

1998 DECOMMISSIONING FUNDING STATUS REPORT

10 CFR 50.75(f)(1)

(For The Year Ending December 31, 1998)

QUAD CITIES NUCLEAR POWER STATION, UNITS 1 & 2

Submitted by

MidAmerican Energy Company

Dated: March 30, 1999

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OVERVIEW

This Decommissioning Funding Status Report is being submitted pursuant to 10 CFR 50.75(f)(1) by MidAmerican Energy Company (MEC), a twenty-five percent owner of Quad Cities Nuclear Power Station, Units 1 & 2 (Quad Cities).

CERTIFICATION

MidAmerican Energy Company hereby certifies that financial assurance for decommissioning its 25% share of Unit One of Quad Cities is provided in the amount of \$93,067,750 in 1998 dollars. MidAmerican Energy Company hereby certifies that financial assurance for decommissioning its 25% share of Unit Two of Quad Cities is provided in the amount of \$148,434,000 in 1998 dollars. These amounts are based upon a site-specific decommissioning cost study the results of which exceed the Nuclear Regulatory Commission (NRC) minimum formula amount calculated in accordance with 10 CFR 50.75(c), NUREG-1307, Rev. 8, and Regulatory Guide 1.159. MEC believes that the NRC minimum formula amount should be viewed as merely an assurance that minimum adequate funds will be available when needed. MEC further believes that each site is managed differently and NRC minimums cannot be used as a basis for responsible decommissioning funding or planning.

ADDITIONAL INFORMATION

1.) Amount of decommissioning funds estimated to be required pursuant to 10 CFR 50.75(b) and (c).

In a report dated January, 1997 and updated in October 1997, TLG Services, Inc. prepared a site-specific Decommissioning Cost Study for Quad Cities. This study includes cost estimates for basic NRC radiological decommissioning within the meaning of 10 CFR 50.75(b) & (c) (hereafter, Basic Radiological Decommissioning), as well as for spent fuel management and for non-radiological decommissioning activities. The site-specific decommissioning cost to which funds are being accumulated exceeds the NRC minimum formula amount calculated in accordance with 10 CFR 50.75(c), NUREG-1307, Rev. 8, and Regulatory Guide 1.159. The 1998 total decommissioning costs and the Basic Radiological Decommissioning costs for MEC's 25% share of Quad Cities can be broken down as follows:

	Total Site Specific	Basic Radiological
Unit 1	\$93,067,750	\$88,579,250
Unit 2	\$148,434,000	\$118,770,500
Totals	\$241,501,750	\$207,349,750

2.) Amount accumulated to the end of the calendar year preceding the date of the report.

As of December 31, 1998, MEC had accumulated: \$120,077,220.

	External Trust Fund Balance (Fair Market value)
Unit 1	\$60,005,978
Unit 2	\$60,071,243
Totals	\$120,077,220

3.) Schedule of the annual amount remaining to be collected.

Within the meaning of 10 CFR 50.75(e)(1)(i)(A), MEC collects the estimated total cost of decommissioning through rates established by "cost of service" or similar ratemaking regulation. The Iowa Utilities Board has currently approved the collection of \$4.147 million per year in decommissioning funds for each unit, by order dated June 27, 1997 in Docket No. APP-96-1, RPU-96-8. The Illinois Commerce Commission has currently approved the collection of \$1.555 million per year in decommissioning funds for each unit, by order dated October 22, 1997 in Docket No. 96-0577.¹ MEC plans to continue making annual collections through the year 2012. However, these amounts may be re-adjusted from time to time based upon ratemaking rulings, inflation, decommissioning fund earnings performance, updates to the site specific decommissioning cost estimate, or other factors.

4.) Assumptions used regarding rates of escalation in decommissioning costs, rates of earnings on decommissioning funds, and rates of other factors used in funding projections.

The following assumptions were reviewed and approved by the ICC by Order dated October 22, 1997 in Docket No. 96-0577. The same assumptions have been utilized in proceedings before the Iowa Utilities Board.

Decommissioning Cost Escalation Rate	5.30%
Decommissioning Fund Earnings Rate	6.49%

5.) Any contracts upon which the licensee is relying pursuant to 10 CFR 50.75(e)(1)(v).

¹ There is currently pending, before the Illinois Commerce Commission, an MEC application to revise the amount collected in Illinois.

MEC is not relying upon any long-term contract for purposes of providing decommissioning funding within the meaning of 10 CFR 50.75(e)(1)(v).

6.) Any modifications occurring to a licensee's current method of providing financial assurance since the last submitted report.

MEC continues to use the external sinking fund method of providing decommissioning funding assurance.

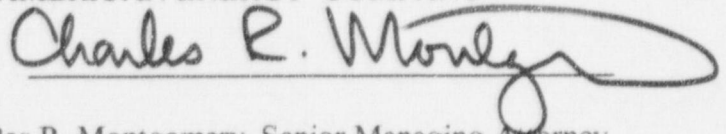
7.) Any Material Changes to trust agreements.

Harris Trust and Savings Bank was appointed the original trustee of the Quad Cities trusts on March 15, 1989. Harris Trust and Savings Bank was succeeded by The Northern Trust Company, effective December 29, 1995 and The Northern Trust Company was also subsequently succeeded by The Bank of New York effective February 1, 1999. Copies of The Northern Trust Company trust agreements and The Bank of New York agreements are provided in Appendix A. In addition, the following table identifies the current Investment Managers.

Trust	Trustee	Investment Manager(s)
Unit 1 Qualified	The Bank of New York	Harris Investment Mgmt. NISA Investment Advisors
Unit 1 Non-Qualified	The Bank of New York	Harris Investment Mgmt. NISA Investment Advisors
Unit 2 Qualified	The Bank of New York	Harris Investment Mgmt. NISA Investment Advisors
Unit 2 Non-Qualified	The Bank of New York	Harris Investment Mgmt. NISA Investment Advisors

MIDAMERICAN ENERGY COMPANY

By:



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APPENDIX A

Trust Agreements

**TAX QUALIFIED
TRUST AGREEMENT**

THIS TRUST AGREEMENT ("Agreement") is made this 29th day of December, 1995 between MidAmerican Energy Company, an Iowa corporation (the "Company"), and The Northern Trust Company, an Illinois corporation, having trust powers (hereinafter, together with any successors in office, called the "Trustee").

WHEREAS, the Company is the owner in whole or in part of each of the Plants (as hereinafter defined);

WHEREAS, the Company is subject to regulation by the Illinois Commerce Commission ("ICC"), the Iowa Utility Board ("IUB"), the Nuclear Regulatory Commission ("NRC") and the Federal Energy Regulatory Commission ("FERC");

WHEREAS, under the Code (as hereinafter defined), including Section 468A thereof, certain income tax benefits are available to the Company by funding qualified "nuclear decommissioning reserve funds;" and

WHEREAS, this Agreement is entered into and intended to be and remain qualified under Section 468A of the Code and the regulations promulgated thereunder, and any successor or amendments thereto; and

WHEREAS, the Company previously established, pursuant to the Illinois Statute, Iowa Statute and Future Orders, a tax qualified trust ("Trust") for each Plant (as hereinafter defined) pursuant to a trust agreement dated as of March 15, 1989 between the Company and Harris Trust & Savings Bank ("Harris"); and

WHEREAS, the Company wishes to substitute the Trustee for Harris, and the Trustee is agreeable to such substitution, and in so doing, the parties wish to continue the existence and administration of the Trusts pursuant to this Agreement; and

WHEREAS, the Company has established, pursuant to the Illinois Statute, Iowa Statute and Future Orders, a non-tax qualified trust for each Plant (as defined herein) pursuant to a trust agreement dated as of March 15, 1989 between the Company and Harris; and

WHEREAS, the Company has substituted Trustee for Harris, and the Trustee has agreed to such substitution, with respect to the non-tax qualified trusts pursuant to the trust agreement dated December 29, 1995 between the Company and Trustee;

NOW, THEREFORE, the Company shall deliver to the Trustee and, upon receipt, the Trustee shall acknowledge receipt of the funds described on Schedules 1 through 5, inclusive, representing the assets of the Trusts (as hereinafter defined);

TO HAVE AND TO HOLD, such Trusts and such additional funds as may from time to time be added thereto as provided herein, together with the proceeds and reinvestments thereof (hereinafter collectively called the "Trust Fund") unto the Trustee;

IN TRUST NEVERTHELESS, for the use and purpose and upon the terms and conditions hereinafter set forth;

ARTICLE I: DEFINITIONS, NAME AND PURPOSES

1.1. Definitions. As used in this Agreement, the following terms shall have the following meanings.

"Agreement," "Trust Agreement" and the terms "hereof," "herein," "hereto" and "hereunder," when used in this Agreement, shall mean and include this Agreement as the same may from time to time be amended, modified or supplemented.

"Code" shall mean the Internal Revenue Code of 1986, as it may be amended from time to time, and regulations promulgated thereunder. "Section 468A" shall mean that section of the Code as it may be amended from time to time, any successor provision thereto and the regulations promulgated thereunder.

"Disbursement Certificate" shall mean a document properly completed and executed by the Company substantially in the form of Exhibit A hereto.

"Excess Contribution" shall have the meaning set forth in Section 2.4 hereof.

"Future Orders" shall mean any orders or rulings of the ICC, IUB, NRC or FERC existing or issued, and any Federal or state laws existing or adopted, in connection with the retention, investment and utilization of funds for the costs of decommissioning any Plant.

"Illinois Statute" shall mean Section 8-508.1 of the Illinois Public Utilities Act (220 ILCS 5/8-508.1) as it may hereafter be amended.

"Iowa Statute" shall mean all applicable sections of Chapter 476 and 476A of the Code of Iowa, as it may hereafter be amended.

"NRC Rule" shall mean the "General Requirements for Decommissioning Nuclear Facilities" of the NRC (53 Fed. Reg. 24018, June 27, 1988) as it may hereafter be amended.

"Plant" shall mean each, and "Plants" shall mean all, of the Quad Cities Nuclear Generating Station Unit One and the Quad Cities Nuclear Generating Station Unit Two.

"Qualified Costs" shall mean the Company's costs incurred in the decommissioning of a Plant, to the extent that such costs may be paid out of a Trust pursuant to Section 468A.

"Service" shall mean the Internal Revenue Service.

"Trust" shall mean each, and "Trusts" shall mean all, of the MidAmerican Energy Company Tax Qualified Decommissioning Trust - Unit One and the MidAmerican Energy Tax Qualified Decommissioning Trust - Unit Two; each such trust has been established and shall continue to be maintained as a qualified nuclear decommissioning reserve fund pursuant to Code Section 468A.

"Trust Fund" shall be used herein merely to refer to the Trusts in the aggregate and is not intended nor should it be construed to constitute a separate entity.

"Withdrawal Certificate" shall mean a document properly completed and executed by the Company substantially in the form of Exhibit B hereto.

1.2 Names of Trusts. Each Trust shall be known as the "MidAmerican Energy Company Tax Qualified Decommissioning Trust - Quad Cities Unit One" and "MidAmerican Energy Company Tax Qualified Decommissioning Trust - Quad Cities Unit Two." The Trusts, collectively, shall be known as the "MidAmerican Energy Company Tax Qualified Decommissioning Trust Fund."

1.3 Purpose of Trust Agreement. The purpose of this Trust Agreement is to provide funds for the contemplated decommissioning of the Plants listed on the separate Schedules attached hereto and to comply with the Illinois Statute, the Iowa Statute, the NRC Rule and any Future Orders, and to constitute "nuclear decommissioning reserve funds" within the meaning of Section 468A. The assets of the Trusts may be used only in a manner that is authorized by Code Section 468A and the regulations thereunder.

ARTICLE II: ESTABLISHMENT OF SEPARATE TRUSTS AND DISPOSITIVE PROVISIONS

The Trustee shall manage, invest and reinvest and, after payment of the expenses described in Section 4.1 hereof, distribute each Trust as follows:

2.1 Separate Trusts. The Company has established a separate trust for each Plant. Each time the Company makes a contribution to the Trust Fund, it shall designate the amount of such contribution allocable to each such separate Trust. The Trustee shall maintain separate records for each Trust and shall credit thereto its pro rata share of all income of the Trust Fund and charge thereto its pro rata share of all expenses (other than expenses attributable to a particular Plant which shall be expenses charged to the Trust named for such Plant) and any losses. The Trustee shall not be precluded from pooling the assets of the Trusts with one another for investment purposes, and may treat each Trust as having received or accrued a ratable portion of the Trust Fund income in any year. The pooling arrangement undertaken as permitted in this Section 2.1 can be terminated at any time by any Trust. No Trust in the pooling arrangement may substitute for itself in such arrangement any person that is not a member of that pooling arrangement.

2.2 Payment of Nuclear Decommissioning Costs. The Trustee shall make payments of Qualified Costs in accordance with the following procedures:

(a) Disbursements to Third Parties. The Trustee shall make payments of Qualified Costs to any person (other than the Company) for goods provided or labor or other services rendered to the Company in connection with the decommissioning of a Plant within five business days of the receipt of the Disbursement Certificate.

(b) Reimbursement to the Company. The Trustee shall make payments to the Company in reimbursement of Qualified Costs actually incurred by the Company and paid to any other person within five business days of receipt of a Withdrawal Certificate.

The Trustee shall be under no duty to inquire into the correctness or accuracy of matters contained in a Disbursement Certificate or Withdrawal Certificate unless representatives of the Trustee then approving any withdrawal or disbursement based on such certificate have actual knowledge of the falsity of any statements made herein. The Company will indemnify the Trustee and hold it harmless from any tax imposed pursuant to Section 4951 of the Code with respect to a disbursement or reimbursement made by the Trustee pursuant to this Section 2.2 in reliance on a Disbursement Certificate or a Withdrawal Certificate, respectively, provided representatives of the Trustee then approving such disbursement or reimbursement do not have actual knowledge of the falsity of any statements made in the related Disbursement Certificate or Withdrawal Certificate that would have prevented the imposition of such tax.

2.3 Additions to Trusts. From time to time prior to the termination of each Trust held hereunder, the Company may make, and the Trustee shall accept, additional contributions of funds to any separate Trust held hereunder to satisfy the purpose of this Trust Agreement as set forth in Section 1.3 hereof. The making of a contribution by the Company shall constitute the certification of the Company that all necessary consents and approvals to such contribution have been obtained.

2.4 Subsequent Adjustments. The Trustee and the Company understand that the contributions made by the Company and allocated to a Trust from time to time may subsequently be determined to exceed the amounts determined pursuant to Section 468A of the Code and paragraph (c)(2)(ii) of §1.468A-5T thereunder (any such excess being hereinafter referred to as an "Excess Contribution"). Upon the written certification of the Company setting forth the amount of the Excess Contribution, the Trustee shall distribute such amount to the Trustee of the MidAmerican Energy Company Non-Tax Qualified Decommissioning Trust Fund created and existing pursuant to a trust agreement dated December 29, 1995 between the Company and the Trustee named therein, or, if so requested in such written certification, transfer all or a portion of such amount to one or more other separate Trusts held hereunder. Any income attributable to any such Excess Contribution shall be allocated to the Trust to which such Excess Contribution relates.

2.5 Payment of Taxes. The Trustee shall pay out of each separate Trust any federal and, if applicable, state income taxes on the income of such Trust including estimated payments as and when due in accordance with the returns prepared in accordance with Section 3.5 hereof.

2.6 No Transferability of Interest in any Trust. Except to the extent that any transfer of interest of the Company is approved where required by the ICC, IUB, NRC and FERC, the

interest of the Company in any Trust is not transferable, whether voluntarily or involuntarily, by the Company nor subject to the claims of creditors of the Company; provided, however, that any creditor of the Company as to which a Disbursement Certificate for a Trust has been properly completed and submitted to the Trustee may assert a claim directly against such Trust in an amount not to exceed either the amount specified on such Disbursement Certificate or the amount of such Trust available to pay costs other than amounts then owing the Trustee under Section 3.2 hereof.

2.7 Time of Termination. Each Trust hereunder shall terminate to the extent provided in this Section 2.7 upon the earlier to occur of the following events:

(a) In whole, upon the substantial completion of the nuclear decommissioning of the Plant for which such Trust was created and named as provided in Section 468A(e)(7) of the Code and as evidenced to the Trustee by the written certification of the Company.

(b) To the extent allowed or provided under Section 468A of the Code, the Illinois Statute, the Iowa Statute, the NRC Rule or any Future Order.

The Trust Fund shall terminate when all of the separate Trusts have terminated.

2.8 Distribution of Trust Upon Termination. Upon termination of each Trust, the Trustee shall distribute the entire remaining amount of the trust, including all accrued, accumulated and undistributed net income, to the Company; provided, however, that no such distribution shall be made unless either (a) an order of the ICC, IUB or the NRC and FERC specifically authorizing such distribution is in effect, as evidenced to the Trustee by the written certification of the Company, and which certification specifies further that all necessary consents and approvals to such distribution have been obtained, or (b) the Company has furnished the Trustee with an opinion of legal counsel to the effect that no such orders are necessary to authorize such distribution and that all necessary consents and approvals to such distribution have been obtained.

2.9 Alterations and Amendments. The Trustee and the Company understand and agree that amendments may be required to this Agreement from time to time to effectuate the purpose of this Trust Agreement and to comply with amendments to or changes in the Illinois Statute, the Iowa Statute, the NRC Rule, any Future Orders, changes in tax laws (including Section 468A of the Code), regulations or rulings (whether published or private) of the Service, and any other changes in the laws applicable to the Company, the Plants or the Trusts created hereunder. The Company and the Trustee may amend this Agreement to the extent necessary or desirable to effectuate such purpose or to comply with such changes; provided, however, in any event, the Trustee may decline to adopt such amendment, if such amendment increases the expenses or responsibilities of the Trustee and no provision satisfactory to the Trustee has been made to compensate the Trustee for such increase, or if the Trustee determines it would be unable with reasonable effort to comply with its duties as to be amended. This Agreement may not be amended in a manner that would violate Code Section 468A or the regulations thereunder.

2.10 No Authority to Conduct Business. The purpose of this Trust Agreement is limited to the matters set forth in Section 1.3 hereof. This Agreement shall not be construed to confer upon the Trustee any authority to conduct business.

ARTICLE III: GENERAL PROVISIONS RELATING TO THE TRUSTEE

The appointment of any successor Trustee, provisions governing resignation and compensation of the Trustee and the general rules governing the relationships of the Trustee and the Company and any third parties are as follows:

3.1 Designation and Qualification of Successor Trustees. At any time during the term of this Agreement, the Company shall have the right to remove the Trustee acting hereunder and appoint another qualified entity as a successor trustee upon 30 days notice in writing to the Trustee, or upon such shorter notice as may be acceptable to the Trustee. Any Trustee shall have the right to resign at any time upon 30 days notice in writing to the Company and upon such resignation the Company shall appoint another qualified entity as a successor Trustee. Notwithstanding the foregoing, no such removal or resignation shall be effective until a successor Trustee is appointed by the Company and, if necessary, approved by appropriate regulatory authorities.

Any successor Trustee shall qualify by a duly acknowledged acceptance of this Agreement and the trusts created hereunder, delivered to the Company. Upon acceptance of such appointment by the successor Trustee, the Trustee shall transfer to such successor Trustee the Trust Fund. Any successor Trustee shall have all the rights, powers, duties and obligations herein granted to the original Trustee.

If for any reason the Company is unable to or does not, in the event of the resignation or removal of the Trustee as provided above, appoint a successor Trustee within 40 days after such resignation or removal, either the Company or the Trustee may apply to a court of competent jurisdiction for the appointment of a successor Trustee.

3.2 Compensation and Reimbursement. The Trustee shall be entitled to compensation from each Trust held hereunder at such rates as may be approved in writing from time to time by the Company. Subject to the approval of the Company (which shall not be unreasonably withheld or delayed), the Trustee shall be entitled to be reimbursed from each Trust held hereunder for out-of-pocket expenses including, but not limited to, expenses of agents, auditors and counsel, incurred in connection with the administration of such Trust.

3.3 Transactions With Third Parties. No person or organization dealing with the Trustee hereunder shall be required to inquire into or to investigate its authority for entering into any transaction or to see to the application of the proceeds of any such transaction.

3.4 Financial Statements. The Trustee shall furnish monthly financial statements (audited with respect to accounting by the Trustee's internal audit staff) for each Trust to the Company not later than the 15th day of the following month, or at such other less frequent interval as the Company may require. The financial statements shall show the financial condition of the Trust including, without limitation, the market value of the assets, and the income and

expenses of each Trust for the period since the preceding statement and such other information as may be reasonably requested by the Company. The financial statements shall be audited annually by independent certified public accountants employed by the Trustee, subject to the limitations contained in Section 4.8 hereof. The Trustee shall furnish such financial statements as required by law or regulation to the Company.

3.5 Regulatory Reports. The Trustee shall furnish reports to the ICC in compliance with 220 ILCS 5/8-508.1(e). The Trustee shall provide any such reports to the Company prior to filing with the ICC.

3.6 Tax Returns and Other Reports. The Trustee shall prepare or cause to be prepared such income or other tax returns and such reports for the Trusts as may be required from time to time and shall provide copies thereof to the Company in advance of their filing for review by the Company. The Trustee shall provide to the Company all statements, documents, lists or other information reasonably requested by the Company. The Trustee shall also sign all such returns and file them or cause them to be filed with the appropriate government agencies. The Trustee shall cooperate with all requests made by regulatory agencies and shall provide copies to the Company in advance of all information submitted to regulatory agencies. At the Company's request, the Trustee shall testify with respect to the Trusts and the Trust Fund in proceedings before regulatory agencies.

3.7 Nominees, Depositories. If the Trustee employs an agent or depository specifically for purposes of providing services related to any Trust held hereunder (other than a securities broker), the Trustee shall disclose to such agent or depository that it is employed on behalf of such Trust.

3.8 Future Orders. The Company shall promptly advise the Trustee in writing of the existence of any Future Order having the effect of imposing new or different responsibilities upon the Trustee under this Agreement.

3.9 Appointment of Investment Manager. The Company shall have the right from time to time to appoint and remove one or more investment managers for any Trust held hereunder and to direct the segregation of any part or all of any such Trust into one or more accounts to be known as "investment manager accounts" and if it does so, it shall appoint an individual, partnership, association or corporation as investment manager to manage the portion of any Trust so segregated. Written notice of any such appointment and/or removal shall be given to the Trustee and the investment manager so appointed. The appointment shall be accomplished using an investment manager agreement signed by the Company and the investment manager and acknowledged by the Trustee. As long as the investment manager is acting, the investment manager shall have full authority to direct the acquisition, retention and disposition of the assets from time to time comprising the investment manager account being managed by the investment manager, and except as set forth in the following paragraph, the Trustee shall have no duty or obligation to review the assets from time to time comprising such investment manager account, to make any recommendations with respect to the acquisition, retention and disposition thereof, nor to determine whether any direction from the investment manager is proper or within the terms of this Agreement.

The Trustee shall have no liability or responsibility to the Company or the Trusts for acting on the direction of, or for failure to act in the absence of directions from, the investment manager for any investment manager account. The Trustee may assume that any investment manager account previously established and the appointment of any investment manager for that account continues in force until receipt of written notice to the contrary from the Company. Pending receipt of directions from the investment manager, any cash received by the Trustee from time to time for any investment manager account shall be invested upon receipt in instruments maturing in three banking days or less. The Trustee shall review the assets in any such investment manager account immediately after their purchase only for the purpose of determining whether such assets are permissible investments under the guidelines established for such account and the provisions of Section 4.3 hereof. In the event that the Trustee determines as a result of any such daily review that an investment is not permitted under either the guidelines established for such account or the provisions of Section 4.3 hereof, then it shall notify the Company and the applicable investment manager within one business day of such determination by telephone, confirmed in writing. If the applicable investment manager does not sell the unpermitted investment within two business days of such oral notice, then the trustee shall sell such unpermitted investment within four business days of such oral notice. The Trustee shall advise the investment manager of information it receives from an issuer or similar source regarding calls, redemptions, purchase offers and similar matters relating to assets held in any Trust hereunder. The Company will indemnify the Trustee and hold it harmless from any liability or expense in connection with or arising out of (i) any action taken or omitted or any investment or disbursement of any part of the investment manager account made by the Trustee at the direction of the investment manager, or (ii) any action taken by the Trustee pursuant to notification of an order issued by an investment manager to purchase or sell securities directly to a broker or dealer under a power of attorney.

3.10 Certain Duties and Responsibilities of the Trustee.

(a) In the absence of bad faith on its part, the Trustee may conclusively rely upon certificates or opinions furnished by the Company to the Trustee pursuant to this Agreement.

(b) No provision of this Agreement shall be construed to relieve the Trustee from liability for its own negligent action, its own negligent failure to act, or its own willful misconduct in carrying out its responsibilities under this Agreement, except that (i) this Subsection shall not be construed to limit the effect of Subsection (a) of this section and (ii) no provision of this Agreement shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

3.11 Certain Rights of Trustee. Except as otherwise provided in Section 3.9 hereof:

(a) Any request or direction of the Company mentioned herein shall be sufficiently evidenced by a written request or direction signed, prepared or furnished by an authorized representative of the Company or a verbal or telephonic request or order confirmed within a reasonable time by such a written request or direction, and any

action of the board of directors of the Company may be sufficiently evidenced by a certificate of the Company's secretary or assistant secretary;

(b) Whenever in the administration of any Trust created under this Agreement the Trustee shall deem it desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, the Trustee (unless other evidence be herein specifically prescribed) may, in the absence of bad faith on its part, rely upon the certificate of an authorized representative of the Company;

(c) Subject to Section 3.9(b) above, the Trustee may consult with legal counsel and the written advice of such counsel or any opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or omitted by it hereunder in reliance thereon in the absence of bad faith on the part of the Trustee;

(d) The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Agreement at the request or direction of the Company pursuant to this Agreement, unless the Company shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction; and

(e) In the event that The Northern Trust Company incurs any liability, loss, claim, suit or expense (including reasonable attorneys fees) arising directly out of its provision of services under this Agreement, or its status as Trustee hereunder, under circumstances where The Northern Trust Company cannot obtain or would be precluded by law from obtaining payment or reimbursement of such liability, loss, claim, suit or expense (including reasonable attorneys fees) from the Trust Fund, then the Company (which has the authority to do so under the laws of the state of its incorporation) shall indemnify and hold The Northern Trust Company harmless from and against such liability, loss, claim, suit or expense, except to the extent such liability, loss, claim, suit or expense arises directly from a breach or negligence in performance by the Trustee of its responsibilities as created under the terms of this Agreement. This paragraph shall survive the termination of this Agreement.

ARTICLE IV: TRUSTEE'S POWERS

The Trustee shall have, with respect to each Trust held hereunder, the following powers, all of which powers are fiduciary powers to be exercised in a fiduciary capacity and in the best interests of each Trust, and which are to be exercised as the Trustee, acting in such fiduciary capacity, in its discretion, shall determine, except that the Trustee shall not act in its discretion but only at the direction of an appointed investment manager in the exercise of those powers given in Section 4.2, 4.3, 4.4 and 4.5 hereof with respect to the acquisition, retention and disposition of the assets of an investment manager account, and, except as otherwise provided, which are intended in no way to limit the general powers of the office, namely:

4.1 Payment or Provision for Expenses of Administration. To incur, pay or make provision for any and all charges, taxes and expenses upon or connected with each Trust held hereunder in the discharge of its fiduciary obligations under this Agreement, but to charge said

amounts to such Trust only to the extent that such amounts are directed to be paid from such Trust by the Company pursuant to Section 3.2 hereof or may be incurred and paid from such Trust without causing the Trust to become disqualified under Section 461A.

4.2 Prudent Investments. Subject to the limitations provided in Section 4.3 hereof, to invest the assets of each Trust only in assets that are prudent investments for assets held in trust and in such a way as to attempt to maximize the after-tax returns thereon.

4.3 Investment of Trust Fund. Pending use of any Trust held hereunder for the purpose of this Trust, to invest and reinvest all or any part of such Trust, including any undistributed income therefrom; provided, however, that no such investment or reinvestment may be made by the Trustee:

- (a) In any investments not permitted under the Code;
- (b) In any security or asset of any operator of a nuclear power plant; or
- (c) Which would contravene any Future Order in effect at the time such investment or reinvestment is made and previously furnished to the Trustee with reference to the Trusts.

Any investment or reinvestment made by an investment manager shall be reviewed by the Trustee for compliance with (a), (b) or (c) above as provided in Section 3.8 hereof.

All investments must be sufficiently liquid to enable each Trust to fulfill the purpose of this Agreement and to satisfy obligations as they become due as communicated in writing to the Trustee. Nothing in this Section 4.3 shall be construed as requiring the Trustee to make any investigation as to when any of the Plants may be decommissioned or when obligations relating to such decommissioning may be expected to become due, and absent a written communication from the Company, the Trustee shall invest each separate Trust as though such Trust had no short or intermediate term cash requirements.

4.4 Management of Trusts. To sell, exchange or otherwise dispose of all or any part of any Trust held hereunder, without prior application to or approval by or order of any court, upon such terms and in such manner and at such prices as the Trustee shall determine; to modify, renew or extend mortgages, bonds, notes or other obligations or any installment of principal thereof or any interest due thereon and to waive any defaults in the performance of the terms and conditions thereof; and to execute and deliver any and all assignments, bonds or other instruments in connection with these powers, at such times, in such manner and upon such terms and conditions as the Trustee may deem expedient. The Trustee's determinations of manner of sales, terms, prices and the exercise of other powers granted herein, if reasonably made, are not to be questioned.

Notwithstanding anything contained in this Agreement to the contrary, the Trustee in exercising its discretionary authority hereunder may not authorize or carry out any sale, exchange or other transaction between any Trust and a "disqualified person" within the meaning of Section 4951 of the Code except the payment of compensation and expenses

pursuant to Section 3.2 hereof or unless such transaction is not an act of "self-dealing" within the meaning of Section 4951 of the Code, as such section is made applicable to each Trust by the Illinois Statute. The Trustee, in exercising its discretionary authority hereunder, shall not cause any Trust to engage in any act of self-dealing with the Company or any affiliate of the Company. The Company agrees to furnish the Trustee with the identity of all persons who are "disqualified persons" within the meaning of said Section 4951 of the Code by reason of their affiliation with the Company.

4.5 Extension of Obligations and Negotiation of Claims. Subject to the limitations contained in Section 4.3 and 4.4 hereof, to renew or extend the time of payment of any obligation, secured or unsecured, payable to or by any Trust, for as long a period or periods of time and on such terms as it shall determine; and to adjust, settle, compromise and arbitrate claims or demands in favor of or against any Trust, including claims for taxes, upon such terms as it deems advisable.

4.6 Registration of Securities. To hold any stocks, bonds, securities and/or other property in the name of a nominee, in a street name or by other title-holding device, without indication of trust.

4.7 Location of Assets. To keep any property belonging to any Trust at any place in the United States.

4.8 Retention and Removal of Professional Service Providers. To employ attorneys, accountants and custodians as it shall deem advisable and to make such payments thereof as the Trustee shall deem reasonable for the implementation of the purpose of this Agreement. The Trustee shall have the absolute right to dismiss any such agents for any reason whatsoever; provided that the Trustee's selection of an accounting firm shall be subject to the prior consent of the Company, which consent shall not be unreasonably withheld.

4.9 Delegation of Ministerial Powers. To delegate to other persons such ministerial powers and duties as it may deem to be advisable.

4.10 Discretion in Exercise of Powers. To do any and all other acts which the Trustee shall deem proper to effectuate the powers specifically conferred upon it by this Agreement; provided, however, that this section shall not authorize the Trustee to do any act or participate in any transaction which would (a) contravene any provision of this Agreement; or (b) violate the terms and conditions of, or cause any Trust held hereunder not to satisfy the requirements of, the Illinois Statute, the Iowa Statute, the NRC Rule, any Future Order or any other applicable law, regulation or ruling.

ARTICLE V: MISCELLANEOUS PROVISIONS

5.1 Headings. The section headings set forth in this Agreement are inserted for convenience of reference only and shall be disregarded in the construction or interpretation of any of the provisions of this Agreement.

5.2 Particular Words. Any word contained in the text of this Agreement shall be read as the singular or plural as may be applicable in the particular context. Unless otherwise specifically stated, the word "person" shall be taken to mean and include an individual, partnership, association, trust, company or corporation.

5.3 Severability of Provisions. If any provision of this Agreement or its application to any person or entity or in any circumstances shall be invalid and unenforceable, the application of such provision to persons and in circumstances other than those as to which it is invalid or unenforceable and the other provisions of this Agreement, shall not be affected by such invalidity or unenforceability.

5.4 Form and Content of Communications. The names of persons authorized to act on behalf of the Company shall be certified, with the specimen signature of any such person, to the Trustee by the Company. Until notified in writing to the contrary, the Trustee shall have the right to assume that there has been no change in the identity or authority of any person previously certified to it hereunder.

5.5 Delivery of Notices Under Agreement. Any notice required by this Agreement to be given to the Company or the Trustee shall be deemed to have been properly given when mailed postage prepaid, by registered or certified mail. Notices to the Company shall be addressed to:

MidAmerican Energy Company
666 Grand Avenue
P. O. Box 657
Des Moines, Iowa 50306
Attention: Group Vice President Finance and Accounting

Notices to the Trustee shall be addressed to:

The Northern Trust Company
50 South LaSalle Street
Chicago, Illinois 60675
Attention: Vice President-Master Trust and Custody Services

5.6 Successors and Assigns. Subject to the provisions of Sections 2.6 and 3.1 hereof, this Agreement shall be binding upon and inure to the benefit of the Company, the Trustee and their respective successors and assigns.

5.7 Counterparts of Agreement. This Agreement has been executed in counterparts, each of which shall be deemed to be an executed original.

5.8 Governing Jurisdiction. The Trusts created hereunder are Illinois trusts and all questions pertaining to its validity, construction and administration shall be determined in accordance with the laws of the State of Illinois.

5.9 Miscellaneous. The Trusts shall operate on an accounting year which coincides with the calendar year.

IN WITNESS WHEREOF, the Company and the Trustee have as of the day and year first above written, executed and delivered this Agreement.

MidAmerican Energy Company

By J. Bloomer

Attest: [Signature]

Northern Trust Company

By Thomas A. Harlett

Attest: VICE PRESIDENT
[Signature]

EXHIBIT A

DISBURSEMENT CERTIFICATE

The undersigned, being a duly authorized officer of MidAmerican Energy Company, an Iowa corporation (the "Company"), and in such capacity being duly authorized and empowered to execute and deliver this certificate, hereby certifies to the Trustee of the MidAmerican Energy Company Tax Qualified Decommissioning Trust Fund (the "Trust"), pursuant to Section 2.2(a) of that certain Trust Agreement dated December 29, 1995 (the "Agreement") between the Company and the Trustee, as follows:

- (1) There is due and owing to each Payee ("Payees") [all/a portion of] the invoiced cost to the Company for goods or services provided in connection with the decommissioning of the [name of Plant] as evidenced by the Invoice Schedule (with supporting exhibits) attached as Exhibit 1 hereto;
- (2) All such amounts due and owing to such Payees constitute Qualified Costs;
- (3) All conditions precedent to the making of this disbursement set forth in any agreement between each such Payee and the Company have been fulfilled;
- (4) No Payee is a "disqualified person" within the meaning of Sections 468A and 4951 of the Code by reason of an affiliation with the Company or, if any are, then the payment constitutes compensation or payment or reimbursement of expenses which are reasonable and necessary to carry out the purpose of the Trust and the payment is not excessive; and
- (5) The payment of the amounts owing meets the requirements of the Illinois Statute, Iowa Statute and any Future Orders and all necessary consents and approvals for such payment have been obtained.

Accordingly, you are directed to permit the disbursement of \$ _____ from the Trust in order to permit payment of such sum to be made to the aforementioned Payees for such purpose. You are further directed to disburse such sum, once withdrawn, directly to such Payees in the following manner: [describe manner of payment] on or before [date].

Although you are under no obligation to make any further inquiry or investigation or to obtain any further documentation, it is understood that you may, in your discretion, elect to withhold any such disbursement to any Payee unless and until you receive written releases, in form satisfactory to you, of any liens, security interests or claims of such Payee against the Company or its property as you may in your discretion require.

Capitalized terms used herein without definition shall have the meanings given to such terms in the Agreement.

WITNESS my hand this _____ day of _____, 19__.

By: _____

Duly Authorized Officer

EXHIBIT B

WITHDRAWAL CERTIFICATE

The undersigned, being a duly authorized officer of MidAmerican Energy Company, an Iowa corporation (the "Company"), and in such capacity being duly authorized and empowered to execute and deliver this certificate, hereby certifies to the Trustee of the MidAmerican Energy Company Tax Qualified Decommissioning Trust Fund (the "Trust"), pursuant to Section 2.2(b) of that certain Trust Agreement dated December 29, 1995 (the "Agreement") between the Company and the Trustee, as follows:

(1) The Company has paid and is entitled to reimbursement for amounts paid to Payees for goods or services provided in connection with the decommissioning of the [name of Plant] as described in the Schedule (with supporting exhibits) attached as Exhibit 1 hereto;

(2) All such amounts paid to such Payees constitute Qualified Costs;

(3) No Payee was a "disqualified person" within the meaning of Sections 468A and 4951 of the Code by reason of an affiliation with the Company or, if any were, then the payment constituted compensation or payment or reimbursement of expenses which were reasonable and necessary to carry out the purpose of the Trust and the payment was not excessive; and

(4) The payment of the amounts met the requirements of the Illinois Statute, the Iowa Statute and any Future Orders and all necessary consents and approvals for such payment has been obtained.

Accordingly, you are directed to permit the disbursement of \$_____ from the Trust in order to reimburse the Company for such payments. You are further directed to disburse such sum, once withdrawn, directly to "MidAmerican Energy Company" on or before [date].

Capitalized terms used herein without definition shall have the meanings given to such terms in the Agreement.

WITNESS my hand this ____ day of _____, 19 ____.

By: _____
Duly Authorized Officer

Institutional Trust and Custody

STATEMENT OF NET ASSETS
TRADE DATE BASIS
DECEMBER 28, 1995

IOWA-ILLINOIS QUALIFIED NDT

ACCOUNT NUMBER

28-0067157

*** SUMMARY OF NET ASSETS ***

CATEGORY	MARKET \$	%	COST \$	%
CASH EQUIVALENTS	412,080.17	1.96	412,080.17	2.06
BONDS AND NOTES	20,285,444.15	96.55	19,322,634.57	96.42
TOTAL INVESTMENTS	20,697,524.32	98.55	19,734,714.74	98.48
ACCRUED INCOME	305,240.81	1.45	305,240.81	1.52
TOTAL ASSETS	21,002,765.23	100.00	20,039,955.55	100.00
NET ASSETS	21,002,765.23	100.00	20,039,955.55	100.00

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Institutional Trust and Custody

STATEMENT OF NET ASSETS
TRADE DATE BASIS
DECEMBER 29, 1995

IOWA-ILLINOIS QUALIFIED MDT

ACCOUNT NUMBER
29-0087157

*** FIXED INCOME MATURITY SCHEDULE ***

DETAIL		SUMMARY	
-----		-----	
YEAR	PAR VALUE	PAR VALUE	PERCENT
----	-----	-----	-----
1996	812,080.17	812,080.17	4.24
1997	350,000.00		
1998	1,315,000.00	7,525,000.00	34.98
1999	3,282,000.00		
2000	3,600,000.00	9,260,000.00	43.05
2001	440,000.00		
2002	445,000.00	3,815,000.00	17.73
2003	3,470,000.00		
2004	1,675,000.00	21,512,080.17	100.00
2005	630,000.00	-----	-----
2006	815,000.00		
2007	805,000.00		
2008	530,000.00		
2009	255,000.00		
2010	85,000.00		
2011	1,010,000.00		
2012	860,000.00		
2013	820,000.00		
2014	175,000.00		
2015	120,000.00		
2016	920,000.00		
TOTAL	21,512,080.17		

Institutional Trust and Custody

STATEMENT OF NET ASSETS
TRADE DATE BASIS
DECEMBER 28, 1985

IOWA-ILLINOIS QUALIFIED HDY

ACCOUNT NUMBER
29-0087157

*** FIXED INCOME SUMMARY ***

CATEGORY	MARKE \$	%	COST \$	%	ESTIMATED ANNUAL INCOME \$	% MARKET	% COST
US GOVERNMENTS MUNICIPAL BONDS	9,279,138.10 11,006,306.05	45.74 54.26	9,101,649.42 10,221,085.15	47.10 52.90	537,131.25 526,468.75	5.78 4.80	5.90 5.17
TOTAL INDIVIDUAL BONDS	20,285,444.15	100.00	19,322,634.57	100.00	1,065,600.00	5.25	5.51
TOTAL BONDS AND NOTES	20,285,444.15	100.00	19,322,634.57	100.00	1,065,600.00	5.25	5.51

Institutional Trust and Custody

STATEMENT OF NET ASSETS
TRADE DATE BASIS
DECEMBER 29, 1995

IOWA-ILLINOIS QUALIFIED HDY

ACCOUNT NUMBER
28-0087157

*** DETAIL HOLDINGS SCHEDULE ***

CARRYING VALUE	QUOTE	MARKET	COST	INCOME ACCRUAL
-----	-----	-----	-----	-----
CASH EQUIVALENTS				

IOWA-ILLINOIS GAS SAVINGS	1.000	412,080.17	412,080.17	1,256.78
		-----	-----	-----
TOTAL CASH EQUIVALENTS		412,080.17	412,080.17	1,256.78
		-----	-----	-----
BONDS AND NOTES				

US GOVERNMENTS				

UNITED STATES OF AMERICA				
TREASURY NOTES	101.989	356,681.50	356,644.54	5,114.24
8.875% DUE 03-31-1997				
UNITED STATES OF AMERICA				
TREASURY NOTES	104.859	256,904.55	256,106.25	5,939.47
8.375% DUE 08-15-2002				
UNITED STATES OF AMERICA				
TREASURY NOTES	99.787	1,027,908.10	1,012,604.71	8,891.28
5.125% DUE 04-30-1998				

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Institutional Trust and Custody

STATEMENT OF NET ASSETS
TRADE DATE BASIS
DECEMBER 29, 1995

IOWA-ILLINOIS QUALIFIED NOT

ACCOUNT NUMBER
28-0087157

*** DETAIL HOLDINGS SCHEDULE ***

CARRYING VALUE	QUOTE	MARKET	COST	INCOME ACCRUAL
UNITED STATES OF AMERICA TREASURY NOTES 5.75% DUE 08-15-2003	101.203	3,061,390.75	2,970,209.51	65,699.22
UNITED STATES OF AMERICA TREASURY NOTES 5.875% DUE 03-31-1999	101.781	2,179,113.40	2,158,571.88	31,946.52
UNITED STATES OF AMERICA TREASURY NOTES 6.25% DUE 05-31-2000	103.359	2,397,926.80	2,348,412.53	12,677.60
MUNICIPAL BONDS				
ADAMS CNTY COLORADO SOL FAM NTG REV BDS SER A REMKT PRE-RE ETW 8.875% DUE 08-01-2000 SINKING FUND	118.680	213,624.00	212,014.80	6,658.25
ANCHORAGE ALASKA GENERAL PURP REF BD SER A UT OID 5.8% DUE 02-01-2005 OID 99.1480 02/01/93	107.444	171,910.40	162,489.60	3,066.67
ARLINGTON CNTY VIRGINIA GENERAL OBLIGATION REF BDS 6% DUE 06-01-2012	111.226	161,277.70	141,477.95	725.00

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Institutional Trust and Custody

STATEMENT OF NET ASSETS
TRADE DATE BASIS
DECEMBER 29, 1995

IC 1A-ILLINOIS QUALIFIED NDT

ACCOUNT NUMBER
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*** DETAIL HOLDINGS SCHEDULE ***

CARRYING VALUE	QUOTE	MARKET	COST	INCOME ACCRUAL
200,000	112.552	225,104.00	201,080.00	4,816.67
ARLINGTON TEXAS PERMANENT IMPROVEMENT BDS A OID 6.375% DUF 06-15-2008 OID 98.7420 04/01/92				
146,000	103.849	150,581.05	143,760.26	2,803.33
ASHLAND KENTUCKY ENVIRMTL IMPT ALLIED CHEMICAL PJ BONDS ETN 5.8% DUE 03-01-2003 SINKING FUND				
300,000	101.365	304,095.00	287,872.00	1,400.00
ATLANTA GEORGIA GENERAL OBLIGATION BONDS OID 5.6% DUE 12-01-2018 CALLABLE 12/01/03 102.0000 S/F ANNUAL OID 97.8790 06/01/93				
250,000	111.289	278,222.80	247,295.00	7,812.50
CHICAGO ILLINOIS GENERAL OBLIGATION BONDS REF OID 6.25% DUE 01-01-2011 OID 96.2500 03/01/92				
175,000	104.263	182,460.25	162,344.00	802.08
CHICAGO IL NET WTR RECLAMATION CAP IMPT GENERAL OBLIG BDS OID 5.5% DUE 12-01-2012 SINKING FUND OID 97.6510 03/01/93				

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*** DETAIL HOLDINGS SCHEDULE ***

CARRYING VALUE		QUOTE	MARKET	COST	INCOME ACCRUAL
200,000	CLARK COUNTY NEVADA IMPROVEMENT & REF GEN OBLIG BDS 5.5% DUE 10-01-1998	101.345	202,680.00	203,770.00	2,750.00
130,000	COLORADO SPRINGS COLORADO UTILS REV UNREFUNDED BALANCE A 6.5% DUE 11-15-2015 CALLABLE 11/15/01 102.0000 ANNUAL	109.047	141,761.10	127,804.30	1,079.72
180,000	COOK COUNTY ILLINOIS CAP APPREC BDS ZERO COUPON OID DUE 11-01-2004 OID 40.8500 08/20/91	66.267	118,280.60	73,530.00	0.00
350,000	COOK CNTY IL CMNTY CONS SCH DIST 15 PALATINE GENERAL OBLIG BDS D 5.65% DUE 12-01-2001	106.344	372,204.00	350,500.00	1,647.82
130,000	COPPERAS COVE TX INDPT SCH DIST GENERAL OBLIG BDS OID UT PSFG 6.75% DUE 03-15-2009 CALLABLE 08/15/04 100.0000 ANNUAL OID 99.5240 11/01/94	115.316	149,910.80	128,383.80	3,315.00
200,000	DUPAGE CNTY ILLINOIS ALT STORMWATER PJ REVENUE BONDS 8% DUE 01-01-1996	100.029	200,058.00	226,352.00	9,000.00



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*** DETAIL HOLDINGS SCHEDULE ***

CARRYING VALUE		QUOTE	MARKET	COST	INCOME ACCRUAL
130,000	EL PASO TEXAS INDEPENDENT SCHOOL BUILDING BDS 8.625% DUE 07-01-2008 CALLABLE 07/01/01 100.0000	102.204	132,868.20	114,800.40	3,958.25
500,000	HONOLULU HAWAII CITY & COUNTY REF & IMPT GENERAL BDS B QID 5.2% DUE 10-01-2004 OID 89.5720 04/01/83	103.812	519,560.00	525,605.00	6,500.00
185,000	HOUSTON TEXAS REF GENERAL OBLIGATION BDS C QID 6% DUE 03-01-2004 CALLABLE 03/01/01 100.0000 OID 88.5730 06/15/82	107.164	198,253.40	187,003.55	3,700.00
126,000	ILLINOIS STATE GENERAL OBLIGATION BONDS UT 5.25% DUE 04-01-1998	103.034	123,640.50	122,268.00	1,575.00
175,000	ILLINOIS STATE SALES TAX REVENUE REF BDS SER Q QID 6% DUE 06-15-2012 SINKING FUND OID 88.1480 09/01/82	108.542	189,848.50	177,772.00	466.67

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*** DETAIL HOLDINGS SCHEDULE ***

CARRYING VALUE	QUOTE	MARKET	COST	INCOME ACCRUAL
285,000	100.998	287,838.60	288,873.15	570.00
ILLINOIS STATE SALES TAX REVENUE BONDS SER J 4.5% DUE 08-15-1998				
180,000	108.535	208,116.50	177,507.50	5,700.00
INDIANA MUN PMR AGY PMR SUPPLY REVENUE REF BONDS SER B OID 5% DUE 01-01-2012 OID 98.8820 01/15/93				
470,000	62.838	295,338.60	181,589.20	0.00
INTERMOUNTAIN POWER AGY UTAH PMR SUPPL REV B CAP APPR B OID O DUE 07-01-2005 OID 32.6790 06/20/89				
175,000	101.451	177,539.25	177,980.75	1,504.17
LIVONIA MICHIGAN PUB SCHS DIST GENERAL OBLIGATION REF BDS OID 5.5% DUE 05-01-2014 CALLABLE 05/01/03 102.0000 S/F SEMI-ANN OID 89.0180 09/07/93				
100,000	100.655	100,655.00	99,820.00	2,500.00
LOS ANGELES CNTY CA TRANS CTFS PARTICIPATION SER B 5% DUE 07-01-1996				
200,000	101.769	203,538.00	200,000.00	1,565.67
MAINE MUNICIPAL BOND BANK REVENUE REF BONDS SER A OID 4.7% DUE 11-01-2000 OID 99.3790 06/15/93				



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*** DETAIL HOLDINGS SCHEDULE ***

CARRYING VALUE		QUOTE	MARKET	COST	INCOME ACCRUAL
250,000	MARICOPA CNTY ARIZONA GENERAL OBLIGATION REF BONDS 6.25% DUE 07-01-2000	108.335	270,837.50	266,862.50	7,812.50
150,000	MASSACHUSETTS BAY TRANSN AUTH MA GEN TRANSN SYS REV REF BDS SER A 7% DUE 03-01-2007	117.708	176,557.50	165,424.50	3,500.00
300,000	MASSACHUSETTS ST CONS LN CAPITAL APPRECIATION SER B DUE 06-01-2003 OID 44.8150 05/30/91	72.553	217,659.00	162,881.00	0.00
200,000	MASSACHUSETTS STATE GENERAL OBLIG REF BDS SER B OID 5.5% DUE 11-01-2007 OID 89.5060 05/01/93	104.602	209,204.00	202,324.00	1,833.33
620,000	MISSISSIPPI HOME CORP CAP APPREC-REVENUE BDS SER S ETM DUE 08-01-2013	37.165	230,423.00	183,812.00	0.00
125,000	MISSISSIPPI STATE CAP IMPT GEN OBLIG PRE-RE OID 6% DUE 12-15-2009 PRE-REFUNDED 12/15/02 100.0000 OID 99.9990 12/15/92	109.585	136,956.25	133,126.25	333.33



Institutional Trust and Custody

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*** DETAIL HOLDINGS SCHEDULE ***

CARRYING VALUE		QUOTE	MARKET	COST	INCOME ACCRUAL
-----		-----	-----	-----	-----
125,000	NEVADA STATE GENERAL OBLIG REF BDS SER A OID 5.4% DUE 07-15-2004 OID 98.4840 07/15/94	105.236	131,545.00	123,106.25	3,112.50
175,000	NEVADA STATE COLORADO RIVER COMM GENERAL OBLIGATION BONDS OID 5.9% DUE 07-01-2004 OID 99.2650 11/01/94	108.699	190,223.25	185,487.75	5,162.50
820,000	NEW CASTLE INDIANA ECON DEV RESIDUAL REV BDS SER C OID DUE 03-01-2018 OID 05/01/88	29.236	181,283.20	142,519.40	0.00
250,000	NEW JERSEY STATE GENERAL OBLIGATION BDS OID UT 5.75% DUE 02-15-2006 OID 98.8100 12/15/92	107.878	269,690.00	263,850.00	5,430.56
500,000	NEW MEXICO STATE SEVERANCE TAX REVENUE BONDS SER B OID 4.4% DUE 07-01-2000 CALLABLE 07/01/98 100.0000 ANNUAL OID 99.7020 08/01/93	100.306	501,530.00	504,275.00	11,000.00



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*** DETAIL HOLDINGS SCHEDULE ***

CARRYING VALUE		QUOTE	MARKET	COST	INCOME ACCRUAL
95,000	OKLAHOMA CITY OKLAHOMA GENERAL OBLIG BDS OID PRE-RE 7% DUE 08-01-2010 PRE-REFUNDED 08/01/01 100.0000 OID 08/01/91	113.338	107,668.25	95,000.00	2,770.83
125,000	ORLANDO FL UTILS COMMON WTR & ELEC REV REF BDS OID 5.8% DUE 10-01-2006 OID 99.0530 12/01/92	107.967	134,858.75	125,530.00	1,812.50
120,000	ORLEANS PARISH LOUISIANA SCHOOL BOARD BONDS MBIA ETH 8.75% DUE 02-01-2004	128.937	154,724.40	141,734.40	4,075.00
760,000	ROMULUS MICHIGAN CMNTYS SCHS CAPITAL APPRECIATION REF BONDS DUE 05-01-2011 OID 31.2060 02/17/93	43.899	333,632.40	237,165.60	0.00
175,000	SALT RIV AZ AGRIC IMPT PWR DIST ELEC SYS REV REF BDS A OID 5.75% DUE 01-01-2007 OID 99.5210 02/01/93	106.989	187,230.75	181,007.75	5,031.25
140,000	SALT RIV AZ AGRIC IMPT PWR DIST ELEC SYS REV REF BDS SER B 6.5% DUE 01-01-2004	112.462	157,446.80	148,660.40	4,550.00

Institutional Trust and Custody

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*** DETAIL HOLDINGS SCHEDULE ***

CARRYING VALUE	QUOTE	MARKET	COST	INCOME ACCRUAL
200,000	104.514	208,028.00	205,732.00	4,416.67
SEATTLE WASHINGTON MUN LT & PWR REVENUE REF BONDS SER B OID 6.3% DUE 08-01-2002 OID 98.6160 08/01/92				
250,000	112.866	282,165.00	273,825.00	4,062.50
TEXAS STATE GENERAL OBLIGATION REF BONDS 6.5% DUE 10-01-2004				
200,000	103.571	207,142.00	199,986.00	5,500.00
TUCSON ARIZONA MTR REVENUE REF BONDS OID 5.5% DUE 07-01-2008 OID 98.7190 03/15/93				
280,000	106.708	296,785.20	275,914.80	9,680.00
UNIVERSITY TEXAS PERMANENT UNIVERSITY FUND BDS 6.2% DUE 07-01-2007 CALLABLE 07/01/02 100.0000				
80,000	110.414	89,372.60	86,728.40	2,210.00
UNIVERSITY TEXAS FUND SYS UNIV REVENUE REF BONDS SER B OID 6.5% DUE 08-15-2001 OID 99.6240 01/15/91				
275,000	106.208	292,072.00	262,316.75	3,953.12
WASHINGTON STATE GENERAL OBLIGATION BDS SER 93A 5.75% DUE 10-01-2012 SINKING FUND				

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Institutional Trust and Custody

STATEMENT OF NET ASSETS
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ACCOUNT NUMBER
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*** DETAIL HOLDINGS SCHEDULE ***

CARRYING VALUE		QUOTE	MARKET	COST	INCOME ACCRUAL
315,000	WASHINGTON STATE GENERAL OBLIG REF BD SER 83B OID 6.375% DUE 10-01-2006 OID 89.4750 05/01/83	104.693	328,782.88	314,825.40	4,232.81
180,000	WASHINGTON ST PUB PWR SPLY. SYS NUCLEAR PJ REV BDS SER A OID 6.25% DUE 07-01-2000 OID 89.6540 09/01/81	107.068	180,597.50	152,424.00	4,687.50
225,000	WISCONSIN STATE TRANSPORTATION REVENUE BONDS SER A OID 4.8% DUE 07-01-2008 CALLABLE 77/01/08 100.0000 OID 89.5770 09/01/85	100.150	225,337.50	224,052.75	3,675.00
21,100,000	TOTAL BONDS AND NOTES		20,285,444.15	19,322,634.57	303,884.13
21,512,080.170	TOTAL INVESTMENTS		20,697,524.32	19,734,714.74	305,240.81

1038265

PAGE NO. 14



Institutional Trust and Custody

PENDING TRANSACTION SCHEDULE
DECEMBER 29, 1995

IOWA-ILLINOIS QUALIFIED NDT

ACCOUNT NUMBER
29-0087157

TRADE DATE/
SETTLE DATE

TRANSACTION DESCRIPTION

AMOUNT

NO PENDING TRANSACTIONS

**NON-TAX QUALIFIED
TRUST AGREEMENT**

THIS TRUST AGREEMENT ("Agreement") is made this 29th day of December, 1995, between MidAmerican Energy Company an Iowa corporation (the "Company"), and The Northern Trust Company, an Illinois corporation, having trust powers (hereinafter, together with any successors in office, called the "Trustee").

WHEREAS, the Company is the owner in whole or in part of each of the Plants (as hereinafter defined);

WHEREAS, the Company is subject to regulation by the Illinois Commerce Commission ("ICC"), the Iowa Utility Board ("IUB"), the Nuclear Regulatory Commission ("NRC") and the Federal Energy Regulatory Commission ("FERC");

WHEREAS, pursuant to the Illinois Statute, the Iowa Statute and Future Orders (as hereinafter defined), the Company has established Qualified Trusts (as hereinafter defined) for each Plant (as hereinafter defined) pursuant to a trust agreement dated March 15, 1989 between the Company and the Harris Trust & Savings Bank ("Harris") establishing the Iowa-Illinois Gas and Electric Company Tax Qualified Decommissioning Trust Fund; and

WHEREAS, the Company has substituted the Trustee for Harris, and the Trustee has agreed to such substitution with respect to the Qualified Trusts (as hereinafter defined) pursuant to the trust agreement dated December 29, 1995 between the Company and Trustee (the "Tax Qualified Trust Agreement"); and

WHEREAS, pursuant to the Illinois Statute, the Iowa Statute and Future Orders, the Company previously established a non-tax qualified trust ("Trust") for each Plant (as hereinafter defined) pursuant to a trust agreement dated as of March 15, 1989 between the Company and Harris; and

WHEREAS, the Company wishes to substitute the Trustee for Harris, and the Trustee is agreeable to such substitution, and in so doing, the parties hereto wish to continue the existence and administration of the Trusts pursuant to this Agreement;

NOW, THEREFORE, the Company shall deliver to the Trustee and, upon receipt, the Trustee shall acknowledge receipt of the funds described on Schedules 1 through 5, inclusive, representing the assets of the Trusts (as hereinafter defined);

TO HAVE AND TO HOLD, such Trusts and such additional funds as may from time to time be added thereto as provided herein, together with the proceeds and reinvestments thereof (hereinafter collectively called the "Trust Fund") unto the Trustee;

IN TRUST NEVERTHELESS, for the use and purpose and upon the terms and conditions hereinafter set forth;

ARTICLE I: DEFINITIONS, NAME AND PURPOSES

1.1. Definitions. As used in this Agreement, the following terms shall have the following meanings.

"Agreement," "Trust Agreement" and the terms "hereof," "herein," "hereto" and "hereunder," when used in this Agreement, shall mean and include this Agreement as the same may from time to time be amended, modified or supplemented.

"Code" shall mean the Internal Revenue Code of 1986, as it may be amended from time to time, and regulations promulgated thereunder.

"Disbursement Certificate" shall mean a document properly completed and executed by the Company substantially in the form of Exhibit A hereto.

"Future Orders" shall mean any orders or rulings of the ICC, IUB, NRC or FERC existing or issued, and any Federal or state laws existing or adopted, in connection with the retention, investment and utilization of funds for the costs of decommissioning any Plant.

"Illinois Statute" shall mean Section 8-508.1 of the Illinois Public Utilities Act (220 ILCS 5/8-508.1) as it may hereafter be amended.

"Iowa Statute" shall mean all applicable Sections of Chapters 476 and 476A of the Code of Iowa, as it may hereafter be amended.

"NRC Rule" shall mean the "General Requirements for Decommissioning Nuclear Facilities" of the NRC (53 Fed. Reg. 24018, June 27, 1988) as it may hereafter be amended.

"Plant" shall mean each, and "Plants" shall mean all, of the Quad Cities Nuclear Generating Station Unit One and the Quad Cities Nuclear Generating Station Unit Two.

"Qualified Costs" shall mean the Company's costs incurred in the decommissioning of a Plant, to the extent that such costs may be paid out of a Trust without contravening the Illinois Statute, the Iowa Statute or any Future Order.

"Qualified Trust" shall mean each, and "Qualified Trusts" shall mean all, of the separate funds established for each of the Plants pursuant to the Qualified Trust Agreement.

"Service" shall mean the Internal Revenue Service.

"Trust" shall mean each, and "Trusts" shall mean all, of the MidAmerican Energy Company Non-Tax Qualified Decommissioning Trust - Unit One and the MidAmerican Energy Non-Tax Qualified Decommissioning Trust - Unit Two.

"Trust Fund" shall be used herein merely to refer to the Trusts in the aggregate and is not intended nor should it be construed to constitute a separate entity.

"Withdrawal Certificate" shall mean a document properly completed and executed by the Company substantially in the form of Exhibit B hereto.

1.2 Names of Trusts. Each Trust shall be known as the "MidAmerican Energy Company Non-Tax Qualified Decommissioning Trust - Quad Cities Unit One" and "MidAmerican Energy Company Non-Tax Qualified Decommissioning Trust - Quad Cities Unit Two." The Trusts, collectively, shall be known as the "MidAmerican Energy Company Non-Tax Qualified Decommissioning Trust Fund."

1.3 Purpose of Trust Agreement. The purpose of this Trust Agreement is to provide funds for the contemplated decommissioning of the Plants listed on the separate Schedules attached hereto and to comply with the Illinois Statute, the Iowa Statute, the NRC Rule and any Future Orders.

ARTICLE II: ESTABLISHMENT OF SEPARATE TRUSTS AND DISPOSITIVE PROVISIONS

The Trustee shall manage, invest and reinvest and, after payment of the expenses described in Section 4.1 hereof, distribute each Trust as follows:

2.1 Separate Trusts. The Company has established a separate Trust for each Plant. Each time the Company makes a contribution to the Trust Fund, it shall designate the amount of such contribution allocable to each such separate Trust. The Trustee shall maintain separate records for each Trust and shall credit thereto its pro rata share of all income of the Trust Fund and charge thereto its pro rata share of all expenses (other than expenses attributable to a particular Plant which shall be expenses charged to the Trust named for such Plant) and any losses. The Trustee shall not be precluded from pooling the assets of the Trusts with one another for investment purposes, and may treat each Trust as having received or accrued a ratable portion of the Trust Fund income in any year.

2.2 Payment of Nuclear Decommissioning Costs. The Trustee shall make payments of Qualified Costs in accordance with the following procedures:

(a) Disbursements to Third Parties. The Trustee shall make payments of Qualified Costs to any person (other than the Company) for goods provided or labor or other services rendered to the Company in connection with the decommissioning of a Plant within five business days of the receipt of the Disbursement Certificate.

(b) Reimbursement to the Company. The Trustee shall make payments to the Company in reimbursement of Qualified Costs actually incurred by the Company and paid to any other person within five business days of receipt of a Withdrawal Certificate.

The Trustee shall be under no duty to inquire into the correctness or accuracy of matters contained in a Disbursement Certificate or Withdrawal Certificate unless representatives of the Trustee then approving any withdrawal or disbursement based on such certificate have actual knowledge of the falsity of any statements made herein.

2.3 Additions to Trusts. From time to time prior to the termination of each Trust held hereunder, the Company may make, and the Trustee shall accept, additional contributions of funds to any separate Trust held hereunder to satisfy the purpose of this Trust Agreement as set forth in Section 1.3 hereof. The making of a contribution by the Company shall constitute the certification of the Company that all necessary consents and approvals to such contribution have been obtained.

2.4 Subsequent Adjustments. The Trustee and the Company understand that the contributions made by the Company and allocated to a Trust from time to time may subsequently be determined to exceed the amounts determined pursuant to Section 468A of the Code and paragraph (c)(2)(ii) of §1.468A-5T thereunder (any such excess being hereinafter referred to as an "Excess Contribution"). Upon the written certification of the Company setting forth the amount of the Excess Contribution, the Trustee shall distribute such amount to the Trustee of the MidAmerican Energy Company Tax Qualified Decommissioning Trust Fund created and existing pursuant to a trust agreement dated December 29, 1995 between the Company and the Trustee named therein, or, if so requested in such written certification, transfer all or a portion of such amount to one or more other separate Trusts held hereunder. Any income attributable to any such Excess Contribution shall be allocated to the Trust to which such Excess Contribution relates.

2.5 Remittance of Taxes. The Trustee shall remit to the Company within 15 business days after the Company's request therefor the amount from each Trust which the Company certifies as the amount by which the Company's federal and, if applicable, state income taxes (including estimated payments) for the preceding fiscal year were increased by the net income of such Trust. The Trustee shall be under no duty to inquire into the correctness or accuracy of any such certificate.

2.6 No Transferability of Interest in any Trust. Except to the extent that any transfer of interest of the Company is approved where required by the ICC, IUB, NRC and FERC, the interest of the Company in any Trust is not transferable, whether voluntarily or involuntarily, by the Company nor subject to the claims of creditors of the Company; provided, however, that any creditor of the Company as to which a Disbursement Certificate for a Trust has been properly completed and submitted to the Trustee may assert a claim directly against such Trust in an amount not to exceed either the amount specified on such Disbursement Certificate or the amount of such Trust available to pay costs other than amounts then owing the Trustee under Section 3.2 hereof.

2.7 Time of Termination. Each Trust hereunder shall terminate to the extent provided in this Section 2.7 upon the earlier to occur of the following events:

(a) In whole, upon the substantial completion of the nuclear decommissioning of the Plant for which such Trust was created and named and as evidenced to the Trustee by the written certification of the Company.

(b) To the extent allowed or provided under the Illinois Statute, the Iowa Statute, the NRC Rule or any Future Order.

The Trust Fund shall terminate when all of the separate Trusts have terminated.

2.8 Distribution of Trust Upon Termination. Upon termination of each Trust, the Trustee shall distribute the entire remaining amount of the trust, including all accrued, accumulated and undistributed net income, to the Company; provided, however, that no such distribution shall be made unless either (a) an order of the ICC, the IUB, the NRC and FERC specifically authorizing such distribution is in effect, as evidenced to the Trustee by the written certification of the Company, and which certification specifies further that all necessary consents and approvals to such distribution have been obtained, or (b) the Company has furnished the Trustee with an opinion of legal counsel to the effect that no such orders are necessary to authorize such distribution and that all necessary consents and approvals to such distribution have been obtained.

2.9 Alterations and Amendments. The Trustee and the Company understand and agree that amendments may be required to this Agreement from time to time to effectuate the purpose of this Trust Agreement and to comply with amendments to or changes in the Illinois Statute, the Iowa Statute, the NRC Rule, any Future Orders, changes in tax laws (including Section 468A of the Code), regulations or rulings (whether published or private) of the Service, and any other changes in the laws applicable to the Company, the Plants or the Trusts created hereunder. The Company and the Trustee may amend this Agreement to the extent necessary or desirable to effectuate such purpose or to comply with such changes; provided, however, in any event, the Trustee may decline to adopt such amendment, if such amendment increases the expenses or responsibilities of the Trustee and no provision satisfactory to the Trustee has been made to compensate the Trustee for such increase, or if the Trustee determines it would be unable with reasonable effort to comply with its duties as to be amended.

2.10 No Authority to Conduct Business. The purpose of this Trust Agreement is limited to the matters set forth in Section 1.3 hereof. This Agreement shall not be construed to confer upon the Trustee any authority to conduct business.

ARTICLE III: GENERAL PROVISIONS RELATING TO THE TRUSTEE

The appointment of any successor Trustee, provisions governing resignation and compensation of the Trustee and the general rules governing the relationships of the Trustee and the Company and any third parties are as follows:

3.1 Designation and Qualification of Successor Trustees. At any time during the term of this Agreement, the Company shall have the right to remove the Trustee acting hereunder and appoint another qualified entity as a successor trustee upon 30 days notice in writing to the

Trustee, or upon such shorter notice as may be acceptable to the Trustee. Any Trustee shall have the right to resign at any time upon 30 days notice in writing to the Company and upon such resignation the Company shall appoint another qualified entity as a successor Trustee. Notwithstanding the foregoing, no such removal or resignation shall be effective until a successor Trustee is appointed by the Company and, if necessary, approved by appropriate regulatory authorities.

Any successor Trustee shall qualify by a duly acknowledged acceptance of this Agreement and the trusts created hereunder, delivered to the Company. Upon acceptance of such appointment by the successor Trustee, the Trustee shall transfer to such successor Trustee the Trust Fund. Any successor Trustee shall have all the rights, powers, duties and obligations herein granted to the original Trustee.

If for any reason the Company is unable to or does not, in the event of the resignation or removal of the Trustee as provided above, appoint a successor Trustee within 40 days after such resignation or removal, either the Company or the Trustee may apply to a court of competent jurisdiction for the appointment of a successor Trustee.

3.2 Compensation and Reimbursement. The Trustee shall be entitled to compensation from each Trust held hereunder at such rates as may be approved in writing from time to time by the Company. Subject to the approval of the Company (which shall not be unreasonably withheld or delayed), the Trustee shall be entitled to be reimbursed from each Trust held hereunder for out-of-pocket expenses including, but not limited to, expenses of agents, auditors and counsel, incurred in connection with the administration of such Trust.

3.3 Transactions With Third Parties. No person or organization dealing with the Trustee hereunder shall be required to inquire into or to investigate its authority for entering into any transaction or to see to the application of the proceeds of any such transaction.

3.4 Financial Statements. The Trustee shall furnish monthly financial statements (audited with respect to accounting by the Trustee's internal audit staff) for each Trust to the Company not later than the 15th day of the following month, or at such other less frequent interval as the Company may require. The financial statements shall show the financial condition of the Trust including, without limitation, the market value of the assets, and the income and expenses of each Trust for the period since the preceding statement and such other information as may be reasonably requested by the Company. The financial statements shall be audited annually by independent certified public accountants employed by the Trustee, subject to the limitations contained in Section 4.8 hereof. The Trustee shall furnish such financial statements as required by law or regulation to the Company.

3.5 Regulatory Reports. The Trustee shall furnish reports to the ICC in compliance with 220 ILCS 5/8-508.1(e.). The Trustee shall provide any such reports to the Company prior to filing with the ICC.

3.6 Tax Returns and Other Reports. The Trustee shall prepare or cause to be prepared such income or other tax returns and such reports for the Trusts as may be required from time to time and shall provide copies thereof to the Company in advance of their filing for review

by the Company. The Trustee shall provide to the Company all statements, documents, lists or other information reasonably requested by the Company. The Trustee shall also sign all such returns and file them or cause them to be filed with the appropriate government agencies. The Trustee shall cooperate with all requests made by regulatory agencies and shall provide copies to the Company in advance of all information submitted to regulatory agencies. At the Company's request, the Trustee shall testify with respect to the Trusts and the Trust Fund in proceedings before regulatory agencies.

3.7 Nominees, Depositories. If the Trustee employs an agent or depository specifically for purposes of providing services related to any Trust held hereunder (other than a securities broker), the Trustee shall disclose to such agent or depository that it is employed on behalf of such Trust.

3.8 Future Orders. The Company shall promptly advise the Trustee in writing of the existence of any Future Order having the effect of imposing new or different responsibilities upon the Trustee under this Agreement.

3.9 Appointment of Investment Manager. The Company shall have the right from time to time to appoint and remove one or more investment managers for any Trust held hereunder and to direct the segregation of any part or all of any such Trust into one or more accounts to be known as "investment manager accounts" and if it does so, it shall appoint an individual, partnership, association or corporation as investment manager to manage the portion of any Trust so segregated. Written notice of any such appointment and/or removal shall be given to the Trustee and the investment manager so appointed. The appointment shall be accomplished using an investment manager agreement signed by the Company and the investment manager and acknowledged by the Trustee. As long as the investment manager is acting, the investment manager shall have full authority to direct the acquisition, retention and disposition of the assets from time to time comprising the investment manager account being managed by the investment manager, and except as set forth in the following paragraph, the Trustee shall have no duty or obligation to review the assets from time to time comprising such investment manager account, to make any recommendations with respect to the acquisition, retention and disposition thereof, nor to determine whether any direction from the investment manager is proper or within the terms of this Agreement.

The Trustee shall have no liability or responsibility to the Company or the Trusts for acting on the direction of, or for failure to act in the absence of directions from, the investment manager for any investment manager account. The Trustee may assume that any investment manager account previously established and the appointment of any investment manager for that account continues in force until receipt of written notice to the contrary from the Company. Pending receipt of directions from the investment manager, any cash received by the Trustee from time to time for any investment manager account shall be invested upon receipt in instruments maturing in three banking days or less. The Trustee shall review the assets in any such investment manager account immediately after their purchase only for the purpose of determining whether such assets are permissible investments under the guidelines established for such account and the provisions of Section 4.3 hereof, and the Trustee shall advise the investment manager of information it receives from an issuer or similar source regarding calls, redemptions, purchase offers and similar matters relating to assets held in any

Trust hereunder. The Company will indemnify the Trustee and hold it harmless from any liability or expense in connection with or arising out of (i) any action taken or omitted or any investment or disbursement of any part of the investment manager account made by the Trustee at the direction of the investment manager, or (ii) any action taken by the Trustee pursuant to notification of an order issued by an investment manager to purchase or sell securities directly to a broker or dealer under a power of attorney.

3.10 Certain Duties and Responsibilities of the Trustee.

(a) In the absence of bad faith on its part, the Trustee may conclusively rely upon certificates or opinions furnished by the Company to the Trustee pursuant to this Agreement.

(b) No provision of this Agreement shall be construed to relieve the Trustee from liability for its own negligent action, its own negligent failure to act, or its own willful misconduct in carrying out its responsibilities under this Agreement, except that (i) this Subsection shall not be construed to limit the effect of Subsection (a) of this section and (ii) no provision of this Agreement shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

3.11 Certain Rights of Trustee. Except as otherwise provided in Section 3.9 hereof:

(a) Any request or direction of the Company mentioned herein shall be sufficiently evidenced by a written request or direction signed, prepared or furnished by an authorized representative of the Company or a verbal or telephonic request or order confirmed within a reasonable time by such a written request or direction and any action of the board of directors of the Company may be sufficiently evidenced by a certificate of the Company's secretary or assistant secretary;

(b) Whenever in the administration of any Trust created under this Agreement the Trustee shall deem it desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, the Trustee (unless other evidence be herein specifically prescribed) may, in the absence of bad faith on its part, rely upon the certificate of an authorized representative of the Company,

(c) Subject to 3.9(b) above, the Trustee may consult with legal counsel and the written advice of such counsel or any opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or omitted by it hereunder in reliance thereon;

(d) The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Agreement at the request or direction of the Company pursuant to this Agreement, unless the Company shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction; and

(e) In the event that The Northern Trust Company incurs any liability, loss, claim, suit or expense (including reasonable attorneys fees) arising directly out of its provision of services under this Agreement, or its status as Trustee hereunder, under circumstances where The Northern Trust Company cannot obtain or would be precluded by law from obtaining payment or reimbursement of such liability, loss, claim, suit or expense (including reasonable attorneys fees) from the Trust Fund, then the Company (which has the authority to do so under the laws of the state of its incorporation) shall indemnify and hold The Northern Trust Company harmless from and against such liability, loss, claim, suit or expense, except to the extent such liability, loss, claim, suit or expense arises directly from a breach or negligence in performance by the Trustee of its responsibilities as created under the terms of this Agreement. This paragraph shall survive the termination of this Agreement.

ARTICLE IV: TRUSTEE'S POWERS

The Trustee shall have, with respect to each Trust held hereunder, the following powers, all of which powers are fiduciary powers to be exercised in a fiduciary capacity and in the best interests of each Trust, and which are to be exercised as the Trustee, acting in such fiduciary capacity, in its discretion, shall determine, except that the Trustee shall not act in its discretion but only at the direction of an appointed investment manager in the exercise of those powers given in Section 4.2, 4.3, 4.4 and 4.5 hereof with respect to the acquisition, retention and disposition of the assets of an investment manager account, and, except as otherwise provided, which are intended in no way to limit the general powers of the office, namely:

4.1 Payment or Provision for Expenses of Administration. To incur, pay or make provision for any and all charges, taxes and expenses upon or connected with each Trust held hereunder in the discharge of its fiduciary obligations under this Agreement, but to charge said amounts to such Trust only to the extent that such amounts are directed to be paid from such Trust by the Company or may be incurred and paid from such Trust.

4.2 Prudent Investments. Subject to the limitations provided in Section 4.3 hereof, to invest the assets of each Trust only in assets that are prudent investments for assets held in trust and in such a way as to attempt to maximize the after-tax returns thereon.

4.3 Investment of Trust Fund. Pending use of any Trust held hereunder for the purpose of this Trust, to invest and reinvest all or any part of such Trust, including any undistributed income therefrom; provided, however, that no such investment or reinvestment may be made by the Trustee:

(a) In any security or asset of any operator of a nuclear power plant; or

(b) Which would contravene the Illinois Statute, the Iowa Statute or any Future Order in effect at the time such investment or reinvestment is made and previously furnished to the Trustee with reference to the Trusts.

Any investment or reinvestment made by an investment manager shall be reviewed by the Trustee for compliance with (a) or (b) above as provided in Section 3.8 hereof.

All investments must be sufficiently liquid to enable each Trust to fulfill the purpose of this Agreement and to satisfy obligations as they become due as communicated in writing to the Trustee. Nothing in this Section 4.3 shall be construed as requiring the Trustee to make any investigation as to when any of the Plants may be decommissioned or when obligations relating to such decommissioning may be expected to become due, and absent a written communication from the Company, the Trustee shall invest each separate Trust as though such Trust had no short or intermediate term cash requirements.

4.4 Management of Trusts. To sell, exchange or otherwise dispose of all or any part of any Trust held hereunder, without prior application to or approval by or order of any court, upon such terms and in such manner and at such prices as the Trustee shall determine; to modify, renew or extend mortgages, bonds, notes or other obligations or any installment of principal thereof or any interest due thereon and to waive any defaults in the performance of the terms and conditions thereof; and to execute and deliver any and all assignments, bonds or other instruments in connection with these powers, at such times, in such manner and upon such terms and conditions as the Trustee may deem expedient. The Trustee's determinations of manner of sales, terms, prices and the exercise of other powers granted herein, if reasonably made, are not to be questioned.

Notwithstanding anything contained in this Agreement to the contrary, the Trustee in exercising its discretionary authority hereunder may not authorize or carry out any sale, exchange or other transaction between any Trust and a "disqualified person" within the meaning of Section 4951 of the Code except the payment of compensation and expenses pursuant to Section 3.2 hereof or unless such transaction is not an act of "self-dealing" within the meaning of Section 4951 of the Code, as such section is made applicable to each Trust by the Illinois Statute. The Trustee, in exercising its discretionary authority hereunder, shall not cause any Trust to engage in any act of self-dealing with the Company or any affiliate of the Company. The Company agrees to furnish the Trustee with the identity of all persons who are "disqualified persons" within the meaning of said Section 4951 of the Code by reason of their affiliation with the Company.

4.5 Extension of Obligations and Negotiation of Claims. Subject to the limitations contained in Section 4.3 and 4.4 hereof, to renew or extend the time of payment of any obligation, secured or unsecured, payable to or by any Trust, for as long a period or periods of time and on such terms as it shall determine; and to adjust, settle, compromise and arbitrate claims or demands in favor of or against any Trust, including claims for taxes, upon such terms as it deems advisable.

4.6 Registration of Securities. To hold any stocks, bonds, securities and/or other property in the name of a nominee, in a street name or by other title-holding device, without indication of trust.

4.7 Location of Assets. To keep any property belonging to any Trust at any place in the United States.

4.8 Retention and Removal of Professional Service Providers. To employ attorneys, accountants and custodians as it shall deem advisable and to make such payments thereof as the

Trustee shall deem reasonable for the implementation of the purpose of this Agreement. The Trustee shall have the absolute right to dismiss any such agents for any reason whatsoever; provided that the Trustee's selection of an accounting firm shall be subject to the prior consent of the Company, which consent shall not be unreasonably withheld.

4.9 Delegation of Ministerial Powers. To delegate to other persons such ministerial powers and duties as it may deem to be advisable.

4.10 Discretion in Exercise of Powers. To do any and all other acts which the Trustee shall deem proper to effectuate the powers specifically conferred upon it by this Agreement; provided, however, that this section shall not authorize the Trustee to do any act or participate in any transaction which would (a) contravene any provision of this Agreement; or (b) violate the terms and conditions of, or cause any Trust held hereunder not to satisfy the requirements of, the Illinois Statute, the Iowa Statute, the NRC Rule, any Future Order or any other applicable law, regulation or ruling.

ARTICLE V: MISCELLANEOUS PROVISIONS

5.1 Headings. The section headings set forth in this Agreement are inserted for convenience of reference only and shall be disregarded in the construction or interpretation of any of the provisions of this Agreement.

5.2 Particular Words. Any word contained in the text of this Agreement shall be read as the singular or plural as may be applicable in the particular context. Unless otherwise specifically stated, the word "person" shall be taken to mean and include an individual, partnership, association, trust, company or corporation.

5.3 Severability of Provisions. If any provision of this Agreement or its application to any person or entity or in any circumstances shall be invalid and unenforceable, the application of such provision to persons and in circumstances other than those as to which it is invalid or unenforceable and the other provisions of this Agreement, shall not be affected by such invalidity or unenforceability.

5.4 Form and Content of Communications. The names of persons authorized to act on behalf of the Company shall be certified, with the specimen signature of any such person, to the Trustee by the Company. Until notified in writing to the contrary, the Trustee shall have the right to assume that there has been no change in the identity or authority of any person previously certified to it hereunder.

5.5 Delivery of Notices Under Agreement. Any notice required by this Agreement to be given to the Company or the Trustee shall be deemed to have been properly given when mailed postage prepaid, by registered or certified mail. Notices to the Company shall be addressed to:

MidAmerican Energy Company
666 Grand Avenue, P. O. Box 657
Des Moines, Iowa 50306
Attention: Group Vice President Finance and Accounting

Notices to the Trustee shall be addressed to:

The Northern Trust Company
50 South LaSalle Street
Chicago, Illinois 60675
Attention: Vice President-Master Trust and Custody Services

5.6 Successors and Assigns. Subject to the provisions of Sections 2.6 and 3.1 hereof, this Agreement shall be binding upon and inure to the benefit of the Company, the Trustee and their respective successors and assigns.

5.7 Counterparts of Agreement. This Agreement has been executed in counterparts, each of which shall be deemed to be an executed original.

5.8 Governing Jurisdiction. The Trusts created hereunder are Illinois trusts and all questions pertaining to its validity, construction and administration shall be determined in accordance with the laws of the State of Illinois.

5.9 Miscellaneous. The Trusts shall operate on an accounting year which coincides with the calendar year.

IN WITNESS WHEREOF, the Company and the Trustee have as of the day and year first above written, executed and delivered this Agreement.

MidAmerican Energy Company

By

Attest:

Northern Trust Company

By

Attest:

VICE PRESIDENT

EXAMINED
AS TO FORM

ms

EXHIBIT A

DISBURSEMENT CERTIFICATE

The undersigned, being a duly authorized officer of MidAmerican Energy Company, an Iowa corporation (the "Company"), and in such capacity being duly authorized and empowered to execute and deliver this certificate, hereby certifies to the Trustee of the MidAmerican Energy Company Non-Tax Qualified Decommissioning Trust Fund (the "Trust"), pursuant to Section 2.2(a) of that certain Trust Agreement dated December 29, 1995 (the "Agreement") between the Company and the Trustee, as follows:

- (1) There is due and owing to each Payee ("Payees") [all/a portion of] the invoiced cost to the Company for goods or services provided in connection with the decommissioning of the [name of Plant] as evidenced by the Invoice Schedule (with supporting exhibits) attached as Exhibit 1 hereto;
- (2) All such amounts due and owing to such Payees constitute Qualified Costs;
- (3) All conditions precedent to the making of this disbursement set forth in any agreement between each such Payee and the Company have been fulfilled;
- (4) No Payee is a "disqualified person" within the meaning of Section 4951 of the Code by reason of an affiliation with the Company or, if any are, then the payment constitutes compensation or payment or reimbursement of expenses which are reasonable and necessary to carry out the purpose of the Trust and the payment is not excessive; and
- (5) The payment of the amounts owing meets the requirements of the Illinois Statute, the Iowa Statute and any Future Orders and all necessary consents and approvals for such payment have been obtained.

Accordingly, you are directed to permit the disbursement of \$_____ from the Trust in order to permit payment of such sum to be made to the aforementioned Payees for such purpose. You are further directed to disburse such sum, once withdrawn, directly to such Payees in the following manner: [describe manner of payment] on or before [date].

Although you are under no obligation to make any further inquiry or investigation or to obtain any further documentation, it is understood that you may, in your discretion, elect to withhold any such disbursement to any Payee unless and until you receive written releases, in form satisfactory to you, of any liens, security interests or claims of such Payee against the Company or its property as you may in your discretion require.

Capitalized terms used herein without definition shall have the meanings given to such terms in the Agreement.

WITNESS my hand this _____ day of _____, 19__.

By:

Duly Authorized Officer

EXHIBIT B

WITHDRAWAL CERTIFICATE

The undersigned, being a duly authorized officer of MidAmerican Energy Company, an Iowa corporation (the "Company"), and in such capacity being duly authorized and empowered to execute and deliver this certificate, hereby certifies to the Trustee of the MidAmerican Energy Company Non-Tax Qualified Decommissioning Trust Fund (the "Trust"), pursuant to Section 2.2(b) of that certain Trust Agreement dated December 29, 1995 (the "Agreement") between the Company and the Trustee, as follows:

(1) The Company has paid and is entitled to reimbursement for amounts paid to Payees for goods or services provided in connection with the decommissioning of the [name of Plant] as described in the Schedule (with supporting exhibits) attached as Exhibit 1 hereto;

(2) All such amounts paid to such Payees constitute Qualified Costs;

(3) No Payee was a "disqualified person" within the meaning of Section 4951 of the Code by reason of an affiliation with the Company or, if any were, then the payment constituted compensation or payment or reimbursement of expenses which were reasonable and necessary to carry out the purpose of the Trust and the payment was not excessive; and

(4) The payment of the amounts met the requirements of the Illinois Statute, the Iowa Statute and any Future Orders and all necessary consents and approvals for such payment has been obtained.

Accordingly, you are directed to permit the disbursement of \$ _____ from the Trust in order to reimburse the Company for such payments. You are further directed to disburse such sum, once withdrawn, directly to "MidAmerican Energy Company" on or before [date].

Capitalized terms used herein without definition shall have the meanings given to such terms in the Agreement.

WITNESS my hand this ____ day of _____, 19 ____.

By: _____
Duly Authorized Officer



Institutional Trust and Custody

STATEMENT OF NET ASSETS
TRADE DATE BASIS
DECEMBER 29, 1995

IOWA-ILLINOIS NON-QJAL NDT

ACCOUNT NUMBER
28-0088318

CATEGORY	MARKET		COST	
	\$	%	\$	%
CASH EQUIVALENTS	1,255,560.00	11.40	1,255,560.00	12.18
BONDS AND NOTES	9,889,880.80	88.89	9,157,730.15	89.20
TOTAL INVESTMENTS	11,155,450.80	101.28	10,453,290.15	101.38
CASH	313,785.57	2.85	313,785.57	3.05
ACCRUED INCOME	171,584.44	1.56	171,584.44	1.67
TOTAL ASSETS	11,013,249.57	100.00	10,311,089.02	100.00
NET ASSETS	11,013,249.57	100.00	10,311,089.02	100.00



Institutional Trust and Custody

STATEMENT OF NET ASSETS
TRADE DATE BASIS
DECEMBER 29, 1995

IOWA-ILLINOIS NON-QUAL MDT

ACCOUNT NUMBER
29-0088318

*** FIXED INCOME MATURITY SCHEDULE ***

YEAR	PAR VALUE	PAR VALUE	PERCENT
1996	1,141,764.43	1996	9.67
1997	180,000.00	1997 - 2000	26.67
1998	1,265,000.00	2001 - 2010	42.33
1999	295,000.00	2011 - 2020	21.33
2000	1,420,000.00	TOTAL	100.00
2002	185,000.00		
2003	735,000.00		
2004	1,170,000.00		
2005	760,000.00		
2006	500,000.00		
2007	685,000.00		
2008	650,000.00		
2009	170,000.00		
2010	145,000.00		
2011	480,000.00		
2012	415,000.00		
2013	1,235,000.00		
2014	125,000.00		
2015	75,000.00		
2016	180,000.00		
TOTAL	11,811,764.43		

SUMMARY	PAR VALUE	PERCENT
1996	1,141,764.43	9.67
1997 - 2000	3,150,000.00	26.67
2001 - 2010	5,000,000.00	42.33
2011 - 2020	2,520,000.00	21.33
TOTAL	11,811,764.43	100.00

Institutional Trust and Custody

STATEMENT OF NET ASSETS
TRADE DATE BASIS
DECEMBER 29, 1995

IOWA-ILLINOIS NON-QUAL NDT

ACCOUNT NUMBER

29-0088318

*** FIXED INCOME SUMMARY ***

CATEGORY	MARKET	COST	ESTIMATED ANNUAL INCOME	% COST	% MARKET
	\$	\$	\$		
MUNICIPAL BONDS	9,899,890.80	9,187,730.15	481,531.25	4.86	5.23
TOTAL INDIVIDUAL BONDS	9,899,890.80	9,187,730.15	481,531.25	4.86	5.23
TOTAL BONDS AND NOTES	9,899,890.80	9,187,730.15	481,531.25	4.86	5.23

Institutional Trust and Custody

STATEMENT OF NET ASSETS
TRADE DATE BASIS
DECEMBER 29, 1995

IOWA-ILLINOIS NON-QJAL MDY

ACCOUNT NUMBER
28-0088318

*** DETAIL HOLDINGS SCHEDULE ***

CARRYING VALUE	QUOTE	MARKET	COST	INCOME ACCRUAL
CASH EQUIVALENTS				
1,255,560	1.000	1,255,560.00	1,255,560.00	3,257.52
PERSONAL INVESTMENT FD HARRIS BK TAXABLE RESERVE FD				
1,255,560		1,255,560.00	1,255,560.00	3,257.52
TOTAL CASH EQUIVALENTS				
BONDS AND NOTES				
MUNICIPAL BONDS				
300,000	118.680	356,040.00	353,358.00	11,093.75
ADAMS CNTY COLORADO SGL 7AM MTG REV BDS SER A REMKT PRE-RE ETM 8.875% DUE 08-01-2000 SINKING FUND				
350,000	106.748	373,618.00	374,908.00	9,850.55
ALLEGHENY CNTY PA GENERAL OBLIG REF SER C-33 BDS 7.45% DUE 02-15-1998				
95,000	111.226	105,664.70	92,692.45	475.00
ARLINGTON CNTY VIRGINIA GENERAL OBLIGATION REF BDS 5% DUE 06-01-2012				

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Institutional Trust and Custody

STATEMENT OF NET ASSETS
TRADE DATE BASIS
DECEMBER 28, 1995

IOWA-ILLINOIS NON-QUAL MDY

ACCOUNT NUMBER
29-0082318

*** DETAIL HOLDINGS SCHEDULE ***

CARRYING VALUE		QUOTE	MARKET	COST	INCOME ACCRUAL
340,000	ARLINGTON TEXAS PERMANENT IMPROVEMENT BDS A OID 6.375% DUE 08-15-2008 OID 98.7420 04/01/92	112.552	382,676.80	341,836.00	8,188.33
160,000	ASHLAND KENTUCKY ENV-MTL IMPT ALLIED CHEMICAL PJ BONDS ETM 5.8% DUE 03-01-2003 SINKING FUND	103.849	166,156.40	155,432.00	3,093.33
200,000	AUSTIN TEXAS CERTIFICATES OBLIGATION BONDS 5% DUE 09-01-2004	109.812	219,224.00	217,878.00	4,000.00
270,000	CHATTANOOGA TENNESSEE IMPT & SEW GENERAL OBLIGATION BONDS 7.75% DUE 08-01-1998	108.802	293,765.40	304,965.00	8,716.75
250,000	CHICAGO ILLINOIS EMERGENCY TELE SYS BONDS OID 5.8% DUE 01-01-2013 CALLABLE 01/01/03 102.0000 S/F ANNUAL OID 99.4100 05/01/93	103.529	259,822.50	249,375.00	7,250.00

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Institutional Trust and Custody

STATEMENT OF NET ASSETS
TRADE DATE BASIS
DECEMBER 29, 1995

IOWA-ILLINOIS NON-QJAL NDT

ACCOUNT NUMBER
29-008831b

*** DETAIL HOLDINGS SCHEDULE ***

CARRYING VALUE	QUOTE	MARKET	COST	INCOME ACCRUAL
120,000	104.263	125,115.60	111,321.60	550.00
CHICAGO IL MET WTR RECLAMATION CAP IMPT GENERAL OBLIG BDS OID 5.5% DUE 12-01-2012 SINKING FUND OID 97.6510 03/01/93				
125,000	106.480	133,100.00	136,812.50	4,937.50
CHICAGO ILLINOIS PUB BLDG COMMN CMNTY COLLEGE DIST 506-B REV ETM 7.9% DUE 01-01-1998 CALLABLE 01/01/97 102.0000				
75,000	109.047	81,785.25	73,733.25	622.92
COLORADO SPRINGS COLORADO UTILS REV UNREFUNDED BALANCE A 6.5% DUE 11-15-2015 CALLABLE 11/15/01 102.0000 ANNUAL				
50,000	104.342	52,171.00	52,253.00	758.19
COLUMBUS OHIO GENERAL OBLIG BDS SER 1 OIDUT 5.15% DUE 09-15-2004 CALLABLE 09/15/03 102.0000 OID 99.5710 03/15/83				
300,000	66.257	198,801.00	122,550.00	0.00
COOK COUNTY ILLINOIS CAP APPREC BDS ZERO COUPON OID DUE 11-01-2004 OID 40.8500 08/20/81				



Institutional Trust and Custody

ACCOUNT NUMBER
28-0089318

IOWA-ILLINOIS NON-QUAL MDY

STATEMENT OF NET ASSETS
TRADE DATE BASIS
DECEMBER 29, 1995

*** DETAIL HOLDINGS SCHEDULE ***

CARRYING VALUE		QUOTE	MARKET	COST	INCOME ACCRUAL
85,000	COPPERAS COVE TX INDPT SCH DIST GENERAL OBLIG BDS OID UT PSFG 8.75% DUE 08-15-2008 CALLABLE 08/15/04 100.0000 ANNUAL OID 89.5240 11/01/84	115.316	98,018.80	84,597.10	2,167.50
200,000	DUPAGE CNTY ILLINOIS ALT JAIL PJ REVENUE BONDS 9% DUE 01-01-1998	100.028	200,058.00	228,352.00	9,000.00
210,000	EL PASO TEXAS INDEPENDENT SCHOOL BUILDING BDS 5.625% DUE 07-01-2008 CALLABLE 07/01/01 100.0000	102.204	214,522.40	185,446.80	5,906.25
175,000	FAIRFAX COUNTY VIRGINIA GENERAL OBLIG REF BDS SER A 4.7% DUE 06-01-2000	102.117	178,704.75	175,455.00	885.42
180,000	GARLAND TEXAS TAX COMBINATION CERTIFICATES OF OBLIGATION 6.25% DUE 08-15-1998 CALLABLE 08/15/98 100.0000	105.452	205,631.40	185,000.00	4,604.17

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Institutional Trust and Custody

ACCOUNT NUMBER
29-0088318

IOWA-ILLINOIS NON-QUAL NDT

STATEMENT OF NET ASSETS
TRADE DATE BASIS
DECEMBER 28, 1995

*** DETAIL HOLDINGS SCHEDULE ***

CARRYING VALUE	QUOTE	MARKET	COST	INCOME ACCRUAL
175,000	107.164	187,537.00	176,895.25	3,500.00
HOUSTON TEXAS REF GENERAL OBLIGATION BDS C OID 6% DUE 03-01-2004 CALLABLE 03/01/02 100.0000 OID 99.5730 06/15/92				
100,000	103.034	103,034.00	101,890.00	1,312.50
ILLINOIS STATE GENERAL OBLIGATION BONDS UT 5.25% DUE 04-01-1999				
100,000	108.542	108,542.00	101,584.00	266.67
ILLINOIS STATE SALES TAX REVENUE REF BDS SER Q OID 6% DUE 06-15-2012 SINKING FUND OID 99.8460 09/01/92				
215,000	100.896	217,141.40	217,921.85	430.00
ILLINOIS STATE SALES TAX REVENUE BONDS SER U 4.5% DUE 06-15-1998				
100,000	109.535	109,535.00	93,425.00	3,000.00
INDIANA MJM PWR AGY PWR SUPPLY REVENUE REF BONDS SER B OID 6% DUE 01-01-2012 OID 98.8820 01/15/93				



Institutional Trust and Custody

ACCOUNT NUMBER
29-0088316

IOWA-ILLINOIS NON-QUAL NDT

STATEMENT OF NET ASSETS
TRADE DATE BASIS
DECEMBER 29, 1995

*** DETAIL HOLDINGS SCHEDULE ***

CARRYING VALUE	QUOTE	MARKET	COST	INCOME ACCRUAL
760,000	62.838	477,568.60	293,633.60	0.00
INTERMOUNTAIN POWER AGY UTAH PWR SUPPL REV B CAP APPR B DID O DUE 07-01-2005 OID 32.6780 06/20/89				
185,000	111.469	206,217.65	219,917.90	5,395.83
JOHNSON COUNTY KANSAS UNIFIED SCH DIST 229 REF PRE-RE 8.75% DUE 03-01-2002 PRE-REFUNDED 09/01/88 100.0000 SINKING FUND				
125,000	101.451	126,813.75	127,138.25	1,145.83
LIVONIA MICHIGAN PUB SCHS DIST GENERAL OBLIGATION REF BDS CID 5.5% DUE 05-01-2014 CALLABLE 05/01/03 102.0000 S/F SEMI-ANNUOID 99.0180 08/07/83				
80,000	117.705	105,934.50	99,254.70	2,100.00
MASSACHUSETTS BAY TRANSN AUTH MA GEN TRANSN SYS REV REF BDS SER A 7% DUE 03-01-2007				
300,000	72.553	217,659.00	162,891.00	0.00
MASSACHUSETTS ST CONS LN CAPITAL APPRECIATION SER B DUE 06-01-2003 OID 44.8150 05/30/81				

Institutional Trust and Custody

STATEMENT OF NET ASSETS
TRADE DATE BASIS
DECEMBER 29, 1995

IOWA-ILLINOIS NON-QUAL HDY

ACCOUNT NUMBER
29-0088318

*** DETAIL HOLDINGS SCHEDULE ***

CARRYING VALUE	QUOTE	MARKET	COST	INCOME ACCRUAL
80,000	108.363	96,417.70	83,435.30	2,400.00
MINNESOTA STATE GENERAL OBLIGATION BONDS UT 8.4% DUE 08-01-2000				
285,000	102.143	301,321.85	301,444.55	5,900.00
MINNESOTA ST GENERAL OBLIGATION REF BONDS 4.8% DUE 08-01-1998				
185,000	37.155	68,755.25	57,631.00	0.00
MISSISSIPPI HOME CORP CAP APPREC-REVENUE BDS SER S ETH DUE 09-01-2013				
85,000	109.585	93,130.25	90,525.85	226.67
MISSISSIPPI STATE CAP IMPT GEN OBLIG PRE-RE OID 5% 12-15-2009 PRE-REFUNDED 12/15/02 100.0000 OID 89.9990 12/15/92				
75,000	108.699	81,524.25	79,494.75	2,212.50
NEVADA STATE COLORADO RIVER COMM GENERAL OBLIGATION BONDS OID 5.8% DUE 07-01-2004 OID 98.2650 11/01/94				
280,000	101.240	283,472.00	276,796.00	2,380.00
NEVADA STATE GENERAL OBLIGATION BDS SER B OID 5.1% DUE 05-01-2007 CALLABLE 11/01/05 101.0000 ANNUAL OID 99.5700 11/01/85				

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Institutional Trust and Custody

STATEMENT OF NET ASSETS
TRADE DATE BASED
DECEMBER 29, 1995

IOWA-ILLINOIS NON-QUAL NDT

ACCOUNT NUMBER
29-0088318

*** DETAIL HOLDINGS SCHEDULE ***

CARRYING VALUE	QUOTE	MARKET	COST	INCOME ACCRUAL
190,000	29.236	55,548.40	43,675.30	0.00
NEW CASTLE INDIANA ECON DEV RESIDUAL REV BDS S-R C OID DUE 03-01-2018 OID 05/01/86				
75,000	107.876	80,807.00	79,155.00	1,629.17
NEW JERSEY STATE GENERAL OBLIGATION BDS OID UT 5.75% DUE 03-15-2008 OID 98.8100 12/15/92				
195,000	103.842	202,481.90	191,472.45	5,460.00
NEW JERSEY ST TPK AUTH TPK REV BDS SER A 5.6% DUE 01-01-2000				
100,000	100.306	100,306.00	100,855.00	2,200.00
NEW MEXICO STATE SEVERANCE TAX REVENUE BONDS SER B OID 4.4% DUE 07-01-2000 CALLABLE 07/01/98 100.0000 ANNUAL OID 99.7020 09/01/93				
145,000	113.335	164,335.75	145,000.00	4,229.17
OKLAHOMA CITY OKLAHOMA GENERAL OBLIG BDS OID PRE-RE 7% DUE 08-01-2010 PRE-REFUNDED 06/01/01 100.0000 OID 08/01/91				



Institutional Trust and Custody

ACCOUNT NUMBER
28-008318

IOWA-ILLINOIS NON-QUAL NDT

STATEMENT OF NET ASSETS
TRADE DATE BASIS
DECEMBER 29, 1995

*** DETAIL HOLDINGS SCHEDULE ***

CARRYING VALUE	QUOTE	MARKET	COST	INCOME ACCRUAL
80,000	107.967	97,170.30	90,381.60	1,305.00
190,000	128.937	244,980.30	224,412.80	6,927.08
480,000	43.899	210,715.20	149,788.80	0.00
80,000	112.462	89,968.60	84,948.80	2,600.00
800,000	38.678	309,424.00	252,744.00	0.00
100,000	112.866	112,866.00	113,536.00	1,625.00

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Institutional Trust and Custody

STATEMENT OF NET ASSETS
TRADE DATE BASIS
DECEMBER 29, 1995

IOWA-ILLINOIS MON-QUAL NDT

ACCOUNT NUMBER
29-0089318

*** DETAIL HOLDINGS SCHEDULE ***

CARRYING VALUE	QUOTE	MARKET	COST	INCOME ACCRUAL
100,000	103.571	103,571.00	88,993.00	2,750.00
TUCSON ARIZONA WTR REVENUE REF BONDS OID 5.5% DUE 07-01-2008 OID 98.7190 03/15/93				
145,000	97.058	140,750.05	137,277.30	1,111.67
UNIVERSITY KY UNIV CONS EDL BLDG REVENUE REF BONDS 2ND SER OID 4.6% DUE 05-01-2007 CALLABLE 05/01/04 102.0000 SEMI-ANN OID 97.0820 01/01/94				
160,000	106.445	170,312.00	174,848.60	3,000.00
UNIVERSITY MICHIGAN STUDENT FEE REVENUE REF BONDS PRE-RE 7.5% DUE 04-01-2000 PRE-REF 04/01/97 102.0000				
170,000	106.709	181,405.30	167,519.70	5,270.00
UNIVERSITY TEXAS PERMANENT UNIVERSITY FUND BDS 6.2% DUE 07-01-2007 CALLABLE 97/01/02 100.0000				
275,000	102.357	281,481.75	280,183.75	8,458.31
VIRGINIA ST TRANSP BRD CONTRACT US RTE 58 CORRIDOR PG-A OID 4.9% DUE 05-15-2003 OID 98.8330 05/15/93				

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Institutional Trust and Custody

STATEMENT OF NET ASSETS
TRADE DATE BASIS
DECEMBER 29, 1995

IOWA-ILLINOIS NON-QUAL MDT

ACCOUNT NUMBER
28-0088318

*** DETAIL HOLDINGS SCHEDULE ***

CARRYING VALUE	QUOTE	MARKET	COST	INCOME ACCRUAL
160,000	101.620	183,816.00	183,542.40	2,840.00
WASHINGTON STATE REF BONDS SER R-92C OID 4.8% DUE 08-01-1997 OID 99.5130 02/01/92				
95,000	104.693	88,889.05	85,111.45	1,142.19
WASHINGTON STATE GENERAL OBLIG REF BD SER 93B OID 5.375% DUE 10-01-2006 OID 99.4750 05/01/93				
400,000	100.197	400,783.00	396,528.00	1,433.33
WISCONSIN ST CLEAN WATER REVENUE BONDS SER 1 OID 4.3% DUE 06-01-2000 OID 99.1230 08/15/93				
250,000	100.150	250,375.00	247,720.50	4,083.33
WISCONSIN STATE TRANSPORTATION REVENUE BONDS SER A OID 4.9% DUE 07-01-2005 CALLABLE 07/01/05 100.0000 OID 99.5770 09/01/95				
10,870,000		9,899,890.60	9,197,730.15	168,316.92
TOTAL BONDS AND NOTES				
12,125,560		11,155,450.80	10,453,290.15	171,594.44
TOTAL INVESTMENTS				

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Institutional Trust and Custody

PENDING TRANSACTION SCHEDULE
DECEMBER 29, 1995

IOWA-ILLINOIS NON-QUAL MDT

ACCOUNT NUMBER
29-0066318

TRADE DATE/
SETTLE DATE

TRANSACTION DESCRIPTION

AMOUNT

NO PENDING TRANSACTIONS

**TAX QUALIFIED
TRUST AGREEMENT**

THIS TRUST AGREEMENT ("Agreement") is made this 29th day of December, 1995 between MidAmerican Energy Company, an Iowa corporation (the "Company"), and The Northern Trust Company, an Illinois corporation, having trust powers (hereinafter, together with any successors in office, called the "Trustee").

WHEREAS, the Company is the owner in whole or in part of each of the Plants (as hereinafter defined);

WHEREAS, the Company is subject to regulation by the Illinois Commerce Commission ("ICC"), the Iowa Utility Board ("IUB"), the Nuclear Regulatory Commission ("NRC") and the Federal Energy Regulatory Commission ("FERC");

WHEREAS, under the Code (as hereinafter defined), including Section 468A thereof, certain income tax benefits are available to the Company by funding qualified "nuclear decommissioning reserve funds;" and

WHEREAS, this Agreement is entered into and intended to be and remain qualified under Section 468A of the Code and the regulations promulgated thereunder, and any successor or amendments thereto; and

WHEREAS, the Company previously established, pursuant to the Illinois Statute, Iowa Statute and Future Orders, a tax qualified trust ("Trust") for each Plant (as hereinafter defined) pursuant to a trust agreement dated as of March 15, 1989 between the Company and Harris Trust & Savings Bank ("Harris"); and

WHEREAS, the Company wishes to substitute the Trustee for Harris, and the Trustee is agreeable to such substitution, and in so doing, the parties wish to continue the existence and administration of the Trusts pursuant to this Agreement; and

WHEREAS, the Company has established, pursuant to the Illinois Statute, Iowa Statute and Future Orders, a non-tax qualified trust for each Plant (as defined herein) pursuant to a trust agreement dated as of March 15, 1989 between the Company and Harris; and

WHEREAS, the Company has substituted Trustee for Harris, and the Trustee has agreed to such substitution, with respect to the non-tax qualified trusts pursuant to the trust agreement dated December 29, 1995 between the Company and Trustee;

NOW, THEREFORE, the Company shall deliver to the Trustee and, upon receipt, the Trustee shall acknowledge receipt of the funds described on Schedules 1 through 5, inclusive, representing the assets of the Trusts (as hereinafter defined);

TO HAVE AND TO HOLD, such Trusts and such additional funds as may from time to time be added thereto as provided herein, together with the proceeds and reinvestments thereof (hereinafter collectively called the "Trust Fund") unto the Trustee;

IN TRUST NEVERTHELESS, for the use and purpose and upon the terms and conditions hereinafter set forth;

ARTICLE I: DEFINITIONS, NAME AND PURPOSES

1.1. Definitions. As used in this Agreement, the following terms shall have the following meanings.

"Agreement," "Trust Agreement" and the terms "hereof," "herein," "hereto" and "hereunder," when used in this Agreement, shall mean and include this Agreement as the same may from time to time be amended, modified or supplemented.

"Code" shall mean the Internal Revenue Code of 1986, as it may be amended from time to time, and regulations promulgated thereunder. "Section 468A" shall mean that section of the Code as it may be amended from time to time, any successor provision thereto and the regulations promulgated thereunder.

"Disbursement Certificate" shall mean a document properly completed and executed by the Company substantially in the form of Exhibit A hereto.

"Excess Contribution" shall have the meaning set forth in Section 2.4 hereof.

"Future Orders" shall mean any orders or rulings of the ICC, IUB, NRC or FERC existing or issued, and any Federal or state laws existing or adopted, in connection with the retention, investment and utilization of funds for the costs of decommissioning any Plant.

"Illinois Statute" shall mean Section 8-508.1 of the Illinois Public Utilities Act (220 ILCS 5/8-508.1) as it may hereafter be amended.

"Iowa Statute" shall mean all applicable sections of Chapter 476 and 476A of the Code of Iowa, as it may hereafter be amended.

"NRC Rule" shall mean the "General Requirements for Decommissioning Nuclear Facilities" of the NRC (53 Fed. Reg. 24018, June 27, 1988) as it may hereafter be amended.

"Plant" shall mean each, and "Plants" shall mean all, of the Quad Cities Nuclear Generating Station Unit One and the Quad Cities Nuclear Generating Station Unit Two.

"Qualified Costs" shall mean the Company's costs incurred in the decommissioning of a Plant, to the extent that such costs may be paid out of a Trust pursuant to Section 468A.

"Service" shall mean the Internal Revenue Service.

"Trust" shall mean each, and "Trusts" shall mean all, of the MidAmerican Energy Company Tax Qualified Decommissioning Trust - Unit One and the MidAmerican Energy Tax Qualified Decommissioning Trust - Unit Two; each such trust has been established and shall continue to be maintained as a qualified nuclear decommissioning reserve fund pursuant to Code Section 468A.

"Trust Fund" shall be used herein merely to refer to the Trusts in the aggregate and is not intended nor should it be construed to constitute a separate entity.

"Withdrawal Certificate" shall mean a document properly completed and executed by the Company substantially in the form of Exhibit B hereto.

1.2 Names of Trusts. Each Trust shall be known as the "MidAmerican Energy Company Tax Qualified Decommissioning Trust - Quad Cities Unit One" and "MidAmerican Energy Company Tax Qualified Decommissioning Trust - Quad Cities Unit Two." The Trusts, collectively, shall be known as the "MidAmerican Energy Company Tax Qualified Decommissioning Trust Fund."

1.3 Purpose of Trust Agreement. The purpose of this Trust Agreement is to provide funds for the contemplated decommissioning of the Plants listed on the separate Schedules attached hereto and to comply with the Illinois Statute, the Iowa Statute, the NRC Rule and any Future Orders, and to constitute "nuclear decommissioning reserve funds" within the meaning of Section 468A. The assets of the Trusts may be used only in a manner that is authorized by Code Section 468A and the regulations thereunder.

ARTICLE II: ESTABLISHMENT OF SEPARATE TRUSTS AND DISPOSITIVE PROVISIONS

The Trustee shall manage, invest and reinvest and, after payment of the expenses described in Section 4.1 hereof, distribute each Trust as follows:

2.1 Separate Trusts. The Company has established a separate trust for each Plant. Each time the Company makes a contribution to the Trust Fund, it shall designate the amount of such contribution allocable to each such separate Trust. The Trustee shall maintain separate records for each Trust and shall credit thereto its pro rata share of all income of the Trust Fund and charge thereto its pro rata share of all expenses (other than expenses attributable to a particular Plant which shall be expenses charged to the Trust named for such Plant) and any losses. The Trustee shall not be precluded from pooling the assets of the Trusts with one another for investment purposes, and may treat each Trust as having received or accrued a ratable portion of the Trust Fund income in any year. The pooling arrangement undertaken as permitted in this Section 2.1 can be terminated at any time by any Trust. No Trust in the pooling arrangement may substitute for itself in such arrangement any person that is not a member of that pooling arrangement.

2.2 Payment of Nuclear Decommissioning Costs. The Trustee shall make payments of Qualified Costs in accordance with the following procedures:

(a) Disbursements to Third Parties. The Trustee shall make payments of Qualified Costs to any person (other than the Company) for goods provided or labor or other services rendered to the Company in connection with the decommissioning of a Plant within five business days of the receipt of the Disbursement Certificate.

(b) Reimbursement to the Company. The Trustee shall make payments to the Company in reimbursement of Qualified Costs actually incurred by the Company and paid to any other person within five business days of receipt of a Withdrawal Certificate.

The Trustee shall be under no duty to inquire into the correctness or accuracy of matters contained in a Disbursement Certificate or Withdrawal Certificate unless representatives of the Trustee then approving any withdrawal or disbursement based on such certificate have actual knowledge of the falsity of any statements made herein. The Company will indemnify the Trustee and hold it harmless from any tax imposed pursuant to Section 4951 of the Code with respect to a disbursement or reimbursement made by the Trustee pursuant to this Section 2.2 in reliance on a Disbursement Certificate or a Withdrawal Certificate, respectively, provided representatives of the Trustee then approving such disbursement or reimbursement do not have actual knowledge of the falsity of any statements made in the related Disbursement Certificate or Withdrawal Certificate that would have prevented the imposition of such tax.

2.3 Additions to Trusts. From time to time prior to the termination of each Trust held hereunder, the Company may make, and the Trustee shall accept, additional contributions of funds to any separate Trust held hereunder to satisfy the purpose of this Trust Agreement as set forth in Section 1.3 hereof. The making of a contribution by the Company shall constitute the certification of the Company that all necessary consents and approvals to such contribution have been obtained.

2.4 Subsequent Adjustments. The Trustee and the Company understand that the contributions made by the Company and allocated to a Trust from time to time may subsequently be determined to exceed the amounts determined pursuant to Section 468A of the Code and paragraph (c)(2)(ii) of §1.468A-5T thereunder (any such excess being hereinafter referred to as an "Excess Contribution"). Upon the written certification of the Company setting forth the amount of the Excess Contribution, the Trustee shall distribute such amount to the Trustee of the MidAmerican Energy Company Non-Tax Qualified Decommissioning Trust Fund created and existing pursuant to a trust agreement dated December 29, 1995 between the Company and the Trustee named therein, or, if so requested in such written certification, transfer all or a portion of such amount to one or more other separate Trusts held hereunder. Any income attributable to any such Excess Contribution shall be allocated to the Trust to which such Excess Contribution relates.

2.5 Payment of Taxes. The Trustee shall pay out of each separate Trust any federal and, if applicable, state income taxes on the income of such Trust including estimated payments as and when due in accordance with the returns prepared in accordance with Section 3.5 hereof.

2.6 No Transferability of Interest in any Trust. Except to the extent that any transfer of interest of the Company is approved where required by the ICC, IUB, NRC and FERC, the

interest of the Company in any Trust is not transferable, whether voluntarily or involuntarily, by the Company nor subject to the claims of creditors of the Company; provided, however, that any creditor of the Company as to which a Disbursement Certificate for a Trust has been properly completed and submitted to the Trustee may assert a claim directly against such Trust in an amount not to exceed either the amount specified on such Disbursement Certificate or the amount of such Trust available to pay costs other than amounts then owing the Trustee under Section 3.2 hereof.

2.7 Time of Termination. Each Trust hereunder shall terminate to the extent provided in this Section 2.7 upon the earlier to occur of the following events:

(a) In whole, at the substantial completion of the nuclear decommissioning of the Plant for which the Trust was created and named as provided in Section 468A(e)(7) of the Code and as evidenced to the Trustee by the written certification of the Company.

(b) To the extent allowed or provided under Section 468A of the Code, the Illinois Statute, the Iowa Statute, the NRC Rule or any Future Order.

The Trust Fund shall terminate when all of the separate Trusts have terminated.

2.8 Distribution of Trust Upon Termination. Upon termination of each Trust, the Trustee shall distribute the entire remaining amount of the trust, including all accrued, accumulated and undistributed net income, to the Company; provided, however, that no such distribution shall be made unless either (a) an order of the ICC, IUB or the NRC and FERC specifically authorizing such distribution is in effect, as evidenced to the Trustee by the written certification of the Company, and which certification specifies further that all necessary consents and approvals to such distribution have been obtained, or (b) the Company has furnished the Trustee with an opinion of legal counsel to the effect that no such orders are necessary to authorize such distribution and that all necessary consents and approvals to such distribution have been obtained.

2.9 Alterations and Amendments. The Trustee and the Company understand and agree that amendments may be required to this Agreement from time to time to effectuate the purpose of this Trust Agreement and to comply with amendments to or changes in the Illinois Statute, the Iowa Statute, the NRC Rule, any Future Orders, changes in tax laws (including Section 468A of the Code), regulations or rulings (whether published or private) of the Service, and any other changes in the laws applicable to the Company, the Plants or the Trusts created hereunder. The Company and the Trustee may amend this Agreement to the extent necessary or desirable to effectuate such purpose or to comply with such changes; provided, however, in any event, the Trustee may decline to adopt such amendment, if such amendment increases the expenses or responsibilities of the Trustee and no provision satisfactory to the Trustee has been made to compensate the Trustee for such increase, or if the Trustee determines it would be unable with reasonable effort to comply with its duties as to be amended. This Agreement may not be amended in a manner that would violate Code Section 468A or the regulations thereunder.

2.10 No Authority to Conduct Business. The purpose of this Trust Agreement is limited to the matters set forth in Section 1.3 hereof. This Agreement shall not be construed to confer upon the Trustee any authority to conduct business.

ARTICLE III: GENERAL PROVISIONS RELATING TO THE TRUSTEE

The appointment of any successor Trustee, provisions governing resignation and compensation of the Trustee and the general rules governing the relationships of the Trustee and the Company and any third parties are as follows:

3.1 Designation and Qualification of Successor Trustees. At any time during the term of this Agreement, the Company shall have the right to remove the Trustee acting hereunder and appoint another qualified entity as a successor trustee upon 30 days notice in writing to the Trustee, or upon such shorter notice as may be acceptable to the Trustee. Any Trustee shall have the right to resign at any time upon 30 days notice in writing to the Company and upon such resignation the Company shall appoint another qualified entity as a successor Trustee. Notwithstanding the foregoing, no such removal or resignation shall be effective until a successor Trustee is appointed by the Company and, if necessary, approved by appropriate regulatory authorities.

Any successor Trustee shall qualify by a duly acknowledged acceptance of this Agreement and the trusts created hereunder, delivered to the Company. Upon acceptance of such appointment by the successor Trustee, the Trustee shall transfer to such successor Trustee the Trust Fund. Any successor Trustee shall have all the rights, powers, duties and obligations herein granted to the original Trustee.

If for any reason the Company is unable to or does not, in the event of the resignation or removal of the Trustee as provided above, appoint a successor Trustee within 40 days after such resignation or removal, either the Company or the Trustee may apply to a court of competent jurisdiction for the appointment of a successor Trustee.

3.2 Compensation and Reimbursement. The Trustee shall be entitled to compensation from each Trust held hereunder at such rates as may be approved in writing from time to time by the Company. Subject to the approval of the Company (which shall not be unreasonably withheld or delayed), the Trustee shall be entitled to be reimbursed from each Trust held hereunder for out-of-pocket expenses including, but not limited to, expenses of agents, auditors and counsel, incurred in connection with the administration of such Trust.

3.3 Transactions With Third Parties. No person or organization dealing with the Trustee hereunder shall be required to inquire into or to investigate its authority for entering into any transaction or to see to the application of the proceeds of any such transaction.

3.4 Financial Statements. The Trustee shall furnish monthly financial statements (audited with respect to accounting by the Trustee's internal audit staff) for each Trust to the Company not later than the 15th day of the following month, or at such other less frequent interval as the Company may require. The financial statements shall show the financial condition of the Trust including, without limitation, the market value of the assets, and the income and

expenses of each Trust for the period since the preceding statement and such other information as may be reasonably requested by the Company. The financial statements shall be audited annually by independent certified public accountants employed by the Trustee, subject to the limitations contained in Section 4.8 hereof. The Trustee shall furnish such financial statements as required by law or regulation to the Company.

3.5 Regulatory Reports. The Trustee shall furnish reports to the ICC in compliance with 220 ILCS 5/8-508.1(e). The Trustee shall provide any such reports to the Company prior to filing with the ICC.

3.6 Tax Returns and Other Reports. The Trustee shall prepare or cause to be prepared such income or other tax returns and such reports for the Trusts as may be required from time to time and shall provide copies thereof to the Company in advance of their filing for review by the Company. The Trustee shall provide to the Company all statements, documents, lists or other information reasonably requested by the Company. The Trustee shall also sign all such returns and file them or cause them to be filed with the appropriate government agencies. The Trustee shall cooperate with all requests made by regulatory agencies and shall provide copies to the Company in advance of all information submitted to regulatory agencies. At the Company's request, the Trustee shall testify with respect to the Trusts and the Trust Fund in proceedings before regulatory agencies.

3.7 Nominees, Depositories. If the Trustee employs an agent or depository specifically for purposes of providing services related to any Trust held hereunder (other than a securities broker), the Trustee shall disclose to such agent or depository that it is employed on behalf of such Trust.

3.8 Future Orders. The Company shall promptly advise the Trustee in writing of the existence of any Future Order having the effect of imposing new or different responsibilities upon the Trustee under this Agreement.

3.9 Appointment of Investment Manager. The Company shall have the right from time to time to appoint and remove one or more investment managers for any Trust held hereunder and to direct the segregation of any part or all of any such Trust into one or more accounts to be known as "investment manager accounts" and if it does so, it shall appoint an individual, partnership, association or corporation as investment manager to manage the portion of any Trust so segregated. Written notice of any such appointment and/or removal shall be given to the Trustee and the investment manager so appointed. The appointment shall be accomplished using an investment manager agreement signed by the Company and the investment manager and acknowledged by the Trustee. As long as the investment manager is acting, the investment manager shall have full authority to direct the acquisition, retention and disposition of the assets from time to time comprising the investment manager account being managed by the investment manager, and except as set forth in the following paragraph, the Trustee shall have no duty or obligation to review the assets from time to time comprising such investment manager account, to make any recommendations with respect to the acquisition, retention and disposition thereof, nor to determine whether any direction from the investment manager is proper or within the terms of this Agreement.

The Trustee shall have no liability or responsibility to the Company or the Trusts for acting on the direction of, or for failure to act in the absence of directions from, the investment manager for any investment manager account. The Trustee may assume that any investment manager account previously established and the appointment of any investment manager for that account continues in force until receipt of written notice to the contrary from the Company. Pending receipt of directions from the investment manager, any cash received by the Trustee from time to time for any investment manager account shall be invested upon receipt in instruments maturing in three banking days or less. The Trustee shall review the assets in any such investment manager account immediately after their purchase only for the purpose of determining whether such assets are permissible investments under the guidelines established for such account and the provisions of Section 4.3 hereof. In the event that the Trustee determines as a result of any such daily review that an investment is not permitted under either the guidelines established for such account or the provisions of Section 4.3 hereof, then it shall notify the Company and the applicable investment manager within one business day of such determination by telephone, confirmed in writing. If the applicable investment manager does not sell the unpermitted investment within two business days of such oral notice, then the trustee shall sell such unpermitted investment within four business days of such oral notice. The Trustee shall advise the investment manager of information it receives from an issuer or similar source regarding calls, redemptions, purchase offers and similar matters relating to assets held in any Trust hereunder. The Company will indemnify the Trustee and hold it harmless from any liability or expense in connection with or arising out of (i) any action taken or omitted or any investment or disbursement of any part of the investment manager account made by the Trustee at the direction of the investment manager, or (ii) any action taken by the Trustee pursuant to notification of an order issued by an investment manager to purchase or sell securities directly to a broker or dealer under a power of attorney.

3.10 Certain Duties and Responsibilities of the Trustee.

(a) In the absence of bad faith on its part, the Trustee may conclusively rely upon certificates or opinions furnished by the Company to the Trustee pursuant to this Agreement.

(b) No provision of this Agreement shall be construed to relieve the Trustee from liability for its own negligent action, its own negligent failure to act, or its own willful misconduct in carrying out its responsibilities under this Agreement, except that (i) this Subsection shall not be construed to limit the effect of Subsection (a) of this section and (ii) no provision of this Agreement shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

3.11 Certain Rights of Trustee. Except as otherwise provided in Section 3.9 hereof:

(a) Any request or direction of the Company mentioned herein shall be sufficiently evidenced by a written request or direction signed, prepared or furnished by an authorized representative of the Company or a verbal or telephonic request or order confirmed within a reasonable time by such a written request or direction, and any

action of the board of directors of the Company may be sufficiently evidenced by a certificate of the Company's secretary or assistant secretary;

(b) Whenever in the administration of any Trust created under this Agreement the Trustee shall deem it desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, the Trustee (unless other evidence be herein specifically prescribed) may, in the absence of bad faith on its part, rely upon the certificate of an authorized representative of the Company;

(c) Subject to Section 3.9(b) above, the Trustee may consult with legal counsel and the written advice of such counsel or any opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or omitted by it hereunder in reliance thereon in the absence of bad faith on the part of the Trustee;

(d) The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Agreement at the request or direction of the Company pursuant to this Agreement, unless the Company shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction; and

(e) In the event that The Northern Trust Company incurs any liability, loss, claim, suit or expense (including reasonable attorneys fees) arising directly out of its provision of services under this Agreement, or its status as Trustee hereunder, under circumstances where The Northern Trust Company cannot obtain or would be precluded by law from obtaining payment or reimbursement of such liability, loss, claim, suit or expense (including reasonable attorneys fees) from the Trust Fund, then the Company (which has the authority to do so under the laws of the state of its incorporation) shall indemnify and hold The Northern Trust Company harmless from and against such liability, loss, claim, suit or expense, except to the extent such liability, loss, claim, suit or expense arises directly from a breach or negligence in performance by the Trustee of its responsibilities as created under the terms of this Agreement. This paragraph shall survive the termination of this Agreement.

ARTICLE IV: TRUSTEE'S POWERS

The Trustee shall have, with respect to each Trust held hereunder, the following powers, all of which powers are fiduciary powers to be exercised in a fiduciary capacity and in the best interests of each Trust, and which are to be exercised as the Trustee, acting in such fiduciary capacity, in its discretion, shall determine, except that the Trustee shall not act in its discretion but only at the direction of an appointed investment manager in the exercise of those powers given in Section 4.2, 4.3, 4.4 and 4.5 hereof with respect to the acquisition, retention and disposition of the assets of an investment manager account, and, except as otherwise provided, which are intended in no way to limit the general powers of the office, namely:

4.1 Payment or Provision for Expenses of Administration. To incur, pay or make provision for any and all charges, taxes and expenses upon or connected with each Trust held hereunder in the discharge of its fiduciary obligations under this Agreement, but to charge said

amounts to such Trust only to the extent that such amounts are directed to be paid from such Trust by the Company pursuant to Section 3.2 hereof or may be incurred and paid from such Trust without causing the Trust to become disqualified under Section 468A.

4.2 Prudent Investments. Subject to the limitations provided in Section 4.3 hereof, to invest the assets of each Trust only in assets that are prudent investments for assets held in trust and in such a way as to attempt to maximize the after-tax returns thereon.

4.3 Investment of Trust Fund. Pending use of any Trust held hereunder for the purpose of this Trust, to invest and reinvest all or any part of such Trust, including any undistributed income therefrom; provided, however, that no such investment or reinvestment may be made by the Trustee:

- (a) In any investments not permitted under the Code;
- (b) In any security or asset of any operator of a nuclear power plant; or
- (c) Which would contravene any Future Order in effect at the time such investment or reinvestment is made and previously furnished to the Trustee with reference to the Trusts.

Any investment or reinvestment made by an investment manager shall be reviewed by the Trustee for compliance with (a), (b) or (c) above as provided in Section 3.8 hereof.

All investments must be sufficiently liquid to enable each Trust to fulfill the purpose of this Agreement and to satisfy obligations as they become due as communicated in writing to the Trustee. Nothing in this Section 4.3 shall be construed as requiring the Trustee to make any investigation as to when any of the Plants may be decommissioned or when obligations relating to such decommissioning may be expected to become due, and absent a written communication from the Company, the Trustee shall invest each separate Trust as though such Trust had no short or intermediate term cash requirements.

4.4 Management of Trusts. To sell, exchange or otherwise dispose of all or any part of any Trust held hereunder, without prior application to or approval by or order of any court, upon such terms and in such manner and at such prices as the Trustee shall determine; to modify, renew or extend mortgages, bonds, notes or other obligations or any installment of principal thereof or any interest due thereon and to waive any defaults in the performance of the terms and conditions thereof; and to execute and deliver any and all assignments, bonds or other instruments in connection with these powers, at such times, in such manner and upon such terms and conditions as the Trustee may deem expedient. The Trustee's determinations of manner of sales, terms, prices and the exercise of other powers granted herein, if reasonably made, are not to be questioned.

Notwithstanding anything contained in this Agreement to the contrary, the Trustee in exercising its discretionary authority hereunder may not authorize or carry out any sale, exchange or other transaction between any Trust and a "disqualified person" within the meaning of Section 4951 of the Code except the payment of compensation and expenses

pursuant to Section 3.2 hereof or unless such transaction is not an act of "self-dealing" within the meaning of Section 4951 of the Code, as such section is made applicable to each Trust by the Illinois Statute. The Trustee, in exercising its discretionary authority hereunder, shall not cause any Trust to engage in any act of self-dealing with the Company or any affiliate of the Company. The Company agrees to furnish the Trustee with the identity of all persons who are "disqualified persons" within the meaning of said Section 4951 of the Code by reason of their affiliation with the Company.

4.5 Extension of Obligations and Negotiation of Claims. Subject to the limitations contained in Section 4.3 and 4.4 hereof, to renew or extend the time of payment of any obligation, secured or unsecured, payable to or by any Trust, for as long a period or periods of time and on such terms as it shall determine; and to adjust, settle, compromise and arbitrate claims or demands in favor of or against any Trust, including claims for taxes, upon such terms as it deems advisable.

4.6 Registration of Securities. To hold any stocks, bonds, securities and/or other property in the name of a nominee, in a street name or by other title-holding device, without indication of trust.

4.7 Location of Assets. To keep any property belonging to any Trust at any place in the United States.

4.8 Retention and Removal of Professional Service Providers. To employ attorneys, accountants and custodians as it shall deem advisable and to make such payments thereof as the Trustee shall deem reasonable for the implementation of the purpose of this Agreement. The Trustee shall have the absolute right to dismiss any such agents for any reason whatsoever; provided that the Trustee's selection of an accounting firm shall be subject to the prior consent of the Company, which consent shall not be unreasonably withheld.

4.9 Delegation of Ministerial Powers. To delegate to other persons such ministerial powers and duties as it may deem to be advisable.

4.10 Discretion in Exercise of Powers. To do any and all other acts which the Trustee shall deem proper to effectuate the powers specifically conferred upon it by this Agreement; provided, however, that this section shall not authorize the Trustee to do any act or participate in any transaction which would (a) contravene any provision of this Agreement; or (b) violate the terms and conditions of, or cause any Trust held hereunder not to satisfy the requirements of, the Illinois Statute, the Iowa Statute, the NRC Rule, any Future Order or any other applicable law, regulation or ruling.

ARTICLE V: MISCELLANEOUS PROVISIONS

5.1 Headings. The section headings set forth in this Agreement are inserted for convenience of reference only and shall be disregarded in the construction or interpretation of any of the provisions of this Agreement.

5.2 Particular Words. Any word contained in the text of this Agreement shall be read as the singular or plural as may be applicable in the particular context. Unless otherwise specifically stated, the word "person" shall be taken to mean and include an individual, partnership, association, trust, company or corporation.

5.3 Severability of Provisions. If any provision of this Agreement or its application to any person or entity or in any circumstances shall be invalid and unenforceable, the application of such provision to persons and in circumstances other than those as to which it is invalid or unenforceable and the other provisions of this Agreement, shall not be affected by such invalidity or unenforceability.

5.4 Form and Content of Communications. The names of persons authorized to act on behalf of the Company shall be certified, with the specimen signature of any such person, to the Trustee by the Company. Until notified in writing to the contrary, the Trustee shall have the right to assume that there has been no change in the identity or authority of any person previously certified to it hereunder.

5.5 Delivery of Notices Under Agreement. Any notice required by this Agreement to be given to the Company or the Trustee shall be deemed to have been properly given when mailed postage prepaid, by registered or certified mail. Notices to the Company shall be addressed to:

MidAmerican Energy Company
666 Grand Avenue
P. O. Box 657
Des Moines, Iowa 50306
Attention: Group Vice President Finance and Accounting

Notices to the Trustee shall be addressed to:

The Northern Trust Company
50 South LaSalle Street
Chicago, Illinois 60675
Attention: Vice President-Master Trust and Custody Services

5.6 Successors and Assigns. Subject to the provisions of Sections 2.6 and 3.1 hereof, this Agreement shall be binding upon and inure to the benefit of the Company, the Trustee and their respective successors and assigns.

5.7 Counterparts of Agreement. This Agreement has been executed in counterparts, each of which shall be deemed to be an executed original.

5.8 Governing Jurisdiction. The Trusts created hereunder are Illinois trusts and all questions pertaining to its validity, construction and administration shall be determined in accordance with the laws of the State of Illinois.

5.9 Miscellaneous. The Trusts shall operate on an accounting year which coincides with the calendar year.

IN WITNESS WHEREOF, the Company and the Trustee have as of the day and year first above written, executed and delivered this Agreement.

MidAmerican Energy Company

By J. Elbogen
Attest: [Signature]

Northern Trust Company

By Thomas A. Hackett
VICE PRESIDENT
Attest: Peter B. Reed Jr.

EXAMINED
AS TO FORM
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EXHIBIT A

DISBURSEMENT CERTIFICATE

The undersigned, being a duly authorized officer of MidAmerican Energy Company, an Iowa corporation (the "Company"), and in such capacity being duly authorized and empowered to execute and deliver this certificate, hereby certifies to the Trustee of the MidAmerican Energy Company Tax Qualified Decommissioning Trust Fund (the "Trust"), pursuant to Section 2.2(a) of that certain Trust Agreement dated December 29, 1995 (the "Agreement") between the Company and the Trustee, as follows:

- (1) There is due and owing to each Payee ("Payees") [all/a portion of] the invoiced cost to the Company for goods or services provided in connection with the decommissioning of the [name of Plant] as evidenced by the Invoice Schedule (with supporting exhibits) attached as Exhibit 1 hereto;
- (2) All such amounts due and owing to such Payees constitute Qualified Costs;
- (3) All conditions precedent to the making of this disbursement set forth in any agreement between each such Payee and the Company have been fulfilled;
- (4) No Payee is a "disqualified person" within the meaning of Sections 468A and 4951 of the Code by reason of an affiliation with the Company or, if any are, then the payment constitutes compensation or payment or reimbursement of expenses which are reasonable and necessary to carry out the purpose of the Trust and the payment is not excessive; and
- (5) The payment of the amounts owing meets the requirements of the Illinois Statute, Iowa Statute and any Future Orders and all necessary consents and approvals for such payment have been obtained.

Accordingly, you are directed to permit the disbursement of \$ _____ from the Trust in order to permit payment of such sum to be made to the aforementioned Payees for such purpose. You are further directed to disburse such sum, once withdrawn, directly to such Payees in the following manner: [describe manner of payment] on or before [date].

Although you are under no obligation to make any further inquiry or investigation or to obtain any further documentation, it is understood that you may, in your discretion, elect to withhold any such disbursement to any Payee unless and until you receive written releases, in form satisfactory to you, of any liens, security interests or claims of such Payee against the Company or its property as you may in your discretion require.

Capitalized terms used herein without definition shall have the meanings given to such terms in the Agreement.

WITNESS my hand this _____ day of _____, 19__.

By: _____
Duly Authorized Officer

EXHIBIT B

WITHDRAWAL CERTIFICATE

The undersigned, being a duly authorized officer of MidAmerican Energy Company, an Iowa corporation (the "Company"), and in such capacity being duly authorized and empowered to execute and deliver this certificate, hereby certifies to the Trustee of the MidAmerican Energy Company Tax Qualified Decommissioning Trust Fund (the "Trust"), pursuant to Section 2.2(b) of that certain Trust Agreement dated December 29, 1995 (the "Agreement") between the Company and the Trustee, as follows:

(1) The Company has paid and is entitled to reimbursement for amounts paid to Payees for goods or services provided in connection with the decommissioning of the [name of Plant] as described in the Schedule (with supporting exhibits) attached as Exhibit 1 hereto;

(2) All such amounts paid to such Payees constitute Qualified Costs;

(3) No Payee was a "disqualified person" within the meaning of Sections 468A and 4951 of the Code by reason of an affiliation with the Company or, if any were, then the payment constituted compensation or payment or reimbursement of expenses which were reasonable and necessary to carry out the purpose of the Trust and the payment was not excessive; and

(4) The payment of the amounts met the requirements of the Illinois Statute, the Iowa Statute and any Future Orders and all necessary consents and approvals for such payment has been obtained.

Accordingly, you are directed to permit the disbursement of \$_____ from the Trust in order to reimburse the Company for such payments. You are further directed to disburse such sum, once withdrawn, directly to "MidAmerican Energy Company" on or before [date].

Capitalized terms used herein without definition shall have the meanings given to such terms in the Agreement.

WITNESS my hand this ____ day of _____, 19__.

By: _____
Duly Authorized Officer

Institutional Trust and Custody

STATEMENT OF NET ASSETS
TRADE DATE BASIS
DECEMBER 29, 1995

IOWA-ILLINOIS QUALIFIED NDT

ACCOUNT NUMBER

28-0087258

*** SUMMARY OF NET ASSETS ***

CATEGORY	MARKET \$	%	COST \$	%
CASH EQUIVALENTS	745,122.37	3.54	745,122.37	3.72
BONDS AND NOTES	20,014,509.65	95.11	18,964,053.03	94.88
TOTAL INVESTMENTS	20,759,632.02	98.65	19,729,175.40	98.58
ACCRUED INCOME	283,856.27	1.35	283,856.27	1.42
TOTAL ASSETS	21,043,488.29	100.00	20,013,031.67	100.00
NET ASSETS	21,043,488.29	100.00	20,013,031.67	100.00

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PAGE NO. 1



Institutional Trust and Custody

STATEMENT OF NET ASSETS
TRADE DATE BASIS
DECEMBER 29, 1995

IOWA-ILLINOIS QUALIFIED NDT

ACCOUNT NUMBER

28-0007258

*** FIXED INCOME MATURITY SCHEDULE ***

DETAIL		SUMMARY	
YEAR	PAR VALUE	PAR VALUE	PERCENT
1996	1,170,122.37	1,170,122.37	5.35
1997	350,000.00		
1998	2,820,000.00	7,195,000.00	32.91
1999	820,000.00		
2000	3,406,000.00	8,500,000.00	43.46
2001	440,000.00		
2002	355,000.00		
2003	3,618,000.00		
2004	1,735,000.00		
2005	710,000.00		
2006	815,000.00		
2007	805,000.00		
2008	550,000.00		
2009	255,000.00		
2010	110,000.00		
2011	1,015,000.00	3,985,000.00	18.28
2012	860,000.00		
2013	785,000.00		
2014	320,000.00		
2015	805,000.00		
2016			
TOTAL	21,860,122.37	21,860,122.37	100.00

Institutional Trust and Custody

STATEMENT OF NET ASSETS
TRADE DATE BASIS
DECEMBER 29, 1995

IOWA-ILLINOIS QUALIFIED NDT

ACCOUNT NUMBER
29-0087256

*** FIXED INCOME SUMMARY ***

CATEGORY	MARKET \$	%	COST \$	%	ESTIMATED ANNUAL INCOME \$	% MARKET	% COST
US GOVERNMENTS	9,478,028.15	47.36	9,300,192.56	48.89	539,581.25	5.69	5.80
MUNICIPAL BONDS	10,536,481.50	52.64	9,683,860.35	51.01	502,438.75	4.75	5.18
TOTAL INDIVIDUAL BONDS	20,014,509.65	100.00	18,984,053.03	100.00	1,042,020.00	5.20	5.48
TOTAL BONDS AND NOTES	20,014,509.65	100.00	18,984,053.03	100.00	1,042,020.00	5.20	5.48



Institutional Trust and Custody

STATEMENT OF NET ASSETS
TRADE DATE BASIS
DECEMBER 29, 1995

IOWA-ILLINOIS QUALIFIED NBT

ACCOUNT NUMBER
29-0087258

*** DETAIL HOLDINGS SCHEDULE ***

CARRYING VALUE		QUOTE	MARKET	COST	INCOME ACCRUAL
-----		-----	-----	-----	-----
500,000	UNITED STATES OF AMERICA TREASURY NOTES 5.875% DUE 03-31-1999	101.781	508,905.00	501,540.83	7,464.14
2,820,000	UNITED STATES OF AMERICA TREASURY NOTES 6.25% DUE 05-31-2000	103.358	2,814,723.80	2,858,864.10	15,409.84
	MUNICIPAL BONDS -----				
220,000	ADAMS CNTY COLORADO SQL FAM MTG REV BDS SER A REMKT PRE-RE ETM 8.875% DUE 08-01-2000 SINKING FUND	118.680	261,096.00	258,129.20	8,135.42
160,000	ANCHORAGE ALASKA GENERAL PURP REF BD SER A UT OID 5.8% DUE 02-01-2005 OID 89.1480 02/01/93	107.444	171,910.40	162,489.60	3,866.67
145,000	ARLINGTON CNTY VIRGINIA GENERAL OBLIGATION REF BDS 6% DUE 08-01-2012	111.226	161,277.70	141,477.95	725.00

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ACCOUNT NUMBER
29-0087258

*** DETAIL HOLDINGS SCHEDULE ***

CARRYING VALUE	QUOTE	MARKET	COST	INCOME ACCRUAL
210,000	112.552	236,359.20	211,134.00	5,057.50
ARLINGTON TEXAS PERMANENT IMPROVEMENT BDS A OID 6.375% DUE 08-15-2008 OID 96.7420 04/01/92				
135,000	103.848	140,196.15	131,145.75	2,610.00
ASHLAND KENTUCKY ENVRNTL INPT ALLIED CHEMICAL PJ BONDS ETH 5.8% DUE 03-01-2003 SINKING FUND				
190,000	103.752	197,128.60	189,525.00	886.67
ATLANTA GEORGIA GENERAL OBLIGATION BONDS OID 5.5% DUE 12-01-2015 CALLABLE 12/01/03 102.0000 ANNUAL OID 98.3670 06/01/93				
110,000	101.355	111,521.60	109,258.40	513.33
ATLANTA GEORGIA GENERAL OBLIGATION BONDS OID 5.5% DUE 12-01-2018 CALLABLE 12/01/03 102.0000 S/F ANNUAL OID 97.9790 06/01/93				
255,000	111.289	283,786.95	251,538.90	7,968.75
CHICAGO ILLINOIS GENERAL OBLIGATION BONDS REF OID 6.25% DUE 01-01-2011 OID 96.2500 03/01/92				

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*** DETAIL HOLDINGS SCHEDULE ***

CARRYING VALUE	QUOTE	MARKET	COST	INCOME ACCRUAL
175,000	104.263	182,344.00	182,344.00	802.08
CHICAGO IL MET WTR RECLAMATION CAP IMPT GENERAL OBLIG BDS OID 5.5% DUE 12-01-2012 SINKING FUND OID 07.6510 03/01/93				
250,000	101.345	253,361.50	254,712.50	3,437.50
CLARK COUNTY NEVADA IMPROVEMENT & REF GEN OBLIG BDS 5.5% DUE 10-01-1996				
130,000	108.047	141,761.10	127,804.30	1,079.72
COLORADO SPRINGS COLORADO UTILS REV UNREJUNDED BALANCE A 6.5% DUE 11-15-2015 CALLABLE 11/15/01 102.0000 ANNUAL				
220,000	68.287	145,787.40	88,870.00	0.00
COOK COUNTY ILLINOIS CAP APPREC BDS ZERO COUPON OID DUE 11-01-2004 OID 40.8500 08/20/81				
350,000	106.344	372,204.00	350,000.00	1,647.92
COOK CNTY IL CNTY CONS SCH DIST 15 PALATINE GENERAL OBLIG BDS D 5.65% DUE 12-01-2001				

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*** DETAIL HOLDINGS SCHEDULE ***

CARRYING VALUE	QUOTE	MARKET	COST	INCOME ACCRUAL
130,000	115.316	149,910.80	129,383.80	3,315.00
COPPERAS COVE TX INDPT SCH DIST GENERAL OBLIG BDS OID UT PSFG 8.75% DUE 08-15-2008 CALLABLE 08/15/04 100.0000 ANNUAL OID 89.5240 11/01/84				
100,000	100.028	100,028.00	113,176.00	4,500.00
DUPAGE CNTY ILLINOIS ALT JAIL PJ REVENUE BONDS 9% DUE 01-01-1996				
75,000	100.029	75,021.75	34,882.00	3,375.00
DUPAGE CNTY ILLINOIS ALT STORMWATER PJ REVENUE BONDS 9% DUE 01-01-1996				
150,000	102.204	153,308.00	132,462.00	4,218.75
EL PASO TEXAS INDEPENDENT SCHOOL BUILDING BDS 5.525% DUE 07-01-2008 CALLABLE 07/01/01 100.0000				
500,000	103.912	519,560.00	525,605.00	5,500.00
HONOLULU HAWAII CITY & COUNTY REF & IMPT GENERAL OBLIG 5.2% DUE 10-01-2004 OID 99.5720 04/01/93				

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*** DETAIL HOLDINGS SCHEDULE ***

CARRYING VALUE		QUOTE	MARKET	COST	INCOME ACCRUAL
175,000	HOUSTON TEXAS REF GENERAL OBLIGATION BDS C OID 5% DUE 03-01-2004 CALLABLE 03/01/02 100.0000 OID 89.5730 06/15/92	107.164	187,537.00	178,895.25	3,500.00
120,000	ILLINOIS STATE GENERAL OBLIGATION BONDS UT 5.25% DUE 04-01-1999	103.034	123,640.80	122,268.00	1,578.00
175,000	ILLINOIS STATE SALES TAX REVENUE REF BDS SER Q OID 6% DUE 06-15-2012 SINKING FUND OID 89.8480 09/01/92	108.542	189,948.50	177,772.00	468.67
285,000	ILLINOIS STATE SALES TAX REVENUE BONDS SER U 4.5% DUE 06-15-1998	100.896	287,838.60	288,873.15	570.00
190,000	INDIANA MUM PWR AGY PWR SUPPLY REVENUE REF BONDS SER B OID 6% DUE 01-01-2012 OID 98.8820 01/15/93	108.535	208,118.50	177,507.50	5,700.00

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CARRYING VALUE		QUOTE	MARKET	COST	INCOME ACCRUAL
550,000	INTERMOUNTAIN POWER AGY UTAH PWR SUPPL REV B CAP APPR B OID O DUE 07-01-2005 OID 32.8790 06/20/89	62.838	345,609.00	212,498.00	0.00
165,000	JOHNSON COUNTY KANSAS UNIFIED SCH DIST 229 REF PRE-RE 8.75% DUE 03-01-2002 PRE-REFUNDED 09/01/86 100.0000 SINKING FUND	111.469	172,776.95	183,417.70	4,520.83
200,000	LAHICOPA CNTY ARIZONA GENERAL OBLIGATION REF BONDS 6.25% DUE 07-01-2000	108.335	216,670.00	213,480.00	6,250.00
150,000	MASSACHUSETTS BAY TRANSN AUTH WA GEN TRANSN SYS REV REF BDS SER A 7% DUE 03-01-2007	117.705	176,557.50	165,424.50	3,500.00
350,000	MASSACHUSETTS ST CONS LN CAPITAL APPRECIATION SER B DUE 06-01-2003 OID 44.8150 05/30/91	72.553	253,935.50	190,039.50	0.00
200,000	MASSACHUSETTS STATE GENERAL OBLIG REF BDS SER B OID 5.5% DUE 11-01-2007 OID 99.5080 05/01/93	104.602	209,204.00	202,324.00	1,833.33



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CARRYING VALUE		QUOTE	MARKET	COST	INCOME ACCRUAL
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795,000	MISSISSIPPI HOME CORP CAP APPREC-REVENUE BDS SER S ETM DUE 09-01-2013	37.165	295,461.75	248,517.00	0.00
125,000	MISSISSIPPI STATE CAP IMPT GEN OBLIG PRE-RE OID 6% DUE 12-15-2009 PRE-REFUNDED 12/15/02 100.0000 OID 99.9990 12/15/92	109.565	136,956.25	133,126.25	333.33
125,000	NEVADA STATE GENERAL OBLIG REF BDS SER A OID 6.4% DUE 07-15-2004 OID 98.4840 07/15/94	105.236	131,545.00	123,106.25	3,112.50
175,000	NEVADA STATE COLORADO RIVER COMM GENERAL OBLIGATION BONDS OID 6.9% DUE 07-01-2004 OID 99.2650 11/01/84	108.699	190,223.25	166,487.75	5,162.50
785,000	NEW CASTLE INDIANA ECON DEV RESIDUAL REV BDS SER C OID DUE 03-01-2018 OID 05/01/88	29.236	232,426.20	182,746.65	0.00



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CARRYING VALUE		QUOTE	MARKET	COST	INCOME ACCRUAL
250,000	NEW JERSEY STATE GENERAL OBLIGATION BDS OID UT 5.75% DUE 02-15-2008 OID 98.8100 12/15/92	107.876	269,690.00	263,850.00	5,430.58
110,000	OKLAHOMA CITY OKLAHOMA GENERAL OBLIG BDS OID PRE-RE 7% DUE 08-01-2010 PRE-REFUNDED 08/01/01 100.0000 OID 08/01/91	113.335	124,668.50	110,000.00	3,208.33
125,000	ORLANDO FL UTILS COMMN WTR & ELEC REV REF BDS OID 5.8% DUE 10-01-2008 OID 99.0530 12/01/92	107.967	134,858.75	125,530.00	1,612.50
150,000	ORLEANS PARISH LOUISIANA SCHOOL BOARD BONDS MBIA ETM 8.75% DUE 02-01-2004	128.937	193,405.50	177,168.00	5,468.75
760,000	ROMULUS MICHIGAN CMNTYS SCHS CAPITAL APPRECIATION REF BONDS DUE 05-01-2011 OID 31.2060 02/17/93	43.889	333,632.40	237,165.60	0.00



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*** DETAIL HOLDINGS SCHEDULE ***

CARRYING VALUE	QUOTE	MARKET	COST	INCOME ACCRUAL
175,000	106.889	187,230.75	181,007.75	5,031.25
SALT RIV AZ AGRIC IMPT PWR DIST ELEC SYS REV REF BDS A OID 5.75% DUE 01-01-2007 OID 99.6210 02/01/93				
140,000	112.462	157,446.00	148,660.40	4,550.00
SALT RIV AZ AGRIC IMPT PWR DIST ELEC SYS REV REF BDS SER B 6.5% DUE 01-01-2004				
200,000	104.514	209,028.00	205,732.00	4,416.67
SEATTLE WASHINGTON MUN LT & PWR REVENUE REF BONDS SER B OID 5.3% DUE 08-01-2002 OID 99.6160 08/01/92				
250,000	112.868	282,165.00	283,825.00	4,062.50
TEXAS STATE GENERAL OBLIGATION REF BONDS 6.5% DUE 10-01-2004				
200,000	103.571	207,142.00	199,986.00	5,500.00
TUCSON ARIZONA WTR REVENUE REF BONDS OID 5.6% DUE 07-01-2008 OID 98.7190 03/15/93				
280,000	106.709	298,785.20	275,914.80	9,680.00
UNIVERSITY TEXAS PERMANENT UNIVERSITY FUND BDS 6.2% DUE 07-01-2007 CALLABLE 07/01/02 100.0000				

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CARRYING VALUE	QUOTE	MARKET	COST	INCOME ACCRUAL
90,000	110.414	99,372.60	96,728.40	2,210.00
UNIVERSITY TEXAS FING SYS UNIV REVENUE REF BONDS SER B OID 5.5% DUE 08-15-2001 OID 99.6240 02/15/81				
275,000	106.208	292,072.00	262,316.75	3,953.12
WASHINGTON STATE GENERAL OBLIGATION BDS SER 93A 5.75% DUE 10-01-2012 SINKING FUND				
315,000	104.693	328,782.85	314,825.40	4,232.81
WASHINGTON STATE GENERAL OBLIG REF BD SER 93B OID 5.375% DUE 10-01-2006 OID 99.4750 05/01/83				
165,000	107.065	176,657.25	167,667.60	5,156.25
WASHINGTON ST PUB PWR SPLY SYS NUCLEAR PJ REV BDS SER A OID 6.25% DUE 07-01-2000 OID 99.6540 05/01/81				
225,000	100.150	225,337.50	224,052.75	3,675.00
WISCONSIN STATE TRANSPORTATION REVENUE BONDS SER A JID 4.9% DUE 07-01-2006 CALLABLE 07/01/05 100.0000 OID 99.5770 09/01/95				
21,115,000		20,014,509.65	18,984,053.03	281,648.14
TOTAL BONDS AND NOTES				

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PENDING TRANSACTION SCHEDULE
DECEMBER 29, 1995

TRADE DATE /
SETTLE DATE

TRANSACTION DESCRIPTION

AMOUNT

NO PENDING TRANSACTIONS

**NON-TAX QUALIFIED
TRUST AGREEMENT**

THIS TRUST AGREEMENT ("Agreement") is made this 29th day of December, 1995, between MidAmerican Energy Company an Iowa corporation (the "Company"), and The Northern Trust Company, an Illinois corporation, having trust powers (hereinafter, together with any successors in office, called the "Trustee").

WHEREAS, the Company is the owner in whole or in part of each of the Plants (as hereinafter defined);

WHEREAS, the Company is subject to regulation by the Illinois Commerce Commission ("ICC"), the Iowa Utility Board ("IUB"), the Nuclear Regulatory Commission ("NRC") and the Federal Energy Regulatory Commission ("FERC");

WHEREAS, pursuant to the Illinois Statute, the Iowa Statute and Future Orders (as hereinafter defined), the Company has established Qualified Trusts (as hereinafter defined) for each Plant (as hereinafter defined) pursuant to a trust agreement dated March 15, 1989 between the Company and the Harris Trust & Savings Bank ("Harris") establishing the Iowa-Illinois Gas and Electric Company Tax Qualified Decommissioning Trust Fund; and

WHEREAS, the Company has substituted the Trustee for Harris, and the Trustee has agreed to such substitution with respect to the Qualified Trusts (as hereinafter defined) pursuant to the trust agreement dated December 29, 1995 between the Company and Trustee (the "Tax Qualified Trust Agreement"); and

WHEREAS, pursuant to the Illinois Statute, the Iowa Statute and Future Orders, the Company previously established a non-tax qualified trust ("Trust") for each Plant (as hereinafter defined) pursuant to a trust agreement dated as of March 15, 1989 between the Company and Harris; and

WHEREAS, the Company wishes to substitute the Trustee for Harris, and the Trustee is agreeable to such substitution, and in so doing, the parties hereto wish to continue the existence and administration of the Trusts pursuant to this Agreement;

NOW, THEREFORE, the Company shall deliver to the Trustee and, upon receipt, the Trustee shall acknowledge receipt of the funds described on Schedules 1 through 5, inclusive, representing the assets of the Trusts (as hereinafter defined);

TO HAVE AND TO HOLD, such Trusts and such additional funds as may from time to time be added thereto as provided herein, together with the proceeds and reinvestments thereof (hereinafter collectively called the "Trust Fund") unto the Trustee;

IN TRUST NEVERTHELESS, for the use and purpose and upon the terms and conditions hereinafter set forth;

ARTICLE I: DEFINITIONS, NAME AND PURPOSES

1.1. Definitions. As used in this Agreement, the following terms shall have the following meanings.

"Agreement," "Trust Agreement" and the terms "hereof," "herein," "hereto" and "hereunder," when used in this Agreement, shall mean and include this Agreement as the same may from time to time be amended, modified or supplemented.

"Code" shall mean the Internal Revenue Code of 1986, as it may be amended from time to time, and regulations promulgated thereunder.

"Disbursement Certificate" shall mean a document properly completed and executed by the Company substantially in the form of Exhibit A hereto.

"Future Orders" shall mean any orders or rulings of the ICC, IUB, NRC or FERC existing or issued, and any Federal or state laws existing or adopted, in connection with the retention, investment and utilization of funds for the costs of decommissioning any Plant.

"Illinois Statute" shall mean Section 8-508.1 of the Illinois Public Utilities Act (220 ILCS 5/8-508.1) as it may hereafter be amended.

"Iowa Statute" shall mean all applicable Sections of Chapters 476 and 476A of the Code of Iowa, as it may hereafter be amended.

"NRC Rule" shall mean the "General Requirements for Decommissioning Nuclear Facilities" of the NRC (53 Fed. Reg. 24018, June 27, 1988) as it may hereafter be amended.

"Plant" shall mean each, and "Plants" shall mean all, of the Quad Cities Nuclear Generating Station Unit One and the Quad Cities Nuclear Generating Station Unit Two.

"Qualified Costs" shall mean the Company's costs incurred in the decommissioning of a Plant, to the extent that such costs may be paid out of a Trust without contravening the Illinois Statute, the Iowa Statute or any Future Order.

"Qualified Trust" shall mean each, and "Qualified Trusts" shall mean all, of the separate funds established for each of the Plants pursuant to the Qualified Trust Agreement.

"Service" shall mean the Internal Revenue Service.

"Trust" shall mean each, and "Trusts" shall mean all, of the MidAmerican Energy Company Non-Tax Qualified Decommissioning Trust - Unit One and the MidAmerican Energy Non-Tax Qualified Decommissioning Trust - Unit Two.

"Trust Fund" shall be used herein merely to refer to the Trusts in the aggregate and is not intended nor should it be construed to constitute a separate entity.

"Withdrawal Certificate" shall mean a document properly completed and executed by the Company substantially in the form of Exhibit B hereto.

1.2 Names of Trusts. Each Trust shall be known as the "MidAmerican Energy Company Non-Tax Qualified Decommissioning Trust - Quad Cities Unit One" and "MidAmerican Energy Company Non-Tax Qualified Decommissioning Trust - Quad Cities Unit Two." The Trusts, collectively, shall be known as the "MidAmerican Energy Company Non-Tax Qualified Decommissioning Trust Fund."

1.3 Purpose of Trust Agreement. The purpose of this Trust Agreement is to provide funds for the contemplated decommissioning of the Plants listed on the separate Schedules attached hereto and to comply with the Illinois Statute, the Iowa Statute, the NRC Rule and any Future Orders.

ARTICLE II: ESTABLISHMENT OF SEPARATE TRUSTS AND DISPOSITIVE PROVISIONS

The Trustee shall manage, invest and reinvest and, after payment of the expenses described in Section 4.1 hereof, distribute each Trust as follows:

2.1 Separate Trusts. The Company has established a separate Trust for each Plant. Each time the Company makes a contribution to the Trust Fund, it shall designate the amount of such contribution allocable to each such separate Trust. The Trustee shall maintain separate records for each Trust and shall credit thereto its pro rata share of all income of the Trust Fund and charge thereto its pro rata share of all expenses (other than expenses attributable to a particular Plant which shall be expenses charged to the Trust named for such Plant) and any losses. The Trustee shall not be precluded from pooling the assets of the Trusts with one another for investment purposes, and may treat each Trust as having received or accrued a ratable portion of the Trust Fund income in any year.

2.2 Payment of Nuclear Decommissioning Costs. The Trustee shall make payments of Qualified Costs in accordance with the following procedures:

(a) Disbursements to Third Parties. The Trustee shall make payments of Qualified Costs to any person (other than the Company) for goods provided or labor or other services rendered to the Company in connection with the decommissioning of a Plant within five business days of the receipt of the Disbursement Certificate.

(b) Reimbursement to the Company. The Trustee shall make payments to the Company in reimbursement of Qualified Costs actually incurred by the Company and paid to any other person within five business days of receipt of a Withdrawal Certificate.

The Trustee shall be under no duty to inquire into the correctness or accuracy of matters contained in a Disbursement Certificate or Withdrawal Certificate unless representatives of the Trustee then approving any withdrawal or disbursement based on such certificate have actual knowledge of the falsity of any statements made herein.

2.3 Additions to Trusts. From time to time prior to the termination of each Trust held hereunder, the Company may make, and the Trustee shall accept, additional contributions of funds to any separate Trust held hereunder to satisfy the purpose of this Trust Agreement as set forth in Section 1.3 hereof. The making of a contribution by the Company shall constitute the certification of the Company that all necessary consents and approvals to such contribution have been obtained.

2.4 Subsequent Adjustments. The Trustee and the Company understand that the contributions made by the Company and allocated to a Trust from time to time may subsequently be determined to exceed the amounts determined pursuant to Section 468A of the Code and paragraph (c)(2)(ii) of §1.468A-5T thereunder (any such excess being hereinafter referred to as an "Excess Contribution"). Upon the written certification of the Company setting forth the amount of the Excess Contribution, the Trustee shall distribute such amount to the Trustee of the MidAmerican Energy Company Tax Qualified Decommissioning Trust Fund created and existing pursuant to a trust agreement dated December 29, 1995 between the Company and the Trustee named therein, or, if so requested in such written certification, transfer all or a portion of such amount to one or more other separate Trusts held hereunder. Any income attributable to any such Excess Contribution shall be allocated to the Trust to which such Excess Contribution relates.

2.5 Remittance of Taxes. The Trustee shall remit to the Company within 15 business days after the Company's request therefor the amount from each Trust which the Company certifies as the amount by which the Company's federal and, if applicable, state income taxes (including estimated payments) for the preceding fiscal year were increased by the net income of such Trust. The Trustee shall be under no duty to inquire into the correctness or accuracy of any such certificate.

2.6 No Transferability of Interest in any Trust. Except to the extent that any transfer of interest of the Company is approved where required by the ICC, IUB, NRC and FERC, the interest of the Company in any Trust is not transferable, whether voluntarily or involuntarily, by the Company nor subject to the claims of creditors of the Company; provided, however, that any creditor of the Company as to which a Disbursement Certificate for a Trust has been properly completed and submitted to the Trustee may assert a claim directly against such Trust in an amount not to exceed either the amount specified on such Disbursement Certificate or the amount of such Trust available to pay costs other than amounts then owing the Trustee under Section 3.2 hereof.

2.7 Time of Termination. Each Trust hereunder shall terminate to the extent provided in this Section 2.7 upon the earlier to occur of the following events:

(a) In whole, upon the substantial completion of the nuclear decommissioning of the Plant for which such Trust was created and named and as evidenced to the Trustee by the written certification of the Company.

(b) To the extent allowed or provided under the Illinois Statute, the Iowa Statute, the NRC Rule or any Future Order.

The Trust Fund shall terminate when all of the separate Trusts have terminated.

2.8 Distribution of Trust Upon Termination. Upon termination of each Trust, the Trustee shall distribute the entire remaining amount of the trust, including all accrued, accumulated and undistributed net income, to the Company; provided, however, that no such distribution shall be made unless either (a) an order of the ICC, the IUB, the NRC and FERC specifically authorizing such distribution is in effect, as evidenced to the Trustee by the written certification of the Company, and which certification specifies further that all necessary consents and approvals to such distribution have been obtained, or (b) the Company has furnished the Trustee with an opinion of legal counsel to the effect that no such orders are necessary to authorize such distribution and that all necessary consents and approvals to such distribution have been obtained.

2.9 Alterations and Amendments. The Trustee and the Company understand and agree that amendments may be required to this Agreement from time to time to effectuate the purpose of this Trust Agreement and to comply with amendments to or changes in the Illinois Statute, the Iowa Statute, the NRC Rule, any Future Orders, changes in tax laws (including Section 468A of the Code), regulations or rulings (whether published or private) of the Service, and any other changes in the laws applicable to the Company, the Plants or the Trusts created hereunder. The Company and the Trustee may amend this Agreement to the extent necessary or desirable to effectuate such purpose or to comply with such changes; provided, however, in any event, the Trustee may decline to adopt such amendment, if such amendment increases the expenses or responsibilities of the Trustee and no provision satisfactory to the Trustee has been made to compensate the Trustee for such increase, or if the Trustee determines it would be unable with reasonable effort to comply with its duties as to be amended.

2.10 No Authority to Conduct Business. The purpose of this Trust Agreement is limited to the matters set forth in Section 1.3 hereof. This Agreement shall not be construed to confer upon the Trustee any authority to conduct business.

ARTICLE III: GENERAL PROVISIONS RELATING TO THE TRUSTEE

The appointment of any successor Trustee, provisions governing resignation and compensation of the Trustee and the general rules governing the relationships of the Trustee and the Company and any third parties are as follows:

3.1 Designation and Qualification of Successor Trustees. At any time during the term of this Agreement, the Company shall have the right to remove the Trustee acting hereunder and appoint another qualified entity as a successor trustee upon 30 days notice in writing to the

Trustee, or upon such shorter notice as may be acceptable to the Trustee. Any Trustee shall have the right to resign at any time upon 30 days notice in writing to the Company and upon such resignation the Company shall appoint another qualified entity as a successor Trustee. Notwithstanding the foregoing, no such removal or resignation shall be effective until a successor Trustee is appointed by the Company and, if necessary, approved by appropriate regulatory authorities.

Any successor Trustee shall qualify by a duly acknowledged acceptance of this Agreement and the trusts created hereunder, delivered to the Company. Upon acceptance of such appointment by the successor Trustee, the Trustee shall transfer to such successor Trustee the Trust Fund. Any successor Trustee shall have all the rights, powers, duties and obligations herein granted to the original Trustee.

If for any reason the Company is unable to or does not, in the event of the resignation or removal of the Trustee as provided above, appoint a successor Trustee within 40 days after such resignation or removal, either the Company or the Trustee may apply to a court of competent jurisdiction for the appointment of a successor Trustee.

3.2 Compensation and Reimbursement. The Trustee shall be entitled to compensation from each Trust held hereunder at such rates as may be approved in writing from time to time by the Company. Subject to the approval of the Company (which shall not be unreasonably withheld or delayed), the Trustee shall be entitled to be reimbursed from each Trust held hereunder for out-of-pocket expenses including, but not limited to, expenses of agents, auditors and counsel, incurred in connection with the administration of such Trust.

3.3 Transactions With Third Parties. No person or organization dealing with the Trustee hereunder shall be required to inquire into or to investigate its authority for entering into any transaction or to see to the application of the proceeds of any such transaction.

3.4 Financial Statements. The Trustee shall furnish monthly financial statements (audited with respect to accounting by the Trustee's internal audit staff) for each Trust to the Company not later than the 15th day of the following month, or at such other less frequent interval as the Company may require. The financial statements shall show the financial condition of the Trust including, without limitation, the market value of the assets, and the income and expenses of each Trust for the period since the preceding statement and such other information as may be reasonably requested by the Company. The financial statements shall be audited annually by independent certified public accountants employed by the Trustee, subject to the limitations contained in Section 4.8 hereof. The Trustee shall furnish such financial statements as required by law or regulation to the Company.

3.5 Regulatory Reports. The Trustee shall furnish reports to the ICC in compliance with 220 ILCS 5/8-508.1(e.). The Trustee shall provide any such reports to the Company prior to filing with the ICC.

3.6 Tax Returns and Other Reports. The Trustee shall prepare or cause to be prepared such income or other tax returns and such reports for the Trusts as may be required from time to time and shall provide copies thereof to the Company in advance of their filing for review

by the Company. The Trustee shall provide to the Company all statements, documents, lists or other information reasonably requested by the Company. The Trustee shall also sign all such returns and file them or cause them to be filed with the appropriate government agencies. The Trustee shall cooperate with all requests made by regulatory agencies and shall provide copies to the Company in advance of all information submitted to regulatory agencies. At the Company's request, the Trustee shall testify with respect to the Trusts and the Trust Fund in proceedings before regulatory agencies.

3.7 Nominees, Depositories. If the Trustee employs an agent or depository specifically for purposes of providing services related to any Trust held hereunder (other than a securities broker), the Trustee shall disclose to such agent or depository that it is employed on behalf of such Trust.

3.8 Future Orders. The Company shall promptly advise the Trustee in writing of the existence of any Future Order having the effect of imposing new or different responsibilities upon the Trustee under this Agreement.

3.9 Appointment of Investment Manager. The Company shall have the right from time to time to appoint and remove one or more investment managers for any Trust held hereunder and to direct the segregation of any part or all of any such Trust into one or more accounts to be known as "investment manager accounts" and if it does so, it shall appoint an individual, partnership, association or corporation as investment manager to manage the portion of any Trust so segregated. Written notice of any such appointment and/or removal shall be given to the Trustee and the investment manager so appointed. The appointment shall be accomplished using an investment manager agreement signed by the Company and the investment manager and acknowledged by the Trustee. As long as the investment manager is acting, the investment manager shall have full authority to direct the acquisition, retention and disposition of the assets from time to time comprising the investment manager account being managed by the investment manager, and except as set forth in the following paragraph, the Trustee shall have no duty or obligation to review the assets from time to time comprising such investment manager account, to make any recommendations with respect to the acquisition, retention and disposition thereof, nor to determine whether any direction from the investment manager is proper or within the terms of this Agreement.

The Trustee shall have no liability or responsibility to the Company or the Trusts for acting on the direction of, or for failure to act in the absence of directions from, the investment manager for any investment manager account. The Trustee may assume that any investment manager account previously established and the appointment of any investment manager for that account continues in force until receipt of written notice to the contrary from the Company. Pending receipt of directions from the investment manager, any cash received by the Trustee from time to time for any investment manager account shall be invested upon receipt in instruments maturing in three banking days or less. The Trustee shall review the assets in any such investment manager account immediately after their purchase only for the purpose of determining whether such assets are permissible investments under the guidelines established for such account and the provisions of Section 4.3 hereof, and the Trustee shall advise the investment manager of information it receives from an issuer or similar source regarding calls, redemptions, purchase offers and similar matters relating to assets held in any

Trust hereunder. The Company will indemnify the Trustee and hold it harmless from any liability or expense in connection with or arising out of (i) any action taken or omitted or any investment or disbursement of any part of the investment manager account made by the Trustee at the direction of the investment manager, or (ii) any action taken by the Trustee pursuant to notification of an order issued by an investment manager to purchase or sell securities directly to a broker or dealer under a power of attorney.

3.10 Certain Duties and Responsibilities of the Trustee.

(a) In the absence of bad faith on its part, the Trustee may conclusively rely upon certificates or opinions furnished by the Company to the Trustee pursuant to this Agreement.

(b) No provision of this Agreement shall be construed to relieve the Trustee from liability for its own negligent action, its own negligent failure to act, or its own willful misconduct in carrying out its responsibilities under this Agreement, except that (i) this Subsection shall not be construed to limit the effect of Subsection (a) of this section and (ii) no provision of this Agreement shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

3.11 Certain Rights of Trustee. Except as otherwise provided in Section 3.9 hereof:

(a) Any request or direction of the Company mentioned herein shall be sufficiently evidenced by a written request or direction signed, prepared or furnished by an authorized representative of the Company or a verbal or telephonic request or order confirmed within a reasonable time by such a written request or direction, and any action of the board of directors of the Company may be sufficiently evidenced by a certificate of the Company's secretary or assistant secretary;

(b) Whenever in the administration of any Trust created under this Agreement the Trustee shall deem it desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, the Trustee (unless other evidence be herein specifically prescribed) may, in the absence of bad faith on its part, rely upon the certificate of an authorized representative of the Company;

(c) Subject to 3.9(b) above, the Trustee may consult with legal counsel and the written advice of such counsel or any opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or omitted by it hereunder in reliance thereon;

(d) The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Agreement at the request or direction of the Company pursuant to this Agreement, unless the Company shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction; and

(e) In the event that The Northern Trust Company incurs any liability, loss, claim, suit or expense (including reasonable attorneys fees) arising directly out of its provision of services under this Agreement, or its status as Trustee hereunder, under circumstances where The Northern Trust Company cannot obtain or would be precluded by law from obtaining payment or reimbursement of such liability, loss, claim, suit or expense (including reasonable attorneys fees) from the Trust Fund, then the Company (which has the authority to do so under the laws of the state of its incorporation) shall indemnify and hold The Northern Trust Company harmless from and against such liability, loss, claim, suit or expense, except to the extent such liability, loss, claim, suit or expense arises directly from a breach or negligence in performance by the Trustee of its responsibilities as created under the terms of this Agreement. This paragraph shall survive the termination of this Agreement.

ARTICLE IV: TRUSTEE'S POWERS

The Trustee shall have, with respect to each Trust held hereunder, the following powers, all of which powers are fiduciary powers to be exercised in a fiduciary capacity and in the best interests of each Trust, and which are to be exercised as the Trustee, acting in such fiduciary capacity, in its discretion, shall determine, except that the Trustee shall not act in its discretion but only at the direction of an appointed investment manager in the exercise of those powers given in Section 4.2, 4.3, 4.4 and 4.5 hereof with respect to the acquisition, retention and disposition of the assets of an investment manager account, and, except as otherwise provided, which are intended in no way to limit the general powers of the office, namely:

4.1 Payment or Provision for Expenses of Administration. To incur, pay or make provision for any and all charges, taxes and expenses upon or connected with each Trust held hereunder in the discharge of its fiduciary obligations under this Agreement, but to charge said amounts to such Trust only to the extent that such amounts are directed to be paid from such Trust by the Company or may be incurred and paid from such Trust.

4.2 Prudent Investments. Subject to the limitations provided in Section 4.3 hereof, to invest the assets of each Trust only in assets that are prudent investments for assets held in trust and in such a way as to attempt to maximize the after-tax returns thereon.

4.3 Investment of Trust Fund. Pending use of any Trust held hereunder for the purpose of this Trust, to invest and reinvest all or any part of such Trust, including any undistributed income therefrom; provided, however, that no such investment or reinvestment may be made by the Trustee:

(a) In any security or asset of any operator of a nuclear power plant; or

(b) Which would contravene the Illinois Statute, the Iowa Statute or any Future Order in effect at the time such investment or reinvestment is made and previously furnished to the Trustee with reference to the Trusts.

Any investment or reinvestment made by an investment manager shall be reviewed by the Trustee for compliance with (a) or (b) above as provided in Section 3.8 hereof.

All investments must be sufficiently liquid to enable each Trust to fulfill the purpose of this Agreement and to satisfy obligations as they become due as communicated in writing to the Trustee. Nothing in this Section 4.3 shall be construed as requiring the Trustee to make any investigation as to when any of the Plants may be decommissioned or when obligations relating to such decommissioning may be expected to become due, and absent a written communication from the Company, the Trustee shall invest each separate Trust as though such Trust had no short or intermediate term cash requirements.

4.4 Management of Trusts. To sell, exchange or otherwise dispose of all or any part of any Trust held hereunder, without prior application to or approval by or order of any court, upon such terms and in such manner and at such prices as the Trustee shall determine; to modify, renew or extend mortgages, bonds, notes or other obligations or any installment of principal thereof or any interest due thereon and to waive any defaults in the performance of the terms and conditions thereof; and to execute and deliver any and all assignments, bonds or other instruments in connection with these powers, at such times, in such manner and upon such terms and conditions as the Trustee may deem expedient. The Trustee's determinations of manner of sales, terms, prices and the exercise of other powers granted herein, if reasonably made, are not to be questioned.

Notwithstanding anything contained in this Agreement to the contrary, the Trustee in exercising its discretionary authority hereunder may not authorize or carry out any sale, exchange or other transaction between any Trust and a "disqualified person" within the meaning of Section 4951 of the Code except the payment of compensation and expenses pursuant to Section 3.2 hereof or unless such transaction is not an act of "self-dealing" within the meaning of Section 4951 of the Code, as such section is made applicable to each Trust by the Illinois Statute. The Trustee, in exercising its discretionary authority hereunder, shall not cause any Trust to engage in any act of self-dealing with the Company or any affiliate of the Company. The Company agrees to furnish the Trustee with the identity of all persons who are "disqualified persons" within the meaning of said Section 4951 of the Code by reason of their affiliation with the Company.

4.5 Extension of Obligations and Negotiation of Claims. Subject to the limitations contained in Section 4.3 and 4.4 hereof, to renew or extend the time of payment of any obligation, secured or unsecured, payable to or by any Trust, for as long a period or periods of time and on such terms as it shall determine; and to adjust, settle, compromise and arbitrate claims or demands in favor of or against any Trust, including claims for taxes, upon such terms as it deems advisable.

4.6 Registration of Securities. To hold any stocks, bonds, securities and/or other property in the name of a nominee, in a street name or by other title-holding device, without indication of trust.

4.7 Location of Assets. To keep any property belonging to any Trust at any place in the United States.

4.8 Retention and Removal of Professional Service Providers. To employ attorneys, accountants and custodians as it shall deem advisable and to make such payments thereof as the

Trustee shall deem reasonable for the implementation of the purpose of this Agreement. The Trustee shall have the absolute right to dismiss any such agents for any reason whatsoever; provided that the Trustee's selection of an accounting firm shall be subject to the prior consent of the Company, which consent shall not be unreasonably withheld.

4.9 Delegation of Ministerial Powers. To delegate to other persons such ministerial powers and duties as it may deem to be advisable.

4.10 Discretion in Exercise of Powers. To do any and all other acts which the Trustee shall deem proper to effectuate the powers specifically conferred upon it by this Agreement; provided, however, that this section shall not authorize the Trustee to do any act or participate in any transaction which would (a) contravene any provision of this Agreement; or (b) violate the terms and conditions of, or cause any Trust held hereunder not to satisfy the requirements of, the Illinois Statute, the Iowa Statute, the NRC Rule, any Future Order or any other applicable law, regulation or ruling.

ARTICLE V: MISCELLANEOUS PROVISIONS

5.1 Headings. The section headings set forth in this Agreement are inserted for convenience of reference only and shall be disregarded in the construction or interpretation of any of the provisions of this Agreement.

5.2 Particular Words. Any word contained in the text of this Agreement shall be read as the singular or plural as may be applicable in the particular context. Unless otherwise specifically stated, the word "person" shall be taken to mean and include an individual, partnership, association, trust, company or corporation.

5.3 Severability of Provisions. If any provision of this Agreement or its application to any person or entity or in any circumstances shall be invalid and unenforceable, the application of such provision to persons and in circumstances other than those as to which it is invalid or unenforceable and the other provisions of this Agreement, shall not be affected by such invalidity or unenforceability.

5.4 Form and Content of Communications. The names of persons authorized to act on behalf of the Company shall be certified, with the specimen signature of any such person, to the Trustee by the Company. Until notified in writing to the contrary, the Trustee shall have the right to assume that there has been no change in the identity or authority of any person previously certified to it hereunder.

5.5 Delivery of Notices Under Agreement. Any notice required by this Agreement to be given to the Company or the Trustee shall be deemed to have been properly given when mailed postage prepaid, by registered or certified mail. Notices to the Company shall be addressed to:

MidAmerican Energy Company
666 Grand Avenue, P. O. Box 657
Des Moines, Iowa 50306
Attention: Group Vice President Finance and Accounting

Notices to the Trustee shall be addressed to:

The Northern Trust Company
50 South LaSalle Street
Chicago, Illinois 60675
Attention: Vice President-Master Trust and Custody Services

5.6 Successors and Assigns. Subject to the provisions of Sections 2.6 and 3.1 hereof, this Agreement shall be binding upon and inure to the benefit of the Company, the Trustee and their respective successors and assigns.

5.7 Counterparts of Agreement. This Agreement has been executed in counterparts, each of which shall be deemed to be an executed original.

5.8 Governing Jurisdiction. The Trusts created hereunder are Illinois trusts and all questions pertaining to its validity, construction and administration shall be determined in accordance with the laws of the State of Illinois.

5.9 Miscellaneous. The Trusts shall operate on an accounting year which coincides with the calendar year.

IN WITNESS WHEREOF, the Company and the Trustee have as of the day and year first above written, executed and delivered this Agreement.

MidAmerican Energy Company

By

Attest:

Northern Trust Company

By

VICE PRESIDENT

Attest:

EXHIBIT A

DISBURSEMENT CERTIFICATE

The undersigned, being a duly authorized officer of MidAmerican Energy Company, an Iowa corporation (the "Company"), and in such capacity being duly authorized and empowered to execute and deliver this certificate, hereby certifies to the Trustee of the MidAmerican Energy Company Non-Tax Qualified Decommissioning Trust Fund (the "Trust"), pursuant to Section 2.2(a) of that certain Trust Agreement dated December 29, 1995 (the "Agreement") between the Company and the Trustee, as follows:

- (1) There is due and owing to each Payee ("Payees") [all/a portion of] the invoiced cost to the Company for goods or services provided in connection with the decommissioning of the [name of Plant] as evidenced by the Invoice Schedule (with supporting exhibits) attached as Exhibit 1 hereto;
- (2) All such amounts due and owing to such Payees constitute Qualified Costs;
- (3) All conditions precedent to the making of this disbursement set forth in any agreement between each such Payee and the Company have been fulfilled;
- (4) No Payee is a "disqualified person" within the meaning of Section 4951 of the Code by reason of an affiliation with the Company or, if any are, then the payment constitutes compensation or payment or reimbursement of expenses which are reasonable and necessary to carry out the purpose of the Trust and the payment is not excessive; and
- (5) The payment of the amounts owing meets the requirements of the Illinois Statute, the Iowa Statute and any Future Orders and all necessary consents and approvals for such payment have been obtained.

Accordingly, you are directed to permit the disbursement of \$_____ from the Trust in order to permit payment of such sum to be made to the aforementioned Payees for such purpose. You are further directed to disburse such sum, once withdrawn, directly to such Payees in the following manner: [describe manner of payment] on or before [date].

Although you are under no obligation to make any further inquiry or investigation or to obtain any further documentation, it is understood that you may, in your discretion, elect to withhold any such disbursement to any Payee unless and until you receive written releases, in form satisfactory to you, of any liens, security interests or claims of such Payee against the Company or its property as you may in your discretion require.

Capitalized terms used herein without definition shall have the meanings given to such terms in the Agreement.

WITNESS my hand this _____ day of _____, 19__.

By: _____
Duly Authorized Officer

EXHIBIT B

WITHDRAWAL CERTIFICATE

The undersigned, being a duly authorized officer of MidAmerican Energy Company, an Iowa corporation (the "Company"), and in such capacity being duly authorized and empowered to execute and deliver this certificate, hereby certifies to the Trustee of the MidAmerican Energy Company Non-Tax Qualified Decommissioning Trust Fund (the "Trust"), pursuant to Section 2.2(b) of that certain Trust Agreement dated December 29, 1995 (the "Agreement") between the Company and the Trustee, as follows:

(1) The Company has paid and is entitled to reimbursement for amounts paid to Payees for goods or services provided in connection with the decommissioning of the [name of Plant] as described in the Schedule (with supporting exhibits) attached as Exhibit 1 hereto;

(2) All such amounts paid to such Payees constitute Qualified Costs;

(3) No Payee was a "disqualified person" within the meaning of Section 4951 of the Code by reason of an affiliation with the Company or, if any were, then the payment constituted compensation or payment or reimbursement of expenses which were reasonable and necessary to carry out the purpose of the Trust and the payment was not excessive; and

(4) The payment of the amounts met the requirements of the Illinois Statute, the Iowa Statute and any Future Orders and all necessary consents and approvals for such payment has been obtained.

Accordingly, you are directed to permit the disbursement of \$_____ from the Trust in order to reimburse the Company for such payments. You are further directed to disburse such sum, once withdrawn, directly to "MidAmerican Energy Company" on or before [date].

Capitalized terms used herein without definition shall have the meanings given to such terms in the Agreement.

WITNESS my hand this ____ day of _____, 19__.

By: _____
Duly Authorized Officer



Institutional Trust and Custody

STATEMENT OF NET ASSETS
TRADE DATE BASIS
DECEMBER 29, 1976

IOWA-ILLINOIS NON-QUAL MDT

ACCOUNT NUMBER
28-0086319

*** SUMMARY OF NET ASSETS ***

CATEGORY	MARKET \$	%	COST \$	%
CASH EQUIVALENTS BONDS AND NOTES	1,467,384.00 9,873,299.05	13.34 87.82	1,467,384.00 8,895,471.00	14.21 87.13
TOTAL INVESTMENTS	11,140,683.05	101.26	10,462,855.00	101.34
CASH ACCRUED INCOME	313,792.80- 175,193.51	2.85- 1.59	313,792.80- 175,193.51	3.03- 1.69
TOTAL ASSETS	11,002,083.76	100.00	10,324,255.71	100.00
NET ASSETS	11,002,083.76	100.00	10,324,255.71	100.00

Institutional Trust and Custody

STATEMENT OF NET ASSETS
TRADE DATE BASIS
DECEMBER 31, 1995

IOWA-ILLINOIS NON-QUAL MDT

ACCOUNT NUMBER

29-0066319

*** FIXED INCOME MATURITY SCHEDULE ***

DETAIL		SUMMARY	
YEAR	PAR VALUE	PAR VALUE	PERCENT
1996	1,353,591.20	1,353,591.20	11.46
1997	190,000.00		
1998	1,345,000.00	2,795,000.00	23.72
1999	185,000.00		
2000	1,085,000.00	4,875,000.00	42.22
2002	185,000.00		
2003	785,000.00		
2004	1,385,000.00	2,860,000.00	22.57
2005	765,000.00		
2006	500,000.00	11,783,591.20	100.00
2007	405,000.00		
2008	560,000.00		
2009	240,000.00		
2010	150,000.00		
2011	150,000.00		
2012	415,000.00		
2013	1,435,000.00		
2014	200,000.00		
2015	75,000.00		
2018	385,000.00		
TOTAL	11,783,591.20		

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Institutional Trust and Custody

STATEMENT OF NET ASSETS
TRADE DATE BASIS
DECEMBER 29, 1995

IOWA-ILLINOIS NON-QUAL NDT

ACCOUNT NUMBER

29-0066319

*** FIXED INCOME SUMMARY ***

CATEGORY	MARKET		COST		ESTIMATED ANNUAL INCOME	
	\$	%	\$	%	\$	%
MUNICIPAL BONDS	9,673,289.05	100.00	8,895,471.00	100.00	476,203.75	4.92
TOTAL INDIVIDUAL BONDS	9,673,289.05	100.00	8,895,471.00	100.00	476,203.75	4.92
TOTAL BONDS AND NOTES	9,673,289.05	100.00	8,895,471.00	100.00	476,203.75	4.92

Institutional Trust and Custody

STATEMENT OF NET ASSETS
TRADE DATE BASIS
DECEMBER 29, 1995

IOWA-ILLINOIS NON-QUAL NDT

ACCOUNT NUMBER
29-0088319

*** DETAIL HOLDINGS SCHEDULE ***

CARRYING VALUE	QUOTE	MARKET	COST	INCOME ACCRUAL
CASH EQUIVALENTS				
1,467,384	1.000	1,467,384.00	1,467,384.00	4,650.76
PERSONAL INVESTMENT FD HARRIS BK TAXABLE RESERVE FD				
1,467,384		1,467,384.00	1,467,384.00	4,650.76
TOTAL CASH EQUIVALENTS				
BONDS AND NOTES				
MUNICIPAL BONDS				
300,000	118.680	356,040.00	353,358.00	11,093.75
ADAMS CNTY COLORADO SGL FAM MTG REV BDS SER A REMKT PRE-RE ETW 8.875% DUE 08-01-2000 SINKING FUND				
350,000	106.748	373,618.00	374,906.00	9,850.56
ALLEGHENY CNTY PA GENERAL OBLIG REF SER C-33 BDS 7.45% DUE 02-15-1998				
88,000	111.228	105,864.70	82,692.45	475.00
ARLINGTON CNTY VIRGINIA GENERAL OBLIGATION REF BDS 6% DUE 06-01-2012				

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Institutional Trust and Custody

STATEMENT OF NET ASSETS
TRADE DATE BASIS
DECEMBER 28, 1995

IOWA-ILLINOIS NON-QJAL NDT

ACCOUNT NUMBER
29-0088319

*** DETAIL HOLDINGS SCHEDULE ***

CARRYING VALUE		QUOTE	MARKET	COST	INCOME ACCRUAL
-----		-----	-----	-----	-----
250,000	ARLINGTON TEXAS PERMANENT IMPROVEMENT BDS A OID 6.375% DUE 08-15-2008 OID 98.7420 04/01/92	112.852	281,380.00	251,350.00	5,020.83
160,000	ASHLAND KENTUCKY ENVRKTL IMPT ALLIED CHEMICAL PJ BONDS ETW 5.8% DUE 03-01-2003 SINKING FUND	103.848	155,158.40	155,432.00	3,083.33
200,000	AUSTIN TEXAS CERTIFICATES OBLIGATION BONDS 6% DUE 09-01-2004	109.612	219,224.00	217,878.00	4,000.00
260,000	CHATTANOOGA TENNESSEE IMPT & SEW GENERAL OBLIGATION BONDS 7.75% DUE 08-01-1998	108.802	282,885.20	283,870.00	8,395.83
150,000	CHICAGO ILLINOIS GENERAL OBLIGATION BONDS REF OID 6.25% DUE 01-01-2011 OID 96.2500 03/01/92	111.289	156,933.50	148,377.00	4,687.50
250,000	CHICAGO ILLINOIS EMERGENCY TELE SYS BONDS OID 5.8% DUE 01-01-2013 CALLABLE 01/01/03 102,0000 S/F ANNUAL OID 99.4100 05/01/93	103.529	258,822.50	248,375.00	7,250.00

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Institutional Trust and Custody

STATEMENT OF NET ASSETS
TRADE DATE BASIS
DECEMBER 29, 1995

IOWA-ILLINOIS NON-QUAL NDT

ACCOUNT NUMBER
29-0088318

*** DETAIL HOLDINGS SCHEDULE ***

CARRYING VALUE	QUOTE	MARKET	COST	INCOME ACCRUAL
120,000	104.263	125,115.60	111,321.60	550.00
CHICAGO IL MET WTR RECLAMATION CAP IMPT GENERAL OBLIG BDS OID 5.5% DUE 12-01-2012 SINKING FUND OID 87.6510 03/01/93				
125,000	106.480	133,100.00	136,812.50	4,937.50
CHICAGO ILLINOIS PUB BLDG COMM CHRTY COLLEGE DIST 508-B REV ETM 7.8% DUE 01-01-1998 CALLABLE 01/01/97 102.0000				
75,000	108.047	81,785.25	73,733.25	622.82
COLORADO SPRINGS COLORADO UTILS REV UNREFUNDED BALANCE A 6.5% DUE 11-15-2015 CALLABLE 11/15/01 102.0000 ANNUAL				
250,000	104.342	260,555.00	261,265.00	3,780.97
COLUMBUS OHIO GENERAL OBLIG BDS SER 1 OIDUT 5.15% DUE 09-15-2004 CALLABLE 08/15/03 102.0000 OID 88.5710 03/15/93				
300,000	86.267	198,801.00	122,550.00	0.00
COCK COUNTY ILLINOIS CAP APPREC BDS ZERO COUPON OID DUE 11-01-2004 OID 40.8500 08/20/91				

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Institutional Trust and Custody

STATEMENT OF NET ASSETS
TRADE DATE BASIS
DECEMBER 29, 1985

IGWA-ILLINOIS NON-QUAL NDT

ACCOUNT NUMBER
29-0088319

*** DETAIL HOLDINGS SCHEDULE ***

CARRYING VALUE	DESCRIPTION	QUOTE	MARKET	COST	INCOME ACCRUAL
85,000	COPPERAS COVE IDPT SCH DIST GENERAL OBLIG 8-15-2008 6.75% DUE 08-15-2008 CALLABLE 08/15/04 100.0000 ANNUAL OID 98.5240 11/01/94	115.316	98,019.60	84,597.10	2,167.50
200,000	DUPAGE CNTY ILLINOIS ALT JAIL PJ REVENUE BONDS 8% DUE 01-01-1996	100.028	200,058.00	226,352.00	9,000.00
210,000	EL PASO TEXAS INDEPENDENT SCHOOL BUILDING BDS 5.625% DUE 07-01-2008 CALLABLE 07/01/01 100.0000	102.204	214,628.40	165,446.80	5,906.25
180,000	FAIRFAX COUNTY VIRGINIA GENERAL OBLIG REF BDS SER A 4.7% DUE 06-01-2000	102.117	183,810.60	180,468.00	705.00
185,000	GARLAND TEXAS TAX COMBINATION CERTIFICATES OF OBLIGATION 5.25% DUE 08-15-1989 CALLABLE 08/15/86 100.0000	106.452	195,086.20	17,000.00	4,358.45

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Institutional Trust and Custody

STATEMENT OF NET ASSETS
TRADE DATE BASIS
DECEMBER 29, 1995

IOWA-ILLINOIS NON-QUAL NDT

ACCOUNT NUMBER
29-0088319

*** DETAIL HOLDINGS SCHEDULE ***

CARRYING VALUE	QUOTE	MARKET	COST	INCOME ACCRUAL
180,000	107.184	203,811.60	182,057.70	3,800.00
HOUSTON TEXAS REF GENERAL OBLIGATION BDS C OID 6% DUE 03-01-2004 CALLABLE 03/01/02 100.0000 OID 89.5730 06/15/92				
100,000	108.542	108,542.00	101,584.00	266.67
ILLINOIS STATE SALES TAX REVENUE REF BDS SER Q OID 6% DUE 06-15-2012 SINKING FUND OID 88.8480 09/01/92				
215,000	100.996	217,141.40	217,921.85	450.00
ILLINOIS STATE SALES TAX REVENUE BONDS SER U 4.5% DUE 06-15-1998				
100,000	108.535	109,535.00	93,425.00	3,000.00
INDIANA MUN PWR AGY PWR SUPPLY REVENUE REF BONDS SER B OID 6% DUE 01-01-2012 OID 98.8520 01/15/93				
765,000	62.838	480,710.70	295,565.40	0.00
INTERMOUNTAIN POWER AGY UTAH PWR SUPPL REV B CAP APPR B OID O DUE 07-01-2005 OID 32.6790 06/20/89				

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Institutional Trust and Custody

STATEMENT OF NET ASSETS
TRADE DATE BASIS
DECEMBER 29, 1995

IOWA-ILLINOIS NON-QUAL MDT

ACCOUNT NUMBER
29-0088319

*** DETAIL HOLDINGS SCHEDULE ***

CARRYING VALUE	QUOTE	MARKET	COST	INCOME ACCRUAL
185,000	111.459	206,217.85	219,917.90	5,395.83
JOHNSON COUNTY KANSAS UNIFIED SCH DIST 228 REF PRE-RE 8.75% DUE 03-01-2002 PRE-REFUNDED 09/01/88 100.0000 SINKING FUND				
200,000	101.451	202,802.00	203,416.00	1,833.33
LIVONIA MICHIGAN PUB SCHS DIST GENERAL OBLIGATION REF BDS OID 5.5% DUE 05-01-2014 CALLABLE 05/01/03 102.0000 S/F SEMI-ANN OID 99.0180 09/07/93				
90,000	117.706	105,934.50	89,354.70	2,100.00
MASSACHUSETTS BAY TRANSN AUTH MA GEN TRANSN SYS REV REF BUS SER A 7% DUE 03-01-2007				
350,000	72.553	253,835.50	190,039.50	0.00
MASSACHUSETTS ST CONS LN CAPITAL APPRECIATION SER B DUE 06-01-2003 OID 44.8150 05/30/91				
90,000	109.353	98,417.70	83,435.30	2,400.00
MINNESOTA STATE GENERAL OBLIGATION BONDS UT 6.4% DUE 06-01-2000				
295,000	102.143	301,321.85	301,444.55	5,900.00
MINNESOTA ST GENERAL OBLIGATION REF BONDS 4.8% DUE 08-01-1998				

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Institutional Trust and Custody

STATEMENT OF NET ASSETS
TRADE DATE BASIS
DECEMBER 29, 1995

IOWA-ILLINOIS NON-QUAL MDT

ACCOUNT NUMBER
29-0088319

*** DETAIL HOLDINGS SCHEDULE ***

CARRYING VALUE		QUOTE	MARKET	COST	INCOME ACCRUAL
385,000	MISSISSIPPI HOME CORP CAP APPREC-REVENUE BDS SER S ETM DUE 08-01-2013	37.165	143,085.25	120,351.00	0.00
85,000	MISSISSIPPI STATE CAP IMPT GEN OBLIG PRE-RE OID 5% DUE 12-15-2009 PRE-REFUNDED 12/15/02 100.0000 OID 99.9980 12/15/92	108.555	93,130.25	90,525.85	226.67
75,000	NEVADA STATE COLORADO RIVER COMM GENERAL OBLIGATION BONDS OID 5.5% DUE 07-01-2004 OID 99.2650 11/01/94	106.689	81,524.25	79,494.75	2,212.50
385,000	NEW CASTLE INDIANA ECON DEV RESIDUAL REV BDS SER C OID DUE 03-01-2018 OID 05/01/88	29.235	112,558.60	88,499.95	0.00
75,000	NEW JERSEY STATE GENERAL OBLIGATION BDS OID UT 5.75% DUE 02-15-2006 OID 98.8100 12/15/92	107.876	80,907.00	79,155.00	1,628.17
195,000	NEW JERSEY ST TPK AUTH YPK REV BDS SER A 5.6% DUE 01-01-2000	103.842	202,491.90	181,472.45	5,460.00

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DECEMBER 29, 1995

IOWA-ILLINOIS NON-QUAL NDT

ACCOUNT NUMBER
29-008319

*** DETAIL HOLDINGS SCHEDULE ***

CARRYING VALUE	QUOTE	MARKET	COST	INCOME ACCRUAL
70,000	114.803	80,432.10	77,851.80	1,551.67
OHIO STATE GENERAL OBLIGATION BONDS 8.65% DUE 08-01-2008 SINKING FUND				
150,000	113.335	170,002.50	150,000.00	4,375.00
OKLAHOMA CITY OKLAHOMA GENERAL OBLIG BDS OID PRE-RE 7% DUE 08-01-2010 PRE-REFUNDED 08/01/01 100.0000 OID 08/01/91				
100,000	100.638	100,638.00	99,556.00	350.00
OREGON STATE PLTN CTL GENERAL OBLIG BDS SER C 4.2% DUE 06-01-1998				
80,000	107.367	97,170.30	90,381.60	1,305.00
ORLANDO FL UTILS COMM WTR & ELEC REV REF BDS OID 5.8% DUE 10-01-2006 OID 99.0530 12/01/82				
190,000	128.937	241,980.30	224,412.80	6,927.08
ORLEANS PARISH LOUISIANA SCHOOL BOARD BONDS MBIA ETH 8.75% DUE 02-01-2004				
80,000	112.462	89,969.60	84,948.80	2,600.00
SALT RIV AZ AGRIC IMPT PWR DIST ELEC SYS REV REF BDS SER B 8.5% DUE 01-01-2004				

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STATEMENT OF NET ASSETS
TRADE DATE BASIS
DECEMBER 29, 1995

IOWA-ILLINOIS NON-QUAL NDT

ACCOUNT NUMBER
29-0086318

*** DETAIL HOLDINGS SCHEDULE ***

CARRYING VALUE	QUOTE	MARKET	COST	INCOME ACCRUAL
800,000	38.678	309,424.00	252,744.00	0.00
TEXAS MUNICIPAL POWER AGENCY CAP APPREC REVENUE REF BONDS OID DUE 09-01-2013 OID 29.5390 06/29/93				
100,000	112.866	112,866.00	113,530.00	1,625.00
TEXAS STATE GENERAL OBLIGATION REF BONDS 6.5% DUE 10-01-2004				
100,000	103.571	103,571.00	99,893.00	2,750.00
TUCSON ARIZONA WTR REVENUE REF BONDS OID 6.5% DUE 07-01-2008 OID 98.7194 1/15/83				
145,000	97.069	140,750.05	137,277.30	1,111.67
UNIV OF ILL UNIV CORP EDL BLDG REV BOND 2ND SER OID 4.6% DUE 06-01-2007 CALLABLE 05/01/04 102.0000 SEMI-ANNUAL 01/01/94				
220,000	106.445	234,179.00	240,418.20	4,125.00
UNIVERSITY MICHIGAN STUDENT FEE REVENUE REF BONDS PRE-RE 7.5% DUE 04-01-2000 PRE-REFUNDED 04/01/97 102.0000				

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Institutional Trust and Custody

STATEMENT OF NET ASSETS
TRADE DATE BASIS
DECEMBER 29, 1995

IOWA-ILLINOIS NON-QUAL NDT

ACCOUNT NUMBER
29-0088319

*** DETAIL HOLDINGS SCHEDULE ***

CARRYING VALUE	QUOTE	MARKET	COST	INCOME ACCRUAL
170,000	106.709	181,405.30	167,519.70	5,270.00
UNIVERSITY TEXAS PERMANENT UNIVERSITY FUND BDS 5.2% DUE 07-01-2007 CALLABLE 07/01/02 100.0000				
275,000	102.357	281,451.75	280,183.75	8,459.31
VIRGINIA ST TRANSN BRD CONTRACT US RTE 58 CORRIDOR PG-A OID 4.9% DUE 05-15-2003 OID 98.8330 05/15/93				
180,000	101.620	182,916.00	183,542.40	2,840.00
WASHINGTON STATE REF BONDS SER R-92C OID 4.8% DUE 08-01-1997 OID 99.5130 02/01/92				
85,000	104.693	88,992.05	85,111.45	1,142.19
WASHINGTON STATE GENERAL OBLIG REF BD SER 93B OID 5.375% DUE 10-01-2006 OID 99.4750 05/01/93				
100,000	100.187	100,197.00	99,132.00	358.33
WISCONSIN ST CLEAN WATER REVENUE BONDS SER 1 OID 4.3% DUE 06-01-2000 OID 99.1230 06/15/93				



Institutional Trust and Custody

STATEMENT OF NET ASSETS
TRADE DATE BASIS
DECEMBER 29, 1995

IOWA-ILLINOIS NON-QUAL NDT

ACCOUNT NUMBER
29-0085319

*** DETAIL HOLDINGS SCHEDULE ***

CARRYING VALUE		QUOTE	MARKET	COST	INCOME ACCRUAL
250,000	WISCONSIN STATE TRANSPORTATION REVENUE BONDS SER A OID 4.9% DUE 07-01-2008 CALLABLE 07/01/05 100.0000 OID 99.5770 09/01/95	100.150	250,375.00	247,720.50	4,083.33
10,530,000	TOTAL BONDS AND NOTES		9,673,299.05	8,995,471.00	170,542.75
12,097,384	TOTAL INVESTMENTS		11,140,683.05	10,462,855.00	175,193.51



Institutional Trust and Custody

PENDING TRANSACTION SCHEDULE
DECEMBER 29, 1995

IOWA-ILLINOIS NON-QUAL NDT

ACCOUNT NUMBER
29-008831E

TRADE DATE/
SETTLE DATE

TRANSACTION DESCRIPTION

AMOUNT

NO PENDING TRANSACTIONS

QUAD CITIES
NUCLEAR DECOMMISSIONING TRUST
UNIT II
TAX QUALIFIED
TRUST AGREEMENT

TAX QUALIFIED TRUST AGREEMENT

THIS TRUST AGREEMENT ("Agreement") is made as of this 1st day of February, 1999 between MidAmerican Energy Company, an Iowa corporation (the "Company"), and The Bank of New York, a New York banking corporation, having trust powers (hereinafter, together with any successors in office, called the "Trustee").

WHEREAS, the Company is the owner in whole or in part of each of the Plants (as hereinafter defined);

WHEREAS, the Company is subject to regulation by the Illinois Commerce Commission ("ICC"), the Iowa Utilities Board ("IUB"), the Nuclear Regulatory Commission ("NRC") and the Federal Energy Regulatory Commission ("FERC");

WHEREAS, under the Code (as hereinafter defined), including Section 468A thereof, certain income tax benefits are available to the Company by funding qualified "nuclear decommissioning reserve funds;" and

WHEREAS, this Agreement is entered into and intended to be and remain qualified under Section 468A of the Code and the regulations promulgated thereunder, and any successor or amendments thereto; and

WHEREAS, the Company previously established, pursuant to the Illinois Statute, Iowa Statute and Future Orders, a tax qualified trust ("Trust") for each Plant (as hereinafter defined) pursuant to a trust agreement dated as of March 15, 1989 between the Company and Harris Trust & Savings Bank ("Harris"), and thereafter substituted The Northern Trust Company ("Northern") for Harris pursuant to a Trust Agreement dated Dec. 29, 1995; and

WHEREAS, the Company wishes to substitute the Trustee for Northern, and the Trustee is agreeable to such substitution, and in so doing, the parties wish to continue the existence and administration of the Trusts pursuant to this Agreement; and

WHEREAS, the Company has established, pursuant to the Illinois Statute, Iowa Statute and Future Orders, a non-tax qualified trust for each Plant (as defined herein) pursuant to a trust agreement dated as of March 15, 1989 between the Company and Harris, and thereafter substituted Northern for Harris pursuant to a Trust Agreement dated December 29, 1995; and

WHEREAS, the Company has substituted Trustee for Northern, and the Trustee has agreed to such substitution, with respect to the non-tax qualified trusts pursuant to the trust agreement dated as of February 1, 1999 between the Company and Trustee;

NOW, THEREFORE, the Company shall deliver to the Trustee and, upon receipt, the Trustee shall acknowledge receipt of the funds described on Schedules 1 through 5, inclusive, representing the assets of the Trusts (as hereinafter defined);

TO HAVE AND TO HOLD, such Trusts and such additional funds as may from time to time be added thereto as provided herein, together with the proceeds and reinvestments thereof (hereinafter collectively called the "Trust Fund") unto the Trustee;

IN TRUST NEVERTHELESS, for the use and purpose and upon the terms and conditions hereinafter set forth;

ARTICLE 1: DEFINITIONS. NAME AND PURPOSES

1. 1. Definitions. As used in this Agreement, the following terms shall have the following meanings.

"Agreement," "Trust Agreement" and the terms "hereof," "herein," "hereto" and "hereunder," when used in this Agreement, shall mean and include this Agreement as the same may from time to time be amended, modified or supplemented.

"Code" shall mean the Internal Revenue Code of 1986, as it may be amended from time to time, and regulations promulgated thereunder. "Section 468A" shall mean that section of the Code as it may be amended from time to time, any successor provision thereto and the regulations promulgated thereunder.

"Disbursement Certificate" shall mean a document properly completed and executed by the Company substantially in the form of Exhibit A hereto.

"Excess Contribution" shall have the meaning set forth in Section 2.4 hereof.

"Future Orders" shall mean any orders or rulings of the ICC, IUB, NRC or FERC existing or issued, and any Federal or state laws existing or adopted, in connection with the retention, investment and utilization of funds for the costs of decommissioning any Plant.

"Illinois Statute" shall mean Section 8-508.1 of the Illinois Public Utilities Act (220 ILCS 5/8-508. 1) as it may hereafter be amended.

"Iowa Statute" shall mean all applicable sections of Chapter 476 and 476A of the Code of Iowa, as it may hereafter be amended.

"NRC Rule" shall mean "General Requirements for Decommissioning Nuclear Facilities" of the NRC (53 Fed. Reg. 24018, June 27, 1988) as it may hereafter be amended.

"Person" means an individual, partnership, corporation, limited liability company, joint venture, association, trust, or any other entity or organization, including a government or political subdivision or agent or instrumentality thereof.

"Plant" shall mean each, and "Plants" shall mean all, of the Quad Cities Nuclear Generating Station Unit One and the Quad Cities Nuclear Generating Station Unit Two.

"Qualified Costs" shall mean the Company's costs incurred in the decommissioning of a Plant, to the extent that such costs may be paid out of a Trust pursuant to Section 468A.

"Service" shall mean the Internal Revenue Service.

"Trust" shall mean each, and "Trusts" shall mean all, of the MidAmerican Energy Company Tax Qualified Decommissioning Trust - Unit One and the MidAmerican Energy Tax Qualified Decommissioning Trust - Unit Two; each such trust has been established and shall continue to be maintained as a qualified nuclear decommissioning reserve fund pursuant to Code Section 468A.

"Trust Fund" shall be used herein merely to refer to the Trusts in the aggregate and is not intended nor should it be construed to constitute a separate entity.

"Withdrawal Certificate" shall mean a document properly completed and executed by the Company substantially in the form of Exhibit B hereto.

1.2 Names of Trusts. Each Trust shall be known as the "MidAmerican Energy Company Tax Qualified Decommissioning Trust - Quad Cities Unit One" and "MidAmerican Energy Company Tax Qualified Decommissioning Trust - Quad Cities Unit Two." The Trusts, collectively, shall be known as the "MidAmerican Energy Company Tax Qualified Decommissioning Trust Fund."

1.3 Purpose of Trust Agreement. The purpose of this Trust Agreement is to provide funds for the contemplated decommissioning of the Plants listed on the separate Schedules attached hereto and to comply with the Illinois Statute, the Iowa Statute, the NRC Rule and any Future Orders, and to constitute "nuclear decommissioning reserve funds" within the meaning of Section 468A. The assets of the Trusts may be used only in a manner that is authorized by Code Section 468A and the regulations thereunder.

ARTICLE II: ESTABLISHMENT OF SEPARATE TRUSTS AND DISPOSITIVE PROVISIONS

The Trustee shall manage, invest and reinvest and, after payment of the expenses described in Section 4. 1 hereof, distribute each Trust as follows:

2.1 Separate Trusts. The Company has established a separate trust for each Plant. Each time the Company makes a contribution to the Trust Fund, it shall designate the amount of such contribution allocable to each such separate Trust. The Trustee shall maintain separate records for each Trust and shall credit thereto its pro rata share of all income of the Trust Fund and charge thereto its pro rata share of all expenses (other than expenses attributable to a particular Plant which shall be expenses charged to the Trust named for such Plant) and any losses. The Trustee shall not be precluded from pooling the assets of the Trusts with one another for investment purposes, and may treat each Trust as having received or accrued a ratable portion of the Trust Fund income in any year. The pooling arrangement undertaken as permitted in this Section 2.1 can be terminated at any time by any Trust. No Trust in the pooling arrangement may substitute for itself in such arrangement any person that is not a member of that pooling arrangement.

2.2 Payment of Nuclear Decommissioning Costs. The Trustee shall make payments from the Trust for decommissioning costs in accordance with the following procedures:

(a) Disbursements to Third Parties. The Trustee shall make payments of costs to any person (other than the Company) for goods provided or labor or other services rendered to the Company in connection with the decommissioning of a Plant within five business days of the receipt of the Disbursement Certificate.

(b) Reimbursement to the Company. The Trustee shall make payments to the Company in connection with the decommissioning of the Plant in reimbursement of costs actually incurred by the Company and paid to any other person within five business days of receipt of a Withdrawal Certificate.

The Trustee shall be under no duty to inquire into the correctness or accuracy of matters contained in a Disbursement Certificate or Withdrawal Certificate unless representatives of the Trustee then approving any withdrawal or disbursement based on such certificate have actual knowledge of the falsity of any statements made herein. The Company will indemnify the Trustee and hold it harmless from any tax imposed pursuant to Section 4951 of the Code with respect to a disbursement or reimbursement made by the Trustee pursuant to this Section 2.2 in reliance on a Disbursement Certificate or a Withdrawal Certificate, respectively, provided representatives of the Trustee then approving such disbursement or reimbursement do not have actual knowledge of the falsity of any statements made in the related Disbursement Certificate or Withdrawal Certificate that would have prevented the imposition of such tax.

2.3 Additions to Trusts. From time to time prior to the termination of each Trust held hereunder, the Company may make, and the Trustee shall accept, additional contributions of funds to any separate Trust held hereunder to satisfy the purpose of this Trust Agreement as set forth in Section 1.3 hereof. The making of a contribution by the Company shall constitute the certification of the Company that all necessary consents and approvals to such contribution have been obtained.

2.4 Subsequent Adjustments. The Trustee and the Company understand that the contributions made by the Company and allocated to a Trust from time to time may subsequently be determined to exceed the amounts determined pursuant to Section 468A of the Code and paragraph (c)(2)(ii) of §1.468A-5T thereunder (any such excess being hereinafter referred to as an "Excess Contribution"). Upon the written certification of the Company setting forth the amount of the Excess Contribution, the Trustee shall distribute such amount to the Trustee of the MidAmerican Energy Company Non-Tax Qualified Decommissioning Trust Fund created and existing pursuant to a trust agreement dated as of February 1, 1999 between the Company and the Trustee named therein, or, if so requested in such written certification, transfer all or a portion of such amount to one or more other separate Trusts held hereunder. Any income attributable to any such Excess Contribution shall be allocated to the Trust to which such Excess Contribution relates.

2.5 Payment of Taxes. The Trustee shall pay out of each separate Trust any federal and, if applicable, state income taxes on the income of such Trust including estimated payments as and when due in accordance with the returns prepared in accordance with Section 3.5 hereof.

2.6 No Transferability of Interest in any Trust. Except to the extent that any transfer of interest of the Company is approved where required by the ICC, IUB, NRC and FERC, the interest of the Company in any Trust is not transferable, whether voluntarily or involuntarily, by the Company nor subject to the claims of creditors of the Company; provided, however, that any creditor of the Company as to which a Disbursement Certificate for a Trust has been properly completed and submitted to the Trustee may assert a claim directly against such Trust in an amount not to exceed either the amount specified on such Disbursement Certificate or the amount of such Trust available to pay costs other than amounts then owing the Trustee under Section 3.2 hereof.

2.7 Time of Termination. Each Trust hereunder shall terminate to the extent provided in this Section 2.7 upon the earlier to occur of the following events:

(a) In whole, upon the substantial completion of the nuclear decommissioning of the Plant for which such Trust was created and named as provided in Section 468A(e)(7) of the Code and as evidenced to the Trustee by the written certification of the Company.

(b) To the extent allowed or provided under Section 468A of the Code, the Illinois Statute, the Iowa Statute, the NRC Rule or any Future Order.

The Trust Fund shall terminate when all of the separate Trusts have terminated.

2.8 Distribution of Trust Upon Termination. Upon termination of each Trust, the Trustee shall distribute the entire remaining amount of the trust, including all accrued, accumulated and undistributed net income, to the Company; provided, however, that no such distribution shall be made unless either (a) an order of the ICC, IUB or the NRC and FERC specifically authorizing such distribution is in effect, as evidenced to the Trustee by the written certification of the Company, and which certification specifies further that all necessary consents and approvals to such distribution have been obtained, or (b) the Company has furnished the Trustee with an opinion of legal counsel to the effect that no such orders are necessary to authorize such distribution and that all necessary consents and approvals to such distribution have been obtained.

2.9 Alterations and Amendments. The Trustee and the Company understand and agree that amendments may be required to this Agreement from time to time to effectuate the purpose of this Trust Agreement and to comply with amendment to or changes in the Illinois Statute, the Iowa Statute, the NRC Rule, any Future Orders, changes in tax laws (including Section 468A of the Code), regulations or rulings (whether published or private) of the Service, and any other changes in the laws applicable to the Company, the Plants or the Trusts created hereunder. The Company and the Trustee may amend this Agreement to the extent necessary or desirable to effectuate such purpose or to comply with such changes; provided, however, in any event, the Trustee may decline to adopt such amendment, if such amendment increases the expenses or responsibilities of the Trustee and no provision satisfactory to the Trustee has been made to compensate the Trustee for such increase, or if the Trustee determines it would be unable with reasonable effort to comply with its duties as to be amended. This Agreement may not be amended in a manner that would violate Code Section 468A or the regulations thereunder.

2.10 No Authority to Conduct Business. The purpose of this Trust Agreement is limited to the matters set forth in Section 1.3 hereof. This Agreement shall not be construed to confer upon the Trustee any authority to conduct business.

ARTICLE III: GENERAL PROVISIONS RELATING TO THE TRUSTEE

The appointment of any successor Trustee, provisions governing resignation and compensation of the Trustee and the general rules governing the relationships of the Trustee and the Company and any third parties are as follows:

3.1 Designation and Qualification of Successor Trustees. At any time during the term of this Agreement, the Company shall have the right to remove the Trustee acting hereunder and appoint another qualified entity as a successor trustee upon 30 days notice in writing to the Trustee, or upon such shorter notice as may be acceptable to the Trustee. Any Trustee shall have the right to resign at any time upon 30 days notice in writing to the Company and upon such resignation the Company shall appoint another qualified entity as a successor Trustee. Notwithstanding the foregoing, no such removal or resignation shall be effective until a successor Trustee is appointed by the Company and, if necessary, approved by appropriate regulatory authorities.

Any successor Trustee shall qualify by a duly acknowledged acceptance of this Agreement and the trusts created hereunder, delivered to the Company. Upon acceptance of such appointment by the successor Trustee, the Trustee shall transfer to such successor Trustee the Trust Fund. Any successor Trustee shall have all the rights, powers, duties and obligations herein granted to the original Trustee.

If for any reason the Company is unable to or does not, in the event of the resignation or removal of the Trustee as provided above, appoint a successor Trustee within 40 days after such resignation or removal, either the Company or the Trustee may apply to a court of competent jurisdiction for the appointment of a successor Trustee.

3.2 Compensation and Reimbursement. The Trustee shall be entitled to compensation from each Trust held hereunder at such rates as may be approved in writing from time to time by the Company. Subject to the approval of the Company (which shall not be unreasonably withheld or delayed), the Trustee shall be entitled to be reimbursed from each Trust held hereunder for out-of-pocket expenses including, but not limited to, expenses of agents, auditors and counsel, incurred in connection with the administration of such Trust.

3.3 Transactions With Third Parties. No person or organization dealing with the Trustee hereunder shall be required to inquire into or to investigate its authority for entering into any transaction or to see to the application of the proceeds of any such transaction.

3.4 Financial Statements. The Trustee shall furnish monthly financial statements (reviewed with respect to accounting by the Trustee's internal staff) for each Trust to the Company not later than the 15th day of the following month, or at such other less frequent interval as the Company may require. The financial statements shall show the financial condition of the Trust including, without limitation, the market value of the assets, and the income and expenses of each Trust for the period since the preceding statement and such other information as may be reasonably

requested by the Company. The Trustee shall provide annual certified financial statements which shall be audited annually by independent certified public accountants retained by the Company, subject to the limitations contained in Section 4.8 hereof. The Trustee shall furnish such financial statements as required by law or regulation to the Company.

3.5 Regulatory Reports. The Trustee shall furnish reports to the ICC in compliance with 220ILCS5/8-508.1(e). The Trustee shall provide any such reports to the Company prior to filing with the ICC.

3.6 Tax Returns and Other Reports. The Trustee shall prepare or cause to be prepared such income or other tax returns and such reports for the Trusts as may be required from time to time and shall provide copies thereof to the Company in advance of their filing for review by the Company. The Trustee shall provide to the Company all statements, documents, lists or other information reasonably requested by the Company. The Trustee shall also sign all such returns and file them or cause them to be filed with the appropriate government agencies. The Trustee shall cooperate with all requests made by regulatory agencies and shall provide copies to the Company in advance of all information submitted to regulatory agencies. At the Company's request, the Trustee shall testify with respect to the Trusts and the Trust Fund in proceedings before regulatory agencies.

3.7 Nominees, Depositories. If the Trustee employs an agent or depository specifically for purposes of providing services related to any Trust held hereunder (other than a securities broker), the Trustee shall disclose to such agent or depository that it is employed on behalf of such Trust.

3.8 Future Orders. The Company shall promptly advise the Trustee in writing of the existence of any Future Order having the effect of imposing new or different responsibilities upon the Trustee under this Agreement.

3.9 Appointment of Investment Manager. The Company shall have the right from time to time to appoint and remove one or more investment managers for any Trust held hereunder and to direct the segregation of any part or all of any such Trust into one or more accounts to be known as "investment manager accounts" and if it does so, it shall appoint an individual, partnership, association or corporation as investment manager to manage the portion of any Trust so segregated. Written notice of any such appointment and/or removal shall be given to the Trustee and the investment manager so appointed. The appointment shall be accomplished using an investment manager agreement signed by the Company and the investment manager and acknowledged by the Trustee. As long as the investment manager is acting, the investment manager shall have full authority to direct the acquisition, retention and disposition of the assets from time to time comprising the investment manager account being managed by the investment manager, and except as set forth in the following paragraph, the Trustee shall have no duty or obligation to review the assets from time to time comprising such investment manager account, to make any recommendations with respect to the acquisition, retention and disposition thereof, nor to determine whether any direction from the investment manager is proper or within the terms of this Agreement.

The Trustee shall have no liability or responsibility to the Company or the Trusts for acting on the direction of, or for failure to act in the absence of directions from, the investment manager for any investment manager account. The Trustee may assume that any investment manager account previously established and the appointment of any investment manager for that account continues in force until receipt of written notice to the contrary from the Company. Pending receipt of directions from the investment manager, any cash received by the Trustee from time to time for any investment manager account shall be invested upon receipt in instruments maturing in three banking days or less. The Company shall review the assets in any such investment manager account on a monthly basis for the purpose of determining whether such assets are permissible investments under the guidelines established for such account and the provisions of Section 4.3 hereof. In the event that the Company determines as a result of any such review that an investment is not permitted under either the guidelines established for such account or the provisions of Section 4.3 hereof, then it shall notify the applicable investment manager and Trustee and the applicable investment manager within one business day of such determination by telephone, confirmed in writing. If the applicable investment manager does not sell the unpermitted investment within two business days of such oral notice, then the Trustee shall sell such unpermitted investment within four business days of such oral notice. The Trustee shall advise the investment manager of information it receives from an issuer or similar source regarding calls, redemptions, purchase offers and similar matters relating to assets held in any Trust hereunder.

The Company will indemnify the Trustee and hold it harmless from any liability or expense in connection with or arising out of (i) any action taken or omitted, or any investment or disbursement of any part of the investment manager account made by the Trustee, at the direction of the investment manager, and (ii) any action taken by the Trustee pursuant to notification of an order issued by an investment manager to purchase or sell securities directly to a broker or dealer under a power of attorney.

3.10 Certain Duties and Responsibilities of the Trustee.

(a) In the absence of bad faith on its part, the Trustee may conclusively rely upon certificates or opinions furnished by the Company to the Trustee pursuant to this Agreement.

(b) No provision of this Agreement shall be construed to relieve the Trustee from liability for its own negligent action, its own negligent failure to act, or its own willful misconduct in carrying out its responsibilities under this Agreement, except that (i) this Subsection shall not be construed to limit the effect of Subsection (a) of this section and (ii) no provision of this Agreement shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if in its sole reasoned judgment the Trustee believes that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

3.11 Certain Rights of Trustee. Except as otherwise provided in Section 3.9 hereof:

(a) Any request or direction of the Company mentioned herein shall be sufficiently evidenced by a written request or direction signed, prepared or furnished by an authorized representative of the Company or a verbal or telephonic request or order confirmed within

a reasonable time by such a written request or direction, and any action of the board of directors of the Company may be sufficiently evidenced by a certificate of the Company's secretary or assistant secretary;

(b) Whenever in the administration of any Trust created under this Agreement the Trustee shall deem it desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, the Trustee (unless other evidence be herein specifically prescribed) may, in the absence of bad faith on its part, rely upon the certificate of an authorized representative of the Company;

(c) Subject to Section 3.10(b) above, the Trustee may consult with legal counsel and the written advice of such counsel or any opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or omitted by it hereunder in reliance thereon in the absence of bad faith on the part of the Trustee;

(d) The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Agreement at the request or direction of the Company pursuant to this Agreement, unless the Company shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction; and

(e) In the absence of bad faith on its part, and without any duty or obligation to ascertain the propriety of any request, direction or guideline, the Trustee shall be fully protected, and shall be held harmless by the Company, in acting or in refraining from acting (i) in accordance with any request or direction of the Company or (ii) within any guidelines set by the Company for the administration or operation of the Trusts or the Trust Fund; and

(f) In the event that The Bank of New York incurs any liability, loss, claim, suit or expense (including reasonable attorneys fees) arising directly out of its provision of services under this Agreement, or its status as Trustee hereunder, under circumstances where The Bank of New York cannot obtain or would be precluded by law from obtaining payment or reimbursement of such liability, loss, claim, suit or expense (including reasonable attorneys fees) from the Trust Fund, then the Company (which has the authority to do so under the laws of the state of its incorporation) shall indemnify and hold The Bank of New York harmless from and against such liability, loss, claim, suit or expense, except to the extent such liability, loss, claim, suit or expense arises directly from negligence or willful misconduct in performance by the Trustee of its responsibilities as created under the terms of this Agreement. This paragraph shall survive the termination of this Agreement.

ARTICLE IV: TRUSTEE'S POWERS

The Trustee shall have, with respect to each Trust held hereunder, the following powers, all of which powers are fiduciary powers to be exercised in a fiduciary capacity and in the best interests of each Trust, and which are to be exercised as the Trustee, acting in such fiduciary capacity, in its discretion, shall determine, except that the Trustee shall not act in its discretion

but only at the direction of an appointed investment manager in the exercise of those powers given in Section 4.2, 4.3, 4.4 and 4.5 hereof with respect to the acquisition, retention and disposition of the assets of an investment manager account, and, except as otherwise provided, which are intended in no way to limit the general powers of the office, namely:

4.1 Payment or Provision for Expenses of Administration. To the extent not otherwise provided for herein, in which case such specific provisions shall control, to incur, pay or make provision for any and all charges, taxes and expenses upon or connected with each Trust held hereunder in the discharge of its fiduciary obligations under this Agreement, but to charge said amounts to such Trust only to the extent that such amounts are directed to be paid from such Trust by the Company pursuant to Section 3.2 hereof or may be incurred and paid from such Trust without causing the Trust to become disqualified under Section 468A.

4.2 Prudent Investments. Subject to the limitations provided in Section 4.3 hereof, to invest the assets of each Trust only in secure assets that are prudent investments for assets held in trust and in such a way as to attempt to maximize the after-tax returns thereon.

4.3 Investment of Trust Fund. Pending use of any Trust held hereunder for the purpose of this Trust, to invest and reinvest all or any part of such Trust, including any undistributed income therefrom; provided, however, that no such investment or reinvestment may be made by the Trustee:

- (a) In any investments not permitted under the Code;
- (b) In any security or asset of any operator of a nuclear power plant; or
- (c) Which would contravene any Future Order in effect at the time such investment or reinvestment is made and previously furnished to the Trustee with reference to the Trusts.

Any investment or reinvestment made by an investment manager shall be reviewed by the Trustee for compliance with (a), (b) or (c) above as provided in Section 3.8 hereof.

All investments must be sufficiently liquid to enable each Trust to fulfill the purpose of this Agreement and to satisfy obligations as they become due as communicated in writing to the Trustee. Nothing in this Section 4.3 shall be construed as requiring the Trustee to make any investigation as to when any of the Plants may be decommissioned or when obligations relating to such decommissioning may be expected to become due, and absent a written communication from the Company, the Trustee shall invest each separate Trust as though such Trust had no short or intermediate term cash requirements.

4.4 Management of Trusts. To sell, exchange or otherwise dispose of all or any part of any Trust held hereunder, without prior application to or approval by or order of any court, upon such terms and in such manner and at such prices as the Trustee shall determine; to modify, renew or extend mortgages, bonds, notes or other obligations or any installment of principal thereof or any interest due thereon and to waive any defaults in the performance of the terms and conditions thereof; and to execute and deliver any and all assignments, bonds or other instruments in connection with these powers, at such times, in such manner and upon such terms and conditions

as the Trustee may deem expedient. The Trustee's determinations of manner of sales, terms, prices and the exercise of other powers granted herein, if reasonably made, are not to be questioned.

Notwithstanding anything contained in this Agreement to the contrary, the Trustee in exercising its discretionary authority hereunder may not authorize or carry out any sale, exchange or other transaction between any Trust and a "disqualified person" within the meaning of Section 4951 of the Code except the payment of compensation and expenses pursuant to Section 3.2 hereof or unless such transaction is not an act of "self-dealing" within the meaning of Section 4951 of the Code, as such section is made applicable to each Trust by the Illinois Statute. The Trustee, in exercising its discretionary authority hereunder, shall not cause any Trust to engage in any act of self-dealing with the Company or any affiliate of the Company. The Company agrees to furnish the Trustee with the identity of all persons who are "disqualified persons" within the meaning of said Section 4951 of the Code by reason of their connection with the Company or their connection with a Person who has a connection with the Company, and the Trustee may conclusively rely thereon in acting hereunder.

4.5 Extension of Obligations and Negotiation of Claims. Subject to the limitations contained in Section 4.3 and 4.4 hereof, to renew or extend the time of payment of any obligation, secured or unsecured, payable to or by any Trust, for as long a period or periods of time and on such terms as it shall determine; and to adjust, settle, compromise and arbitrate claims or demands in favor of or against any Trust, including claims for taxes, upon such terms as it deems advisable.

4.6 Registration of Securities. To hold any stocks, bonds, securities and/or other property in the name of a nominee, in a street name or by other title-holding device, without indication of trust.

4.7 Location of Assets. To keep any property belonging to any Trust at any place in the United States.

4.8 Retention and Removal of Professional Service Providers. To employ attorneys, accountants and custodians as it shall deem advisable and to make such payments thereof as the Trustee shall deem reasonable for the implementation of the purpose of this Agreement. The Trustee shall have the absolute right to dismiss any such agents for any reason whatsoever; provided that the Trustee's selection of an accounting firm shall be subject to the prior consent of the Company, which consent shall not be unreasonably withheld.

4.9 Delegation of Ministerial Powers. To delegate to other persons such ministerial powers and duties as it may deem to be advisable.

4.10 Discretion in Exercise of Powers. To do any and all other acts which the Trustee shall deem proper to effectuate the powers specifically conferred upon it by this Agreement and which the Company requests or authorizes.

ARTICLE V: MISCELLANEOUS PROVISIONS

5.1 Headings. The section headings set forth in this Agreement are inserted for convenience of reference only and shall be disregarded in the construction or interpretation of any of the provisions of this Agreement.

5.2 Particular Words. Any word contained in the text of this Agreement shall be read as the singular or plural as may be applicable in the particular context. Unless otherwise specifically stated, the word "person" shall be taken to mean and include an individual, partnership, association, trust, company or corporation.

5.3 Severability of Provisions. If any provision of this Agreement or its application to any person or entity or in any circumstances shall be invalid and unenforceable, the application of such provision to persons and in circumstances other than those as to which it is invalid or unenforceable and the other provisions of this Agreement, shall not be affected by such invalidity or unenforceability.

5.4 Form and Content of Communications. The names of persons authorized to act on behalf of the Company shall be certified, with the specimen signature of any such person, to the Trustee by the Company. Until notified in writing to the contrary, the Trustee shall have the right to assume that there has been no change in the identity or authority of any person previously certified to it hereunder.

5.5 Delivery of Notices Under Agreement. Any notice required by this Agreement to be given to the Company or the Trustee shall be deemed to have been properly given when mailed postage prepaid, by registered or certified mail. Notices to the Company shall be addressed to:

MidAmerican Energy Company
666 Grand Avenue
P. O. Box 657
Des Moines, Iowa 50306
Attention: Vice President and Treasurer

Notices to the Trustee shall be addressed to:

The Bank of New York
Steve Weis, Vice President
One Wall Street, 12th Floor
New York, NY 10286

5.6 Successors and Assigns. Subject to the provisions of Sections 2.6 and 3.1 hereof, this Agreement shall be binding upon and inure to the benefit of the Company, the Trustee and their respective successors and assigns.

5.7 Counterparts of Agreement. This Agreement has been executed in counterparts, each of which shall be deemed to be an executed original.

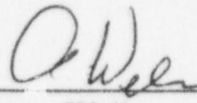
5.8 Governing Jurisdiction. The Trust created hereunder are Illinois trusts. All questions pertaining to its validity, construction and administration shall be determined in accordance with the internal substantive laws (and not the choice of law rules) of the State of New York to the extent not superseded by federal law.

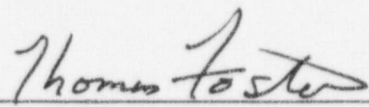
All actions and proceedings brought by the Trustee relating to or arising from, directly or indirectly, this Agreement may be litigated in courts located in the State of New York and the Company hereby submits to the jurisdiction of such courts. The Company and the Trustee hereby waive the right to a trial by jury in any action or proceeding brought hereunder.

5.9 Miscellaneous. The Trusts shall operate on an accounting year which coincides with the calendar year.

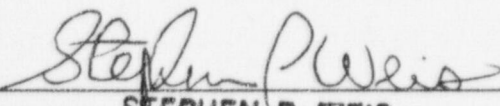
IN WITNESS WHEREOF, the Company and the Trustee have as of the day and year first above written, executed and delivered this Agreement.

MIDAMERICAN ENERGY COMPANY

By: 
Alan L. Wells
Senior Vice President and Chief Financial
Officer

Attest: 
Thomas C. Foster
Manager-Investments

THE BANK OF NEW YORK

By: 
Name: STEPHEN P. WEIS
Title: Vice President

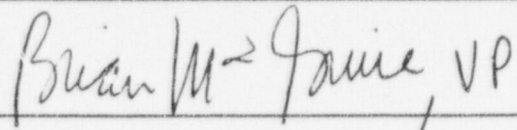
Attest: 

EXHIBIT A

DISBURSEMENT CERTIFICATE

The undersigned, being a duly authorized officer of MidAmerican Energy Company, an Iowa corporation (the "Company"), and in such capacity being duly authorized and empowered to execute and deliver this certificate, hereby certifies to the Trustee of the MidAmerican Energy Company Tax Qualified Decommissioning Trust Fund (the "Trust"), pursuant to Section 2.2(a) of that certain Trust Agreement dated as of February 1, 1999 (the "Agreement") between the Company and the Trustee, as follows:

(1) There is due and owing to each Payee ("Payees") [all/a portion of] the invoiced cost to the Company for goods or services provided in connection with the decommissioning of the [name of Plant] as evidenced by the Invoice Schedule (with supporting exhibits) attached as Exhibit 1 hereto;

(2) All such amounts due and owing to such Payees constitute Qualified Costs;

(3) All conditions precedent to the making of this disbursement set forth in any agreement between each such Payee and the Company have been fulfilled;

(4) No Payee is a "disqualified person" within the meaning of Sections 468A and 4951 of the Code by reason of an affiliation with the Company or, if any are, then the payment constitutes compensation or payment or reimbursement of expenses which are reasonable and necessary to carry out the purpose of the Trust and the payment is not excessive; and

(5) The payment of the amounts owing meets the requirements of the Illinois Statute, Iowa Statute and any Future Orders and all necessary consents and approvals for such payment have been obtained.

Accordingly, you are directed to permit the disbursement of \$_____ from the Trust in order to permit payment of such sum to be made to the aforementioned Payees for such purpose. You are further directed to disburse such sum, once withdrawn, directly to such Payees in the following manner: [describe manner of payment] on or before [date].

Although you are under no obligation to make any further inquiry or investigation or to obtain any further documentation, it is understood that you may, in your discretion, elect to withhold any such disbursement to any Payee unless and until you receive written releases, in form satisfactory to you, of any liens, security interests or claims of such Payee against the Company or its property as you may in your discretion require.

Capitalized terms used herein without definition shall have the meanings given to such terms in the Agreement.

WITNESS my hand this ____ day of _____, 1999.

By: _____

Duly Authorized Officer

EXHIBIT B

WITHDRAWAL CERTIFICATE

The undersigned, being a duly authorized officer of MidAmerican Energy Company, an Iowa corporation (the "Company"), and in such capacity being duly authorized and empowered to execute and deliver this certificate, hereby certifies to the Trustee of the MidAmerican Energy Company Tax Qualified Decommissioning Trust Fund (the "Trust"), pursuant to Section 2.2(b) of that certain Trust Agreement dated as of February 1, 1999 (the "Agreement") between the Company and the Trustee, as follows:

(1) The Company has paid and is entitled to reimbursement for amounts paid to Payees for goods or services provided in connection with the decommissioning of the [name of Plant] as described in the Schedule (with supporting exhibits) attached as Exhibit 1 hereto;

(2) All such amounts paid to such Payees constitute Qualified Costs;

(3) No Payee was a "disqualified person" within the meaning of Sections 468A and 4951 of the Code by reason of an affiliation with the Company or, if any were, then the payment constituted compensation or payment or reimbursement of expenses which were reasonable and necessary to carry out the purpose of the Trust and the payment was not excessive; and

(4) The payment of the amounts met the requirements of the Illinois Statute, the Iowa Statute and any Future Orders and all necessary consents and approvals for such payment has been obtained.

Accordingly, you are directed to permit the disbursement of \$_____ from the Trust in order to reimburse the Company for such payments. You are further directed to disburse such sum, once withdrawn, directly to "MidAmerican Energy Company" on or before [date].

Capitalized terms used herein without definition shall have the meanings given to such terms in the Agreement.

WITNESS my hand this _____ day of _____, 19____.

By:

Duly Authorized Officer

QUAD CITIES

NUCLEAR DECOMMISSIONING TRUST

UNIT II

NON-TAX QUALIFIED

TRUST AGREEMENT

NON-TAX QUALIFIED TRUST AGREEMENT

THIS TRUST AGREEMENT ("Agreement") is made this 1st day of February, 1999, between MidAmerican Energy Company, an Iowa corporation (the "Company"), and The Bank of New York, a New York banking corporation, having trust powers (hereinafter, together with any successors in office, called the "Trustee").

WHEREAS, the Company is the owner in whole or in part of each of the Plants (as hereinafter defined);

WHEREAS, the Company is subject to regulation by the Illinois Commerce Commission ("ICC"), the Iowa Utilities Board ("IUB"), the Nuclear Regulatory Commission ("NRC") and the Federal Energy Regulatory Commission ("FERC");

WHEREAS, pursuant to the Illinois Statute, the Iowa Statute and Future Orders (as hereinafter defined), the Company has established Qualified Trusts (as hereinafter defined) for each Plant (as hereinafter defined) pursuant to a trust agreement dated March 15, 1989 between the Company and the Harris Trust & Savings Bank ("Harris") establishing the Iowa-Illinois Gas and Electric Company Tax Qualified Decommission Trust Fund; and

WHEREAS, the Company previously substituted The Northern Trust Company ("Northern") for Harris pursuant to a trust agreement dated December 29, 1995 between the Company and Northern and has now substituted the Trustee for Northern, and the Trustee has agreed to such substitution with respect to the Qualified Trusts (as hereinafter defined) pursuant to the trust agreement dated February 1, 1999 between the Company and Trustee (the "Tax Qualified Trust Agreement"); and

WHEREAS, pursuant to the Illinois Statute, the Iowa Statute and Future Orders, the Company previously established a non-tax qualified trust ("Trust") for each Plant (as hereinafter defined) pursuant to a trust agreement dated as of March 15, 1989 between the Company and Harris and thereafter substituted Northern for Harris pursuant to a Trust Agreement dated December 29, 1995; and

WHEREAS, the Company wishes to substitute the Trustee for Northern, and the Trustee is agreeable to such substitution, and in so doing, the parties hereto wish to continue the existence and administration of the Trusts pursuant to this Agreement dated as of February 1, 1999 between the Company and Trustee;

NOW, THEREFORE, the Company shall deliver to the Trustee and, upon receipt, the Trustee shall acknowledge receipt of the funds described on Schedules 1 through 5, inclusive, representing the assets of the Trusts (as hereinafter defined);

TO HAVE AND TO HOLD, such Trusts and such additional funds as may from time to time be added thereto as provided herein, together with the proceeds and reinvestments thereof (hereinafter collectively called the "Trust Fund") unto the Trustee;

IN TRUST NEVERTHELESS, for the use and purpose and upon the terms and conditions hereinafter set forth;

ARTICLE I: DEFINITIONS, NAME AND PURPOSES

1. 1. Definitions. As used in this Agreement, the following terms shall have the following meanings.

"Agreement," "Trust Agreement" and the terms "hereof," "herein," "hereto" and "hereunder," when used in this Agreement, shall mean and include this Agreement as the same may from time to time be amended, modified or supplemented.

"Code" shall mean the Internal Revenue Code of 1986, as it may be amended from time to time, and regulations promulgated thereunder.

"Disbursement Certificate" shall mean a document properly completed and executed by the Company substantially in the form of Exhibit A hereto.

"Future Orders" shall mean any orders or rulings of the ICC, IUB, NRC or FERC existing or issued, and any Federal or state laws existing or adopted, in connection with the retention, investment and utilization of funds for the costs of decommissioning any Plant.

"Illinois Statute" shall mean Section 8-508.1 of the Illinois Public Utilities Act (220 ILCS 5/8-508. 1) as it may hereafter be amended.

"Iowa Statute" shall mean all applicable Sections of Chapters 476 and 476A of the Code of Iowa, as it may hereafter be amended.

"NRC Rule" shall mean the "General Requirements for Decommissioning Nuclear Facilities" of the NRC (53 Fed. Reg. 24018, June 27, 1988) as it may hereafter be amended.

"Person" means an individual, partnership, corporation, limited liability company, joint venture, association, trust, or any other entity or organization, including a government or political subdivision or agent or instrumentality thereof.

"Plant" shall mean each, and "Plants" shall mean all, of the Quad Cities Nuclear Generating Station Unit One and the Quad Cities Nuclear Generating Station Unit Two.

"Qualified Costs" shall mean the Company's costs incurred in the decommissioning of a Plant, to the extent that such costs may be paid out of a Trust without contravening the Illinois Statute, the Iowa Statute or any Future Order.

"Qualified Trust" shall mean each, and "Qualified Trusts" shall mean all, of the separate funds established for each of the Plants pursuant to the Qualified Trust Agreement.

"Service" shall mean the Internal Revenue Service.

"Trust" shall mean each, and "Trusts" shall mean all, of the MidAmerican Energy Company Non-Tax Qualified Decommissioning Trust - Unit One and the MidAmerican Energy Non-Tax Qualified Decommissioning Trust - Unit Two.

"Trust Fund" shall be used herein merely to refer to the Trusts in the aggregate and is not intended nor should it be construed to constitute a separate entity.

"Withdrawal Certificate" shall mean a document properly completed and executed by the Company substantially in the form of Exhibit B hereto.

1.2 Names of Trusts. Each Trust shall be known as the "MidAmerican Energy Company Non-Tax Qualified Decommissioning Trust - Quad Cities Unit One" and "MidAmerican Energy Company Non-Tax Qualified Decommissioning Trust - Quad Cities Unit Two." The Trusts, collectively, shall be known as the "MidAmerican Energy Company Non-Tax Qualified Decommissioning Trust Fund."

1.3 Purpose of Trust Agreement. The purpose of this Trust Agreement is to provide funds for the contemplated decommissioning of the Plants listed on the separate Schedules attached hereto and to comply with the Illinois Statute, the Iowa Statute, the NRC Rule and any Future Orders.

ARTICLE II: ESTABLISHMENT OF SEPARATE TRUSTS AND DISPOSITIVE PROVISIONS

The Trustee shall manage, invest and reinvest and, after payment of the expenses described in Section 4.1 hereof, distribute each Trust as follows:

2.1 Separate Trusts. The Company has established a separate Trust for each Plant. Each time the Company makes a contribution to the Trust Fund, it shall designate the amount of such contribution allocable to each such separate Trust. The Trustee shall maintain separate records for each Trust and shall credit thereto its pro rata share of all income of the Trust Fund and charge thereto its pro rata share of all expenses (other than expenses attributable to a particular Plant which shall be expenses charged to the Trust named for such Plant) and any losses. The Trustee shall not be precluded from pooling the assets of the Trusts with one another for investment purposes, and may treat each Trust as having received or accrued a ratable portion of the Trust Fund income in any year.

2.2 Payment of Nuclear Decommissioning Costs. The Trustee shall make payments from the Trust for decommissioning costs in accordance with the following procedures:

(a) Disbursements to Third Parties. The Trustee shall make payments to any person (other than the Company) for goods provided or labor or other services rendered to the Company in connection with the decommissioning of a Plant within five business days of the receipt of the Disbursement Certificate.

(b) Reimbursement to the Company. The Trustee shall make payments to the Company in connection with the decommissioning of a Plant in reimbursement of costs

actually incurred by the Company and paid to any other person within five business days of receipt of a Withdrawal Certificate.

The Trustee shall be under no duty to inquire into the correctness or accuracy of matters contained in a Disbursement Certificate or Withdrawal Certificate unless representatives of the Trustee then approving any withdrawal or disbursement based on such certificate have actual knowledge of the falsity of any statements made herein.

2.3 Additions to Trusts. From time to time prior to the termination of each Trust held hereunder, the Company may make, and the Trustee shall accept, additional contributions of funds to any separate Trust held hereunder to satisfy the purpose of this Trust Agreement as set forth in Section 1.3 hereof. The making of a contribution by the Company shall constitute the certification of the Company that all necessary consents and approvals to such contribution have been obtained.

2.4 Remittance of Taxes. The Trustee shall remit to the Company within 15 business days after the Company's request therefor the amount from each Trust which the Company certifies as the amount by which the Company's federal and, if applicable, state income taxes (including estimated payments) for the preceding fiscal year were increased by the net income of such Trust. The Trustee shall be under no duty to inquire into the correctness or accuracy of any such certificate.

2.5 No Transferability of Interest in any Trust. Except to the extent that any transfer of interest of the Company is approved where required by the ICC, IUB, NRC and FERC, the interest of the Company in any Trust is not transferable, whether voluntarily or involuntarily, by the Company nor subject to the claims of creditors of the Company; provided, however, that any creditor of the Company as to which a Disbursement Certificate for a Trust has been properly completed and submitted to the Trustee may assert a claim directly against such Trust in an amount not to exceed either the amount specified on such Disbursement Certificate or the amount of such Trust available to pay costs other than amounts then owing the Trustee under Section 3.2 hereof.

2.6 Time of Termination. Each Trust hereunder shall terminate to the extent provided in this Section 2.7 upon the earlier to occur of the following events:

(a) In whole, upon the substantial completion of the nuclear decommissioning of the Plant for which such Trust was created and named and as evidenced to the Trustee by the written certification of the Company.

(b) To the extent allowed or provided under the Illinois Statute, the Iowa Statute, the NRC Rule or any Future Order.

The Trust Fund shall terminate when all of the separate Trusts have terminated.

2.7 Distribution of Trust Upon Termination. Upon termination of each Trust, the Trustee shall distribute the entire remaining amount of the trust, including all accrued, accumulated and undistributed net income, to the Company; provided, however, that no such distribution shall be

made unless either (a) an order of the ICC, the IUB, the NRC and FERC specifically authorizing such distribution is in effect, as evidenced to the Trustee by the written certification of the Company, and which certification specifies further that all necessary consents and approvals to such distribution have been obtained, or (b) the Company has furnished the Trustee with an opinion of legal counsel to the effect that no such orders are necessary to authorize such distribution and that all necessary consents and approvals to such distribution have been obtained.

2.8 Alterations and Amendments. The Trustee and the Company understand and agree that amendments may be required to this Agreement from time to time to effectuate the purpose of this Trust Agreement and to comply with amendments to or changes in the Illinois Statute, the Iowa Statute, the NRC Rule, any Future Orders, changes in tax laws (including Section 468A of the Code), regulations or rulings (whether published or private) of the Service, and any other changes in the laws applicable to the Company, the Plants or the Trusts created hereunder. The Company and the Trustee may amend this Agreement to the extent necessary or desirable to effectuate such purpose or to comply with such changes; provided, however, in any event, the Trustee may decline to adopt such amendment, if such amendment increases the expenses or responsibilities of the Trustee and no provision satisfactory to the Trustee has been made to compensate the Trustee for such increase, or if the Trustee determines it would be unable with reasonable effort to comply with its duties as to be amended.

2.9 No Authority to Conduct Business. The purpose of this Trust Agreement is limited to the matters set forth in Section 1.3 hereof. This Agreement shall not be construed to confer upon the Trustee any authority to conduct business.

ARTICLE III: GENERAL PROVISIONS RELATING TO THE TRUSTEE

The appointment of any successor Trustee, provisions governing resignation and compensation of the Trustee and the general rules governing the relationships of the Trustee and the Company and any third parties are as follows:

3.1 Designation and Qualification of Successor Trustees. At any time during the term of this Agreement, the Company shall have the right to remove the Trustee acting hereunder and appoint another qualified entity as a successor trustee upon 30 days notice in writing to the Trustee, or upon such shorter notice as may be acceptable to the Trustee. Any Trustee shall have the right to resign at any time upon 30 days notice in writing to the Company and upon such resignation the Company shall appoint another qualified entity as a successor Trustee. Notwithstanding the foregoing, no such removal or resignation shall be effective until a successor Trustee is appointed by the Company and, if necessary, approved by appropriate regulatory authorities.

Any successor Trustee shall qualify by a duly acknowledged acceptance of this Agreement and the trusts created hereunder, delivered to the Company. Upon acceptance of such appointment by the successor Trustee, the Trustee shall transfer to such successor Trustee the Trust Fund. Any successor Trustee shall have all the rights, powers, duties and obligations herein granted to the original Trustee.

If for any reason the Company is unable to or does not, in the event of the resignation or removal of the Trustee as provided above, appoint a successor Trustee within 40 days after such resignation or removal, either the Company or the Trustee may apply to a court of competent jurisdiction for the appointment of a successor Trustee.

3.2 Compensation and Reimbursement. The Trustee shall be entitled to compensation from each Trust held hereunder at such rates as may be approved in writing from time to time by the Company. Subject to the approval of the Company (which shall not be unreasonably withheld or delayed), the Trustee shall be entitled to be reimbursed from each Trust held hereunder for out-of-pocket expenses including, but not limited to, expenses of agents, auditors and counsel, incurred in connection with the administration of such Trust.

3.3 Transactions With Third Parties. No person or organization dealing with the Trustee hereunder shall be required to inquire into or to investigate its authority for entering into any transaction or to see to the application of the proceeds of any such transaction.

3.4 Financial Statements. The Trustee shall furnish monthly financial statements (reviewed with respect to accounting by the Trustee's internal staff) for each Trust to the Company not later than the 15th day of the following month, or at such other less frequent interval as the Company may require. The financial statements shall show the financial condition of the Trust including, without limitation, the market value of the assets, and the income and expenses of each Trust for the period since the preceding statement and such other information as may be reasonably requested by the Company. The Trustee shall provide annual certified financial statements which shall be audited annually by independent certified public accountants retained by the Company, subject to the limitations contained in Section 4.8 hereof. The Trustee shall furnish such financial statements as required by law or regulation to the Company.

3.5 Regulatory Reports. The Trustee shall furnish reports to the ICC in compliance with 220 ILCS 5/8-508. 1 (e.). The Trustee shall provide any such reports to the Company prior to filing with the ICC.

3.6 Tax Returns and Other Reports. The Trustee shall prepare or cause to be prepared such income or other tax returns and such reports for the Trusts as may be required from time to time and shall provide copies thereof to the Company in advance of their filing for review by the Company. The Trustee shall provide to the Company all statements, documents, lists or other information reasonably requested by the Company. The Trustee shall also sign all such returns and file them or cause them to be filed with the appropriate government agencies. The Trustee shall cooperate with all requests made by regulatory agencies and shall provide copies to the Company in advance of all information submitted to regulatory agencies. At the Company's request, the Trustee shall testify with respect to the Trusts and the Trust Fund in proceedings before regulatory agencies.

3.7 Nominees, Depositories. If the Trustee employs an agent or depository specifically for purposes of providing services related to any Trust held hereunder (other than a securities broker), the Trustee shall disclose to such agent or depository that it is employed on behalf of such Trust.

3.8 Future Orders. The Company shall promptly advise the Trustee in writing of the existence of any Future Order having the effect of imposing new or different responsibilities upon the Trustee under this Agreement.

3.9 Appointment of Investment Manager. The Company shall have the right from time to time to appoint and remove one or more investment managers for any Trust held hereunder and to direct the segregation of any part or all of any such Trust into one or more accounts to be known as "investment manager accounts" and if it does so, it shall appoint an individual, partnership, association or corporation as investment manager to manage the portion of any Trust so segregated. Written notice of any such appointment and/or removal shall be given to the Trustee and the investment manager so appointed. The appointment shall be accomplished using an investment manager agreement signed by the Company and the investment manager and acknowledged by the Trustee. As long as the investment manager is acting, the investment manager shall have full authority to direct the acquisition, retention and disposition of the assets from time to time comprising the investment manager account being managed by the investment manager, and except as set forth in the following paragraph, the Trustee shall have no duty or obligation to review the assets from time to time comprising such investment manager account, to make any recommendations with respect to the acquisition, retention and disposition thereof, nor to determine whether any direction from the investment manager is proper or within the terms of this Agreement.

The Trustee shall have no liability or responsibility to the Company or the Trusts for acting on the direction of, or for failure to act in the absence of directions from, the investment manager for any investment manager account. The Trustee may assume that any investment manager account previously established and the appointment of any investment manager for that account continues in force until receipt of written notice to the contrary from the Company. Pending receipt of directions from the investment manager, any cash received by the Trustee from time to time for any investment manager account shall be invested upon receipt in instruments maturing in three banking days or less. The Company shall review the assets in any such investment manager account on a monthly basis for the purpose of determining whether such assets are permissible investments under the guidelines established for such account and the provisions of Section 4.3 hereof. The Trustee shall advise the investment manager of information it receives from an issuer or similar source regarding calls, redemptions, purchase offers and similar matters relating to assets held in any Trust hereunder. The Company will indemnify the Trustee and hold it harmless from any liability or expense in connection with or arising out of (i) any action taken or omitted, or any investment or disbursement of any part of the investment manager account made by the Trustee, at the direction of the investment manager, and (ii) any action taken by the Trustee pursuant to notification of an order issued by an investment manager to purchase or sell securities directly to a broker or dealer under a power of attorney.

3.10 Certain Duties and Responsibilities of the Trustee.

(a) In the absence of bad faith on its part, the Trustee may conclusively rely upon certificates or opinions furnished by the Company to the Trustee pursuant to this Agreement.

(b) No provision of this Agreement shall be construed to relieve the Trustee from liability for its own negligent action, its own negligent failure to act, or its own willful misconduct in

carrying out its responsibilities under this Agreement, except that (i) this Subsection shall not be construed to limit the effect of Subsection (a) of this section and (ii) no provision of this Agreement shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if in its sole reasoned judgment the Trustee believes that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

3.11 Certain Rights of Trustee. Except as otherwise provided in Section 3.9 hereof:

(a) Any request or direction of the Company mentioned herein shall be sufficiently evidenced by a written request or direction signed, prepared or furnished by an authorized representative of the Company or a verbal or telephonic request or order confirmed within a reasonable time by such a written request or direction, and any action of the board of directors of the Company may be sufficiently evidenced by a certificate of the Company's secretary or assistant secretary;

(b) Whenever in the administration of any Trust created under this Agreement the Trustee shall deem it desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, the Trustee (unless other evidence be herein specifically prescribed) may, in the absence of bad faith on its part, rely upon the certificate of an authorized representative of the Company;

(c) Subject to 3.10(b) above, the Trustee may consult with legal counsel and the written advice of such counsel or any opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or omitted by it hereunder in reliance thereon;

(d) The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Agreement at the request or direction of the Company pursuant to this Agreement, unless the Company shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction; and

(e) In the absence of bad faith on its part, and without any duty or obligation to ascertain the propriety of any request, direction or guideline, the Trustee shall be fully protected, and shall be held harmless by the Company, in acting or in refraining from acting (i) in accordance with any request or direction of the Company or (ii) within any guidelines set by the Company for the administration or operation of the Trusts or the Trust Fund; and

(f) In the event that The Bank of New York incurs any liability, loss, claim, suit or expense (including reasonable attorneys fees) arising directly out of its provision of services under this Agreement, or its status as Trustee hereunder, under circumstances where The Bank of New York cannot obtain or would be precluded by law from obtaining payment or reimbursement of such liability, loss, claim, suit or expense (including reasonable attorneys fees) from the Trust Fund, then the Company (which has the authority to do so under the laws of the state of its incorporation) shall indemnify and

hold The Bank of New York harmless from and against such liability, loss, claim, suit or expense, except to the extent such liability, loss, claim, suit or expense arises directly from negligence or willful misconduct in performance by the Trustee of its responsibilities as created under the terms of this Agreement. This paragraph shall survive the termination of this Agreement.

ARTICLE IV: TRUSTEE'S POWERS

The Trustee shall have, with respect to each Trust held hereunder, the following powers, all of which powers are fiduciary powers to be exercised in a fiduciary capacity and in the best interests of each Trust, and which are to be exercised as the Trustee, acting in such fiduciary capacity, in its discretion, shall determine, except that the Trustee shall not act in its discretion but only at the direction of an appointed investment manager in the exercise of those powers given in Section 4.2, 4.3, 4.4 and 4.5 hereof with respect to the acquisition, retention and disposition of the assets of an investment manager account, and, except as otherwise provided, which are intended in no way to limit the general powers of the office, namely:

4.1 Payment or Provision for Expenses of Administration. To the extent not otherwise provided for herein, in which case such specific provisions shall control, to incur, pay or make provision for any and all charges, taxes and expenses upon or connected with each Trust held hereunder in the discharge of its fiduciary obligations under this Agreement, but to charge said amounts to such Trust only to the extent that such amounts are directed to be paid from such Trust by the Company or may be incurred and paid from such Trust.

4.2 Prudent Investments. Subject to the limitations provided in Section 4.3 hereof, to invest the assets of each Trust only in secure assets that are prudent investments for assets held in trust and in such a way as to attempt to maximize the after-tax returns thereon.

4.3 Investment of Trust Fund. Pending use of any Trust held hereunder for the purpose of this Trust, to invest and reinvest all or any part of such Trust, including any undistributed income therefrom; provided, however, that no such investment or reinvestment may be made by the Trustee:

- (a) In any security or asset of any operator of a nuclear power plant; or
- (b) Which would contravene the Illinois Statute, the Iowa Statute or any Future Order in effect at the time such investment or reinvestment is made and previously furnished to the Trustee with reference to the Trusts.

Any investment or reinvestment made by an investment manager shall be reviewed by the Trustee for compliance with (a) or (b) above as provided in Section 3.8 hereof.

All investments must be sufficiently liquid to enable each Trust to fulfill the purpose of this Agreement and to satisfy obligations as they become due as communicated in writing to the Trustee. Nothing in this Section 4.3 shall be construed as requiring the Trustee to make any investigation as to when any of the Plants may be decommissioned or when obligations relating to such decommissioning may be expected to become due, and absent a written communication

from the Company, the Trustee shall invest each separate Trust as though such Trust had no short or intermediate term cash requirements.

4.4 Management of Trusts. To sell, exchange or otherwise dispose of all or any part of any Trust held hereunder, without prior application to or approval by or order of any court, upon such terms and in such manner and at such prices as the Trustee shall determine; to modify, renew or extend mortgages, bonds, notes or other obligations or any installment of principal thereof or any interest due thereon and to waive any defaults in the performance of the terms and conditions thereof; and to execute and deliver any and all assignments, bonds or other instruments in connection with these powers, at such times, in such manner and upon such terms and conditions as the Trustee may deem expedient. The Trustee's determinations of manner of sales, terms, prices and the exercise of other powers granted herein, if reasonably made, are not to be questioned.

Notwithstanding anything contained in this Agreement to the contrary, the Trustee in exercising its discretionary authority hereunder may not authorize or carry out any sale, exchange or other transaction between any Trust and a "disqualified person" within the meaning of Section 4951 of the Code except the payment of compensation and expenses pursuant to Section 3.2 hereof or unless such transaction is not an act of "self-dealing" within the meaning of Section 4951 of the Code, as such section is made applicable to each Trust by the Illinois Statute. The Trustee, in exercising its discretionary authority hereunder, shall not cause any Trust to engage in any act of self-dealing with the Company or any affiliate of the Company. The Company agrees to furnish the Trustee with the identity of all persons who are "disqualified persons" within the meaning of said Section 4951 of the Code by reason of their connection with the Company or their connection with a Person who has a connection with the Company, and the Trustee may conclusively rely thereon in acting hereunder.

4.5 Extension of Obligations and Negotiation of Claims. Subject to the limitations contained in Section 4.3 and 4.4 hereof, to renew or extend the time of payment of any obligation, secured or unsecured, payable to or by any Trust, for as long a period or periods of time and on such terms as it shall determine; and to adjust, settle, compromise and arbitrate claims or demands in favor of or against any Trust, including claims for taxes, upon such terms as it deems advisable.

4.6 Registration of Securities. To hold any stocks, bonds, securities and/or other property in the name of a nominee, in a street name or by other title-holding device, without indication of trust.

4.7 Location of Assets. To keep any property belonging to any Trust at any place in the United States.

4.8 Retention and Removal of Professional Service Providers. To employ attorneys, accountants and custodians as it shall deem advisable and to make such payments thereof as the Trustee shall deem reasonable for the implementation of the purpose of this Agreement. The Trustee shall have the absolute right to dismiss any such agents for any reason whatsoever; provided that the Trustee's selection of an accounting firm shall be subject to the prior consent of the Company, which consent shall not be unreasonably withheld.

4.9 Delegation of Ministerial Powers. To delegate to other persons such ministerial powers and duties as it may deem to be advisable.

4.10 Discretion in Exercise of Powers. To do any and all other acts which the Trustee shall deem proper to effectuate the powers specifically conferred upon it by this Agreement and which the Company requests or authorizes.

ARTICLE V: MISCELLANEOUS PROVISIONS

5.1 Headings. The section headings set forth in this Agreement are inserted for convenience of reference only and shall be disregarded in the construction or interpretation of any of the provisions of this Agreement.

5.2 Particular Words. Any word contained in the text of this Agreement shall be read as the singular or plural as may be applicable in the particular context. Unless otherwise specifically stated, the word "person" shall be taken to mean and include an individual, partnership, association, trust, company or corporation.

5.3 Severability of Provisions. If any provision of this Agreement or its application to any person or entity or in any circumstances shall be invalid and unenforceable, the application of such provision to persons and in circumstances other than those as to which it is invalid or unenforceable and the other provisions of this Agreement, shall not be affected by such invalidity or unenforceability.

5.4 Form and Content of Communications. The names of persons authorized to act on behalf of the Company shall be certified, with the specimen signature of any such person, to the Trustee by the Company. Until notified in writing to the contrary, the Trustee shall have the right to assume that there has been no change in the identity or authority of any person previously certified to it hereunder.

5.5 Delivery of Notices Under Agreement. Any notice required by this Agreement to be given to the Company or the Trustee shall be deemed to have been properly given when mailed postage prepaid, by registered or certified mail. Notices to the Company shall be addressed to:

MidAmerican Energy Company
666 Grand Avenue, P. O. Box 657
Des Moines, Iowa 50303-0657
Attention: Vice President and Treasurer

Notices to the Trustee shall be addressed to:

The Bank of New York
Steve Weis, Vice President
One Wall Street, 12th Floor
New York, NY 10286

EXHIBIT A

DISBURSEMENT CERTIFICATE

The undersigned, being a duly authorized officer of MidAmerican Energy Company, an Iowa corporation (the "Company"), and in such capacity being duly authorized and empowered to execute and deliver this certificate, hereby certifies to the Trustee of the MidAmerican Energy Company Non-Tax Qualified Decommissioning Trust Fund (the "Trust"), pursuant to Section 2.2(a) of that certain Trust Agreement dated February 1, 1999 (the "Agreement") between the Company and the Trustee, as follows:

(1) There is due and owing to each Payee ("Payees") [all/a portion of] the invoiced cost to the Company for goods or services provided in connection with the decommissioning of the [name of Plant] as evidenced by the Invoice Schedule (with supporting exhibits) attached as Exhibit 1 hereto;

(2) All such amounts due and owing to such Payees constitute Qualified Costs;

(3) All conditions precedent to the making of this disbursement set forth in any agreement between each such Payee and the Company have been fulfilled;

(4) No Payee is a "disqualified person" within the meaning of Section 4951 of the Code by reason of an affiliation with the Company or, if any are, then the payment constitutes compensation or payment or reimbursement of expenses which are reasonable and necessary to carry out the purpose of the Trust and the payment is not excessive; and

(5) The payment of the amounts owing meets the requirements of the Illinois Statute, the Iowa Statute and any Future Orders and all necessary consents and approvals for such payment have been obtained.

Accordingly, you are directed to permit the disbursement of \$_____ from the Trust in order to permit payment of such sum to be made to the aforementioned Payees for such purpose. You are further directed to disburse such sum, once withdrawn, directly to such Payees in the following manner: [describe manner of payment] on or before [date].

Although you are under no obligation to make any further inquiry or investigation or to obtain any further documentation, it is understood that you may, in your discretion, elect to withhold any such disbursement to any Payee unless and until you receive written releases, in form satisfactory to you, of any liens, security interests or claims of such Payee against the Company or its property as you may in your discretion require.

Capitalized terms used herein without definition shall have the meanings given to such terms in the Agreement.

WITNESS my hand this _____ day of _____, 1999.

By: _____
Duly Authorized Officer

EXHIBIT B

WITHDRAWAL CERTIFICATE

The undersigned, being a duly authorized officer of MidAmerican Energy Company, an Iowa corporation (the "Company"), and in such capacity being duly authorized and empowered to execute and deliver this certificate, hereby certifies to the Trustee of the MidAmerican Energy Company Non-Tax Qualified Decommissioning Trust Fund (the "Trust"), pursuant to Section 2.2(b) of that certain Trust Agreement dated February 1, 1999 (the "Agreement") between the Company and the Trustee, as follows:

(1) The Company has paid and is entitled to reimbursement for amounts paid to Payees for goods or services provided in connection with the decommissioning of the [name of Plant] as described in the Schedule (with supporting exhibits) attached as Exhibit 1 hereto;

(2) All such amounts paid to such Payees constitute Qualified Costs;

(3) No Payee was a "disqualified person" within the meaning of Section 4951 of the Code by reason of an affiliation with the Company or, if any were, then the payment constituted compensation or payment or reimbursement of expenses which were reasonable and necessary to carry out the purpose of the Trust and the payment was not excessive; and

(4) The payment of the amounts met the requirements of the Illinois Statute, the Iowa Statute and any Future Orders and all necessary consents and approvals for such payment has been obtained.

Accordingly, you are directed to permit the disbursement of \$_____ from the Trust in order to reimburse the Company for such payments. You are further directed to disburse such sum, once withdrawn, directly to "MidAmerican Energy Company" on or before [date].

Capitalized terms used herein without definition shall have the meanings given to such terms in the Agreement.

WITNESS my hand this _____ day of _____, 1999.

By: _____
Duly Authorized Officer

QUAD CITIES
NUCLEAR DECOMMISSIONING TRUST
UNIT I
TAX QUALIFIED
TRUST AGREEMENT

TAX QUALIFIED TRUST AGREEMENT

THIS TRUST AGREEMENT ("Agreement") is made as of this 1st day of February, 1999 between MidAmerican Energy Company, an Iowa corporation (the "Company"), and The Bank of New York, a New York banking corporation, having trust powers (hereinafter, together with any successors in office, called the "Trustee").

WHEREAS, the Company is the owner in whole or in part of each of the Plants (as hereinafter defined);

WHEREAS, the Company is subject to regulation by the Illinois Commerce Commission ("ICC"), the Iowa Utilities Board ("IUB"), the Nuclear Regulatory Commission ("NRC") and the Federal Energy Regulatory Commission ("FERC");

WHEREAS, under the Code (as hereinafter defined), including Section 468A thereof, certain income tax benefits are available to the Company by funding qualified "nuclear decommissioning reserve funds;" and

WHEREAS, this Agreement is entered into and intended to be and remain qualified under Section 468A of the Code and the regulations promulgated thereunder, and any successor or amendments thereto; and

WHEREAS, the Company previously established, pursuant to the Illinois Statute, Iowa Statute and Future Orders, a tax qualified trust ("Trust") for each Plant (as hereinafter defined) pursuant to a trust agreement dated as of March 15, 1989 between the Company and Harris Trust & Savings Bank ("Harris"), and thereafter substituted The Northern Trust Company ("Northern") for Harris pursuant to a Trust Agreement dated Dec. 29, 1995; and

WHEREAS, the Company wishes to substitute the Trustee for Northern, and the Trustee is agreeable to such substitution, and in so doing, the parties wish to continue the existence and administration of the Trusts pursuant to this Agreement; and

WHEREAS, the Company has established, pursuant to the Illinois Statute, Iowa Statute and Future Orders, a non-tax qualified trust for each Plant (as defined herein) pursuant to a trust agreement dated as of March 15, 1989 between the Company and Harris, and thereafter substituted Northern for Harris pursuant to a Trust Agreement dated December 29, 1995; and

WHEREAS, the Company has substituted Trustee for Northern, and the Trustee has agreed to such substitution, with respect to the non-tax qualified trusts pursuant to the trust agreement dated as of February 1, 1999 between the Company and Trustee;

NOW, THEREFORE, the Company shall deliver to the Trustee and, upon receipt, the Trustee shall acknowledge receipt of the funds described on Schedules 1 through 5, inclusive, representing the assets of the Trusts (as hereinafter defined);

TO HAVE AND TO HOLD, such Trusts and such additional funds as may from time to time be added thereto as provided herein, together with the proceeds and reinvestments thereof (hereinafter collectively called the "Trust Fund") unto the Trustee;

IN TRUST NEVERTHELESS, for the use and purpose and upon the terms and conditions hereinafter set forth;

ARTICLE 1: DEFINITIONS. NAME AND PURPOSES

1. 1. Definitions. As used in this Agreement, the following terms shall have the following meanings.

"Agreement," "Trust Agreement" and the terms "hereof," "herein," "hereto" and "hereunder," when used in this Agreement, shall mean and include this Agreement as the same may from time to time be amended, modified or supplemented.

"Code" shall mean the Internal Revenue Code of 1986, as it may be amended from time to time, and regulations promulgated thereunder. "Section 468A" shall mean that section of the Code as it may be amended from time to time, any successor provision thereto and the regulations promulgated thereunder.

"Disbursement Certificate" shall mean a document properly completed and executed by the Company substantially in the form of Exhibit A hereto.

"Excess Contribution" shall have the meaning set forth in Section 2.4 hereof.

"Future Orders" shall mean any orders or rulings of the ICC, IUB, NRC or FERC existing or issued, and any Federal or state laws existing or adopted, in connection with the retention, investment and utilization of funds for the costs of decommissioning any Plant.

"Illinois Statute" shall mean Section 8-508.1 of the Illinois Public Utilities Act (220 ILCS 5/8-508. 1) as it may hereafter be amended.

"Iowa Statute" shall mean all applicable sections of Chapter 476 and 476A of the Code of Iowa, as it may hereafter be amended.

"NRC Rule" shall mean the "General Requirements for Decommissioning Nuclear Facilities" of the NRC (53 Fed. Reg. 24018, June 27, 1988) as it may hereafter be amended.

"Person" means an individual, partnership, corporation, limited liability company, joint venture, association, trust, or any other entity or organization, including a government or political subdivision or agent or instrumentality thereof.

"Plant" shall mean each, and "Plants" shall mean all, of the Quad Cities Nuclear Generating Station Unit One and the Quad Cities Nuclear Generating Station Unit Two.

"Qualified Costs" shall mean the Company's costs incurred in the decommissioning of a Plant, to the extent that such costs may be paid out of a Trust pursuant to Section 468A.

"Service" shall mean the Internal Revenue Service.

"Trust" shall mean each, and "Trusts" shall mean all, of the MidAmerican Energy Company Tax Qualified Decommissioning Trust - Unit One and the MidAmerican Energy Tax Qualified Decommissioning Trust - Unit Two; each such trust has been established and shall continue to be maintained as a qualified nuclear decommissioning reserve fund pursuant to Code Section 468A.

"Trust Fund" shall be used herein merely to refer to the Trusts in the aggregate and is not intended nor should it be construed to constitute a separate entity.

"Withdrawal Certificate" shall mean a document properly completed and executed by the Company substantially in the form of Exhibit B hereto.

1.2 Names of Trusts. Each Trust shall be known as the "MidAmerican Energy Company Tax Qualified Decommissioning Trust - Quad Cities Unit One" and "MidAmerican Energy Company Tax Qualified Decommissioning Trust - Quad Cities Unit Two." The Trusts, collectively, shall be known as the "MidAmerican Energy Company Tax Qualified Decommissioning Trust Fund."

1.3 Purpose of Trust Agreement. The purpose of this Trust Agreement is to provide funds for the contemplated decommissioning of the Plants listed on the separate Schedules attached hereto and to comply with the Illinois Statute, the Iowa Statute, the NRC Rule and any Future Orders, and to constitute "nuclear decommissioning reserve funds" within the meaning of Section 468A. The assets of the Trusts may be used only in a manner that is authorized by Code Section 468A and the regulations thereunder.

ARTICLE II: ESTABLISHMENT OF SEPARATE TRUSTS AND DISPOSITIVE PROVISIONS

The Trustee shall manage, invest and reinvest and, after payment of the expenses described in Section 4. 1 hereof, distribute each Trust as follows:

2.1 Separate Trusts. The Company has established a separate trust for each Plant. Each time the Company makes a contribution to the Trust Fund, it shall designate the amount of such contribution allocable to each such separate Trust. The Trustee shall maintain separate records for each Trust and shall credit thereto its pro rata share of all income of the Trust Fund and charge thereto its pro rata share of all expenses (other than expenses attributable to a particular Plant which shall be expenses charged to the Trust named for such Plant) and any losses. The Trustee shall not be precluded from pooling the assets of the Trusts with one another for investment purposes, and may treat each Trust as having received or accrued a ratable portion of the Trust Fund income in any year. The pooling arrangement undertaken as permitted in this Section 2.1 can be terminated at any time by any Trust. No Trust in the pooling arrangement may substitute for itself in such arrangement any person that is not a member of that pooling arrangement.

2.2 Payment of Nuclear Decommissioning Costs. The Trustee shall make payments from the Trust for decommissioning costs in accordance with the following procedures:

(a) Disbursements to Third Parties. The Trustee shall make payments of costs to any person (other than the Company) for goods provided or labor or other services rendered to the Company in connection with the decommissioning of a Plant within five business days of the receipt of the Disbursement Certificate.

(b) Reimbursement to the Company. The Trustee shall make payments to the Company in connection with the decommissioning of the Plant in reimbursement of costs actually incurred by the Company and paid to any other person within five business days of receipt of a Withdrawal Certificate.

The Trustee shall be under no duty to inquire into the correctness or accuracy of matters contained in a Disbursement Certificate or Withdrawal Certificate unless representatives of the Trustee then approving any withdrawal or disbursement based on such certificate have actual knowledge of the falsity of any statements made herein. The Company will indemnify the Trustee and hold it harmless from any tax imposed pursuant to Section 4951 of the Code with respect to a disbursement or reimbursement made by the Trustee pursuant to this Section 2.2 in reliance on a Disbursement Certificate or a Withdrawal Certificate, respectively, provided representatives of the Trustee then approving such disbursement or reimbursement do not have actual knowledge of the falsity of any statements made in the related Disbursement Certificate or Withdrawal Certificate that would have prevented the imposition of such tax.

2.3 Additions to Trusts. From time to time prior to the termination of each Trust held hereunder, the Company may make, and the Trustee shall accept, additional contributions of funds to any separate Trust held hereunder to satisfy the purpose of this Trust Agreement as set forth in Section 1.3 hereof. The making of a contribution by the Company shall constitute the certification of the Company that all necessary consents and approvals to such contribution have been obtained.

2.4 Subsequent Adjustments. The Trustee and the Company understand that the contributions made by the Company and allocated to a Trust from time to time may subsequently be determined to exceed the amounts determined pursuant to Section 468A of the Code and paragraph (c)(2)(ii) of §1.468A-5T thereunder (any such excess being hereinafter referred to as an "Excess Contribution"). Upon the written certification of the Company setting forth the amount of the Excess Contribution, the Trustee shall distribute such amount to the Trustee of the MidAmerican Energy Company Non-Tax Qualified Decommissioning Trust Fund created and existing pursuant to a trust agreement dated as of February 1, 1999 between the Company and the Trustee named therein, or, if so requested in such written certification, transfer all or a portion of such amount to one or more other separate Trusts held hereunder. Any income attributable to any such Excess Contribution shall be allocated to the Trust to which such Excess Contribution relates.

2.5 Payment of Taxes. The Trustee shall pay out of each separate Trust any federal and, if applicable, state income taxes on the income of such Trust including estimated payments as and when due in accordance with the returns prepared in accordance with Section 3.5 hereof.

2.6 No Transferability of Interest in any Trust. Except to the extent that any transfer of interest of the Company is approved where required by the ICC, IUB, NRC and FERC, the interest of the Company in any Trust is not transferable, whether voluntarily or involuntarily, by the Company nor subject to the claims of creditors of the Company; provided, however, that any creditor of the Company as to which a Disbursement Certificate for a Trust has been properly completed and submitted to the Trustee may assert a claim directly against such Trust in an amount not to exceed either the amount specified on such Disbursement Certificate or the amount of such Trust available to pay costs other than amounts then owing the Trustee under Section 3.2 hereof.

2.7 Time of Termination. Each Trust hereunder shall terminate to the extent provided in this Section 2.7 upon the earlier to occur of the following events:

(a) In whole, upon the substantial completion of the nuclear decommissioning of the Plant for which such Trust was created and named as provided in Section 468A(e)(7) of the Code and as evidenced to the Trustee by the written certification of the Company.

(b) To the extent allowed or provided under Section 468A of the Code, the Illinois Statute, the Iowa Statute, the NRC Rule or any Future Order.

The Trust Fund shall terminate when all of the separate Trusts have terminated.

2.8 Distribution of Trust Upon Termination. Upon termination of each Trust, the Trustee shall distribute the entire remaining amount of the trust, including all accrued, accumulated and undistributed net income, to the Company; provided, however, that no such distribution shall be made unless either (a) an order of the ICC, IUB or the NRC and FERC specifically authorizing such distribution is in effect, as evidenced to the Trustee by the written certification of the Company, and which certification specifies further that all necessary consents and approvals to such distribution have been obtained, or (b) the Company has furnished the Trustee with an opinion of legal counsel to the effect that no such orders are necessary to authorize such distribution and that all necessary consents and approvals to such distribution have been obtained.

2.9 Alterations and Amendments. The Trustee and the Company understand and agree that amendments may be required to this Agreement from time to time to effectuate the purpose of this Trust Agreement and to comply with amendments to or changes in the Illinois Statute, the Iowa Statute, the NRC Rule, any Future Orders, changes in tax laws (including Section 468A of the Code), regulations or rulings (whether published or private) of the Service, and any other changes in the laws applicable to the Company, the Plants or the Trusts created hereunder. The Company and the Trustee may amend this Agreement to the extent necessary or desirable to effectuate such purpose or to comply with such changes; provided, however, in any event, the Trustee may decline to adopt such amendment, if such amendment increases the expenses or responsibilities of the Trustee and no provision satisfactory to the Trustee has been made to compensate the Trustee for such increase, or if the Trustee determines it would be unable with reasonable effort to comply with its duties as to be amended. This Agreement may not be amended in a manner that would violate Code Section 468A or the regulations thereunder.

2.10 No Authority to Conduct Business. The purpose of this Trust Agreement is limited to the matters set forth in Section 1.3 hereof. This Agreement shall not be construed to confer upon the Trustee any authority to conduct business.

ARTICLE III: GENERAL PROVISIONS RELATING TO THE TRUSTEE

The appointment of any successor Trustee, provisions governing resignation and compensation of the Trustee and the general rules governing the relationships of the Trustee and the Company and any third parties are as follows:

3.1 Designation and Qualification of Successor Trustees. At any time during the term of this Agreement, the Company shall have the right to remove the Trustee acting hereunder and appoint another qualified entity as a successor trustee upon 30 days notice in writing to the Trustee, or upon such shorter notice as may be acceptable to the Trustee. Any Trustee shall have the right to resign at any time upon 30 days notice in writing to the Company and upon such resignation the Company shall appoint another qualified entity as a successor Trustee. Notwithstanding the foregoing, no such removal or resignation shall be effective until a successor Trustee is appointed by the Company and, if necessary, approved by appropriate regulatory authorities.

Any successor Trustee shall qualify by a duly acknowledged acceptance of this Agreement and the trusts created hereunder, delivered to the Company. Upon acceptance of such appointment by the successor Trustee, the Trustee shall transfer to the successor Trustee the Trust Fund. Any successor Trustee shall have all the rights, powers, duties and obligations herein granted to the original Trustee.

If for any reason the Company is unable to or does not, in the event of the resignation or removal of the Trustee as provided above, appoint a successor Trustee within 40 days after such resignation or removal, either the Company or the Trustee may apply to a court of competent jurisdiction for the appointment of a successor Trustee.

3.2 Compensation and Reimbursement. The Trustee shall be entitled to compensation from each Trust held hereunder at such rates as may be approved in writing from time to time by the Company. Subject to the approval of the Company (which shall not be unreasonably withheld or delayed), the Trustee shall be entitled to be reimbursed from each Trust held hereunder for out-of-pocket expenses including, but not limited to, expenses of agents, auditors and counsel, incurred in connection with the administration of such Trust.

3.3 Transactions With Third Parties. No person or organization dealing with the Trustee hereunder shall be required to inquire into or to investigate its authority for entering into any transaction or to see to the application of the proceeds of any such transaction.

3.4 Financial Statements. The Trustee shall furnish monthly financial statements (reviewed with respect to accounting by the Trustee's internal staff) for each Trust to the Company not later than the 15th day of the following month, or at such other less frequent interval as the Company may require. The financial statements shall show the financial condition of the Trust including, without limitation, the market value of the assets, and the income and expenses of each Trust for the period since the preceding statement and such other information as may be reasonably

requested by the Company. The Trustee shall provide annual certified financial statements which shall be audited annually by independent certified public accountants retained by the Company, subject to the limitations contained in Section 4.8 hereof. The Trustee shall furnish such financial statements as required by law or regulation to the Company.

3.5 Regulatory Reports. The Trustee shall furnish reports to the ICC in compliance with 220ILCS5/8-508.1(e). The Trustee shall provide any such reports to the Company prior to filing with the ICC.

3.6 Tax Returns and Other Reports. The Trustee shall prepare or cause to be prepared such income or other tax returns and such reports for the Trusts as may be required from time to time and shall provide copies thereof to the Company in advance of their filing for review by the Company. The Trustee shall provide to the Company all statements, documents, lists or other information reasonably requested by the Company. The Trustee shall also sign all such returns and file them or cause them to be filed with the appropriate government agencies. The Trustee shall cooperate with all requests made by regulatory agencies and shall provide copies to the Company in advance of all information submitted to regulatory agencies. At the Company's request, the Trustee shall testify with respect to the Trusts and the Trust Fund in proceedings before regulatory agencies.

3.7 Nominees, Depositories. If the Trustee employs an agent or depository specifically for purposes of providing services related to any Trust held hereunder (other than a securities broker), the Trustee shall disclose to such agent or depository that it is employed on behalf of such Trust.

3.8 Future Orders. The Company shall promptly advise the Trustee in writing of the existence of any Future Order having the effect of imposing new or different responsibilities upon the Trustee under this Agreement.

3.9 Appointment of Investment Manager. The Company shall have the right from time to time to appoint and remove one or more investment managers for any Trust held hereunder and to direct the segregation of any part or all of any such Trust into one or more accounts to be known as "investment manager accounts" and if it does so, it shall appoint an individual, partnership, association or corporation as investment manager to manage the portion of any Trust so segregated. Written notice of any such appointment and/or removal shall be given to the Trustee and the investment manager so appointed. The appointment shall be accomplished using an investment manager agreement signed by the Company and the investment manager and acknowledged by the Trustee. As long as the investment manager is acting, the investment manager shall have full authority to direct the acquisition, retention and disposition of the assets from time to time comprising the investment manager account being managed by the investment manager, and except as set forth in the following paragraph, the Trustee shall have no duty or obligation to review the assets from time to time comprising such investment manager account, to make any recommendations with respect to the acquisition, retention and disposition thereof, nor to determine whether any direction from the investment manager is proper or within the terms of this Agreement.

The Trustee shall have no liability or responsibility to the Company or the Trusts for acting on the direction of, or for failure to act in the absence of directions from, the investment manager for any investment manager account. The Trustee may assume that any investment manager account previously established and the appointment of any investment manager for that account continues in force until receipt of written notice to the contrary from the Company. Pending receipt of directions from the investment manager, any cash received by the Trustee from time to time for any investment manager account shall be invested upon receipt in instruments maturing in three banking days or less. The Company shall review the assets in any such investment manager account on a monthly basis for the purpose of determining whether such assets are permissible investments under the guidelines established for such account and the provisions of Section 4.3 hereof. In the event that the Company determines as a result of any such review that an investment is not permitted under either the guidelines established for such account or the provisions of Section 4.3 hereof, then it shall notify the applicable investment manager and Trustee and the applicable investment manager within one business day of such determination by telephone, confirmed in writing. If the applicable investment manager does not sell the unpermitted investment within two business days of such oral notice, then the Trustee shall sell such unpermitted investment within four business days of such oral notice. The Trustee shall advise the investment manager of information it receives from an issuer or similar source regarding calls, redemptions, purchase offers and similar matters relating to assets held in any Trust hereunder.

The Company will indemnify the Trustee and hold it harmless from any liability or expense in connection with or arising out of (i) any action taken or omitted, or any investment or disbursement of any part of the investment manager account made by the Trustee, at the direction of the investment manager, and (ii) any action taken by the Trustee pursuant to notification of an order issued by an investment manager to purchase or sell securities directly to a broker or dealer under a power of attorney.

3.10 Certain Duties and Responsibilities of the Trustee.

(a) In the absence of bad faith on its part, the Trustee may conclusively rely upon certificates or opinions furnished by the Company to the Trustee pursuant to this Agreement.

(b) No provision of this Agreement shall be construed to relieve the Trustee from liability for its own negligent action, its own negligent failure to act, or its own wilful misconduct in carrying out its responsibilities under this Agreement, except that (i) this Subsection shall not be construed to limit the effect of Subsection (a) of this section and (ii) no provision of this Agreement shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if in its sole reasoned judgment the Trustee believes that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

3.11 Certain Rights of Trustee. Except as otherwise provided in Section 3.9 hereof:

(a) Any request or direction of the Company mentioned herein shall be sufficiently evidenced by a written request or direction signed, prepared or furnished by an authorized representative of the Company or a verbal or telephonic request or order confirmed within

a reasonable time by such a written request or direction, and any action of the board of directors of the Company may be sufficiently evidenced by a certificate of the Company's secretary or assistant secretary;

(b) Whenever in the administration of any Trust created under this Agreement the Trustee shall deem it desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, the Trustee (unless other evidence be herein specifically prescribed) may, in the absence of bad faith on its part, rely upon the certificate of an authorized representative of the Company;

(c) Subject to Section 3.10(b) above, the Trustee may consult with legal counsel and the written advice of such counsel or any opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or omitted by it hereunder in reliance thereon in the absence of bad faith on the part of the Trustee;

(d) The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Agreement at the request or direction of the Company pursuant to this Agreement unless the Company shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction; and

(e) In the absence of bad faith on its part, and without any duty or obligation to ascertain the propriety of any request, direction or guideline, the Trustee shall be fully protected, and shall be held harmless by the Company, in acting or in refraining from acting (i) in accordance with any request or direction of the Company or (ii) within any guidelines set by the Company for the administration or operation of the Trusts or the Trust Fund; and

(f) In the event that The Bank of New York incurs any liability, loss, claim, suit or expense (including reasonable attorneys fees) arising directly out of its provision of services under this Agreement, or its status as Trustee hereunder, under circumstances where The Bank of New York cannot obtain or would be precluded by law from obtaining payment or reimbursement of such liability, loss, claim, suit or expense (including reasonable attorneys fees) from the Trust Fund, then the Company (which has the authority to do so under the laws of the state of its incorporation) shall indemnify and hold The Bank of New York harmless from and against such liability, loss, claim, suit or expense, except to the extent such liability, loss, claim, suit or expense arises directly from negligence or willful misconduct in performance by the Trustee of its responsibilities as created under the terms of this Agreement. This paragraph shall survive the termination of this Agreement.

ARTICLE IV: TRUSTEE'S POWERS

The Trustee shall have, with respect to each Trust held hereunder, the following powers, all of which powers are fiduciary powers to be exercised in a fiduciary capacity and in the best interests of each Trust, and which are to be exercised as the Trustee, acting in such fiduciary capacity, in its discretion, shall determine, except that the Trustee shall not act in its discretion

but only at the direction of an appointed investment manager in the exercise of those powers given in Section 4.2, 4.3, 4.4 and 4.5 hereof with respect to the acquisition, retention and disposition of the assets of an investment manager account, and, except as otherwise provided, which are intended in no way to limit the general powers of the office, namely:

4.1 Payment or Provision for Expenses of Administration. To the extent not otherwise provided for herein, in which case such specific provisions shall control, to incur, pay or make provision for any and all charges, taxes and expenses upon or connected with each Trust held hereunder in the discharge of its fiduciary obligations under this Agreement, but to charge said amounts to such Trust only to the extent that such amounts are directed to be paid from such Trust by the Company pursuant to Section 3.2 hereof or may be incurred and paid from such Trust without causing the Trust to become disqualified under Section 468A.

4.2 Prudent Investments. Subject to the limitations provided in Section 4.3 hereof, to invest the assets of each Trust only in secure assets that are prudent investments for assets held in trust and in such a way as to attempt to maximize the after-tax returns thereon.

4.3 Investment of Trust Fund. Pending use of any Trust held hereunder for the purpose of this Trust, to invest and reinvest all or any part of such Trust, including any undistributed income therefrom; provided, however, that no such investment or reinvestment may be made by the Trustee:

- (a) In any investments not permitted under the Code;
- (b) In any security or asset of any operator of a nuclear power plant; or
- (c) Which would contravene any Future Order in effect at the time such investment or reinvestment is made and previously furnished to the Trustee with reference to the Trusts.

Any investment or reinvestment made by an investment manager shall be reviewed by the Trustee for compliance with (a), (b) or (c) above as provided in Section 3.8 hereof.

All investments must be sufficiently liquid to enable each Trust to fulfill the purpose of this Agreement and to satisfy obligations as they become due as communicated in writing to the Trustee. Nothing in this Section 4.3 shall be construed as requiring the Trustee to make any investigation as to when any of the Plants may be decommissioned or when obligations relating to such decommissioning may be expected to become due, and absent a written communication from the Company, the Trustee shall invest each separate Trust as though such Trust had no short or intermediate term cash requirements.

4.4 Management of Trusts. To sell, exchange or otherwise dispose of all or any part of any Trust held hereunder, without prior application to or approval by or order of any court, upon such terms and in such manner and at such prices as the Trustee shall determine; to modify, renew or extend mortgages, bonds, notes or other obligations or any installment of principal thereof or any interest due thereon and to waive any defaults in the performance of the terms and conditions thereof; and to execute and deliver any and all assignments, bonds or other instruments in connection with these powers, at such times, in such manner and upon such terms and conditions

as the Trustee may deem expedient. The Trustee's determinations of manner of sales, terms, prices and the exercise of other powers granted herein, if reasonably made, are not to be questioned.

Notwithstanding anything contained in this Agreement to the contrary, the Trustee in exercising its discretionary authority hereunder may not authorize or carry out any sale, exchange or other transaction between any Trust and a "disqualified person" within the meaning of Section 4951 of the Code except the payment of compensation and expenses pursuant to Section 3.2 hereof or unless such transaction is not an act of "self-dealing" within the meaning of Section 4951 of the Code, as such section is made applicable to each Trust by the Illinois Statute. The Trustee, in exercising its discretionary authority hereunder, shall not cause any Trust to engage in any act of self-dealing with the Company or any affiliate of the Company. The Company agrees to furnish the Trustee with the identity of all persons who are "disqualified persons" within the meaning of said Section 4951 of the Code by reason of their connection with the Company or their connection with a Person who has a connection with the Company, and the Trustee may conclusively rely thereon in acting hereunder.

4.5 Extension of Obligations and Negotiation of Claims. Subject to the limitations contained in Section 4.3 and 4.4 hereof, to renew or extend the time of payment of any obligation, secured or unsecured, payable to or by any Trust, for as long a period or periods of time and on such terms as it shall determine; and to adjust, settle, compromise and arbitrate claims or demands in favor of or against any Trust, including claims for taxes, upon such terms as it deems advisable.

4.6 Registration of Securities. To hold any stocks, bonds, securities and/or other property in the name of a nominee, in a street name or by other title-holding device, without indication of trust.

4.7 Location of Assets. To keep any property belonging to any Trust at any place in the United States.

4.8 Retention and Removal of Professional Service Providers. To employ attorneys, accountants and custodians as it shall deem advisable and to make such payments thereof as the Trustee shall deem reasonable for the implementation of the purpose of this Agreement. The Trustee shall have the absolute right to dismiss any such agents for any reason whatsoever; provided that the Trustee's selection of an accounting firm shall be subject to the prior consent of the Company, which consent shall not be unreasonably withheld.

4.9 Delegation of Ministerial Powers. To delegate to other persons such ministerial powers and duties as it may deem to be advisable.

4.10 Discretion in Exercise of Powers. To do any and all other acts which the Trustee shall deem proper to effectuate the powers specifically conferred upon it by this Agreement and which the Company requests or authorizes.

ARTICLE V: MISCELLANEOUS PROVISIONS

5.1 Headings. The section headings set forth in this Agreement are inserted for convenience of reference only and shall be disregarded in the construction or interpretation of any of the provisions of this Agreement.

5.2 Particular Words. Any word contained in the text of this Agreement shall be read as the singular or plural as may be applicable in the particular context. Unless otherwise specifically stated, the word "person" shall be taken to mean and include an individual, partnership, association, trust, company or corporation.

5.3 Severability of Provisions. If any provision of this Agreement or its application to any person or entity or in any circumstances shall be invalid and unenforceable, the application of such provision to persons and in circumstances other than those as to which it is invalid or unenforceable and the other provisions of this Agreement, shall not be affected by such invalidity or unenforceability.

5.4 Form and Content of Communications. The names of persons authorized to act on behalf of the Company shall be certified, with the specimen signature of any such person, to the Trustee by the Company. Until notified in writing to the contrary, the Trustee shall have the right to assume that there has been no change in the identity or authority of any person previously certified to it hereunder.

5.5 Delivery of Notices Under Agreement. Any notice required by this Agreement to be given to the Company or the Trustee shall be deemed to have been properly given when mailed postage prepaid, by registered or certified mail. Notices to the Company shall be addressed to:

MidAmerican Energy Company
666 Grand Avenue
P. O. Box 657
Des Moines, Iowa 50306
Attention: Vice President and Treasurer

Notices to the Trustee shall be addressed to:

The Bank of New York
Steve Weis, Vice President
One Wall Street, 12th Floor
New York, NY 10286

5.6 Successors and Assigns. Subject to the provisions of Sections 2.6 and 3.1 hereof, this Agreement shall be binding upon and inure to the benefit of the Company, the Trustee and their respective successors and assigns.

5.7 Counterparts of Agreement. This Agreement has been executed in counterparts, each of which shall be deemed to be an executed original.

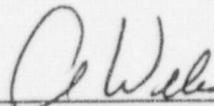
5.8 Governing Jurisdiction. The Trust created hereunder are Illinois trusts. All questions pertaining to its validity, construction and administration shall be determined in accordance with the internal substantive laws (and not the choice of law rules) of the State of New York to the extent not superseded by federal law.

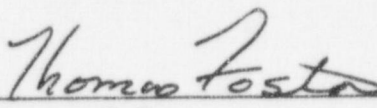
All actions and proceedings brought by the Trustee relating to or arising from, directly or indirectly, this Agreement may be litigated in courts located in the State of New York and the Company hereby submits to the jurisdiction of such courts. The Company and the Trustee hereby waive the right to a trial by jury in any action or proceeding brought hereunder.

5.9 Miscellaneous. The Trusts shall operate on an accounting year which coincides with the calendar year.

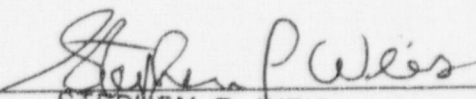
IN WITNESS WHEREOF, the Company and the Trustee have as of the day and year first above written, executed and delivered this Agreement.

MIDAMERICAN ENERGY COMPANY

By: 
Alan L. Wells
Senior Vice President and Chief Financial
Officer

Attest: 
Thomas C. Foster
Manager-Investments

THE BANK OF NEW YORK

By: 
Name: STEPHEN P. WEIS
Title: Vice President

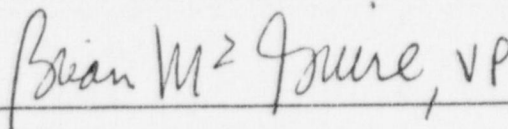
Attest: 

EXHIBIT A

DISBURSEMENT CERTIFICATE

The undersigned, being a duly authorized officer of MidAmerican Energy Company, an Iowa corporation (the "Company"), and in such capacity being duly authorized and empowered to execute and deliver this certificate, hereby certifies to the Trustee of the MidAmerican Energy Company Tax Qualified Decommissioning Trust Fund (the "Trust"), pursuant to Section 2.2(a) of that certain Trust Agreement dated as of February 1, 1999 (the "Agreement") between the Company and the Trustee, as follows:

- (1) There is due and owing to each Payee ("Payees") [all/a portion of] the invoiced cost to the Company for goods or services provided in connection with the decommissioning of the [name of Plant] as evidenced by the Invoice Schedule (with supporting exhibits) attached as Exhibit 1 hereto;
- (2) All such amounts due and owing to such Payees constitute Qualified Costs;
- (3) All conditions precedent to the making of this disbursement set forth in any agreement between each such Payee and the Company have been fulfilled;
- (4) No Payee is a "disqualified person" within the meaning of Sections 468A and 4951 of the Code by reason of an affiliation with the Company or, if any are, then the payment constitutes compensation or payment or reimbursement of expenses which are reasonable and necessary to carry out the purpose of the Trust and the payment is not excessive; and
- (5) The payment of the amounts owing meets the requirements of the Illinois Statute, Iowa Statute and any Future Orders and all necessary consents and approvals for such payment have been obtained.

Accordingly, you are directed to permit the disbursement of \$_____ from the Trust in order to permit payment of such sum to be made to the aforementioned Payees for such purpose. You are further directed to disburse such sum, once withdrawn, directly to such Payees in the following manner: [describe manner of payment] on or before [date].

Although you are under no obligation to make any further inquiry or investigation or to obtain any further documentation, it is understood that you may, in your discretion, elect to withhold any such disbursement to any Payee unless and until you receive written releases, in form satisfactory to you, of any liens, security interests or claims of such Payee against the Company or its property as you may in your discretion require.

Capitalized terms used herein without definition shall have the meanings given to such terms in the Agreement.

WITNESS my hand this ____ day of _____, 1999.

By: _____
Duly Authorized Officer

EXHIBIT B

WITHDRAWAL CERTIFICATE

The undersigned, being a duly authorized officer of MidAmerican Energy Company, an Iowa corporation (the "Company"), and in such capacity being duly authorized and empowered to execute and deliver this certificate, hereby certifies to the Trustee of the MidAmerican Energy Company Tax Qualified Decommissioning Trust Fund (the "Trust"), pursuant to Section 2.2(c), of that certain Trust Agreement dated as of February 1, 1999 (the "Agreement") between the Company and the Trustee, as follows:

(1) The Company has paid and is entitled to reimbursement for amounts paid to Payees for goods or services provided in connection with the decommissioning of the [name of Plant] as described in the Schedule (with supporting exhibits) attached as Exhibit 1 hereto;

(2) All such amounts paid to such Payees constitute Qualified Costs;

(3) No Payee was a "disqualified person" within the meaning of Sections 468A and 4951 of the Code by reason of an affiliation with the Company or, if any were, then the payment constituted compensation or payment or reimbursement of expenses which were reasonable and necessary to carry out the purpose of the Trust and the payment was not excessive; and

(4) The payment of the amounts met the requirements of the Illinois Statute, the Iowa Statute and any Future Orders and all necessary consents and approvals for such payment has been obtained.

Accordingly, you are directed to permit the disbursement of \$_____ from the Trust in order to reimburse the Company for such payments. You are further directed to disburse such sum, once withdrawn, directly to "MidAmerican Energy Company" on or before [date].

Capitalized terms used herein without definition shall have the meanings given to such terms in the Agreement.

WITNESS my hand this _____ day of _____, 19____.

By:

Duly Authorized Officer

QUAD CITIES
NUCLEAR DECOMMISSIONING TRUST
UNIT I
NON-TAX QUALIFIED
TRUST AGREEMENT

NON-TAX QUALIFIED TRUST AGREEMENT

THIS TRUST AGREEMENT ("Agreement") is made this 1st day of February, 1999, between MidAmerican Energy Company, an Iowa corporation (the "Company"), and The Bank of New York, a New York banking corporation, having trust powers (hereinafter, together with any successors in office, called the "Trustee").

WHEREAS, the Company is the owner in whole or in part of each of the Plants (as hereinafter defined);

WHEREAS, the Company is subject to regulation by the Illinois Commerce Commission ("ICC"), the Iowa Utilities Board ("IUB"), the Nuclear Regulatory Commission ("NRC") and the Federal Energy Regulatory Commission ("FERC");

WHEREAS, pursuant to the Illinois Statute, the Iowa Statute and Future Orders (as hereinafter defined), the Company has established Qualified Trusts (as hereinafter defined) for each Plant (as hereinafter defined) pursuant to a trust agreement dated March 15, 1989 between the Company and the Harris Trust & Savings Bank ("Harris") establishing the Iowa-Illinois Gas and Electric Company Tax Qualified Decommission Trust Fund; and

WHEREAS, the Company previously substituted The Northern Trust Company ("Northern") for Harris pursuant to a trust agreement dated December 29, 1995 between the Company and Northern and has now substituted the Trustee for Northern, and the Trustee has agreed to such substitution with respect to the Qualified Trusts (as hereinafter defined) pursuant to the trust agreement dated February 1, 1999 between the Company and Trustee (the "Tax Qualified Trust Agreement"); and

WHEREAS, pursuant to the Illinois Statute, the Iowa Statute and Future Orders, the Company previously established a non-tax qualified trust ("Trust") for each Plant (as hereinafter defined) pursuant to a trust agreement dated as of March 15, 1989 between the Company and Harris and thereafter substituted Northern for Harris pursuant to a Trust Agreement dated December 29, 1995; and

WHEREAS, the Company wishes to substitute the Trustee for Northern, and the Trustee is agreeable to such substitution, and in so doing, the parties hereto wish to continue the existence and administration of the Trusts pursuant to this Agreement dated as of February 1, 1999 between the Company and Trustee;

NOW, THEREFORE, the Company shall deliver to the Trustee and, upon receipt, the Trustee shall acknowledge receipt of the funds described on Schedules 1 through 5, inclusive, representing the assets of the Trusts (as hereinafter defined);

TO HAVE AND TO HOLD, such Trusts and such additional funds as may from time to time be added thereto as provided herein, together with the proceeds and reinvestments thereof (hereinafter collectively called the "Trust Fund") unto the Trustee;

IN TRUST NEVERTHELESS, for the use and purpose and upon the terms and conditions hereinafter set forth;

ARTICLE I: DEFINITIONS, NAME AND PURPOSES

1. 1. Definitions. As used in this Agreement, the following terms shall have the following meanings.

"Agreement," "Trust Agreement" and the terms "hereof," "herein," "hereto" and "hereunder," when used in this Agreement, shall mean and include this Agreement as the same may from time to time be amended, modified or supplemented.

"Code" shall mean the Internal Revenue Code of 1986, as it may be amended from time to time, and regulations promulgated thereunder.

"Disbursement Certificate" shall mean a document properly completed and executed by the Company substantially in the form of Exhibit A hereto.

"Future Orders" shall mean any orders or rulings of the ICC, IUB, NRC or FERC existing or issued, and any Federal or state laws existing or adopted, in connection with the retention, investment and utilization of funds for the costs of decommissioning any Plant.

"Illinois Statute" shall mean Section 8-508.1 of the Illinois Public Utilities Act (220 ILCS 5/8-508. 1) as it may hereafter be amended.

"Iowa Statute" shall mean all applicable Sections of Chapters 476 and 476A of the Code of Iowa, as it may hereafter be amended.

"NRC Rule" shall mean the "General Requirements for Decommissioning Nuclear Facilities" of the NRC (53 Fed. Reg. 24018, June 27, 1988) as it may hereafter be amended.

"Person" means an individual, partnership, corporation, limited liability company, joint venture, association, trust, or any other entity or organization, including a government or political subdivision or agent or instrumentality thereof.

"Plant" shall mean each, and "Plants" shall mean all, of the Quad Cities Nuclear Generating Station Unit One and the Quad Cities Nuclear Generating Station Unit Two.

"Qualified Costs" shall mean the Company's costs incurred in the decommissioning of a Plant, to the extent that such costs may be paid out of a Trust without contravening the Illinois Statute, the Iowa Statute or any Future Order.

"Qualified Trust" shall mean each, and "Qualified Trusts" shall mean all, of the separate funds established for each of the Plants pursuant to the Qualified Trust Agreement.

"Service" shall mean the Internal Revenue Service.

"Trust" shall mean each, and "Trusts" shall mean all, of the MidAmerican Energy Company Non-Tax Qualified Decommissioning Trust - Unit One and the MidAmerican Energy Non-Tax Qualified Decommissioning Trust - Unit Two.

"Trust Fund" shall be used herein merely to refer to the Trusts in the aggregate and is not intended nor should it be construed to constitute a separate entity.

"Withdrawal Certificate" shall mean a document properly completed and executed by the Company substantially in the form of Exhibit B hereto.

1.2 Names of Trusts. Each Trust shall be known as the "MidAmerican Energy Company Non-Tax Qualified Decommissioning Trust - Quad Cities Unit One" and "MidAmerican Energy Company Non-Tax Qualified Decommissioning Trust - Quad Cities Unit Two." The Trusts, collectively, shall be known as the "MidAmerican Energy Company Non-Tax Qualified Decommissioning Trust Fund."

1.3 Purpose of Trust Agreement. The purpose of this Trust Agreement is to provide funds for the contemplated decommissioning of the Plants listed on the separate Schedules attached hereto and to comply with the Illinois Statute, the Iowa Statute, the NRC Rule and any Future Orders.

ARTICLE II: ESTABLISHMENT OF SEPARATE TRUSTS AND DISPOSITIVE PROVISIONS

The Trustee shall manage, invest and reinvest and, after payment of the expenses described in Section 4.1 hereof, distribute each Trust as follows:

2.1 Separate Trusts. The Company has established a separate Trust for each Plant. Each time the Company makes a contribution to the Trust Fund, it shall designate the amount of such contribution allocable to each such separate Trust. The Trustee shall maintain separate records for each Trust and shall credit thereto its pro rata share of all income of the Trust Fund and charge thereto its pro rata share of all expenses (other than expenses attributable to a particular Plant which shall be expenses charged to the Trust named for such Plant) and any losses. The Trustee shall not be precluded from pooling the assets of the Trusts with one another for investment purposes, and may treat each Trust as having received or accrued a ratable portion of the Trust Fund income in any year.

2.2 Payment of Nuclear Decommissioning Costs. The Trustee shall make payments from the Trust for decommissioning costs in accordance with the following procedures:

(a) Disbursements to Third Parties. The Trustee shall make payments to any person (other than the Company) for goods provided or labor or other services rendered to the Company in connection with the decommissioning of a Plant within five business days of the receipt of the Disbursement Certificate.

(b) Reimbursement to the Company. The Trustee shall make payments to the Company in connection with the decommissioning of a Plant in reimbursement of costs

actually incurred by the Company and paid to any other person within five business days of receipt of a Withdrawal Certificate.

The Trustee shall be under no duty to inquire into the correctness or accuracy of matters contained in a Disbursement Certificate or Withdrawal Certificate unless representatives of the Trustee then approving any withdrawal or disbursement based on such certificate have actual knowledge of the falsity of any statements made herein.

2.3 Additions to Trusts. From time to time prior to the termination of each Trust held hereunder, the Company may make, and the Trustee shall accept, additional contributions of funds to any separate Trust held hereunder to satisfy the purpose of this Trust Agreement as set forth in Section 1.3 hereof. The making of a contribution by the Company shall constitute the certification of the Company that all necessary consents and approvals to such contribution have been obtained.

2.4 Remittance of Taxes. The Trustee shall remit to the Company within 15 business days after the Company's request therefor the amount from each Trust which the Company certifies as the amount by which the Company's federal and, if applicable, state income taxes (including estimated payments) for the preceding fiscal year were increased by the net income of such Trust. The Trustee shall be under no duty to inquire into the correctness or accuracy of any such certificate.

2.5 No Transferability of Interest in any Trust. Except to the extent that any transfer of interest of the Company is approved where required by the ICC, IUB, NRC and FERC, the interest of the Company in any Trust is not transferable, whether voluntarily or involuntarily, by the Company nor subject to the claims of creditors of the Company; provided, however, that any creditor of the Company as to which a Disbursement Certificate for a Trust has been properly completed and submitted to the Trustee may assert a claim directly against such Trust in an amount not to exceed either the amount specified on such Disbursement Certificate or the amount of such Trust available to pay costs other than amounts then owing the Trustee under Section 3.2 hereof.

2.6 Time of Termination. Each Trust hereunder shall terminate to the extent provided in this Section 2.7 upon the earlier to occur of the following events:

(a) In whole, upon the substantial completion of the nuclear decommissioning of the Plant for which such Trust was created and named and as evidenced to the Trustee by the written certification of the Company.

(b) To the extent allowed or provided under the Illinois Statute, the Iowa Statute, the NRC Rule or any Future Order.

The Trust Fund shall terminate when all of the separate Trusts have terminated.

2.7 Distribution of Trust Upon Termination. Upon termination of each Trust, the Trustee shall distribute the entire remaining amount of the trust, including all accrued, accumulated and undistributed net income, to the Company; provided, however, that no such distribution shall be

made unless either (a) an order of the ICC, the IUB, the NRC and FERC specifically authorizing such distribution is in effect, as evidenced to the Trustee by the written certification of the Company, and which certification specifies further that all necessary consents and approvals to such distribution have been obtained, or (b) the Company has furnished the Trustee with an opinion of legal counsel to the effect that no such orders are necessary to authorize such distribution and that all necessary consents and approvals to such distribution have been obtained.

2.8 Alterations and Amendments. The Trustee and the Company understand and agree that amendments may be required to this Agreement from time to time to effectuate the purpose of this Trust Agreement and to comply with amendments to or changes in the Illinois Statute, the Iowa Statute, the NRC Rule, any Future Orders, changes in tax laws (including Section 468A of the Code), regulations or rulings (whether published or private) of the Service, and any other changes in the laws applicable to the Company, the Plants or the Trusts created hereunder. The Company and the Trustee may amend this Agreement to the extent necessary or desirable to effectuate such purpose or to comply with such changes; provided, however, in any event, the Trustee may decline to adopt such amendment, if such amendment increases the expenses or responsibilities of the Trustee and no provision satisfactory to the Trustee has been made to compensate the Trustee for such increase, or if the Trustee determines it would be unable with reasonable effort to comply with its duties as to be amended.

2.9 No Authority to Conduct Business. The purpose of this Trust Agreement is limited to the matters set forth in Section 1.3 hereof. This Agreement shall not be construed to confer upon the Trustee any authority to conduct business.

ARTICLE III: GENERAL PROVISIONS RELATING TO THE TRUSTEE

The appointment of any successor Trustee, provisions governing resignation and compensation of the Trustee and the general rules governing the relationships of the Trustee and the Company and any third parties are as follows:

3.1 Designation and Qualification of Successor Trustees. At any time during the term of this Agreement, the Company shall have the right to remove the Trustee acting hereunder and appoint another qualified entity as a successor trustee upon 30 days notice in writing to the Trustee, or upon such shorter notice as may be acceptable to the Trustee. Any Trustee shall have the right to resign at any time upon 30 days notice in writing to the Company and upon such resignation the Company shall appoint another qualified entity as a successor Trustee. Notwithstanding the foregoing, no such removal or resignation shall be effective until a successor Trustee is appointed by the Company and, if necessary, approved by appropriate regulatory authorities.

Any successor Trustee shall qualify by a duly acknowledged acceptance of this Agreement and the trusts created hereunder, delivered to the Company. Upon acceptance of such appointment by the successor Trustee, the Trustee shall transfer to such successor Trustee the Trust Fund. Any successor Trustee shall have all the rights, powers, duties and obligations herein granted to the original Trustee.

If for any reason the Company is unable to or does not, in the event of the resignation or removal of the Trustee as provided above, appoint a successor Trustee within 40 days after such resignation or removal, either the Company or the Trustee may apply to a court of competent jurisdiction for the appointment of a successor Trustee.

3.2 Compensation and Reimbursement. The Trustee shall be entitled to compensation from each Trust held hereunder at such rates as may be approved in writing from time to time by the Company. Subject to the approval of the Company (which shall not be unreasonably withheld or delayed), the Trustee shall be entitled to be reimbursed from each Trust held hereunder for out-of-pocket expenses including, but not limited to, expenses of agents, auditors and counsel, incurred in connection with the administration of such Trust.

3.3 Transactions With Third Parties. No person or organization dealing with the Trustee hereunder shall be required to inquire into or to investigate its authority for entering into any transaction or to see to the application of the proceeds of any such transaction.

3.4 Financial Statements. The Trustee shall furnish monthly financial statements (reviewed with respect to accounting by the Trustee's internal staff) for each Trust to the Company not later than the 15th day of the following month, or at such other less frequent interval as the Company may require. The financial statements shall show the financial condition of the Trust including, without limitation, the market value of the assets, and the income and expenses of each Trust for the period since the preceding statement and such other information as may be reasonably requested by the Company. The Trustee shall provide annual certified financial statements which shall be audited annually by independent certified public accountants retained by the Company, subject to the limitations contained in Section 4.8 hereof. The Trustee shall furnish such financial statements as required by law or regulation to the Company.

3.5 Regulatory Reports. The Trustee shall furnish reports to the ICC in compliance with 220 ILCS 5/8-508. 1 (e.). The Trustee shall provide any such reports to the Company prior to filing with the ICC.

3.6 Tax Returns and Other Reports. The Trustee shall prepare or cause to be prepared such income or other tax returns and such reports for the Trusts as may be required from time to time and shall provide copies thereof to the Company in advance of their filing for review by the Company. The Trustee shall provide to the Company all statements, documents, lists or other information reasonably requested by the Company. The Trustee shall also sign all such returns and file them or cause them to be filed with the appropriate government agencies. The Trustee shall cooperate with all requests made by regulatory agencies and shall provide copies to the Company in advance of all information submitted to regulatory agencies. At the Company's request, the Trustee shall testify with respect to the Trusts and the Trust Fund in proceedings before regulatory agencies.

3.7 Nominees, Depositories. If the Trustee employs an agent or depository specifically for purposes of providing services related to any Trust held hereunder (other than a securities broker), the Trustee shall disclose to such agent or depository that it is employed on behalf of such Trust.

3.8 Future Orders. The Company shall promptly advise the Trustee in writing of the existence of any Future Order having the effect of imposing new or different responsibilities upon the Trustee under this Agreement.

3.9 Appointment of Investment Manager. The Company shall have the right from time to time to appoint and remove one or more investment managers for any Trust held hereunder and to direct the segregation of any part or all of any such Trust into one or more accounts to be known as "investment manager accounts" and if it does so, it shall appoint an individual, partnership, association or corporation as investment manager to manage the portion of any Trust so segregated. Written notice of any such appointment and/or removal shall be given to the Trustee and the investment manager so appointed. The appointment shall be accomplished using an investment manager agreement signed by the Company and the investment manager and acknowledged by the Trustee. As long as the investment manager is acting, the investment manager shall have full authority to direct the acquisition, retention and disposition of the assets from time to time comprising the investment manager account being managed by the investment manager, and except as set forth in the following paragraph, the Trustee shall have no duty or obligation to review the assets from time to time comprising such investment manager account, to make any recommendations with respect to the acquisition, retention and disposition thereof, nor to determine whether any direction from the investment manager is proper or within the terms of this Agreement.

The Trustee shall have no liability or responsibility to the Company or the Trusts for acting on the direction of, or for failure to act in the absence of directions from, the investment manager for any investment manager account. The Trustee may assume that any investment manager account previously established and the appointment of any investment manager for that account continues in force until receipt of written notice to the contrary from the Company. Pending receipt of directions from the investment manager, any cash received by the Trustee from time to time for any investment manager account shall be invested upon receipt in instruments maturing in three banking days or less. The Company shall review the assets in any such investment manager account on a monthly basis for the purpose of determining whether such assets are permissible investments under the guidelines established for such account and the provisions of Section 4.3 hereof. The Trustee shall advise the investment manager of information it receives from an issuer or similar source regarding calls, redemptions, purchase offers and similar matters relating to assets held in any Trust hereunder. The Company will indemnify the Trustee and hold it harmless from any liability or expense in connection with or arising out of (i) any action taken or omitted, or any investment or disbursement of any part of the investment manager account made by the Trustee, at the direction of the investment manager, and (ii) any action taken by the Trustee pursuant to notification of an order issued by an investment manager to purchase or sell securities directly to a broker or dealer under a power of attorney.

3.10 Certain Duties and Responsibilities of the Trustee.

(a) In the absence of bad faith on its part, the Trustee may conclusively rely upon certificates or opinions furnished by the Company to the Trustee pursuant to this Agreement.

(b) No provision of this Agreement shall be construed to relieve the Trustee from liability for its own negligent action, its own negligent failure to act, or its own willful misconduct in

carrying out its responsibilities under this Agreement, except that (i) this Subsection shall not be construed to limit the effect of Subsection (a) of this section and (ii) no provision of this Agreement shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if in its sole reasoned judgment the Trustee believes that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

3.11 Certain Rights of Trustee. Except as otherwise provided in Section 3.9 hereof:

(a) Any request or direction of the Company mentioned herein shall be sufficiently evidenced by a written request or direction signed, prepared or furnished by an authorized representative of the Company or a verbal or telephonic request or order confirmed within a reasonable time by such a written request or direction, and any action of the board of directors of the Company may be sufficiently evidenced by a certificate of the Company's secretary or assistant secretary;

(b) Whenever in the administration of any Trust created under this Agreement the Trustee shall deem it desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, the Trustee (unless other evidence be herein specifically prescribed) may, in the absence of bad faith on its part, rely upon the certificate of an authorized representative of the Company;

(c) Subject to 3.10(b) above, the Trustee may consult with legal counsel and the written advice of such counsel or any opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or omitted by it hereunder in reliance thereon;

(d) The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Agreement at the request or direction of the Company pursuant to this Agreement, unless the Company shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction; and

(e) In the absence of bad faith on its part, and without any duty or obligation to ascertain the propriety of any request, direction or guideline, the Trustee shall be fully protected, and shall be held harmless by the Company, in acting or in refraining from acting (i) in accordance with any request or direction of the Company or (ii) within any guidelines set by the Company for the administration or operation of the Trusts or the Trust Fund; and

(f) In the event that The Bank of New York incurs any liability, loss, claim, suit or expense (including reasonable attorneys fees) arising directly out of its provision of services under this Agreement, or its status as Trustee hereunder, under circumstances where The Bank of New York cannot obtain or would be precluded by law from obtaining payment or reimbursement of such liability, loss, claim, suit or expense (including reasonable attorneys fees) from the Trust Fund, then the Company (which has the authority to do so under the laws of the state of its incorporation) shall indemnify and

hold The Bank of New York harmless from and against such liability, loss, claim, suit or expense, except to the extent such liability, loss, claim, suit or expense arises directly from negligence or willful misconduct in performance by the Trustee of its responsibilities as created under the terms of this Agreement. This paragraph shall survive the termination of this Agreement.

ARTICLE IV: TRUSTEE'S POWERS

The Trustee shall have, with respect to each Trust held hereunder, the following powers, all of which powers are fiduciary powers to be exercised in a fiduciary capacity and in the best interests of each Trust, and which are to be exercised as the Trustee, acting in such fiduciary capacity, in its discretion, shall determine, except that the Trustee shall not act in its discretion but only at the direction of an appointed investment manager in the exercise of those powers given in Section 4.2, 4.3, 4.4 and 4.5 hereof with respect to the acquisition, retention and disposition of the assets of an investment manager account, and, except as otherwise provided, which are intended in no way to limit the general powers of the office, namely:

4.1 Payment or Provision for Expenses of Administration. To the extent not otherwise provided for herein, in which case such specific provisions shall control, to incur, pay or make provision for any and all charges, taxes and expenses upon or connected with each Trust held hereunder in the discharge of its fiduciary obligations under this Agreement, but to charge said amounts to such Trust only to the extent that such amounts are directed to be paid from such Trust by the Company or may be incurred and paid from such Trust.

4.2 Prudent Investments. Subject to the limitations provided in Section 4.3 hereof, to invest the assets of each Trust only in secure assets that are prudent investments for assets held in trust and in such a way as to attempt to maximize the after-tax returns thereon.

4.3 Investment of Trust Fund. Pending use of any Trust held hereunder for the purpose of this Trust, to invest and reinvest all or any part of such Trust, including any undistributed income therefrom; provided, however, that no such investment or reinvestment may be made by the Trustee:

- (a) In any security or asset of any operator of a nuclear power plant; or
- (b) Which would contravene the Illinois Statute, the Iowa Statute or any Future Order in effect at the time such investment or reinvestment is made and previously furnished to the Trustee with reference to the Trusts.

Any investment or reinvestment made by an investment manager shall be reviewed by the Trustee for compliance with (a) or (b) above as provided in Section 3.8 hereof.

All investments must be sufficiently liquid to enable each Trust to fulfill the purpose of this Agreement and to satisfy obligations as they become due as communicated in writing to the Trustee. Nothing in this Section 4.3 shall be construed as requiring the Trustee to make any investigation as to when any of the Plants may be decommissioned or when obligations relating to such decommissioning may be expected to become due, and absent a written communication

from the Company, the Trustee shall invest each separate Trust as though such Trust had no short or intermediate term cash requirements.

4.4 Management of Trusts. To sell, exchange or otherwise dispose of all or any part of any Trust held hereunder, without prior application to or approval by or order of any court, upon such terms and in such manner and at such prices as the Trustee shall determine; to modify, renew or extend mortgages, bonds, notes or other obligations or any installment of principal thereof or any interest due thereon and to waive any defaults in the performance of the terms and conditions thereof; and to execute and deliver any and all assignments, bonds or other instruments in connection with these powers, at such times, in such manner and upon such terms and conditions as the Trustee may deem expedient. The Trustee's determinations of manner of sales, terms, prices and the exercise of other powers granted herein, if reasonably made, are not to be questioned.

Notwithstanding anything contained in this Agreement to the contrary, the Trustee in exercising its discretionary authority hereunder may not authorize or carry out any sale, exchange or other transaction between any Trust and a "disqualified person" within the meaning of Section 4951 of the Code except the payment of compensation and expenses pursuant to Section 3.2 hereof or unless such transaction is not an act of "self-dealing" within the meaning of Section 4951 of the Code, as such section is made applicable to each Trust by the Illinois Statute. The Trustee, in exercising its discretionary authority hereunder, shall not cause any Trust to engage in any act of self-dealing with the Company or any affiliate of the Company. The Company agrees to furnish the Trustee with the identity of all persons who are "disqualified persons" within the meaning of said Section 4951 of the Code by reason of their connection with the Company or their connection with a Person who has a connection with the Company, and the Trustee may conclusively rely thereon in acting hereunder.

4.5 Extension of Obligations and Negotiation of Claims. Subject to the limitations contained in Section 4.3 and 4.4 hereof, to renew or extend the time of payment of any obligation, secured or unsecured, payable to or by any Trust, for as long a period or periods of time and on such terms as it shall determine; and to adjust, settle, compromise and arbitrate claims or demands in favor of or against any Trust, including claims for taxes, upon such terms as it deems advisable.

4.6 Registration of Securities. To hold any stocks, bonds, securities and/or other property in the name of a nominee, in a street name or by other title-holding device, without indication of trust.

4.7 Location of Assets. To keep any property belonging to any Trust at any place in the United States.

4.8 Retention and Removal of Professional Service Providers. To employ attorneys, accountants and custodians as it shall deem advisable and to make such payments thereof as the Trustee shall deem reasonable for the implementation of the purpose of this Agreement. The Trustee shall have the absolute right to dismiss any such agents for any reason whatsoever; provided that the Trustee's selection of an accounting firm shall be subject to the prior consent of the Company, which consent shall not be unreasonably withheld.

4.9 Delegation of Ministerial Powers. To delegate to other persons such ministerial powers and duties as it may deem to be advisable.

4. 10 Discretion in Exercise of Powers. To do any and all other acts which the Trustee shall deem proper to effectuate the powers specifically conferred upon it by this Agreement and which the Company requests or authorizes.

ARTICLE V: MISCELLANEOUS PROVISIONS

5.1 Headings. The section headings set forth in this Agreement are inserted for convenience of reference only and shall be disregarded in the construction or interpretation of any of the provisions of this Agreement.

5.2 Particular Words. Any word contained in the text of this Agreement shall be read as the singular or plural as may be applicable in the particular context. Unless otherwise specifically stated, the word "person" shall be taken to mean and include an individual, partnership, association, trust, company or corporation.

5.3 Severability of Provisions. If any provision of this Agreement or its application to any person or entity or in any circumstances shall be invalid and unenforceable, the application of such provision to persons and in circumstances other than those as to which it is invalid or unenforceable and the other provisions of this Agreement, shall not be affected by such invalidity or unenforceability.

5.4 Form and Content of Communications. The names of persons authorized to act on behalf of the Company shall be certified, with the specimen signature of any such person, to the Trustee by the Company. Until notified in writing to the contrary, the Trustee shall have the right to assume that there has been no change in the identity or authority of any person previously certified to it hereunder.

5.5 Delivery of Notices Under Agreement. Any notice required by this Agreement to be given to the Company or the Trustee shall be deemed to have been properly given when mailed postage prepaid, by registered or certified mail. Notices to the Company shall be addressed to:

MidAmerican Energy Company
666 Grand Avenue, P. O. Box 657
Des Moines, Iowa 50303-0657
Attention: Vice President and Treasurer

Notices to the Trustee shall be addressed to:

The Bank of New York
Steve Weis, Vice President
One Wall Street, 12th Floor
New York, NY 10286

EXHIBIT A

DISBURSEMENT CERTIFICATE

The undersigned, being a duly authorized officer of MidAmerican Energy Company, an Iowa corporation (the "Company"), and in such capacity being duly authorized and empowered to execute and deliver this certificate, hereby certifies to the Trustee of the MidAmerican Energy Company Non-Tax Qualified Decommissioning Trust Fund (the "Trust"), pursuant to Section 2.2(a) of that certain Trust Agreement dated February 1, 1999 (the "Agreement") between the Company and the Trustee, as follows:

(1) There is due and owing to each Payee ("Payees") [all/a portion of] the invoiced cost to the Company for goods or services provided in connection with the decommissioning of the [name of Plant] as evidenced by the Invoice Schedule (with supporting exhibits) attached as Exhibit 1 hereto;

(2) All such amounts due and owing to such Payees constitute Qualified Costs;

(3) All conditions precedent to the making of this disbursement set forth in any agreement between each such Payee and the Company have been fulfilled;

(4) No Payee is a "disqualified person" within the meaning of Section 4951 of the Code by reason of an affiliation with the Company or, if any are, then the payment constitutes compensation or payment or reimbursement of expenses which are reasonable and necessary to carry out the purpose of the Trust and the payment is not excessive; and

(5) The payment of the amounts owing meets the requirements of the Illinois Statute, the Iowa Statute and any Future Orders and all necessary consents and approvals for such payment have been obtained.

Accordingly, you are directed to permit the disbursement of \$_____ from the Trust in order to permit payment of such sum to be made to the aforementioned Payees for such purpose. You are further directed to disburse such sum, once withdrawn, directly to such Payees in the following manner: [describe manner of payment] on or before [date].

Although you are under no obligation to make any further inquiry or investigation or to obtain any further documentation, it is understood that you may, in your discretion, elect to withhold any such disbursement to any Payee unless and until you receive written releases, in form satisfactory to you, of any liens, security interests or claims of such Payee against the Company or its property as you may in your discretion require.

Capitalized terms used herein without definition shall have the meanings given to such terms in the Agreement.

WITNESS my hand this _____ day of _____, 1999.

By: _____
Duly Authorized Officer

EXHIBIT B

WITHDRAWAL CERTIFICATE

The undersigned, being a duly authorized officer of MidAmerican Energy Company, an Iowa corporation (the "Company"), and in such capacity being duly authorized and empowered to execute and deliver this certificate, hereby certifies to the Trustee of the MidAmerican Energy Company Non-Tax Qualified Decommissioning Trust Fund (the "Trust"), pursuant to Section 2.2(b) of that certain Trust Agreement dated February 1, 1999 (the "Agreement") between the Company and the Trustee, as follows:

(1) The Company has paid and is entitled to reimbursement for amounts paid to Payees for goods or services provided in connection with the decommissioning of the [name of Plant] as described in the Schedule (with supporting exhibits) attached as Exhibit 1 hereto;

(2) All such amounts paid to such Payees constitute Qualified Costs;

(3) No Payee was a "disqualified person" within the meaning of Section 4951 of the Code by reason of an affiliation with the Company or, if any were, then the payment constituted compensation or payment or reimbursement of expenses which were reasonable and necessary to carry out the purpose of the Trust and the payment was not excessive; and

(4) The payment of the amounts met the requirements of the Illinois Statute, the Iowa Statute and any Future Orders and all necessary consents and approvals for such payment has been obtained.

Accordingly, you are directed to permit the disbursement of \$_____ from the Trust in order to reimburse the Company for such payments. You are further directed to disburse such sum, once withdrawn, directly to "MidAmerican Energy Company" on or before [date].

Capitalized terms used herein without definition shall have the meanings given to such terms in the Agreement.

WITNESS my hand this _____ day of _____, 1999.

By: _____

Duly Authorized Officer