PacifiCorp Retirement Plan

Actuarial Valuation Report Disclosure for Fiscal Year Ending December 31, 2013 and 2014 Benefit Cost under US GAAP

January 2014

TOWERS WATSON

Table of Contents

This page is intentionally blank

Purposes of valuation

PacifiCorp engaged Towers Watson Delaware Inc. ("Towers Watson") to value the Company's pension plan.

As requested by PacifiCorp (the Company), this report provides information for year-end financial reporting purposes required by FASB Accounting Standards Codification Topic 715-20-50 (ASC 715) for your fiscal year ending December 31, 2013 for the PacifiCorp Retirement Plan (the Plan).

The exhibits present year-end financial reporting information in accordance with ASC 715-20-50, including net balance sheet position of the Plan, cash flow, plan asset information, amortization amounts during the fiscal year, participant information, the provisions on which the valuation is based, and the actuarial assumptions and methods used in the calculations. Additional input is required (as described below) by the Company in relation to the plan asset disclosures specified in ASC 715-20-50-1(d) (public entities) or ASC 715-20-50-5(c) (nonpublic entities).

In addition, this report presents the Net Periodic Benefit Cost/(Income) (Benefit Cost), in accordance with ASC 715, for the fiscal year beginning January 1, 2014. Both year-end financial reporting and benefit cost results are based on a valuation of the Plan as of December 31, 2013.

Limitations

This valuation has been conducted for the purposes described above and may not be suitable for any other purpose. In particular, please note the following:

1. As discussed above, certain year-end financial reporting information in accordance with ASC 715-20-50 is not included in this report and must be provided by PacifiCorp, as follows:

   - Categorization of assets, actual asset allocation at December 31, 2013 and December 31, 2012, and the target asset allocation for 2014.

   - A description of PacifiCorp's investment policy for the assets held by the pension plan.

   - A description of the basis used to determine the expected long-term rate of return on plan assets.

2. The expected contributions to the qualified pension plan(s) were set at an amount determined in conjunction with the Postretirement Welfare Plan.

   Note that any significant change in the amounts contributed or expected to be contributed in 2014 will require disclosure in the interim financial statements.

3. This report is not intended to constitute a certification of the Adjusted Funding Target Attainment Percentage (AFTAP) under IRC §436 for any plan year.

4. This report does not determine the plan's funding requirements under IRC §430.

5. This report does not provide information for plan reporting under ASC 960.

6. This report does not determine liabilities on a plan termination basis, for which a separate extensive analysis would be required.

Section 1: Summary of key results

Benefit cost, assets & obligations

All monetary amounts shown in US Dollars

Fiscal Year Beginning		01/01/2014	01/01/2013
Benefit Cost/ (Income)	Net Periodic Benefit Cost/(Income)	12,465,295	31,447,656
	Amortization of Regulatory (Liability)/Asset	(823,378)	(823,378)
	Total Benefit Cost/(Income)	11,641,917	30,624,278
Measurement Date		**12/31/2013**	**12/31/2012**
Plan Assets	Fair Value of Assets (FVA)	1,170,986,828	1,011,968,943
	Market Related Value of Assets (MRVA)	1,062,635,597	999,278,223
	Return on Fair Value Assets during Prior Year	21.40%	13.05%
Benefit Obligations	Accumulated Benefit Obligation (ABO)	(1,172,455,469)	(1,327,722,604)
	Projected Benefit Obligation (PBO)	(1,172,932,717)	(1,328,705,381)
Funded Ratios	Fair Value of Assets to ABO	99.9%	76.2%
	Fair Value of Assets to PBO	99.8%	76.2%
Accumulated Other Comprehensive (Income)/Loss	Net Prior Service Cost/(Credit)	(29,189,000)	(37,180,000)
	Net Loss/(Gain)	346,460,017	641,489,222
	Net Regulatory (Liability)/Asset	(4,400,065)	(5,223,443)
	Total Accumulated Other Comprehensive (Income)/Loss	312,870,952	599,085,779
Assumptions	Discount Rate	4.80%	4.05%
	Expected Long-term Rate of Return on Plan Assets	7.50%	7.50%
	Rate of Compensation Increase	3.00%	3.00%
Participant Data	Census Date	01/01/2013	01/01/2012

Comments on results

The actuarial gain/(loss) due to demographic experience, including any assumption changes, and investment return different from assumed during the prior year was $96,233,594 and $138,303,739 respectively.

Change in net periodic cost and funded position

The net periodic cost decreased from $30,624,278 in fiscal 2013 to $11,641,917 in fiscal 2014 and the funded position improved from $(316,736,438) to $(1,945,889).

Significant reasons for these changes include the following:

- The return on the fair value of plan assets since the prior measurement date was greater than expected, which improved the funded position.
- The return on the market-related value of plan assets, which reflects gradual recognition of asset gains and losses over the past five years, was greater than expected, which reduced the pension cost.
- Contributions to the plan during the prior year reduced the net periodic cost and improved the funded position.
- The discount rate increased 75 basis points compared to the prior year, which reduced the net periodic cost and improved the funded position.

Basis for valuation

Appendix A summarizes the assumptions and methods used in the valuation. Appendix B summarizes our understanding of the principal provisions of the plan being valued. The most recent plan change reflected in this valuation was effective on July 1, 2010.

Changes in assumptions

- The discount rate changed from 4.05% to 4.80%
- The future interest crediting rates for cash balance benefits changed from 3.05% to 0.82% in 2015 and 3.80% in 2016 and beyond for Non-Union, and 3.55% to 3.79% in 2015 and 4.30% in 2016 and beyond for Union
- Actual interest crediting rates of 0.82% for Non-Union and 3.79% for Union were used for 2014
- The ultimate lump sum conversion rate was changed from 4.05% to 4.80%
- The mortality tables were updated to reflect one additional year of mortality improvement.

Changes in methods

None

Changes in benefits valued

None

Subsequent events

None

Additional information

None

This page is intentionally blank

Actuarial certification

This valuation has been conducted in accordance with generally accepted actuarial principles and practices. However please note the information discussed below regarding this valuation.

Reliances

In preparing the results presented in this report, we have relied upon information regarding plan provisions, participants, assets, and sponsor accounting policies and methods provided by PacifiCorp and other persons or organizations designated by PacifiCorp. We have relied on all the data and information provided as complete and accurate. We have reviewed this information for overall reasonableness and consistency, but have neither audited nor independently verified this information. Based on discussions with and concurrence by the plan sponsor, assumptions or estimates may have been made if data were not available. We are not aware of any errors or omissions in the data that would have a significant effect on the results of our calculations. The results presented in this report are directly dependent upon the accuracy and completeness of the underlying data and information. Any material inaccuracy in the data, assets, plan provisions or other information provided to us may have produced results that are not suitable for the purposes of this report and such inaccuracies, as corrected by PacifiCorp, may produce materially different results that could require that a revised report be issued.

Measurement of benefit obligations, plan assets and balance sheet adjustments

Census date/measurement date

The measurement date is December 31, 2013. The benefit obligations were measured as of the Company's December 31, 2013 fiscal year end and are based on participant data as of the census date, January 1, 2013. We have projected forward benefit obligations to the end of the year, adjusting for benefit payments, expected growth in benefit obligations, changes in key assumptions and plan provisions, and any significant changes in plan demographics that occurred during the year.

This is the same data that was used for the calculation of the Net Periodic Benefit Cost/(Income) for the fiscal year ending December 31, 2014.

Plan assets and balance sheet adjustments

Information about the fair value of plan assets was furnished to us by the Company. The Company also provided information about the general ledger account balances for the pension plan cost at December 31, 2013, which reflect the expected funded status of the plans before adjustment to reflect the plans' funded status based on the year-end measurements. Towers Watson used information supplied by the Company regarding amounts recognized in accumulated other comprehensive income as of December 31, 2013. This data was reviewed for reasonableness and consistency, but no audit was performed.

Accumulated other comprehensive (income)/loss amounts shown in the report are shown prior to adjustment for deferred taxes. Any deferred tax effects in AOCI should be determined in consultation with the Company's tax advisors and auditors.

Assumptions and methods under ASC 715-30-35

As required by U.S. GAAP, the actuarial assumptions and methods employed in the development of the pension cost and other financial reporting have been selected by the Company. Towers Watson has concurred with these assumptions and methods. ASC 715-30-35 requires that each significant assumption "individually represent the best estimate of a particular future event."

The results shown in this report have been developed based on actuarial assumptions that, to the extent evaluated by Towers Watson, we consider to be reasonable and within the "best-estimate range" as described by the Actuarial Standards of Practice. Other actuarial assumptions could also be considered to be reasonable and within the best-estimate range. Thus, reasonable results differing from those presented in this report could have been developed by selecting different points within the best-estimate ranges for various assumptions.

A summary of the assumptions and methods used is provided in Appendix A. Note that any subsequent changes in methods or assumptions for the December 31, 2013 measurement date will change the results shown in this report.

Nature of actuarial calculations

The results shown in this report are estimates based on data that may be imperfect and on assumptions about future events that cannot be predicted with any certainty. The effects of certain plan provisions may be approximated, or determined to be insignificant and therefore not valued. Reasonable efforts were made in preparing this valuation to confirm that items that are significant in the context of the actuarial liabilities or costs are treated appropriately, and are not excluded or included inappropriately. The numbers shown in this report are not rounded, but this is for convenience only and should not imply precision, which is not a characteristic of actuarial calculations.

If overall future plan experience produces higher benefit payments or lower investment returns than assumed, the relative level of plan costs reported in this valuation will likely increase in future valuations (and vice versa). Future actuarial measurements may differ significantly from the current measurements presented in this report due to many factors, including: plan experience differing from that anticipated by the economic or demographic assumptions, increases or decreases expected as part of the natural operation of the methodology used for the measurements (such as the end of an amortization period), and changes in plan provisions or applicable law.

See Basis for Valuation in Section 1 above for a discussion of any material events that have occurred after the valuation date that are not reflected in this valuation.

Limitations on use

This report is provided subject to the terms set out herein and in our engagement letter dated July 25, 2012 and any accompanying or referenced terms and conditions.

The information contained in this report was prepared for the internal use of the Company and its auditors in connection with our actuarial valuation of the pension plan as described in Purposes of Valuation above. It is not intended for and may not be used for other purposes, and we accept no responsibility or liability in this regard. The Company may distribute this actuarial valuation report to the appropriate authorities who have the legal right to require the Company to provide them this report, in which case the Company will use best efforts to notify Towers Watson in advance of this distribution and will include the non-reliance notice included at the end of this report. Further distribution to, or use by, other parties of all or part of this report is expressly prohibited without Towers Watson's prior written consent. In the absence of such consent and an express assumption of responsibility, Towers Watson accepts no responsibility for any consequences arising from any third party relying on this report or any advice relating to its contents. There are no other intended beneficiaries of this report or the work underlying it.

Professional qualifications

The undersigned consulting actuaries are members of the Society of Actuaries and meet the "Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States" relating to pension plans. Our objectivity is not impaired by any relationship between the plan sponsor and our employer, Towers Watson Delaware Inc.

James J. Andrews, FSA, EA — Towers Watson
Consultant
January 2014

Steven M. Schatt, FSA, EA — Towers Watson
Consultant
January 2014

X:\44453\RET\2014\2. PacifiCorp\Valuations\Disclosure & Cost\03c Deliverable\Reports\PacifiCorp PRP 2013 Disclosure and FY14 Cost.docx

This page is intentionally blank

Section 2: Accounting exhibits

2.1 Disclosed benefit cost

All monetary amounts shown in US Dollars

Fiscal Year Ending			12/31/2013	12/31/2012
A	**Disclosed Benefit Cost**			
	1	Employer service cost	5,870,863	7,292,000
	2	Interest cost	51,872,745	58,086,000
	3	Expected return on assets	(74,325,933)	(74,424,000)
	4	Subtotal	(16,582,325)	(9,046,000)
	5	Net prior service cost/(credit) amortization	(7,991,000)	(7,991,000)
	6	Net loss/(gain) amortization	56,020,981	43,300,000
	7	Net regulatory (liability)/asset amortization	(823,378)	(1,841,341)
	8	Amortization subtotal	47,206,603	33,467,659
	9	Net periodic benefit cost/(income)	30,624,278	24,421,659
	10	Curtailments	0	0
	11	Settlements	0	0
	12	Special/contractual termination benefits	0	0
	13	Disclosed benefit cost	30,624,278	24,421,659
B	**Assumptions Used to Determine Benefit Cost** [1]			
	1	Discount rate	4.05%	4.90%
	2	Long-term rate of return on assets	7.50%	7.50%
	3	Rate of compensation increase	3.00%	3.50%

[1] These assumptions were used to calculate Net Periodic Benefit Cost/(Income) as of the beginning of the year. Rates are expressed on an annual basis where applicable. See Appendix A for interim measurements, if any.

2.2 Balance sheet asset/(liability)

All monetary amounts shown in US Dollars

Fiscal Year Ending		12/31/2013	12/31/2012
A	**Development of Balance Sheet Asset/(Liability)**		
1	Projected benefit obligation (PBO)	(1,172,932,717)	(1,328,705,381)
2	Fair value of assets (FVA)	1,170,986,828	1,011,968,943
3	Net balance sheet asset/(liability)	(1,945,889)	(316,736,438)
B	**Current and Noncurrent Allocation**		
1	Noncurrent assets	0	0
2	Current liabilities	0	0
3	Noncurrent liabilities	(1,945,889)	(316,736,438)
4	Net balance sheet asset/(liability)	(1,945,889)	(316,736,438)
C	**Reconciliation of Net Balance Sheet Asset/(Liability)**		
1	Net balance sheet asset/(liability) at end of prior fiscal year	(316,736,438)	(302,221,000)
2	Employer service cost	(5,870,863)	(7,292,000)
3	Interest cost	(51,872,745)	(58,086,000)
4	Expected return on assets	74,325,933	74,424,000
5	Plan amendments	0	0
6	Actuarial gain/(loss)	239,008,224	(68,501,438)
7	Employer contributions	59,200,000	44,940,000
8	Benefits paid directly by the Company	0	0
9	Transfer payments	0	0
10	Acquisitions/divestitures	0	0
11	Curtailments	0	0
12	Settlements	0	0
13	Special/contractual termination benefits	0	0
14	Net balance sheet asset /(liability) at end of current fiscal year	(1,945,889)	(316,736,438)
D	**Assumptions and Dates Used at Disclosure**		
1	Discount rate	4.80%	4.05%
2	Rate of compensation increase	3.00%	3.00%
3	Census date	01/01/2013	01/01/2012

2.3 Accumulated other comprehensive (income)/loss

All monetary amounts shown in US Dollars

Fiscal Year Ending			12/31/2013	12/31/2012
A	**Accumulated Other Comprehensive (Income)/Loss**			
	1	Net prior service cost/(credit)	(29,189,000)	(37,180,000)
	2	Net loss/(gain)	346,460,017	641,489,222
	3	Net regulatory (liability)/asset	(4,400,065)	(5,223,443)
	4	Accumulated other comprehensive (income)/loss[1]	312,870,952	599,085,779
B	**Development of Accumulated Other Comprehensive (Income)/Loss (AOCI)**			
	1	AOCI at prior fiscal year end	599,085,779	564,052,000
	2	Less amounts amortized during the year		
		a Net prior service cost/(credit)	(7,991,000)	(7,991,000)
		b Net loss/(gain)	56,020,981	43,300,000
		c Net regulatory (liability)/asset	(823,378)	(1,841,341)
	3	Occurring during the year		
		a Net prior service cost/(credit)	0	0
		b Net loss/(gain)	(239,008,224)	68,501,438
	4	AOCI at current fiscal year end	312,870,952	599,085,779

[1] Amount shown is pre-tax and should be adjusted by plan sponsor for tax effects.

2.4 Additional disclosure information

All monetary amounts shown in US Dollars

A	**Accumulated Benefit Obligation (ABO)**	
	1 ABO at current fiscal year end	(1,172,455,469)
	2 ABO at prior fiscal year end	(1,327,722,604)
B	**Expected Future Benefit Payments**	
	1 During fiscal year ending 12/31/2014	97,981,659
	2 During fiscal year ending 12/31/2015	104,042,359
	3 During fiscal year ending 12/31/2016	104,974,580
	4 During fiscal year ending 12/31/2017	99,945,596
	5 During fiscal year ending 12/31/2018	100,026,693
	6 During fiscal year ending 12/31/2019 through 12/31/2023	449,101,338
C	**Expected Contributions during fiscal year ending December 31, 2014**	
	1 Employer	5,500,000
	2 Plan participants	0
D	**Expected Amortization Amounts during fiscal year ending December 31, 2014**[1]	
	1 Amortization of net prior service cost/(credit)	(7,991,000)
	2 Amortization of net loss/(gain)	37,520,090
	3 Amortization of net regulatory (liability)/asset	(823,378)
	4 Total	28,705,712

[1] These amounts have been determined assuming there are no special events, plan amendments, assumption changes, or actuarial losses/(gains) during the upcoming fiscal year.

2.5 Changes in disclosed liabilities and assets

All monetary amounts shown in US Dollars

Fiscal Year Ending		12/31/2013	12/31/2012
A	**Change in Projected Benefit Obligation (PBO)**		
1	PBO at prior fiscal year end	1,328,705,381	1,232,879,000
2	Employer service cost	5,870,863	7,292,000
3	Interest cost	51,872,745	58,086,000
4	Actuarial loss/(gain)	(96,233,594)	117,074,872
5	Plan participants' contributions	0	0
6	Benefits paid from plan assets	(112,811,787)	(83,519,457)
7	Benefits paid from the Company	0	0
8	Transfers from (to) other plans	0	0
9	Administrative expenses paid	(4,470,891)	(3,107,034)
10	Plan change	0	0
11	Acquisitions/divestitures	0	0
12	Curtailments	0	0
13	Settlements	0	0
14	Special/contractual termination benefits	0	0
15	PBO at current fiscal year end	1,172,932,717	1,328,705,381
B	**Change in Plan Assets**		
1	Fair value of assets at prior fiscal year end	1,011,968,943	930,658,000
2	Actual return on assets	217,100,563	122,997,434
3	Employer contributions	59,200,000	44,940,000
4	Plan participants' contributions	0	0
5	Benefits paid	(112,811,787)	(83,519,457)
6	Transfer payments	0	0
7	Administrative expenses paid	(4,470,891)	(3,107,034)
8	Acquisitions/divestitures	0	0
9	Settlements	0	0
10	Special/contractual termination benefits	0	0
11	Fair value of assets at current fiscal year end	1,170,986,828	1,011,968,943

2.6 Reconciliation of net balances

All monetary amounts shown in US Dollars

A Reconciliation of Net Prior Service Cost/(Credit)

Measurement Date Established	Original Amount	Net Amount at 12/31/2012	Amortization Amount in 2013	Effect of Curtailments	Other Events	Net Amount at 12/31/2013	Amortization Amount in 2014
06/01/2007	(110,732,000)	(24,667,000)	(5,781,000)	0	0	(18,886,000)	(5,781,000)
09/30/2007	(18,882,000)	(4,548,000)	(1,005,000)	0	0	(3,543,000)	(1,005,000)
09/30/2008	(3,642,000)	(2,134,000)	(377,000)	0	0	(1,757,000)	(377,000)
10/14/2008	(3,568,000)	(2,092,000)	(369,000)	0	0	(1,723,000)	(369,000)
08/31/2009	(170,000)	(116,000)	(18,000)	0	0	(98,000)	(18,000)
10/14/2009	(577,000)	(391,000)	(62,000)	0	0	(329,000)	(62,000)
12/31/2011	(3,611,000)	(3,232,000)	(379,000)	0	0	(2,853,000)	(379,000)
Total		(37,180,000)	(7,991,000)	0	0	(29,189,000)	(7,991,000)

B Reconciliation of Net Loss/(Gain)

	Net Amount at 12/31/2012	Amortization Amount in 2013	Experience Loss/(Gain)	Effect of Curtailments	Effect of Settlements	Net Amount at 12/31/2013	Amortization Amount in 2014
	641,489,222	56,020,981	(239,008,224)	0	0	346,460,017	37,520,090

All monetary amounts shown in US Dollars

C Reconciliation of Regulatory (Liability)/Asset

State	Original Amount	Net Amount at 12/31/2012	Amortization Amount in 2013	Effect of Curtailments	Effect of Settlements	Other Events	Net Amount at 12/31/2013	Amortization Amount in 2014
California		(551,521)	(91,920)	0	0	0	(459,601)	(91,920)
Oregon		(6,087,802)	(1,014,634)	0	0	0	(5,073,168)	(1,014,634)
Utah		1,415,880	283,176	0	0	0	1,132,704	283,176
Total		(5,223,443)	(823,378)	0	0	0	(4,400,065)	(823,378)

2.7 Reconciliation with prior year's disclosure

All monetary amounts shown in US Dollars

		Projected Benefit Obligation (i)	Fair Value of Assets (ii)	Net Balance Sheet Asset / (Liability) (i+ii) (iii)	Net Prior Service Cost / (Credit) (iv)	Net Loss / (Gain) (v)	Net Regulatory (Liability) / Asset (vi)	Accumulated Other Comprehensive (Income)/Loss (iv+v+vi) (vii)
1	At December 31, 2012	(1,328,705,381)	1,011,968,943	(316,736,438)	(37,180,000)	641,489,222	(5,223,443)	599,085,779
2	Employer service cost	(5,870,863)		(5,870,863)				
3	Interest cost	(51,872,745)		(51,872,745)				
4	Expected asset return		74,325,933	74,325,933				
5	Amortizations				7,991,000	(56,020,981)	823,378	(47,206,603)
6	Experience loss/gain	96,233,594	142,774,630	239,008,224		(239,008,224)		(239,008,224)
7	Employer contributions		59,200,000	59,200,000				
8	Plan participants' contributions	0	0	0				
9	Benefits paid	112,811,787	(112,811,787)	0				
10	Administrative expenses paid	4,470,891	(4,470,891)	0				
11	Plan changes	0		0	0			0
12	Acquisitions/divestitures	0	0	0				
13	Curtailments	0		0	0	0	0	0
14	Settlements	0	0	0		0	0	0
15	Special/contractual termination benefits	0		0				
16	Transfer payments	0	0	0				
17	At December 31, 2013	(1,172,932,717)	1,170,986,828	(1,945,889)	(29,189,000)	346,460,017	(4,400,065)	312,870,952

2.8 Development of assets for benefit cost

All monetary amounts shown in US Dollars

		Fair Value	Market-Related Value
A	**Reconciliation of Assets**		
1	Plan assets at 12/31/2012	1,011,968,943	999,278,223
2	Investment return	217,100,563	121,440,052
3	Employer contributions	59,200,000	59,200,000
4	Plan participants' contributions	0	0
5	Benefits paid	(112,811,787)	(112,811,787)
6	Administrative expenses paid	(4,470,891)	(4,470,891)
7	Acquisitions/divestitures	0	0
8	Settlements	0	0
9	Special/contractual termination benefits	0	0
10	Plan assets at 12/31/2013	1,170,986,828	1,062,635,597
B	**Rate of Return on Invested Assets**		
1	Weighted invested assets	993,426,407	
2	Rate of return	21.40%	
C	**Investment Loss/(Gain)**		
1	Actual return	212,629,672	
2	Expected return	74,325,933	
3	Loss/(Gain)	(138,303,739)	
D	**Market-Related Value of Assets**		
1	Fair value of assets at 12/31/2013	1,170,986,828	
2	Deferred investment (gains) and losses for last 5 years		

	Measurement Year Ending (i)	(Gain)/Loss (ii)	Percent Recognized (iii)	Percent Deferred (iv)	Deferred Amount (v) = (ii) × (iv)
a	12/31/2013	(138,303,739)	20.00%	80.00%	(110,642,991)
b	12/31/2012	(45,466,400)	40.00%	60.00%	(27,279,840)
c	12/31/2011	87,672,000	60.00%	40.00%	35,068,800
d	12/31/2010	(27,486,000)	80.00%	20.00%	(5,497,200)
e	12/31/2009	(89,632,000)	100.00%	0.000%	0
f	Total				(108,351,231)

3 Market-related value of assets 1,062,635,597

2.9 Summary and comparison of benefit cost and cash flows

All monetary amounts shown in US Dollars

Fiscal Year Ending			12/31/2014	12/31/2013
A	**Total Benefit Cost**			
	1	Employer service cost	5,286,497	5,870,863
	2	Interest cost	53,949,211	51,872,745
	3	Expected return on assets	(76,299,503)	(74,325,933)
	4	Subtotal	(17,063,795)	(16,582,325)
	5	Net prior service cost/(credit) amortization	(7,991,000)	(7,991,000)
	6	Net loss/(gain) amortization	37,520,090	56,020,981
	7	Net regulatory (liability)/asset amortization	(823,378)	(823,378)
	8	Amortization subtotal	28,705,712	47,206,603
	9	Net periodic benefit cost/(income)	11,641,917	30,624,278
	10	Curtailments	0	0
	11	Settlements	0	0
	12	Special/contractual termination benefits	0	0
	13	Total benefit cost	11,641,917	30,624,278
B	**Assumptions**[1]			
	1	Discount rate	4.80%	4.05%
	2	Rate of return on assets	7.50%	7.50%
	3	Rate of compensation increase	3.00%	3.00%
	4	Census date	01/01/2013	01/01/2012
C	**Assets at Beginning of Year**			
	1	Fair market value	1,170,986,828	1,011,968,943
	2	Market-related value	1,062,635,597	999,278,223
D	**Cash Flow**		**Expected**	**Actual**
	1	Employer contributions	5,500,000	59,200,000
	2	Plan participants' contributions[2]	0	0
	3	Benefits paid from the Company	0	0
	4	Benefits paid from plan assets[2]	97,981,659	112,811,787

1 These assumptions were used to calculate Net Periodic Benefit Cost/(Income) as of the beginning of the year. Rates are expressed on an annual basis where applicable. For assumptions used for interim measurement periods, if any, refer to Appendix A.

2 Over the fiscal year.

Section 3: Data exhibits

3.1 Plan participant data

All monetary amounts shown in US Dollars

Census Date	01/01/2013	01/01/2012
A Participating Employees		
1 Number	3,339	3,611
2 Expected plan compensation for year beginning on the valuation date	301,053,062	313,371,048
3 Average expected plan compensation	90,163	86,782
4 Average age	51.10	50.30
5 Average service[1]	20.44	18.50
6 Average future working life[2]	8.99566	9.30561
B Participants with Deferred Benefits		
1 Number	1,020	1,033
2 Average benefits[3]		
a Annual annuity	11,067	10,865
b Cash balance	17,641	15,709
3 Average age	54.52	54.30
C Participants Receiving Benefits		
1 Number	3,691	3,710
2 Average annual pension	16,843	16,140
3 Average age	74.74	74.50

1 January 1, 2013 value calculated based on Years of Service.
2 Average future working life shown as of end of fiscal year.
3 January 1, 2012 values calculated based on January 1, 2012 data provided by Aon Hewitt.

This page is intentionally blank

Appendix A

Statement of actuarial assumptions and methods

Plan Sponsor

PacifiCorp

Statement of Assumptions

The assumptions disclosed in this Appendix are for the fiscal year ending December 31, 2013 disclosure and the fiscal year 2014 expense.

Economic assumptions:

Interest rates

● Discount Rate	4.80%
● Return on Assets	7.50%
● Cash balance interest credit rate (Non-Union/Union)	
2013	0.88%/2.88%
2014 and 2015	0.82%/3.79%
2016+	3.80%/4.30%
● Lump-sum conversion rate	4.80%

Annual rates of increase in:

● Salaries	3.00%
● Future Social Security Wage bases	2.50%
● Indexed limits on compensation and benefits	2.50%

Administrative Expenses

Investment return is assumed to be net of any expenses paid by trust.

Demographic assumptions:

Mortality

For all participants, the prescribed mortality assumption under Section 430(h)(3)(A) of the Internal Revenue Code using static tables with separate mortality rates for annuitants and non-annuitants.

Retirement

The rates at which participants are assumed to retire are shown below:

Age	Rate
50-52	0.020
53-54	0.030
55-58	0.050
59-60	0.100
61	0.150
62-63	0.200
64	0.300
65	0.400
66	0.300
67+	1.000

Rates for Inactives: 27% at age 58; 13% at age 62; 60% immediate. Participants over age 62 are assumed to defer to age 65.

Termination

The rates at which participants are assumed to terminate are shown below at various ages:

	Years of Service				
Age	0	1	2	3	4+
25	20.82%	11.74%	8.96%	8.40%	7.20%
40	23.48%	10.73%	9.10%	8.39%	4.20%
50	17.47%	9.48%	7.12%	5.98%	3.60%

Disability

The rates for disability are shown below at various ages:

Age	Male	Female
25	0.0345%	0.0345%
40	0.0920%	0.1495%
50	0.3795%	0.4600%

Form of Payment

Retirement from active status: 50% are assumed to elect a lump sum, 35% are assumed to elect a 100% Joint and Survivor annuity, and 15% are assumed to elect a single life annuity.

Retirement from vested termination: 66 2/3% assumed to retire at 58 and take a lump sum (or 65 if over age 58), and 33 1/3% are assumed to retire at age 62 and take a single life annuity (or 65 if over age 62).

Preretirement Terminations from active status: 60% are assumed to elect an immediate lump sum, 27% are assumed to elect a lump sum at age 58 (or 65 if over age 58), and 13% are assumed to elect a single life annuity at age 62 (or 65 if over age 62).

All other preretirement decrements: 100% are assumed to elect a lump sum.

Utah Power & Light Company Deferred Compensation Plan benefits: For retirements from active status 50% are assumed to elect a 15 year certain annuity and 50% are assumed to take a lump sum. For retirement from vested termination 100% are assumed to elect a 15 year certain annuity. For all other decrements 100% are assumed to elect a lump sum.

Marriage

For purposes of valuing the pre-retirement surviving spouse's benefit, 100% of participants are assumed to be married. Male participants are assumed to be 3 years older than their spouses and female participants are assumed to be 3 years younger than their spouses.

Employees

It was assumed that there will be no new or rehired employees.

Cost Method

Projected unit credit, but adapted for the particular benefit characteristics of the cash balance features of the plan as follows:

1. At any given time, the projected benefit related to a specified separation date is derived as the account balance earned as of the valuation date, accumulated to the given time using past interest crediting rates and actual past principal additions (as determined under the plan based on actual employee compensation during that period), then projected forward to the specified separation date using anticipated interest crediting rates and anticipated future principal additions (as determined under the plan based on anticipated employee compensation as projected by the assumed increase factors).

2. At any given time, the valuation accrued benefit (related to the specified separation date) is the greater of:

   A. The projected benefit in 1. above prorated by multiplying by the ratio of service to the given time, to service to the specified separation date, or

   B. The accrued benefit under the plan (cash balance as of the valuation date projected to the specified separation date using anticipated interest crediting rates).

Asset Method

The market-related value of assets was calculated as follows:

1. The fair value of assets on the valuation date, less

2. The following percentages of investment gains and losses on the fair value of assets (difference between the actual investment return and the expected investment return):

   – 80% of prior year

   – 60% of the second prior year

   – 40% of the third prior year

   – 20% of the fourth prior year

Participant Data

Participant data was supplied by the employer as of the census date.

Census Date/Measurement Date

The measurement date is December 31, 2013. For purposes of determining benefit obligations as of the measurement date, participant data as of the census date, January 1, 2013, are used.

Amortization of Net Gain or Loss

Net loss (gain) in excess of 10% of the greater of PBO or market-related value of assets is amortized on a straight-line basis over the expected average remaining service of active participants expected to benefit under the plan.

Amortization of Net Prior Service Cost/(Credit)

Increase in PBO resulting from a plan amendment is amortized on a straight-line basis over the expected average remaining service of active participants expected to benefit under the plan. Decrease in PBO first reduces any unrecognized prior service cost on a FIFO basis; any remaining amount is amortized on a straight-line basis as described above.

Benefits Not Included in Valuation

All benefits described in the plan provisions section of this report were valued.

Nature of Actuarial Calculations

The results documented in this report are estimates based on data that may be imperfect and on assumptions about future events. Certain plan provisions may be approximated or deemed insignificant and therefore are not valued. Assumptions may be made about participant data or other factors. Reasonable efforts were made in this valuation to ensure that items that are significant in the context of the actuarial liabilities or costs are treated appropriately, and not excluded or included inappropriately. We believe that the use of approximations in our calculations has not resulted in a significant difference relative to the results we would have obtained by using more detailed calculations.

A range of results, different from those presented in this report could be considered reasonable. The numbers are not rounded, but this is for convenience only and should not imply precision, which is not inherent in actuarial calculations.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as:

- plan experience differing from that anticipated by the economic or demographic assumptions
- changes in economic or demographic assumptions
- increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost based on the plan's funded status)
- changes in plan provisions or applicable law
- significant events since last actuarial valuation.

Significant Events since Last Actuarial Valuation

None.

Changes in Assumptions and Methods since Last Actuarial Valuation

- The discount rate changed from 4.05% to 4.80%
- The future interest crediting rates for cash balance benefits changed from 3.05% to 0.82% in 2015 and 3.80% in 2016 and beyond for Non-Union, and 3.55% to 3.79% in 2015 and 4.30% in 2016 and beyond for Union
- Actual interest crediting rates of 0.82% for Non-Union and 3.79% for Union were used for 2014
- The ultimate lump sum conversion rate was changed from 4.05% to 4.80%
- The mortality tables were updated to reflect one additional year of mortality improvement.

This page is intentionally blank

Appendix B

Summary of principal plan provisions

Plan Sponsor

PacifiCorp

Effective Date

Amended and restated effective July 1, 2010.

Participation

Any employee, other than a casual or leased employee or an employee covered by a collective-bargaining agreement that does not provide for participation, of a participating company shall become a participant on the first of the month following the completion of one year of service and attainment of age 21. A nonrepresented employee who has not become a participant as of June 1, 2007, shall become a participant then or at date of hire, if later. A Local 127 or Local 197 employee hired after 2006 shall become a participant at date of hire. Notwithstanding the preceding, the following groups of employees are ineligible:

- Local 127 employees hired after March 31, 2010.
- Local 197 employees hired after October 14, 2009.
- Local 57 Laramie employees hired after August 31, 2009.
- Bridger Coal Local S1978 hired after October 14, 2008.
- Nonrepresented employees hired after 2007.
- Local 659 employees hired after 2007.
- Local 125 employees hired after 2005.
- Local 57 (excluding Laramie) employees hired after June 30, 1999.

Eligibility for Benefits

Normal retirement

Attainment of age 65.

Early retirement

- Attainment of age 55 and the completion of five years of service; or
- At least 75 points (age plus years of service).

Deferred vested

Completion of five years of service for the Final Average Pay benefit, three years of service for the Cash Balance benefit. Effective January 1, 2009, if an employee has both a Cash Balance benefit and a Final Average Pay benefit, their Final Average Pay benefit is vested after three years of service.

Disability

Upon LTD eligibility if nonunion or covered by a collective-bargaining agreement providing for such. Otherwise, completion of 10 years of service and satisfaction of the Social Security disability benefits criteria.

Preretirement death

Completion of five years of service.

Postponed retirement

Retirement after attainment of age 65.

Final Average Pay Benefit

The Final Average Pay benefit is frozen for the following groups:

- Local 127 employees — frozen as of March 31, 2010.
- Local 197 employees — frozen as of October 14, 2009.
- Local 57 Laramie employees — frozen as of August 31, 2009.
- Bridger Coal S1978 employees — frozen as of October 14, 2008.
- Local 125 employees who were under age 53 as of October 1, 2008 — frozen as of September 30, 2008.
- Local 659 employees — frozen as of December 31, 2007.
- Nonrepresented employees — frozen as of June 1, 2007. (Nonrepresented employees hired prior to 2008 are also eligible for the Cash Balance benefit.)
- Local 125 employees who were at least age 53 as of October 1, 2008 — frozen as of December 31, 2011.

Local 127 and Local 197 employees hired after 2006 are not eligible for the Final Average Pay benefit.

Normal retirement

Monthly benefit equal to the greatest of (1), (2), (3), (4), (5) and (6) , plus the DCP benefit.

1. The Basic Benefit plus the Excess Benefit, plus the Additional Service Benefit:
   - Basic Benefit = 1.3% of Final Average Pay times Benefit Years up to a maximum of 30.
   - Excess Benefit = 0.65% of Final Average Pay in excess of Social Security Covered Compensation, times Benefit Years up to a maximum of 30.
   - Additional Service Benefit = 0.25% of Final Average Pay times Benefit Years in excess of 30.
2. Monthly benefit under the Utah Power and Light Company Retirement Income Plan on the New Formula Date, as follows:
   - December 31, 1990, for union employees; or
   - December 31, 1989, for non-union employees; or
   - The date of transfer from union to nonunion status for employees making this transfer during 1990.

3. Short service factor (SSF) times Benefit Years up to 20, plus the long service factor (LSF) times Benefit Years in excess of 20, where:

Annual Salary Rate on New Formula Date	SSF	LSF
Under $25,000	$35	$15
From $25,000 to $35,000	$50	$20
Over $35,000	$60	$25

4. Monthly benefit earned under other groups that were merged with the Plan.

5. For members of the IBEW Local 57 who are age 50 or older and in active status on July 1, 1999:

   1.67% of Final Average Pay times Benefit Years up to a maximum of 30 plus 0.50% of Final Average Pay times Benefit Years in excess of 30.

6. For members of the IBEW Local125 who are age 53 or older as of October 1, 2008:

   1.35% of Final Average Pay times Benefit Years.

   The DCP benefit is the monthly benefit payable to former participants of the Utah Power and Light Deferred Compensation Plan.

Early retirement

A benefit computed in the same manner as a normal retirement benefit based on compensation and benefit years at the time of termination. This benefit is paid without reduction if deferred to age 65 or reduced if payments commence before age 65. The applicable early retirement factors vary depending upon which benefit formula predominates.

For Formula (1), the Basic Benefit is reduced under the Higher Percentage table if the participant terminates with 75 or more points; otherwise the Lower Percentage table is used. The Excess Benefit is reduced under the Lower Percentage Table and the Additional Service Benefit is reduced under the Higher Percentage table.

Age at Benefit Starting Date	Higher Percentage	Lower Percentage
64	100.00%	92.00%
63	100.00%	84.00%
62	100.00%	76.00%
61	96.00%	72.00%
60	92.00%	68.00%
59	88.00%	64.00%
58	84.00%	60.00%
57	80.00%	56.00%
56	76.00%	52.00%
55	72.00%	48.00%
54	64.63%	43.09%
53	58.09%	38.73%
52	52.29%	34.86%
51	47.12%	31.42%
50	42.52%	28.35%

For Formulas (2) and (5), the reduction factor is 4% per year below age 65 if the participant has less than 30 years of service; otherwise, the reduction is 4% per year below age 64. For retirement between ages 50 and 55, the reduction factors are the same as the terminated vested factors.

For Formula (3), the reduction factors are based on the factors in the Higher Percentage table listed above.

For Formula (4), the reduction is based upon the applicable early retirement factor for the frozen benefit that was merged with the Plan.

For Formula (6), the reduction is based on the Higher Percentage table if the participant terminates with 75 or more points otherwise the Lower Percentage table is used.

The DCP benefit is also reduced for early commencement under a separate schedule.

Deferred vested

A benefit computed in the same manner as a normal retirement benefit based on final average compensation and benefit years at the time of termination. This benefit is paid without reduction at age 65 or actuarially reduced for early commencement.

Disability

A benefit computed in the same manner as a normal retirement benefit based on Final Average Pay and Benefit Years at retirement and Social Security Covered Compensation at the time of disability. This benefit is paid without reduction if deferred to age 65 or reduced in accordance with the early retirement table if commenced earlier.

Preretirement death

If death occurs before age 55, the vested participant's spouse will be eligible to begin receiving a life annuity or lump sum immediately or may defer payment until the time the participant would have become age 55. If deferred to age 55, the benefit amount will be equal to the amount the spouse would have received if the participant had separated from service on the date of death or on the actual date of termination, if earlier, survived until age 55, and then died with a 50% joint and survivor benefit in effect.

The spouse of a participant who dies while employed after age 55 or after completing 30 years of service shall receive a life annuity equal to the benefit that would have been paid if the participant had retired on the day before his death with a 50% joint and survivor benefit in effect. In the case of death of a participant with 30 years of service before age 55, the participant is assumed to be age 55 in determining the applicable early retirement reduction factors.

Preretirement death benefits for unmarried participants are provided to nonunion employees and employees covered by a collective-bargaining agreement providing for such. The benefits are actuarially equivalent to those for active participants, based on an assumed spouse exactly three years younger than the participant, and are payable only as a lump sum.

Preretirement death benefits of terminated vested participants are the same as those for active participants.

Postponed retirement

A benefit computed in the same manner as a normal retirement benefit.

Cash Balance Benefit

Eligibility

All nonrepresented employees as of June 1, 2007, and those hired in the following seven months, and Local 127 and Local 197 employees hired after 2006. The Cash Balance benefit is paid in addition to the (frozen) Final Average Pay benefit. Notwithstanding the preceding, the following groups of employees are ineligible:

- Local 127 employees hired after March 31, 2010.
- Local 197 employees hired after October 14, 2009.
- Nonrepresented employees hired after December 31, 2007.

Amount of benefit

The hypothetical Cash Balance account described below, on an actuarially equivalent life annuity, is payable upon termination or any time after termination.

Death benefit

Entire Cash Balance account or actuarially equivalent life annuity payable upon the participant's death, regardless of marital status.

Opening Cash Balance account

For nonrepresented employees, the participant's Cash Balance is $0 as of June 1, 2007, or entry into the plan. For Local 127 and Local 197 participants, an opening Cash Balance of $0 is established upon entry into the plan. The Cash Balance account is increased annually and upon benefit commencement with Pay Credits and Interest Credits.

Annual pay credit

Pay credits are credited to the Cash Balance account each December 31, or upon severance from service if earlier. The amount of the pay credit is 5% of Compensation for Local 127 and Local 197, and 5% of Cash Balance Compensation for nonrepresented employees hired on or after July 1, 2006.

For nonrepresented employees hired before July 1, 2006, the pay credit is 6.5% of Cash Balance Compensation. In addition, through August 1, 2009, there is a pay credit of 4% of Cash Balance Compensation in excess of the Social Security Wage Base for the year. In addition, those employees who were 40 or older on May 31, 2007, receive the following transitional pay credits:

Transitional Pay Credit Period	Percentage of Cash Balance Compensation
6/1/2007 – 5/31/2008	4.0%
6/1/2008 – 5/31/2009	4.0%
6/1/2009 – 5/31/2010	4.0%
6/1/2010 – 5/31/2011	2.5%
6/1/2011 – 5/31/2012	1.5%

Pay credits will be $0 for the following groups:

- Local 127 employees — as of April1, 2010.
- Local 197 employees — as of October 15, 2009.
- Nonrepresented participants who opted out of future cash balance pay credits after December 31, 2008, participating instead in enhanced K Plus defined contribution benefits — as of January 1, 2009.

Interest credits

Interest is credited to the Cash Balance account each December 31, or upon benefit commencement, if earlier. The amount of the interest credit is the rate of interest times the preceding January 1 Cash Balance account. For nonrepresented employees, the rate of interest is the interest rate on one-year Treasury constant maturities in effect for November of the prior calendar year, plus 70 basis points. For Local 127 and Local 197 participants, the rate of interest is the interest rate on 30-year Treasury securities in effect for September of the prior calendar year.

Definitions

Year of service

12-month period during which an employee is in continuous employment with the company or an affiliate.

Benefit year

Years of service while an employee, other than a casual or leased employee or an employee covered by a collective-bargaining agreement that does not provide participation in this Plan, of a participating company. Years of service while on an authorized leave of absence and certain periods of military service are included. Any participants who complete less than a full year of service receive fractional credit.

Compensation

Compensation includes all nondeferred compensation reportable on Form W-2 except the amounts shown below, plus salary reduction amounts elected by the participant under qualified cash or deferred arrangement or a cafeteria plan. Excluded items are:

- Bonuses in excess of 10% of base salary, determined before reductions in base salary for nonqualified deferred compensation.
- Overtime, premium pay, shift and location differentials.
- Imputed income from expense reimbursement or fringe benefits.
- Commissions that are not in lieu of participation in a bonus program or that do not accompany a discounted salary rate.
- Other commissions or production related incentives in excess of 30% of base salary, determined before reductions in base salary for nonqualified deferred compensation.
- Other items such as prizes and awards, severance payments, long-term incentive pay.

As of January 1, 2013, compensation for purposes of calculating qualified plan benefits is limited to $255,000 in accordance with IRC section 401(a)(17).

Cash Balance compensation

Same as Compensation, except that the entire amount of bonuses is included (i.e., bonuses in excess of 10% of base salary are not excluded). Hiring and retention bonuses are not included.

Compensation after 2008 for nonrepresented employees who opted out of Annual Pay Credits effective January 1, 2009, will be disregarded.

Final Average Pay

Average monthly compensation in the 60 highest consecutive calendar months of the last 120 calendar months of employment. Notwithstanding the preceding, compensation after May 31, 2007, shall be disregarded for nonrepresented employees.

Social Security covered compensation

The covered compensation amount for a person with the participant's Social Security retirement age.

Plan year

January 1 to December 31.

Contributions

The plan is paid for by the company. No participant contributions are allowed other than amounts previously transferred from plans that merged with the Plan.

Normal form of benefits

An unmarried member receives benefits payable as a single life annuity. A married participant retiring from active or disabled status receives a 50% joint and survivor benefit which is the actuarial equivalent of a life annuity payment. All other benefits are provided on an actuarial equivalent basis to a life annuity.

Optional annuity forms of benefit

Level income option, 100% or 50% joint and survivor options, 10-year certain and life option. All optional forms are actuarially equivalent to the single life annuity based upon:

Interest: 9.00%.

Mortality: 1984 Unisex Pension Mortality Table.

Final Average Pay lump sum benefit

The actuarially equivalent lump sum benefit is paid:

- Automatically if the amount is not over $5,000; or
- Upon request.

The lump sum is based upon:

Interest: The three-segment corporate bond yield curve published by the IRS for lump sums under 417(e) for the September preceding the year in which the lump sum is paid.

Mortality: The mortality table published by the IRS in Notice 2008-85 for lump sums under 417(e) payable in 2013.

Cost of Living Adjustment

The amount payable to each participant with no service after December 31, 1987, is increased each January 1 by the lesser of:

1. 2%; or

2. The percentage increase in the U.S. Consumer Price Index (all items) during the 12 months ending with the September index preceding the adjustment date.

Effective May 1, 2002, an ad hoc COLA was granted to certain pre-1996 retirees.

This page is intentionally blank

Non-Reliance Notice for Attachments to Reports Distributed to Third Parties

NOTICE

By accepting a copy of this report, the Recipient agrees that it has read and understands the following:

1. Towers Watson Delaware Inc. ("Towers Watson") represents and is responsible exclusively to its client, PacifiCorp, with respect to all matters relating to this report. The information contained in this report was prepared for the use of PacifiCorp and its auditors, in connection with our determination as described in Purposes of Valuation above. There are no other intended beneficiaries of this report or the work underlying it.

2. Recipient is responsible for its own due diligence with respect to all matters relating to this report.

Recipient is **DEEMED TO HAVE AGREED** to the following conditions by receiving, downloading, printing or otherwise having possession of this report:

- Recipient recognizes that Towers Watson's consulting staff is available, with PacifiCorp prior consent and at PacifiCorp expense, to answer any questions concerning this report; and

- Recipient agrees that by accepting this report (including any information related to the report that may be subsequently provided to Recipient by or on behalf of Towers Watson), Recipient will place no reliance on this report or information contained herein, or related hereto, that would result in the creation of any duty or liability by Towers Watson to Recipient.