



Cook Inlet Natural Gas STORAGE Alaska

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FOR IMMEDIATE RELEASE

SEMCO ENERGY AND MIDAMERICAN ENERGY HOLDINGS COMPANY ANNOUNCE PLANS FOR A NATURAL GAS STORAGE PROJECT

ANCHORAGE – Cook Inlet Natural Gas Storage Alaska, LLC (CINGSA), a joint venture between SEMCO Energy, Inc. (SEMCO) and MidAmerican Energy Holdings Company (MidAmerican), announced today it has filed a certificate application with the Regulatory Commission of Alaska (RCA) to construct, own and operate an underground natural gas storage system in the Cook Inlet region of Southcentral Alaska.

The regulatory application filed today includes information related to the customers who will be served by the facility, proposed tariffs, construction and operation of the facility. The storage project will have an initial capacity of 11 billion cubic feet (Bcf) of natural gas and the ability to inject and withdraw that gas at a rate of 150 million cubic feet per day (MMcfd). Gas would be injected into the storage facility during each

summer, beginning in 2012, and withdrawn for use as needed each winter. CINGSA has requested that the RCA approve its filing by Dec. 1, 2010.

“CINGSA is an important ingredient for assuring that ENSTAR Natural Gas Company and Cook Inlet electric utilities are able to meet the needs of their customers, especially during times when the demand for gas and electricity generation using gas is high each winter,” said George Schreiber, CEO and president of SEMCO and its owner. “This facility represents a significant commitment by SEMCO and MidAmerican. For SEMCO, this investment nearly doubles the size of our business in Alaska.”

The project calls for an investment of approximately \$180 million. The project is needed because the ability to deliver natural gas to customers, at the moment they need gas, has dramatically declined as Cook Inlet fields have aged. ENSTAR and other area utilities have been forced to aggressively pursue alternatives to ensure that natural gas is available when it is needed to match usage.

“We are excited to be part of a project to provide improved gas deliverability to the customers in Southcentral Alaska,” said Mark Hewett, president of MidAmerican Energy Pipeline Group, a group of natural gas subsidiaries of MidAmerican Energy Holdings Company. “This storage facility is an important transaction for MidAmerican Energy Holdings Company and to the ongoing development of energy infrastructure by the MidAmerican companies. We look forward to working closely with our partner to successfully develop this project.”

The regulatory application filed with the RCA identifies three main customers: ENSTAR Natural Gas Company, which will utilize 70 percent of the initial storage capacity, Chugach Electric Association and Anchorage Municipal Light & Power, which

together will subscribe for the remaining 30 percent. The customers expect to begin utilizing CINGSA's services in winter 2012-2013.

"The service CINGSA will provide to ENSTAR and our customers plays a major role in ENSTAR's integrated resource plan from a short, mid- and long-term perspective," said John Sims, manager of corporate communications and customer service for ENSTAR.

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Continental Energy Systems owns a family of utility companies that includes ENSTAR Natural Gas in Anchorage, Alaska, SEMCO Energy Gas Company in Port Huron, Mich., and New Mexico Gas Company in Albuquerque, N.M. Information on Continental Energy Systems is available at www.continentalllc.com <http://www.continentalllc.com>.

MidAmerican Energy Holdings Company, based in Des Moines, Iowa, is a global provider of energy services. Through its energy-related business platforms, MidAmerican provides electric and natural gas service to more than 6.9 million customers worldwide. These business platforms are Pacific Power, Rocky Mountain Power and PacifiCorp Energy, which comprise PacifiCorp; MidAmerican Energy Company; CE Electric UK; Northern Natural Gas Company; Kern River Gas Transmission Company; and CalEnergy. Information about MidAmerican is available at www.midamerican.com <http://www.midamerican.com>.