certifies that except as listed below, neither Proposer nor any member of Proposer's team has entered into any arrangement with any person or entity involving a finder's fee, fee splitting, firm affiliation or relationship with any broker-dealer, payments to consultants, lobbyists, or commissioned representatives or other contractual arrangements that could present a real or perceived conflict of interest. (If there are no such arrangements, please write NONE)

<i>Name of Person or Entity</i>	<i>Disclosure and Description of Arrangement</i>
NONE	

MidAmerican Energy Company

 Name of Proposer

Brad Lewis

 Name of Designated Signatory

Brad Lewis

 Signature

Vice President, Gas Delivery

 Title

Proposal Form 6 – City of Waukee Gas System RFB
Business Proposal

On this Proposal Form 6, please provide your Purchase Price/Consideration. The amount of the Purchase Price/Consideration that Proposer offers to pay pursuant to the APA is:

US \$18,750,000, eighteen million seven hundred fifty thousand United States Dollars subject to a true-up adjustment for actual net book value acquired plus a 10% premium, but not to go below US \$17,650,000, seventeen million six hundred fifty thousand United States Dollars.

Proposers should ensure that the written and numerical Purchase Price/Consideration in this Proposal exactly match. Should this not be the case, the binding Purchase Price/Consideration will be assumed to be the lower of the two Purchase Price/Consideration numbers.

Please provide nonbinding indicative rates that relate to the Purchase Price/Consideration above. For the purposes of transparency, and to aid in comparing bids, please feel free to add any clarifying remarks. Please note, completion of the indicative rate section below is required for your bid to be deemed as “compliant”.

In the alternative, please confirm whether you are interested in pursuing a long-term management agreement to operate and maintain the Gas System in lieu of acquisition of the Utility. If yes, please explain in detail your proposal to manage and operate the Waukee Gas Utility, including fees and costs.

Yes No

For each year, please list the indicative residential monthly bill in U.S. dollars, the rate calculations that equate to that indicative bill inclusive of all fees and charges broken out separately, for the next 10 years assuming 60 therms (represents February) and 11 therms (represents July):

Year	Indicative Monthly Bill 60 therms	Indicative Monthly Bill 11 therms	Detailed Rate Calculations, all applicable Fees & Charges
2025	\$57.15	\$23.14	See Form 6 Exhibit 1
2026	\$59.28	\$24.42	See Form 6 Exhibit 1
2027	\$60.42	\$24.97	See Form 6 Exhibit 1
2028	\$60.60	\$25.35	See Form 6 Exhibit 1
2029	\$61.30	\$25.83	See Form 6 Exhibit 1
2030	\$61.87	\$26.30	See Form 6 Exhibit 1
2031	\$62.62	\$26.81	See Form 6 Exhibit 1
2032	\$63.28	\$27.31	See Form 6 Exhibit 1
2033	\$64.14	\$27.86	See Form 6 Exhibit 1
2034	\$65.12	\$28.44	See Form 6 Exhibit 1

Description of rates outlined above:

Pursuant to Iowa Code chapter 476, MidAmerican is a public utility subject to rate regulation by the Iowa Utilities Commission (“IUC”). This means MidAmerican’s rates and services must be reviewed and approved by the IUC in a rate case process before the rates and services can go into effect. Interested parties, including the Office of the Consumer Advocate (a Division of the Iowa Attorney General’s Office), are permitted to participate to ensure that rates are just and

reasonable for customers. The IUC approved MidAmerican's current natural gas rates through this process and these rates went into effect on July 1, 2024. Please see Form 6 Exhibit 1 Page 1 for a calculation of MidAmerican's residential rates.

MidAmerican's residential rates also include costs that are adjusted outside of the rate case process but remain subject to IUC regulatory oversight and approval. Although these costs are not part of the rate case process, the IUC reviews and approves these costs. First, the purchased gas adjustment ("PGA") is used to pass-through the actual costs of the natural gas MidAmerican purchases for customers. The PGA costs are only the actual costs MidAmerican incurs purchasing natural gas and contain no markups or other added costs. The PGA is adjusted monthly to reflect fluctuations in the price of natural gas. The IUC requires MidAmerican to perform an annual reconciliation where PGA costs are trued-up to ensure customers are only paying the actual costs for gas. Second, customers are charged a small fee for MidAmerican's energy efficiency programs. MidAmerican's energy efficiency plan is approved every five years through a separate process. The IUC approved MidAmerican's current energy efficiency plan in 2023 and it went into effect at the start of 2024. MidAmerican's energy efficiency plan includes a broad range of measures that benefit residential customers and range from rebates for efficient appliance upgrades to online home energy audits.

Form 6 Exhibit 1 Page 1 provides a breakdown of the costs of the various components of a residential customer's bill. To create an indicative customer monthly bill, MidAmerican used current rates and forecasted PGA costs to estimate a residential customer's bill based on the criteria provided. MidAmerican anticipates residential rates will change over the ten-year period, but these changes are uncertain and cannot be reliably forecasted—the same is true for all Iowa public utilities. However, solely for the purpose of responding to the above request for indicative residential bill information, MidAmerican calculated 10 years of indicative rates by utilizing a trendline approach based on current inflation estimates of 2.5% annually and the current natural gas futures prices, basis adjustment and reservation charges. Given the current economic and political environment, there is a high level of uncertainty with these estimates. Though, the one certainty is MidAmerican's proven track record of providing the lowest possible purchased gas pricing and the lowest base service rates for customers in Iowa.

MidAmerican Energy Company

Name of Proposer

Jason Lee, Vice President Gas Delivery

Name of Designated Signatory



Signature

Form 6 Exhibit 1 Page 1: Rate Calculations

	Pricing Using 2024 Rates		Pricing Using Current Rates		Trendline Rates - February 2025		Trendline Rates - July 2025		Trendline Rates - February 2026		Trendline Rates - July 2026		Trendline Rates - February 2027		Trendline Rates - July 2027		Trendline Rates - February 2028		Trendline Rates - July 2028		
	Rate	Amount	Rate	Amount	Rate	Amount	Rate	Amount	Rate	Amount	Rate	Amount	Rate	Amount	Rate	Amount	Rate	Amount	Rate	Amount	
Actual Therms		60		11																	
Service Charge	\$ 11.44	\$ 11.44	\$ 10.00	\$ 10.00	\$ 10.51	\$ 10.51	\$ 10.51	\$ 10.51	\$ 10.77	\$ 10.77	\$ 10.77	\$ 10.77	\$ 11.04	\$ 11.04	\$ 11.04	\$ 11.04	\$ 11.31	\$ 11.31	\$ 11.31	\$ 11.31	\$ 11.31
Meter Charge			\$ 4.50	\$ 4.50	\$ 4.73	\$ 4.73	\$ 4.73	\$ 4.73	\$ 4.85	\$ 4.85	\$ 4.85	\$ 4.85	\$ 4.97	\$ 4.97	\$ 4.97	\$ 4.97	\$ 5.09	\$ 5.09	\$ 5.09	\$ 5.09	\$ 5.09
Distribution per Therm:																					
First 250	\$ 0.20583	\$ 12.35	\$ 0.13696	\$ 1.51	\$ 0.14389	\$ 8.63	\$ 0.14389	\$ 1.58	\$ 0.14749	\$ 8.85	\$ 0.14749	\$ 1.62	\$ 0.15118	\$ 9.07	\$ 0.15118	\$ 1.66	\$ 0.15496	\$ 9.30	\$ 0.15496	\$ 1.70	\$ 1.70
All over 250	\$ 0.10877	\$ -	\$ 0.09697	\$ -	\$ 0.10188	\$ -	\$ 0.10188	\$ -	\$ 0.10443	\$ -	\$ 0.10443	\$ -	\$ 0.10704	\$ -	\$ 0.10704	\$ -	\$ 0.10971	\$ -	\$ 0.10971	\$ -	\$ -
Purchased Gas Adjustment	\$ 0.50858	\$ 30.51	\$ 0.43966	\$ 4.84	\$ 0.48718	\$ 29.23	\$ 0.43966	\$ 4.84	\$ 0.51039	\$ 30.62	\$ 0.51039	\$ 5.61	\$ 0.51786	\$ 31.07	\$ 0.51786	\$ 5.70	\$ 0.50985	\$ 30.59	\$ 0.50985	\$ 5.61	\$ 5.61
Rate Case Expense			\$ 0.04	\$ 0.04	\$ 0.04	\$ 0.04	\$ 0.04	\$ 0.04	\$ 0.04	\$ 0.04	\$ 0.04	\$ 0.04	\$ 0.04	\$ 0.04	\$ 0.04	\$ 0.04	\$ 0.04	\$ 0.04	\$ 0.04	\$ 0.04	\$ 0.04
Energy Efficiency			\$ 0.01226	\$ 0.13	\$ 0.01288	\$ 0.77	\$ 0.01288	\$ 0.14	\$ 0.01320	\$ 0.79	\$ 0.01320	\$ 0.15	\$ 0.01353	\$ 0.81	\$ 0.01353	\$ 0.15	\$ 0.01387	\$ 0.83	\$ 0.01387	\$ 0.15	\$ 0.15
Subtotal (pre-tax)	\$ 65.00	\$ 22.38	\$ 62.72	\$ 21.02	\$ 63.91	\$ 21.83	\$ 63.91	\$ 21.83	\$ 65.92	\$ 23.04	\$ 65.92	\$ 23.04	\$ 67.00	\$ 23.65	\$ 67.00	\$ 23.65	\$ 68.17	\$ 24.17	\$ 68.17	\$ 24.17	\$ 24.17
Sales Tax	5.0%	\$ 1.12	5.0%	\$ 1.05	5.0%	\$ 1.09	5.0%	\$ 1.09	5.0%	\$ 1.29	5.0%	\$ 1.15	5.0%	\$ 1.18	5.0%	\$ 1.18	5.0%	\$ 1.26	5.0%	\$ 1.26	\$ 1.26
State Supplemental Tax	1.0%	\$ 0.22	1.0%	\$ 0.21	1.0%	\$ 0.22	1.0%	\$ 0.22	1.0%	\$ 0.26	1.0%	\$ 0.23	1.0%	\$ 0.24	1.0%	\$ 0.24	1.0%	\$ 0.27	1.0%	\$ 0.27	\$ 0.27
Total with Tax	\$ 86.30	\$ 23.72	\$ 85.89	\$ 22.28	\$ 87.15	\$ 23.14	\$ 87.15	\$ 23.14	\$ 89.28	\$ 24.42	\$ 89.28	\$ 24.42	\$ 90.42	\$ 24.97	\$ 90.42	\$ 24.97	\$ 92.60	\$ 25.35	\$ 92.60	\$ 25.35	\$ 25.35

	Trendline Rates - 2029		Trendline Rates - 2030		Trendline Rates - 2031		Trendline Rates - 2032		Trendline Rates - 2033		Trendline Rates - 2034	
	Rate	Amount	Rate	Amount	Rate	Amount	Rate	Amount	Rate	Amount	Rate	Amount
Actual Therms		60		11								
Service Charge	\$ 11.60	\$ 11.60	\$ 11.89	\$ 11.89	\$ 12.18	\$ 12.18	\$ 12.49	\$ 12.49	\$ 12.80	\$ 12.80	\$ 13.12	\$ 13.12
Meter Charge			\$ 5.22	\$ 5.22	\$ 5.48	\$ 5.48	\$ 5.62	\$ 5.62	\$ 5.76	\$ 5.76	\$ 5.90	\$ 5.90
Distribution per Therm:												
First 250	\$ 0.15883	\$ 9.53	\$ 0.16280	\$ 1.79	\$ 0.16687	\$ 10.01	\$ 0.17104	\$ 1.88	\$ 0.17532	\$ 10.52	\$ 0.17970	\$ 1.96
All over 250	\$ 0.11286	\$ -	\$ 0.11527	\$ -	\$ 0.11815	\$ -	\$ 0.12110	\$ -	\$ 0.12413	\$ -	\$ 0.12723	\$ -
Purchased Gas Adjustment	\$ 0.50982	\$ 30.59	\$ 0.50753	\$ 5.58	\$ 0.50764	\$ 30.46	\$ 0.50606	\$ 5.57	\$ 0.50749	\$ 30.45	\$ 0.51041	\$ 5.61
Rate Case Expense			\$ 0.04	\$ 0.04	\$ 0.04	\$ 0.04	\$ 0.04	\$ 0.04	\$ 0.04	\$ 0.04	\$ 0.04	\$ 0.04
Energy Efficiency			\$ 0.01422	\$ 0.16	\$ 0.01494	\$ 0.90	\$ 0.01531	\$ 0.17	\$ 0.01569	\$ 0.94	\$ 0.01609	\$ 0.18
Subtotal (pre-tax)	\$ 57.83	\$ 24.37	\$ 59.37	\$ 24.81	\$ 59.07	\$ 25.29	\$ 59.69	\$ 25.77	\$ 60.51	\$ 26.28	\$ 61.44	\$ 26.83
Sales Tax	5.0%	\$ 1.22	5.0%	\$ 1.24	5.0%	\$ 1.29	5.0%	\$ 1.29	5.0%	\$ 1.31	5.0%	\$ 1.34
State Supplemental Tax	1.0%	\$ 0.24	1.0%	\$ 0.25	1.0%	\$ 0.26	1.0%	\$ 0.26	1.0%	\$ 0.26	1.0%	\$ 0.27
Total with Tax	\$ 61.30	\$ 25.83	\$ 61.87	\$ 26.30	\$ 62.62	\$ 26.81	\$ 63.28	\$ 27.31	\$ 64.14	\$ 27.86	\$ 65.12	\$ 28.44

* The 60 therm calculations utilized MidAmerican PGA rates from February 2024 and 11 therm calculations utilized PGA rates from July 2024 for 2024 prices. 2025 PGA rates are based on the current 2025 PGA forecast and are subject to change. PGA rates will vary each month based on the price of gas. The PGA Rates for January through December 2024 are attached on page 2. A five-year PGA history is attached on page 3 for reference. While past PGA rates are not necessarily indicative of future performance, it can be shown that MidAmerican has consistently provided the lowest average purchased gas prices filed in the state of Iowa. Future trendline rates are not tied to a specific month but reflect estimated summer and winter costs based on a 2.5% base cost increase per year and average estimated future PGA costs.

Form 6 Exhibit 1 Page 2: MidAmerican 2024 PGA Values

MidAmerican Energy Iowa PGA Rates (Dollars per Therm)	
Effective Billing Date	Gas Supply Charge
12/7/2024	0.45907
11/7/2024	0.40881
10/7/2024	0.34657
9/7/2024	0.28813
8/7/2024	0.47659
7/7/2024	0.56695
6/7/2024	0.49558
5/7/2024	0.40665
4/7/2024	0.36072
3/7/2024	0.40439
2/7/2024	0.50858
1/7/2024	0.43331

Iowa - Purchased Gas Adjustments				
Date	MidAmerican	IPL	Black Hills	Liberty
Jan-19	0.44417	0.45390	0.48263	0.44500
Feb-19	0.40449	0.42530	0.42847	0.42170
Mar-19	0.35082	0.36360	0.37863	0.38280
Apr-19	0.33545	0.31060	0.39520	0.25120
May-19	0.24478	0.31450	0.36568	0.14610
Jun-19	0.21915	0.29970	0.24705	0.04010
Jul-19	0.22629	0.30670	0.12377	0.00530
Aug-19	0.27963	0.30220	0.14105	0.23300
Sep-19	0.28543	0.35580	0.33147	0.44970
Oct-19	0.28870	0.36100	0.32686	0.73600
Nov-19	0.35721	0.38570	0.35553	0.36540
Dec-19	0.37603	0.39230	0.38271	0.37150
Jan-20	0.34488	0.27970	0.43283	0.36340
Feb-20	0.30199	0.32900	0.39657	0.25940
Mar-20	0.25247	0.32900	0.38363	0.24600
Apr-20	0.24875	0.38040	0.32257	0.17690
May-20	0.25466	0.41310	0.31451	0.15900
Jun-20	0.18111	0.21510	0.10054	0.17350
Jul-20	0.15129	0.22370	0.10853	0.39460
Aug-20	0.14179	0.26690	0.11611	0.33680
Sep-20	0.33230	0.40200	0.37492	0.36880
Oct-20	0.30301	0.36850	0.36132	0.34030
Nov-20	0.38189	0.43590	0.40839	0.39710
Dec-20	0.30933	0.41740	0.39837	0.38250
Jan-21	0.34708	0.31079	0.37879	0.35560
Feb-21	0.44143	0.40890	0.39845	0.55130
Mar-21	0.44143	0.53940	0.45579	0.54830
Apr-21	0.64035	0.61350	0.45519	0.64810
May-21	0.62885	0.62530	0.66407	0.48780
Jun-21	0.63480	0.64190	0.67809	0.44740
Jul-21	0.71058	0.68490	0.67504	0.24600
Aug-21	0.75312	0.71440	0.68772	0.24600
Sep-21	0.79868	0.72790	0.73255	0.54810
Oct-21	0.92538	0.85980	0.85025	0.58290
Nov-21	0.96704	0.86900	0.83066	0.69530
Dec-21	0.97698	0.80840	0.80871	0.63300
Jan-22	0.93550	0.62130	1.04871	0.68410
Feb-22	0.92505	0.60670	1.02523	0.74900
Mar-22	0.92943	0.62430	1.01722	0.89270
Apr-22	0.98149	0.55930	1.01673	0.78140
May-22	0.91645	0.63360	0.88920	0.67160
Jun-22	1.03272	0.94790	1.19754	0.82700
Jul-22	0.64549	0.30520	0.79339	0.62280
Aug-22	0.57899	0.50870	0.98938	1.13010
Sep-22	0.96025	0.93360	1.26647	1.13010
Oct-22	0.61560	0.80590	1.01121	1.16380
Nov-22	0.65830	0.85430	1.07277	0.94530
Dec-22	0.79365	0.87190	1.24008	1.16130
Jan-23	0.73372	0.78990	1.36787	1.16130
Feb-23	0.57057	0.90000	1.24118	0.91010
Mar-23	0.41823	0.79280	1.08173	0.72710
Apr-23	0.31652	0.57500	0.49507	0.65710
May-23	0.35625	0.79350	0.35132	0.43210
Jun-23	0.36383	0.79780	0.16947	0.13400
Jul-23	0.24114	0.78370	0.26947	0.01000
Aug-23	0.30097	0.78980	0.25661	0.25160
Sep-23	0.36464	0.50320	0.43848	0.57520
Oct-23	0.35526	0.47370	0.42931	0.56260
Nov-23	0.43999	0.53860	0.46363	0.55500
Dec-23	0.42592	0.55360	0.48970	0.49030
Jan-24	0.43331	0.54540	0.48141	0.48550
Feb-24	0.50858	0.59790	0.51965	0.42430
Mar-24	0.40439	0.64790	0.57895	0.42430
Apr-24	0.36072	0.64650	0.60742	0.69960
May-24	0.40685	0.76560	0.53170	0.88270
Jun-24	0.49558	0.46460	0.48899	1.18300

PGA figures as published in IUC filings and as posted on individual operator websites



MidAmerican Energy Company
P.O. Box 657
Des Moines, IA 50306-0657

Exceptions:

Proposal Form 1 section 5 states that the Proposer agrees to enter into the APA in each case in the form identified as "Binding Proposal, Execution Copy". MidAmerican agrees to enter into such agreement in the form provided, however it is noted that there may be modifications to some of the exhibits.

Of note, the proposed franchise ordinance will require some non-substantive grammatical corrections and other modifications. Attached is a franchise ordinance with our proposed changes. Section 14 contains the only substantive changes, which relate to the timing for MidAmerican to commence collection of franchise fees. MidAmerican proposes 90 days, which is standard for our franchises. For a city of Waukee's size, our billing and IT departments need this lead time to ensure everything is in place to implement the new franchise fee. Even with our best efforts, 30 days would likely be an impossible deadline to commence collecting a fee. In the interests setting appropriate expectations, we want this franchise ordinance to accurately reflect the time it will take to implement the fee. We're also happy (and prefer) to work with the City prior to passage of the ordinance implementing the franchise fee to provide our expertise and to allow our team a head start on implementation of the fee.

Clarifications:

MidAmerican's bid is based on the book value and financial information provided by Waukee. Since the provided book values were from 2023, the value assigned to the system features assumptions based on these 2023 values and updated based on budgeted information received. MidAmerican has not received 2024 book values for the assets to be acquired at this time. It is customary in acquisition transactions to allow for a true-up to actual net book value at closing for the assets being acquired. If MidAmerican is the winning bidder, we request the City allow for a true-up of the net book value for the assets acquired at closing. MidAmerican will commit to providing Waukee with a transaction price inclusive of a 10% premium to the acquired net book value.

Bradley Lewis

Bradley Lewis, Vice President Gas Delivery
MidAmerican Energy Company

ORDINANCE NO. _____

AN ORDINANCE GRANTING TO _____, ITS SUCCESSORS AND ASSIGNS, THE RIGHT AND FRANCHISE TO ACQUIRE, CONSTRUCT, ERECT, MAINTAIN AND OPERATE IN THE CITY OF WAUKEE, IOWA AN NATURAL GAS SYSTEM AND FACILITIES AND TO FURNISH AND SELL NATURAL GAS TO THE CITY AND ITS INHABITANTS FOR A PERIOD OF 25 YEARS.

BE IT ORDAINED by the City Council of the City of Waukee, Iowa:

Section 1. There is hereby granted to _____, an _____ corporation, and to its successors and assigns, hereinafter called "Company", the right and franchise to acquire, construct, erect, maintain and operate in the City of Waukee, Iowa, hereinafter called the "City," a system for the transmission and distribution of natural gas along, under and upon the streets, avenues, alleys and public places to serve customers within the City, and to furnish and sell natural gas to the City and its inhabitants. This franchise shall be effective for a twenty-five (25) year period from and after the effective date of this ordinance, provided however, the City may reevaluate the franchise ordinance every five years, commencing with the 10th year, by providing Company written notice at least 120 days prior to 10, 15, and 20th anniversaries of the ordinance. If such a request to re-evaluate or amend the ordinance is made by the City and the parties are unable to agree to amend the ordinance within 90 days or by a mutually agreed upon date, then the City may elect to terminate or continue this franchise upon the expiration of the re-evaluation period. If the City does not seek such re-evaluation by means of a written notice to the Company at least 120 days prior to the expiration of year 10, 15, or 20th anniversaries, as provided herein, this franchise will continue without change.

Section 2. The rights and privileges hereby granted are subject to the restrictions and limitations of Chapter 364 of the Code of Iowa 2023.

Section 3. The Company shall furnish reasonable, adequate and efficient natural gas service to the residents of the City and shall maintain its systems in reasonable repair and working order and provide adequate facilities for such maintenance. The Company's equipment, including all distribution facilities, shall be installed in accordance with good engineering practices and shall be located, erected, constructed, reconstructed, replaced, removed, repaired, maintained and operated in accordance with the rules and regulations of the Iowa Utilities Board, Commission, or its successor, and any other governmental regulatory body with jurisdiction, so as not to endanger or interfere with the lives of persons, or to unnecessarily hinder or obstruct pedestrian or vehicular traffic to public ways, places and structures. The erection, installation, construction, replacement, removal, repair, maintenance, and operation of the natural gas system shall be in accordance with all applicable laws, regulations and codes of the State and all applicable ordinances, regulations and codes of the City.

Section 4. The Company shall have the right to erect, install and maintain all necessary distribution facilities, gas mains, service lines, pipes and equipment for the distribution of natural gas in and through the City, but all said equipment and facilities shall be placed as not to interfere with the construction of any water pipes, drains or sewers, or the flow of water therefrom, or streets, sidewalks or other public infrastructure which have been or may hereafter be located by

authority of the City, and further providing the same shall be placed in accordance with this franchise and any regulations the City may from time to time adopt or amend regarding the placement of facilities or structures of utilities, and other right-of-way users facilities or structures, in the right-of-way.

Section 5. This franchise shall not be exclusive and shall not restrict in any manner the right of the City Council or any other governing body of the City, in the exercise of any regulatory power which it may now have, or hereafter be authorized or permitted, by the laws of the State of Iowa.

Section 6. Annually, and more frequently if necessary at the request of either party, the City and the Company shall meet to review and plan for the next 12 months of infrastructure construction, replacement, enhancements or maintenance within the City. Where possible, following the procedures and standards applicable to the growth and development of the City, the parties will develop plans to facilitate the placing of gas facilities in conjunction with City projects in the public right of ways.

Section 7. The Company shall, at its cost and expense, locate and relocate its installations in, on, over or under any public right of way, easement, street or alley in the City as the City may at any time reasonably require for the purposes of facilitating the expansion, construction, reconstruction, maintenance or repair of a street, road or alley, or any other public improvement. The Company shall not be required to relocate its facilities at Company expense if said relocation is for the sole benefit of a non-government entity if the City has not required the public improvement to be performed or installed by said non-governmental entity. The relocation required hereunder shall be completed by the Company no later than ninety (90) days following written notice by the City to the Company of the construction start date for any such expansion, construction, reconstruction, maintenance or repair of a street, road or alley, or any other public improvement.

The City may prohibit Company's expansion of use of the right-of-way if there is insufficient space to accommodate the expanded use and the City has provided a reasonable alternative location to the Company.

Section 8. In making excavations in any streets, avenues, alleys and public places for the excavation of conduits or the for the installation, maintenance or repair of gas pipes, conduits, or apparatus, the Company shall not unreasonably obstruct the use of the streets, and shall replace the surface, restoring the original condition as nearly as practicable and provided such other requirements imposed by the City's ordinances or regulations existing now or in the future.

Section 9. Upon reasonable request the Company shall provide the City, on a project specific basis, information indicating the horizontal location, relative to boundaries of the right of way, of all equipment which it owns or over which it has control that is located in City right of way, including documents, maps and other information in paper or electronic or other forms ("Information").

At the request of the Company, any information requested with respect to the location or type of equipment which the Company maintains or plans to install in the right-of-way, which qualifies as trade-secret information under Iowa Code, section § 550.1 et seq., shall

be treated as a trade-secret ~~information~~ Information in accordance with ~~Iowa -Code- section§~~ 22.1 et seq., pertaining to examination of public records, or which qualifies to be kept confidential under any provision of ~~Iowa -Code section-~~ 22.1 et seq. The Company and City recognize that some or all of the ~~information~~ Information provided may, under current Iowa law, constitute public records, but that nonetheless, some ~~information~~ Information provided may be considered to be confidential under state or federal law or both. Therefore, the ~~City~~ shall not release any ~~information~~ Information with respect to the facilities which the Company owns or controls in the right of way which may constitute a trade secret or which may otherwise be protected from public disclosure by state or federal law. The City shall provide the ~~Company~~ written notice of a request to release ~~information~~ Information to allow the ~~Company~~ to determine if the ~~information~~ Information sought is confidential. The ~~Company~~ shall respond to the City within 10 business days of receiving the ~~City's~~ written notice request. If requested by the Company, the ~~City~~ shall not release any such data except by court order, provided, however, the City reserves the right to disagree with the Company determination that the ~~information~~ Information is confidential, in which case the ~~Company~~ shall be given notice in order that the ~~Company~~ may seek injunctive relief. In the event the ~~City~~ agrees the ~~information~~ Information is confidential, or that a court determination is required to determine if the ~~information~~ Information is confidential, the City shall defend or bring necessary court actions, provided, however, that in the event the City refuses to release records, or the ~~City~~ itself brings an action to determine if records are confidential, the ~~City~~ may tender the defense or prosecution of such legal actions to the Company and the Company shall accept such tender.

Section 10. This ordinance is intended to be and shall be construed as consistent with the reservation of local authority contained in the Twenty Fifth Amendment to the Iowa Constitution granting municipalities home rule powers. To such end any limitation on the power of the ~~city~~ City is to be strictly construed and the City reserves to itself the right to exercise all power and authority to regulate and control its local affairs, and all ordinances and regulations of the ~~city~~ City shall be enforceable against the Company.

Section 11. The Company shall indemnify and save harmless the City from any and all claims, suits, losses, damages, costs or expenses, on account of injury or damage to any person or property, caused or occasioned in whole or in part, by the Company's negligence in construction, reconstruction, excavation, operation or maintenance of the gas facilities authorized by this franchise; provided, however, that the Company shall not be obligated to defend, indemnify and save harmless the City for any costs or damages arising from the negligence of the City, its officers, employees or agents.

Section 12. The Company shall construct, operate and maintain its facilities in accordance with the applicable regulations of the Iowa Utilities Board or its successors, and any and all other applicable Federal, State and Local laws or regulations.

Section 13. During the term of this franchise, the Company shall furnish natural gas in the quantity and quality consistent with applicable Iowa laws and regulations.

Section 14. In consideration of the right to construct and maintain such gas facilities and

equipment along, upon, across and under the streets, highways, avenues, alleys, bridges and public places of the ~~city~~City the City reserves the right to impose upon the Company and, by its acceptance of this franchise, it agrees that there shall be collected from Company's customers within the corporate limits of the ~~city~~City and remitted by the Company to the City, a franchise fee in an amount equal to a percentage of the gross receipts derived by the Company from the transmission or distribution of natural gas to customers within the corporate limits of the ~~city~~City (excluding, however, the sale of natural gas to the ~~city~~City), or assessed or charged in any other manner the City deems appropriate and consistent with applicable laws as may be changed from time to time, as may be established by the City by separate ordinance imposing such a Franchise Fee duly enacted by the City in the manner required by applicable Iowa Law. The City shall give the Company 90 days written notice of the effective date of any franchise fee imposed by the City on the customers of the Company located within the corporate limits of the City. In the event that a Franchise Fee is imposed by the City:

A. The franchise fee shall be remitted by the Company to the City on or before the last business day of the month following the close of the calendar quarter in which the franchise fee is charged.

B. The Company will use its best efforts to commence collection of franchise fees on or before the first Company billing cycle of the first calendar month following ~~ninety~~thirty (90) days of receipt of ~~information~~Information required of the City to implement the franchise fee, including the City's documentation of customer classes subject to or exempted from City-imposed franchise fee, if any.

C. City shall be solely responsible for identifying customer classes subject to or exempt from paying the City imposed franchise fee.

D. The Company shall have no obligation to collect franchise fees from customers in annexed areas until and unless such ordinances have been provided to the Company by certified mail. The Company ~~will use its best efforts to~~shall commence collecting franchise fees in the annexed areas no later than sixty (60) days after receiving annexation ordinances from the City.

E. Company shall not, under any circumstances be required to return or refund any franchise fees that have been collected from customers and ~~and~~remitted to the City.

F. With respect to the distribution or transportation by the Company of natural gas sold to the customer by a third-party supplier of the commodity, the percentage of gross receipts shall be applied to the customer's full cost of gas delivered within the City, including all costs of acquisition, ownership, and transportation whereof, wherever incurred. In determining the amount of the fee, the Company may presume that the customer's commodity cost of gas is the same as if the gas were sold by the Company, unless a different cost is provided by Customer to Company.

Section 15. The Company shall have the power to condemn private property for the purpose of providing natural gas pursuant to this franchise to the extent necessary to serve a public use and in a reasonable relationship to an overall plan of distributing natural gas pursuant to this franchise in the public interest upon approval of the City Council. The Company must establish the necessity

for each taking of private property, and when so established, the City Council may approve the condemnation of the private property by resolution. Any such exercise of the eminent domain powers shall be conducted in accordance with the Waukee Municipal Code and Iowa Law. In the exercise of eminent domain powers pursuant to this provision, the Company shall be responsible for any amounts awarded. In the event the City incurs expenses related to the Company's exercise of the eminent domain power granted in this ordinance, in addition to the normal costs of internal processing of its request to receive and its exercise of eminent domain powers, the Company will reimburse the City for its reasonable extra expenses.

Section 16. Before finalizing plans for any construction, expansion, modification or relocation of its facilities, the Company shall submit copies of the plan to the City. Said plans shall comply with federal state and local laws and ordinances and applicable design standards. The Company shall not use any method of construction in connection with any work undertaken by the Company which may result in the cutting of any pavement unless the method is first approved in writing by the City Engineer. Plans submitted upon and after the effective date of this franchise shall identify Company Facilities proposed to be located in the right of way and those that would be located on property owned in fee by the Company or on private easements.

In the event of an emergency situation, the Company is authorized to proceed with excavation and repair prior to submitting plans to the City and receiving City approval, however, any such excavation or repair must be completed in accordance with all applicable standards and policies of the City applicable to such work and all property, pavement and appurtenances effected by said work restored as near as practicable to its original condition. The Company shall notify the City as soon as possible either during or after the repair has been completed.

Nothing herein shall be construed to effect or otherwise modify the Company's relocation responsibilities as provided herein.

Section 17. This Franchise is for the purpose specified herein and for no other purpose. This Franchise does not authorize Company to utilize its facilities in the provision of communication, data, media or any other purpose not specified herein within the Rights of Way. In the event that Company desires to utilize its facilities for another purpose or purposes, Company agrees that it must obtain authorization from the City under this franchise prior to such use.

Section 18. This franchise shall apply to and bind the City and the Company, their successors and assigns; provided that any assignment by the Company or successor to the Company, shall be subject to the approval of the City Council by resolution, which shall not be unreasonably withheld. The City shall have 60 days from the effective date of the assignment, or designation of successor in interest, to adopt the resolution. If the City fails to adopt a resolution affirming or rejecting the assignment during the 60 day period the assignment or successor in interest shall be deemed approved.

Section 19. This franchise is limited to natural gas service. No other services shall be provided to the public by the Company pursuant to this franchise.

Section 20. If any section, provision, or part of this ordinance shall be adjudged to be invalid or unconstitutional, such adjudication shall not affect the validity of the ordinance as a whole or any section, provision, or part thereof not adjudged invalid or unconstitutional.

Section 21. This ordinance and the rights and privileges herein granted shall become effective and binding upon Company's commencement of gas service pursuant to the Asset Purchase Agreement by and between the Company and the City which shall be the date on which the last of the following occurs, whichever is later: 1) approval and publication of this ordinance in accordance with Iowa law and acceptance by the Company; 2) Iowa Utility Board approval of discontinuation and transfer of service by the City to Company, and 3) satisfaction of all contingencies set forth in the Asset Purchase Agreement.

PASSED AND APPROVED BY THE COUNCIL this ____ day of _____, 2024.

CITY OF WAUKEE, IOWA

By: _____
Courtney Clark, Mayor

ATTEST:

Rebecca D. Schuett, City Clerk

I, Rebecca D. Schuett, City Clerk of the City of Waukee, Iowa, hereby certify that the above and foregoing is a true copy of Ordinance No. _____, passed by the City Council at a meeting held _____, 2024, and signed by the Mayor _____, 2024, and published as provided by law on _____, 2024.

(OFFICIAL SEAL)

Rebecca D. Schuett, City Clerk