

Appendix 2

to Professional Services Contract

Special Conditions

Applicable to MidAmerican Energy Company

CIPS Covered Assets and Protected Information

NERC CIPS Requirements

NORTH AMERICAN ELECTRIC RELIABILITY CORPORATION (NERC) CRITICAL INFRASTRUCTURE PROTECTION (CIP) STANDARDS

Capitalized terms used herein shall have the same meaning as set forth in the Contract, unless the context may otherwise require.

1. PERSONNEL RISK ASSESSMENTS, TRAINING, SECURITY AWARENESS, INFORMATION PROTECTION, PERSONNEL CHANGES AND DOCUMENTATION

Consultant and all Personnel employed by or otherwise engaged by Consultant with authorized cyber or authorized unescorted physical access to Company's (hereinafter also referred to as "MidAmerican") CIPS Covered Assets and/or Protected Information, shall comply with (a) all requirements of the NERC CIP standards, including and not limited to (b) MidAmerican's Personnel Risk Assessment Program, Training Program, Security Awareness Program, and Information Protection Program, incorporated herein by this reference, or Consultant's programs for personnel risk assessment, training, security awareness and information protection, if MidAmerican has reviewed and verified and approved the same.

In conjunction with the NERC CIP standards, Consultant shall ensure NERC CIP compliance and communicate all requirements to Personnel. Consultant shall (a) conduct personnel risk assessments consisting of an identity verification (at a minimum social security verification of U.S. citizens) and seven (7) year criminal background check and provide written certification as specified in Section 2 of these Special Conditions for all Personnel (except if access is only to non-public CIP sensitivity classification Protected Information); (b) fully inform and train all Personnel on requirements of CIP standards prior to accessing CIPS Covered Assets and/or Protected Information and shall quarterly reinforce security awareness. If Consultant feels any of MidAmerican's training or security awareness materials are inappropriate or desires to use Consultant's training or security awareness materials, Consultant shall provide Notice to MidAmerican, and provide the training and/or security awareness documents and any improved practice to MidAmerican for review, verification and approval; (c) furnish MidAmerican a list that shows by name of Personnel, the completion date of each training course, and what materials were utilized; (d) furnish MidAmerican a list describing the security awareness materials used and dates and how the security materials were distributed; (e) provide MidAmerican with a list of Personnel authorized to handle MidAmerican's protected CIP information that shows Personnel's information sensitivity classification clearance level and assure Personnel adhere to Protected Information handling procedures; (f) report Personnel terminations for cause immediately to MidAmerican but not longer than twelve (12) hours from time of termination and report all other Personnel terminations or changes in employment status for those who no longer require access within twelve (12) hours from time of occurrence; and (g) keep accurate and detailed documentation to confirm compliance with requirements of NERC CIP standards as specified in Section 3 of these Special Conditions.

Consultant shall designate one person to be responsible for compliance with the Contract requirements. Reporting relating to this section shall be to MidAmerican's designated authorized representative.

In case of conflict or inconsistency between MidAmerican's programs and requirements of the NERC CIP standards, the NERC CIP requirements shall govern.

2. CRIMINAL BACKGROUND CHECK, IDENTITY VERIFICATION AND RELATED SCREENING

If requested by MidAmerican, Consultant shall conduct, at its sole cost and expense, criminal background checks for the current and past counties of residence on all Personnel that have cyber or unescorted physical access to MidAmerican facilities or North American Electric Reliability Corporation CIPS Covered Assets or Protected Information. The background checks shall be updated no less frequently than every seven (7) years or for cause. At a minimum, an identity verification (social security number verification for U.S. citizens) and seven (7) year criminal background check including felony or misdemeanor convictions involving: (a) violence to persons/property; (b) theft/fraud; (c) drug/alcohol; or (d) traffic/other are required, employment history, education verification and professional certifications may also be required by MidAmerican. All background checks will be conducted in accordance with federal, state, provincial, and local laws, and subject to existing collective bargaining unit agreements or other agreements, if any. Consultant shall not allow persons who have not met MidAmerican's criteria to perform Work or Services or access CIPS Covered Assets or Protected Information, unless Consultant has received written authorization from MidAmerican. Consultant shall supply a certification that meets MidAmerican's criteria for all Personnel employed or engaged by Consultant. Consultant shall ensure that all Personnel sign an appropriate authorization form prior to criminal background checks being conducted, acknowledging the background check is being conducted and authorizing the information obtained to be provided to MidAmerican.

It is understood and agreed that MidAmerican may review Consultant's policies, background checks and related documentation upon request, subject to applicable federal, state and/or local statutes or regulations. MidAmerican may also request that Consultant provide an ongoing and updated list of persons that have been denied authorization to perform Work or Services for MidAmerican or denied access to MidAmerican assets, information or facilities.

3. AUDIT

Consultant shall keep such full and detailed documentation as may be necessary for substantiation of compliance with this Contract. The method for maintaining documentation shall be satisfactory to MidAmerican. MidAmerican or its designee shall be afforded access to, and allowed to make copies of all Consultant's records, books, correspondence, instructions, drawings, agreements, memoranda and similar data that, in MidAmerican's judgment, relate to this Contract. This documentation will be available at Consultant's regular place of business during normal working hours or provided to MidAmerican in a reasonable alternative manner as may be requested by MidAmerican. Consultant shall preserve all such documentation for a period of three (3) years after completion of the Work or Services or longer where required by law. These requirements shall also apply to all Personnel, of any tier, and to all companies that are wholly or partially owned by or are affiliated with Consultant.

End of Appendix 2