

NEWS RELEASE



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Application Filed to Build Alaska Pipeline

FAIRBANKS, Alaska – Jan. 22, 2004 – MidAmerican Energy Holdings Company and MEHC Alaska Gas Transmission Company today filed an application with the State of Alaska Department of Revenue for approval under the Alaska Stranded Gas Development Act for authority to negotiate tax and financial terms with the State of Alaska to facilitate the transportation of stranded Alaskan natural gas. The proposed 745-mile, \$6.3 billion pipeline extends from the North Slope area near Prudhoe Bay southward to the Alaska-Yukon border near Beaver Creek. MAGTC is seeking an affirmative determination that the proposed Alaska pipeline is a “qualified project” and MAGTC and its constituent owner-members constitute a “qualified sponsor group.”

MAGTC is a subsidiary of MidAmerican Energy Holdings Company, a Berkshire Hathaway affiliate. Other members of the project’s sponsor group include Cook Inlet Region, Inc., an Alaska native corporation; and Pacific Star Energy, LLC, a consortium including Alaska native corporations.

“With this application, MidAmerican and the members of the sponsor group take an important first step in what we anticipate will be a long-term relationship with the State of Alaska to develop this important resource,” said David Sokol, MidAmerican Energy Holdings Company chairman and chief executive officer. “Development of Alaska’s enormous natural gas reserves has long been hampered by unfavorable economics related to the remote location of the reserves and the difficulties and costs of delivering Alaskan natural gas to market. We believe those circumstances are rapidly changing and believe by the end of this decade Alaskan gas will begin to play a critical role in meeting North American gas demand.”

“The importance of getting the stranded Alaskan natural gas to the lower 48 United States cannot be overemphasized,” said Warren Buffett, chairman of Berkshire Hathaway, which is the owner of an 80 percent interest in MidAmerican. “I strongly support David’s team in moving this important infrastructure project forward.”

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Page 2 of 2

MAGTC proposes to facilitate the development of stranded Alaskan gas with the construction of a 48-inch diameter high-pressure natural gas pipeline. The project would have an initial design capacity of approximately 4.5 billion cubic feet of gas per day. At the Alaska-Yukon border, the pipeline will interconnect with a new, companion pipeline in Canada. This line will be built either by TransCanada through its Foothills Pipe Lines Ltd. subsidiary, or others. The new pipeline could be an extension of the existing Foothills prebuild pipeline or may be developed by other entities. In either event, the new Canadian facilities would connect Alaskan gas for delivery into multiple existing downstream pipeline systems into virtually every market center in Canada and the lower 48 United States. Proven reserves of stranded gas on the North Slope exceed 35 trillion cubic feet.

MAGTC will be responsible for the Alaska segment of the project. MAGTC is pursuing project development in anticipation of a Dec. 31, 2010, in-service date.

Robert L. (Bob) Sluder has been named president of MAGTC. In addition, he serves as president of Kern River Gas Transmission Company, a position he has held since February 2002. Kern River, headquartered in Salt Lake City, is a subsidiary of MidAmerican Energy Holdings Company.

MidAmerican's interstate pipeline subsidiaries, Kern River and Northern Natural, own and operate more than 18,000 miles of pipeline facilities, making MidAmerican the second-largest interstate natural gas transmission company in the United States.

The Kern River pipeline system brings natural gas into Utah, Nevada and California. Extending from the gas-producing fields in Wyoming to Bakersfield, Calif., Kern River delivers more than 1.7 billion cubic feet of natural gas per day to customers along its 1,679-mile pipeline system. In 2003, Kern River completed a \$1.2 billion expansion more than doubling the capacity of its system by increasing throughput capacity by 906 million cubic feet per day.

Northern Natural Gas operates a network of interstate natural gas pipelines extending from the Permian Basin in Texas to the upper Midwest. The system includes 16,500 miles of pipeline; 4.3 billion cubic feet per day of market area peak capacity; and three natural gas storage facilities with a storage capacity of 59 billion cubic feet.

MidAmerican Energy Holdings Company is based in Des Moines, Iowa, and is a privately owned global provider of energy services. Through its energy-related business platforms – CalEnergy Generation, Kern River Gas Transmission Company, Northern Natural Gas Company, MidAmerican Energy Company and CE Electric UK – MidAmerican provides electric and natural gas service to five million customers worldwide. Information on MidAmerican is available on the Internet at www.midamerican.com.

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