

STATE OF ALASKA

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

FRANK H. MURKOWSKI, GOVERNOR

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January 28, 2004

Mr. Douglas L. Anderson
Senior Vice President
And General Counsel
MidAmerican Energy Holdings Company
666 Grand Avenue
PO Box 657
Des Moines, IA 50303-0657

Mr. Robert L. Sluder
President
MEHC Alaska Gas Transmission Company, LLC
2755 E. Cottonwood Parkway, Suite 300
Salt Lake City, UT 84121

Re: Application under the Alaska Stranded Gas Development Act

Dear Gentlemen:

MidAmerican Energy Holdings Co. and MEHC Alaska Gas Transmission Co. LLC (collectively "MAGTC") have submitted an application and proposed project plan to the State under the Stranded Gas Development Act for a pipeline that would transport natural gas from the Alaska North Slope through Alaska to the Alaska-Yukon border, where it will interconnect with a new companion pipeline to access markets in Canada and the Lower 48 United States.

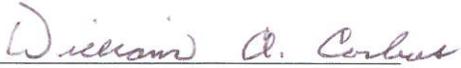
MAGTC's application identifies a route to bring Alaska North Slope stranded gas reserves to market that would generally follow the TAPS route and then the Alaska Canadian highway through Canada and into Alberta (the Highway Route).

The State has reviewed the materials submitted by MAGTC and finds that MAGTC is a qualified sponsor under the Act and that the application and proposed project plan are sufficient under the Act. Therefore, the State hereby approves MAGTC's application and proposed project plan. The State intends to fully discuss all aspects of the qualified project consistent with the application submission and intends to negotiate with MAGTC concerning all aspects of the application and proposed project plan.

January 28, 2004

The State looks forward to the next stage of the process and working with MAGTC to develop a mutually acceptable contract.

STATE OF ALASKA
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William A. Corbus, Commissioner

STATE OF ALASKA
DEPARTMENT OF NATURAL RESOURCES


Tom Irwin, Commissioner

cc: Governor Frank H. Murkowski
James F. Clark, Chief of Staff
Gregg D. Renkes, Attorney General-