PACIFICORP
A MIDAMERICAN ENERGY HOLDINGS COMPANY

Pacific Power |
Rocky Mountain Power |
PacifiCorp Energy
825 NE Multnomah, Suite 1900 LCT
Portland, Oregon 97232

April 23, 2012

VIA ELECTRONIC FILING
AND OVERNIGHT DELIVERY

Washington State Utilities and Transportation Commission
Chandler Plaza Building
1300 S. Evergreen Park Drive Southwest
Olympia, WA 98504-7250

Attn: Mr. David Danner
Executive Director and Secretary

Re: Docket No. UE-030077
Order No. 01
Report of New Credit Support Arrangements

Dear Mr. Danner:

Pursuant to the above-referenced Order, PacifiCorp, d.b.a. Pacific Power & Light Company (PacifiCorp), submits for filing one verified copy of each of the following documents:

1) Reoffering Circulars dated April 16, 2012 and Supplement dated April 18, 2012

2) Reimbursement Agreements, dated April 18, 2012, among the Company and JP Morgan Chase Bank, NA, as Letter of Credit Issuing Bank for the following Bond issues:

   a. $45,000,000 City of Forsyth, Rosebud County, Montana Pollution Control Revenue Refunding Bonds, Series 1988 (PacifiCorp Project)

   b. $45,000,000 Emery County, Utah Pollution Control Revenue Refunding Bonds, Series 1991 (PacifiCorp Project)

Because PacifiCorp has not issued any new securities in connection with the referenced transaction, no Report of Securities Issued is enclosed.

PacifiCorp arranged for these replacement Letters of Credit to provide credit enhancement and to help assure timely payment of amounts due with respect to each PCRB series. The new Letters of Credit are expected to enable PacifiCorp to achieve a lower cost of money with respect to the financing authorized by the above-listed Order.

Under penalty of perjury, I declare that I know the contents of the enclosed documents, and they are true, correct, and complete.

Please contact me at (503) 813-5660 or Carla Bird at (503) 813-5269 if you have any questions about this letter or the enclosed documents.

Sincerely,

Tanya Sacks
Assistant Treasurer

Enclosures

REOFFERING-NOT A NEW ISSUE

The opinion of Chapman and Cutler delivered on January 14, 1988 stated that, subject to the condition that the Issuer and the Company comply with certain covenants, under then existing law (i) interest on the Bonds is not includible in gross income of the owners thereof for federal income tax purposes, except for interest on any Bond for any period during which such Bond is owned by a person who is a substantial user of the Project or any person considered to be related to such person (within the meaning of Section 103(b)(13) of the Internal Revenue Code of 1954, as amended), and (ii) interest on the Bonds will not be treated as an item of tax preference in computing the alternative minimum tax for individuals and corporations. Interest on the Bonds will be taken into account, however, in computing an adjustment used in determining the alternative minimum tax for certain corporations. Such opinion of Bond Counsel was also to the effect that under then existing law, the interest on the Bonds is exempt from individual income taxes imposed by the State of Montana. Such opinions have not been updated as of the date hereof. In the opinion of Bond Counsel to be delivered in connection with the delivery of the Letter of Credit, the delivery of the Letter of Credit will not cause the interest on the Bonds to become includible in the gross income of the owners thereof for federal income tax purposes. See "TAX EXEMPTION" herein for a more complete discussion.

DELIVERY OF
ALTERNATE CREDIT FACILITY AND REOFFERING
$45,000,000*
CITY OF FORSYTH, ROSEBUD COUNTY, MONTANA
CUSTOMIZED PURCHASE POLLUTION CONTROL REVENUE REFUNDING BONDS
(PACIFICORP PROJECT), SERIES 1988

Purchase Date: April 18, 2012 Due: January 1, 2018

The Bonds are limited obligations of the Issuer payable solely from and secured by a pledge of payments to be made under a Loan Agreement between the Issuer and

PACIFICORP

and from funds drawn under an irrevocable direct pay Letter of Credit (the *"Letter of Credit"*) to be issued by

JPMORGAN CHASE BANK, NATIONAL ASSOCIATION

Under the Letter of Credit, the Trustee will be entitled to draw through April 18, 2013 (unless earlier terminated or extended) up to an amount sufficient to pay the principal of and, up to 65 days' accrued interest on the Bonds calculated at a maximum interest rate of 12% per annum (a) to pay the principal of and interest on the Bonds and (b) to pay the purchase price of Bonds tendered by the Owners thereof as provided in the Indenture.

The Bonds are currently secured by a Letter of Credit (the *"Prior Letter of Credit"*) issued by BNP Paribas (the *"Prior Bank"*). PacifiCorp (the *"Company"*) has delivered notice that prior to or on April 18, 2012, the Letter of Credit will be delivered to the Trustee to support the Bonds. After that date, the Bonds will not have the benefit of the Prior Letter of Credit.

The Bonds are issuable as fully registered Bonds without coupons, initially in the denomination of $100,000 and integral multiples of $5,000 in excess thereof. Interest on the Bonds while the Bonds bear interest at Daily, Weekly or Monthly Rates will be payable monthly on each Interest Payment Date. As of the date hereof, the Bonds bear interest at a Daily Rate. The Depository Trust Company, New York, New York (*"DTC"*), will continue to act as a securities depository for Bonds. Such Bonds are registered in the name of Cede & Co., as registered owner and nominee of DTC, and, except for the limited circumstances described herein, beneficial owners of interests in such Bonds will not receive certificates representing their interests in such Bonds. Payments of principal of, and premium, if any, and interest on Bonds will be made through DTC and its Participants and disbursements of such payments to purchasers will be the responsibility of such Participants.

The Bonds are being offered solely on the basis of the Letter of Credit and the financial strength of JPMorgan Chase Bank, National Association, and are not being offered on the basis of the financial strength of the Company or any other security.

Certain legal matters related to the delivery of the Letter of Credit will be passed upon by Chapman and Cutler LLP, Bond Counsel to the Company. Certain legal matters will be passed upon for the Company by Paul J. Leighton, Esq., counsel to the Company.

Price: 100%

The Bonds are reoffered, subject to prior sale and certain other conditions.

BARCLAYS
Remarketing Agent

April 16, 2012

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* The Bonds were issued in the aggregate principal amount of $45,000,000, all of which remain outstanding. This Supplement relates to the remarketing, in a secondary market transaction, of $39,000,000 of the Bonds delivered for mandatory purchase by the respective owners thereof for purchase on April 18, 2012. Owners of the remaining $6,000,000 aggregate principal amount of the Bonds have elected to retain such Bonds pursuant to the Indenture.

No broker, dealer, salesman or other person has been authorized to give any information or to make any representations other than those contained in this Supplement to Official Statement in connection with the reoffering made hereby, and, if given or made, such information or representations must not be relied upon as having been authorized by the Issuer, PacifiCorp, JPMorgan Chase Bank, National Association, or the Remarketing Agent. Neither the delivery of this Supplement to Official Statement nor any sale hereunder shall under any circumstances create any implication that there has been no change in the affairs of the Issuer, JPMorgan Chase Bank, National Association, or PacifiCorp since the date hereof. The Issuer has not and will not assume any responsibility as to the accuracy or completeness of the information in this Supplement to Official Statement. No representation is made by JPMorgan Chase Bank, National Association, as to the accuracy, completeness or adequacy of the information contained in this Supplement to Official Statement, except with respect to APPENDIX B hereto and the information under the caption "THE LETTER OF CREDIT." The Bonds are not registered under the Securities Act of 1933, as amended. Neither the Securities and Exchange Commission nor any other federal, state or other governmental entity has passed upon the accuracy or adequacy of this Supplement to Official Statement.

In connection with this offering, the Remarketing Agent may overallot or effect transactions which stabilize or maintain the market price of the securities offered hereby at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

TABLE OF CONTENTS

$45,000,000
CITY OF FORSYTH, ROSEBUD COUNTY, MONTANA
CUSTOMIZED PURCHASE POLLUTION CONTROL REVENUE REFUNDING BONDS
(PACIFICORP PROJECT), SERIES 1988

GENERAL INFORMATION

THE OFFICIAL STATEMENT DATED JANUARY 13, 1988, A COPY OF WHICH IS ATTACHED HERETO AS APPENDIX C (THE *"ORIGINAL OFFICIAL STATEMENT"* AND, TOGETHER WITH THIS SUPPLEMENT TO OFFICIAL STATEMENT, THE *"OFFICIAL STATEMENT"*), WAS PREPARED IN CONNECTION WITH THE OFFERING OF FIVE SEPARATE ISSUES OF BONDS RELATING TO THE COMPANY. THIS SUPPLEMENT TO OFFICIAL STATEMENT RELATES ONLY TO THE BONDS DESCRIBED ON THE COVER PAGE HERETO.

THIS SUPPLEMENT TO OFFICIAL STATEMENT DOES NOT CONTAIN COMPLETE DESCRIPTIONS OF DOCUMENTS AND OTHER INFORMATION WHICH IS SET FORTH IN THE ORIGINAL OFFICAL STATEMENT EXCEPT WHERE THERE HAS BEEN A CHANGE IN THE DOCUMENTS OR MORE RECENT INFORMATION SINCE THE DATE OF THE ORIGINAL OFFICIAL STATEMENT. THIS SUPPLEMENT TO OFFICIAL STATEMENT SHOULD THEREFORE BE READ ONLY IN CONJUNCTION WITH THE ORIGINAL OFFICIAL STATEMENT.

This Supplement to Official Statement is provided to furnish certain information with respect to the reoffering of the $45,000,000 outstanding principal amount of the Customized Purchase Pollution Control Revenue Refunding Bonds (PacifiCorp Projects) Series 1988 (the *"Bonds"*) issued by the City of Forsyth, Rosebud County, Montana (the *"Issuer"*).

The Bonds were issued pursuant to a Trust Indenture, dated as of January 1, 1988 (the *"Indenture"*) between the Issuer and The Bank of New York Mellon Trust Company, N.A. (successor in interest to The First National Bank of Chicago), as Trustee (the *"Trustee"*). The proceeds from the sale of the Bonds were loaned to PacifiCorp (the *"Company"*) pursuant to the terms of a Loan Agreement dated as of January 1, 1988 (the *"Agreement"*), between the Issuer and the Company. Under the Agreement, the Company is unconditionally obligated to pay amounts sufficient to provide for payment of the principal of, premium, if any, and interest on the Bonds (the *"Loan Payments"*) and for payment of the purchase price of the Bonds.

The proceeds of the Bonds, together with certain other moneys of the Company, were used for the purposes set forth in the Original Official Statement.

The Bonds, together with premium, if any, and interest thereon, are limited and not general, obligations of the Issuer not constituting or giving rise to a pecuniary liability of the Issuer nor any charge against its general credit or taxing powers nor an indebtedness of or a loan of credit thereof, shall be payable solely from the Revenues (as defined in the Indenture and which includes moneys drawn under the Letter of Credit) and other moneys

pledged therefor under the Indenture, and shall be a valid claim of the respective holders thereof only against the Bond Fund (as defined in the Indenture), the Revenues and other moneys held by the Trustee as part of the Trust Estate (as defined in the Indenture). The Issuer shall not be obligated to pay the purchase price of Bonds from any source.

No recourse shall be had for the payment of the principal of, or premium, if any, or interest on any of the Bonds or for any claim based thereon or upon any obligation, covenant or agreement in the Indenture contained, against any past, present or future officer or employee of the Issuer, or any incorporator, officer, director or member of any successor corporation, as such, either directly, or through the Issuer or any successor corporation, under any rule of law or equity, statute or constitution or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such incorporator, officer, director or member as such was expressly waived and released as a condition of and in consideration for the execution of the Indenture and the issuance of any of the Bonds.

The Company has exercised its right under the Agreement and the Indenture to terminate the Letter of Credit, dated September 15, 2004, as amended (the *"Prior Letter of Credit"*), issued by BNP Paribas (the *"Prior Bank"*), which has supported payment of the principal, interest and purchase price of the Bonds since the date such Prior Letter of Credit was issued. Pursuant to the Indenture, the Company has elected to replace the Prior Letter of Credit with an Irrevocable Letter of Credit (the *"Letter of Credit"*) issued by JPMorgan Chase Bank, National Association (*"JPMorgan"*). The Letter of Credit will be delivered to the Trustee on April 18, 2012 (the *"Purchase Date"*) and, after such date, the Bonds will not have the benefit of the Prior Letter of Credit.

All references in the Official Statement (unless expressly stated otherwise) to the Letter of Credit shall be deemed to refer to the Letter of Credit and not to the Prior Letter of Credit, and all references to the Bank shall be deemed to refer to JPMorgan and not to the Prior Bank.

During the Daily, Weekly and Monthly Rate periods, the Trustee will be entitled to draw under the Letter of Credit up to (a) an amount equal to the principal amount of the Bonds to be used (i) to pay the principal of the Bonds, (ii) to enable the Trustee to pay the portion of the purchase price equal to the principal amount of the Bonds delivered or deemed delivered to it for purchase and not remarketed by the Remarketing Agent, and (iii) to enable the Company to purchase the Bonds in lieu of redemption under certain circumstances, plus (b) an amount equal to 65 days' accrued interest on the Bonds (calculated at an assumed maximum rate of 12% per annum) (i) to pay interest on the Bonds or (ii) to enable the Trustee to pay the portion of the purchase price of the Bonds properly delivered for purchase equal to the accrued interest, if any, on the purchased Bonds.

The Letter of Credit constitutes an Alternate Credit Facility (defined below) under the Indenture. At any time, the Company may, at its option, provide for the delivery to the Trustee of an Alternate Credit Facility to replace the Letter of Credit or provide for the termination of the

Letter of Credit or any other Alternate Credit Facility then in effect, as described in the Original Official Statement under the caption "THE LETTER OF CREDIT — Alternate Credit Facility."

Brief descriptions of the Issuer, the Bonds, the Letter of Credit, the Agreement and the Indenture are included in this Supplement to Official Statement, including the Original Official Statement attached as APPENDIX C hereto. Information regarding the business, properties and financial condition of the Company is included in APPENDIX A attached hereto. A brief description of JPMorgan is included as APPENDIX B hereto. The descriptions herein of the Agreement, the Indenture and the Letter of Credit are qualified in their entirety by reference to such documents, and the descriptions herein of the Bonds are qualified in their entirety by reference to the form thereof and the information with respect thereto included in the aforesaid documents. All such descriptions are further qualified in their entirety by reference to laws and principles of equity relating to or affecting the enforcement of creditors' rights generally. Copies of such documents may be obtained from the principal corporate trust office of the Trustee in Chicago, Illinois and at the principal offices of the Remarketing Agent in New York, New York.

THE BONDS

Reference is hereby made to the Bonds in their entirety for the detailed provisions thereof. Certain terms used herein are set forth in the Original Official Statement under the caption "THE BONDS—Interest on the Bonds" and in "APPENDIX F" thereto.

INTEREST ON THE BONDS

The Bonds currently bear interest at a Daily Interest Rate (not exceeding 12% while the Letter of Credit is in effect) unless and until changed as described in the Original Official Statement under "CONVERSION OF RATE." The Daily Interest Rate on the Bonds is determined by the Remarketing Agent to be the interest rate which, in the judgment of the Remarketing Agent, when borne by the Bonds, is the minimum interest rate necessary to enable the Remarketing Agent to sell the Bonds on such date at the principal amount thereof plus accrued interest, if any; provided, however, that (A) with respect to any day that is not a Business Day, the Daily Interest Rate shall be the same rate as the Daily Interest Rate established for the immediately preceding Business Day unless the Remarketing Agent is open for business on such non-Business Day and determines a rate for such non-Business Day, in which case the Bonds shall bear interest at the rate so determined, and (B) if for any reason a Daily Interest Rate is not established by the Remarketing Agent or the rate established by the Remarketing Agent is held to be invalid or unenforceable by a court of law with respect to any day, the Daily Interest Rate for such day shall equal the Floating Interest Index determined by the Indexing Agent as of such day. On the basis of such Daily Interest Rates, the Trustee shall calculate the amount of interest payable during each Interest Period on the Bonds bearing interest at a Daily Interest Rate.

Interest accrued on the Bonds during each Interest Period (as defined below) shall be paid to the Owner as of the Record Date (as defined below) on the next succeeding Interest Payment Date (as defined below) and, while the Bonds bear interest at a Daily Interest Rate or other

Floating Interest Rate (as defined in the Official Statement), computed on the basis of a year of 365 or 366 days, as applicable, for the actual number of days elapsed.

"Interest Payment Date" means (a) during such time as the Bonds bear a Daily Interest Rate, the fifth day after the Interest Accrual Date, and (b) any Conversion Date.

"Interest Period" means the period from and including the date interest starts to accrue on the Bonds pursuant to a particular method of calculating interest to and including the next succeeding Interest Accrual Date and each succeeding period from the day next succeeding such Interest Accrual Date to and including (i) the next succeeding Interest Accrual Date or (ii) if earlier, the day next preceding a Conversion Date.

"Interest Accrual Date" means, with respect to any Interest Period during which interest on the Bonds accrues at a Daily Interest Rate, the last day of the calendar month.

"Record Date" means, when the Bonds bear interest at a Daily Interest Rate, the Interest Accrual Date.

PURCHASE ON DEMAND OF OWNER

While the Bonds bear interest at a Daily Interest Rate, any Bond shall be purchased, on the demand of the Owner thereof, on any Business Day at a purchase price equal to the principal amount thereof plus accrued interest, if any, to the date of purchase (provided that if such Business Day occurs prior to the Interest Payment Date for any Interest Period and after the Record Date in respect thereto, the purchase price will equal the principal amount thereof plus accrued interest, if any, only from such Record Date to the date of purchase), upon: (i) delivery to the Remarketing Agent (and at the option of an Owner which is an Investment Company, with a copy to the Trustee) at its Principal Office, by no later than 9:30 a.m. New York, New York time, on such Business Day, of a written notice or a telephonic notice promptly confirmed by tested telex, which states the principal amount of such Bonds to be purchased and the date on which the same shall be purchased, and (ii) delivery of such Bond (with all necessary endorsements) to the Remarketing Agent at its Principal Office, at or prior to 9:30 a.m., New York, New York time, on the date specified in such notice.

Anything in the Indenture notwithstanding, (i) at any time when neither the Letter of Credit nor an Alternate Credit Facility is outstanding, there shall be no purchases or sales of Bonds as described above, and (ii) at any time during which the Letter of Credit or an Alternate Credit Facility is outstanding, there shall be no sales of Bonds, if (A) there shall have occurred and not have been cured or waived an Event of Default described in the Original Official Statement in paragraph (a), (b), (c), (d) or (e) under the caption "THE INDENTURES — Defaults" of which the Remarketing Agent and the Trustee have actual knowledge or (B) the Bonds have been declared to be immediately due and payable as described in the Official Statement under the caption "THE INDENTURE — Remedies" and such declaration has not been rescinded pursuant to the Indenture.

REDEMPTION OF BONDS

Bonds bearing interest at a Daily Interest Rate are subject to optional redemption on any Interest Payment Date by the Issuer in whole or in part (and if in part in an Authorized Denomination), at the direction of the Company (but only with the timely written consent of the Bank or of the Obligor on the Alternate Credit Facility, as the case may be), at the principal amount thereof, plus accrued interest, if any, with 30 days' prior notice from the Company to the Issuer and the Trustee.

The Bonds are also subject to redemption under certain circumstances including (i) certain events relating to the Project, (ii) a Determination of Taxability, (iii) expiration or termination of the Letter of Credit or Alternate Credit Facility and (iv) a Conversion Date as described in the Original Official Statement under the captions "THE BONDS — Extraordinary Optional Redemption of the Bonds," "— Mandatory Redemption of Bonds," "— Redemption Upon Expiration or Termination of Letter of Credit or Alternate Credit Facility," and "— Redemption Upon Conversion."

Notice requirements and other procedures relating to redemption of Bonds are as described in the Original Official Statement under the caption "THE BONDS — Procedure for and Notice of Redemption."

THE LETTER OF CREDIT AND THE CREDIT AGREEMENT

The following is a brief summary of certain provisions of the Letter of Credit and that certain $800,000,000 Credit Agreement, dated July 6, 2006, as amended and supplemented, among the Company, the financial institutions party thereto, the Administrative Agent (defined below) and The Royal bank of Scotland plc, as syndication agent (together with all related documents, the "Credit Agreement"). This summary is not a complete recital of the terms of the Letter of Credit or the Credit Agreement and reference is made to the Letter of Credit or the Credit Agreement, as applicable, in its entirety.

THE LETTER OF CREDIT

On the date of reoffering of the Bonds, JPMorgan will issue in favor of the Trustee a Letter of Credit for the Bonds in the form of a direct pay letter of credit. The Letter of Credit will be issued in the aggregate principal amount of the Bonds plus 65 days' interest at 12% per annum, on the basis of a 365 day year (the *"Original Stated Amount"*) (as from time to time reduced and reinstated as provided in the Letter of Credit). The Letter of Credit will permit the Trustee to draw up to an amount equal to the Original Stated Amount to pay the unpaid principal thereof and accrued interest on the Bonds, subject to the terms, conditions and limitations stated therein. The Letter of Credit will be substantially in the form attached hereto as APPENDIX E.

The Letter of Credit will expire on April 18, 2013. At any time there remains no less than 90 days to the then current Stated Expiration Date (defined below), the Company may request JPMorgan to extend such Stated Expiration Date for a period of one year. JPMorgan

may, in its sole discretion, extend the Stated Expiration Dated then in effect and will give written notice of such election to extend to the Company and the Trustee within 30 days of receipt the of request to extend. Failure by JPMorgan to notify the Company and the Trustee of any decision within 30 days will be deemed to be a rejection of such request. The date on which the Letter of Credit expires as described in the preceding sentence and as it may be extended from time to time, is defined in the Letter of Credit as the *"Stated Expiration Date"*. For purposes of the Letter of Credit, *"Business Day"* means any day other than a day on which banking institutions in the city in which the principal corporate trust office of the Trustee or the principal corporate trust office of the Tender Agent or the principal office of the Remarketing Agent is located, or the city where the office of JPMorgan where drawings are made hereunder is located, are required or authorized by law to remain closed, or other than a day on which the New York Stock Exchange is closed.

Each drawing honored by JPMorgan under the Letter of Credit will immediately reduce the available amount thereunder by the amount of such drawing. Any drawing to pay interest will be automatically reinstated on the ninth (9th) Business Day following the date such drawing is honored by the Bank, unless JPMorgan gives notice of an Event of Default under that certain Reimbursement Agreement, dated April 18, 2012 (the *"Reimbursement Agreement"*), between the Company and JPMorgan, pursuant to which the Letter of Credit will be issued. Any drawing to pay the purchase price of a Bond shall be automatically reinstated upon receipt by JPMorgan, or the Trustee on behalf of JPMorgan, of an amount equal to the purchase price of such Bonds (or portion thereof) plus accrued interest on such Bonds as required under the Reimbursement Agreement. See APPENDIX E.

CREDIT AGREEMENT

General. The Company is party to the Credit Agreement. In addition, the Company has executed and delivered the Reimbursement Agreement requesting that JPMorgan issue a letter of credit for the Bonds and governing the issuance thereof. The Letter of Credit is issued pursuant to the Credit Agreement and the Reimbursement Agreement.

The Credit Agreement defines the relationship between the Company and the financial institutions party thereto, including JPMorgan; neither the Issuer nor the Trustee has any interest in the Credit Agreement or in any of the funds or accounts created under it. Under the Credit Agreement and the Reimbursement Agreement, the Company has agreed to reimburse JPMorgan for any drawings under a Letter of Credit, to pay certain fees and expenses, to pay interest on any unreimbursed drawings or other amounts unpaid, and to reimburse JPMorgan for certain other costs and expenses incurred.

Defined Terms. Capitalized terms used in this section and in the Credit Agreement, as applicable, that are not otherwise defined in this Reoffering Circular will have the meanings set forth below.

"Administrative Agent" means JPMorgan Chase Bank, N.A., in its capacity as administrative agent for the Syndicate Banks and its successors in such capacity.

"Commitment" means (i) with respect to any Syndicate Bank listed on the signature pages to the Credit Agreement, the amount set forth opposite its name on the commitment schedule as its Commitment and (ii) with respect to each additional Syndicate Bank or assignee which becomes a Syndicate Bank pursuant to the Credit Agreement, the amount of the Commitment thereby assumed by it, in each case as such amount may from time to time be reduced or increased pursuant to the Credit Agreement.

"Debt" of any Person means at any date, without duplication, (i) all obligations of such Person for borrower money, (ii) all obligations of such Person evidenced by bonds (other than surety bonds), debentures, notes or other similar instruments, (iii) all obligations of such Person to pay the deferred purchase price of property or services, except trade accounts payable arising in the ordinary course of business, (iv) all Capitalized Lease Obligations (as defined in the Credit Agreement) of such Person, (v) all non-contingent reimbursement, indemnity or similar obligations of such Person in respect of amounts paid under a letter of credit, surety bond or similar instrument, (vi) all Debt of others secured by a Lien on any asset of such Person, whether or not such Debt is assumed by such Person, and (vii) all Debts of others Guaranteed (as defined in the Credit Agreement) by such Person.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended, or any successor statute.

"ERISA Group" means all members of a controlled group of corporations and all trades or business (whether or not incorporated) under common control which, together with Company, are treated as a single employer under Section 414 of the Internal Revenue Code.

"Issuing Bank" means any Syndicate Bank designated by Company that may agree to issue letters of credit pursuant to an instrument in form reasonably satisfactory to the Administrative Agent, each in its capacity as an issuer of a letter of credit under the Credit Agreement.

"Loans" means Committed Loans or Competitive Bid Loans (as such terms are defined in the Credit Agreement) or any combination of the foregoing pursuant to the Credit Agreement.

"Material Debt" means Debt of the Company arising under a single or series of related instruments or other agreements exceeding $35,000,000 in principal amount.

"PBGC" means the Pension Benefit Guaranty Corporation or any entity succeeding to any or all of its functions under ERISA.

"Person" means any individual, a corporation, a partnership, an association, a trust or any other entity or organization, including a government or political subdivision or an agency or instrumentality thereof.

"Reimbursement Obligations" means all such amounts paid by an Issuing Bank and remaining unpaid by the Company after the date and time required for payment under the Credit Agreement.

"Required Banks" means at any time Syndicate Banks having more than 50% of the total Commitments under the Credit Agreement, or if the Commitments shall have been terminated, holding more than 50% of the sum of the outstanding Loans and letter of credit liabilities.

"Syndicate Bank" or *"Syndicate Banks"* means, individually or collectively, each bank or other financial institution listed on the signature pages to the Credit Agreement, each assignee which becomes a Syndicate Bank pursuant to the Credit Agreement, and their respective successors.

Events of Default and Remedies. Any one or more of the following events constitute an event of default (an *"Event of Default"*) under the Credit Agreement:

(a) the Company shall fail to pay when due any principal of any Loan or any Reimbursement Obligation or shall fail to pay, within five days of the due date thereof, any interest, commitment fees or facility fees payable hereunder or shall fail to cash collateralize any letter of credit pursuant to the Credit Agreement;

(b) the Company shall fail to pay any other amount claimed by one or more Syndicate Banks under the Credit Agreement within five days of the due date thereof, unless (i) such claim is disputed in good faith by the Company, (ii) such unpaid claimed amount does not exceed $100,000 and (iii) the aggregate of all such unpaid claimed amounts does not exceed $300,000;

(c) the Company shall fail to observe or perform certain specified financial covenants contained in the Credit Agreement;

(d) the Company shall fail to observe or perform any covenant or agreement contained in the Credit Agreement (other than those covered by clause (a), (b) or (c) above) for 15 days after written notice thereof has been given to the Company by the Administrative Agent at the request of any Syndicate Bank;

(e) any representation, warranty, certification or statement made by the Company in the Credit Agreement or in any certificate, financial statement or other document delivered pursuant to the Credit Agreement shall prove to have been incorrect in any material respect when made (or deemed made);

(f) the Company shall fail to make any payment in respect of any Material Debt (other than Loans or any Reimbursement Obligation) or Material Hedging Obligations (as defined in the Credit Agreement) when due or within any applicable grace period;

(g) any event or condition shall occur which results in the acceleration of the maturity of any Material Debt of the Company or enables the holder of such Material Debt or any Person acting on such holder's behalf to accelerate the maturity thereof;

(h) the Company shall commence a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to itself or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property; or shall consent to any such relief or to the appoint of or taking possession by any such official in an involuntary case or other proceeding commenced against it, or shall make a general assignment for the benefit of creditors, or shall fail generally to pay its debts as they become due, or shall take any corporate action to authorize any of the foregoing;

(i) an involuntary case or other proceeding shall be commenced against the Company seeking liquidation, reorganization or other relief with respect to it or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, and such involuntary case or other proceeding shall remain undismissed and unstayed for a period of 60 days; or an order for relief shall be entered against the Company under the federal bankruptcy laws as now or hereafter in effect;

(j) the Company or any member of the ERISA Group shall fail to pay when due an amount or amounts aggregating in excess of $25,000,000 which it shall have become liable to pay to the PBGC or to a Plan under Title IV of ERISA; or notice of intent to terminate certain material plans identified in the Credit Agreement (each a *"Material Plan"*) shall be filed under Title IV of ERISA by any member of the ERISA Group, any plan administrator or any combination of the foregoing; or the PBGC shall institute proceedings under Title IV of ERISA to terminate, to impose liability in excess of $25,000,000 (other than for premiums under Section 4007 of ERISA) in respect of, or to cause a trustee to be appointed to administer any Material Plan or a proceeding shall be instituted by a fiduciary of any multiemployer plan (identified in the Credit Agreement) against any member of the ERISA Group to enforce Section 515 or 4219(c)(5) of ERISA in respect of an amount or amounts aggregating in excess of $25,000,000, and such proceeding shall not have been dismissed within 20 days thereafter; or a condition shall exist by reason of which the PBGC would be entitled to obtain a decree adjudicating that any Material Plan must be terminated; or there shall occur a complete or partial withdrawal from, or a default, within the meaning of Section 4219(c)(5) of ERISA, with respect to, one or more Multiemployer Plans which would cause one or more members of the ERISA Group to incur a current payment obligation in excess of $25,000,000;

(k) a judgment or order for the payment of money in excess of $25,000,000 shall be rendered against the Company and such judgment or order shall continue unsatisfied and unstayed for a period of 30 days;

(l) MidAmerican Energy Holdings Company or any wholly-owned subsidiary thereof that owns common stock of the Company (*"MidAmerican"*) shall fail to own (directly or indirectly through one or more Subsidiaries) at least 80% of the outstanding shares of common stock of the Company; any person or group of persons (within the

meaning of Section 13 or 14 of the Securities Exchange Act of 1934, as amended), except Berkshire Hathaway Inc. or any wholly-owned subsidiary thereof, shall acquire a beneficial ownership (within the meaning of Rule 13d-3 promulgated by the Securities and Exchange Commission under said Act) of 35% or more of the outstanding shares of common stock of MidAmerican; or, during any period of 14 consecutive calendar months commencing on or after March 21, 2006, individuals who were directors of the Company on the first day of such period and any new director whose election by the board of directors of the Company or nomination for election by the Company's shareholders was approved by a vote of at least a majority of the directors then still in office who either were directors at the beginning of the applicable period or whose election or nomination for election was previously so approved, shall cease to constitute a majority of the board of directors of the Company.

Upon the occurrence of any Event of Default under the Credit Agreement, the Administrative Agent shall (i) if requested by the Required Banks, by notice to the Company terminate the Commitments and the obligation of each Syndicate Bank to make Loans thereunder and the obligation of each Issuing Bank to issue any letter of credit thereunder and such obligations to make Loans and issue new letters of credit shall thereupon terminate, and (ii) if requested by the Required Banks, by notice to the Company declare the Loans (together with accrued interest thereon) and any outstanding Reimbursement Obligations in respect of any drawing under a letter of credit issued under the Credit Agreement to be, and the same shall thereupon become, immediately due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Company; *provided* that in the case of any of the Events of Default specified in clause (h) or (i) above with respect to the Company, without any notice to the Company or any other act by the Administrative Agent or the Syndicate Banks, the Commitments shall thereupon terminate and the Loans (together with accrued interest thereon) and any outstanding Reimbursement Obligations in respect of any drawing under a letter of credit issued under the Credit Agreement shall become immediately due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Company.

The Company agrees, in addition to the Events of Default provisions above, that upon the occurrence and during the continuance of any Event of Default, it shall, if requested by the Administrative Agent upon the instruction of the Required Banks or any Issuing Bank having an outstanding letter of credit issued under the Credit Agreement, pay to the Administrative Agent an amount in immediately available funds (which funds shall be held as collateral pursuant to arrangements satisfactory to the Administrative Agent) equal to the aggregate amount available for drawing under all letters of credit issued under the Credit Agreement outstanding at such time (or, in the case of a request by an Issuing Bank, all such letters of credit issued by it); provided that, upon the occurrence of any Event of Default specified in clause (h) or (i) above with respect to the Company, and on the scheduled termination date of the Credit Agreement, the Company shall pay such amount forthwith without any notice or demand or any other act by the Administrative Agent, any Issuing Bank or any Syndicate Bank.

REMARKETING AGENT

Barclays Capital, Inc. (the *"Remarketing Agent"*), will continue as remarketing agent for the Bonds. Subject to certain conditions, the Remarketing Agent has agreed to determine the rate of interest on the Bonds and use its best efforts to remarket all tendered Bonds.

In the ordinary course of its business, the Remarketing Agent has engaged, and may in the future engage, in investment banking and/or commercial banking transactions with the Company, its subsidiaries and its other affiliates, for which it has received and will receive customary compensation.

The Remarketing Agent is Paid by the Company. The Remarketing Agent's responsibilities include determining the interest rate from time to time and remarketing Bonds that are optionally or mandatorily tendered by the owners thereof (subject, in each case, to the terms of the Indenture and the Remarketing Agreement), all as further described in this Reoffering Circular. The Remarketing Agent is appointed by the Company and paid by the Company for its services. As a result, the interests of the Remarketing Agent may differ from those of existing Holders and potential purchasers of Bonds.

The Remarketing Agent May Purchase Bonds for Its Own Accounts. The Remarketing Agent acts as remarketing agent for a variety of variable rate demand obligations and, in its sole discretion, may purchase such obligations for its own accounts. The Remarketing Agent is permitted, but not obligated, to purchase tendered Bonds for its own accounts and, in its sole discretion, may acquire such tendered Bonds in order to achieve a successful remarketing of the Bonds (i.e., because there otherwise are not enough buyers to purchase the Bonds) or for other reasons. However, the Remarketing Agent is not obligated to purchase Bonds, and may cease doing so at any time without notice. The Remarketing Agent may also make a market in the Bonds by purchasing and selling Bonds other than in connection with an optional or mandatory tender and remarketing. Such purchases and sales may be at or below par. However, the Remarketing Agent is not required to make a market in the Bonds. The Remarketing Agent may also sell any Bonds it has purchased to one or more affiliated investment vehicles for collective ownership or enter into derivative arrangements with affiliates or others in order to reduce its exposure to the Bonds. The purchase of Bonds by the Remarketing Agent may create the appearance that there is greater third party demand for the Bonds in the market than is actually the case. The practices described above also may result in fewer Bonds being tendered in a remarketing.

Bonds May Be Offered at Different Prices on Any Date Including an Interest Rate Determination Date. Pursuant to the Indenture and the Remarketing Agreement, the Remarketing Agent is required to determine the applicable rate of interest that, in its judgment, is the lowest rate that would permit the sale of the Bonds bearing interest at the applicable interest rate at par plus accrued interest, if any, on and as of the applicable interest rate determination date. The interest rate will reflect, among other factors, the level of market demand for the Bonds (including whether the Remarketing Agent is willing to purchase Bonds for its own accounts). There may or may not be Bonds tendered and remarketed on an interest rate determination date, the Remarketing Agent may or may not be able to remarket any Bonds tendered for purchase on

such date at par and the Remarketing Agent may sell Bonds at varying prices to different investors on such date or any other date. The Remarketing Agent is not obligated to advise purchasers in a remarketing if it does not have third party buyers for all of the Bonds at the remarketing price. In the event the Remarketing Agent owns any Bonds for its own account, it may, in its sole discretion in a secondary market transaction outside the tender process, offer such Bonds on any date, including the interest rate determination date, at a discount to par to some investors.

The Ability to Sell the Bonds Other Than Through the Tender Process May Be Limited. The Remarketing Agent may buy and sell Bonds other than through the tender process. However, it is not obligated to do so and may cease doing so at any time without notice and may require Holders that wish to tender their Bonds to do so through the Trustee with appropriate notice. Thus, investors who purchase the Bonds, whether in a remarketing or otherwise, should not assume that they will be able to sell their Bonds other than by tendering the Bonds in accordance with the tender process.

The Remarketing Agent May Resign, be Removed or Cease Remarketing the Bonds, Without a Successor Being Named. Under certain circumstances the Remarketing Agent may be removed or have the ability to resign or cease its remarketing efforts, without a successor having been named, subject to the terms of the Indenture and the Remarketing Agreement.

BOND TERMS AND RELATED DOCUMENTS

Descriptions of provisions of the Bonds and summaries of the Agreement and the Indenture are set forth in the Original Official Statement under the following captions and the information under the following captions in the Original Official Statement is incorporated by reference in this Supplement to Official Statement:

THE BONDS
"Alternate Credit Facility," "Substitute Letter of Credit" and "Termination of Letter of Credit or Alternate Credit Facility" under "THE LETTERS OF CREDIT."
CONVERSION OF RATE
THE AGREEMENTS
THE INDENTURES
APPENDIX F — ALTERNATIVE INTEREST RATES

TAX EXEMPTION

Original Opinion. The opinion of Chapman and Cutler delivered on January 14, 1988 stated that, subject to the condition that the Issuer and the Company comply with certain covenants made to satisfy pertinent requirements of the Internal Revenue Code of 1986 (the *"Code"*), under then existing law, interest on the Bonds is not includible in gross income of the owners thereof for federal income tax purposes, except for interest on any Bond for any period during which such Bond is owned by a person who is a substantial user of the Pollution Control Facilities or any person considered to be related to such person (within the meaning of

Section 103(b)(13) of the 1954 Code), and the interest on the Bonds will not be treated as an item of tax preference in computing the alternative minimum tax for individuals and corporations (since the Prior Bonds were issued prior to August 8, 1986). Interest on the Bonds will be taken into account, however, in computing an adjustment used in determining the alternative minimum tax for certain corporations. Ownership of the Bonds may result in other federal tax consequences to certain taxpayers; no opinion was expressed regarding any such collateral consequences arising with respect to the Bonds. In rendering this opinion, Chapman and Cutler relied upon a certificate of the Company with respect to certain material facts solely within the Company's knowledge relating to the Plant (as defined in the Indenture) and the application of the proceeds of the Prior Bonds (as defined in the Indenture) and the Bonds.

In addition, such opinion stated that, under present Montana law, interest on the Bonds is exempt from individual income taxes imposed by the State of Montana.

The failure to comply with certain of such covenants of the Issuer and the Company could cause the interest on the Bonds to be included in gross income retroactive to the date of issuance of the Bonds. Chapman and Cutler LLP has made no independent investigation to confirm that such covenants have been complied with.

Supplemental Opinion. Chapman and Cutler LLP will deliver an opinion in connection with the delivery of the Letter of Credit to the effect that the delivery of the Letter of Credit (i) is authorized under the Agreement and complies with the terms thereof and (ii) will not impair the validity under the Act of the Bonds or will not cause the interest on the Bonds to become includible in the gross income of the Owners thereof for federal income tax purposes. Except as necessary to render the foregoing opinions, Chapman and Cutler LLP has not reviewed any factual or legal matters relating to its opinion dated January 14, 1988 subsequent to its issuance other than with respect to the Company in connection with (a) the adjustment of the interest rate on the Bonds described in our opinion dated February 28, 1996, (b) the delivery of an Alternate Credit Facility, dated as of December 19, 1996, (c) the delivery of an Alternate Credit Facility, dated as of December 12, 2001, (d) delivery of the Prior Letter of Credit, dated September 15, 2004 and (e) the delivery of the Letter of Credit described herein. The opinion delivered in connection with delivery of the Letter of Credit is not to be interpreted as a reissuance of the original approving opinion as of the date of this Supplement to Official Statement.

MISCELLANEOUS

This Supplement to Official Statement has been approved by the Company for distribution by the Remarketing Agent to current Bondholders and potential purchasers of the Bonds. **THE ISSUER MAKES NO REPRESENTATION WITH RESPECT TO AND HAS NOT PARTICIPATED IN THE PREPARATION OF ANY PORTION OF THIS SUPPLEMENT TO OFFICIAL STATEMENT.**

APPENDIX A

PACIFICORP

The following information concerning PacifiCorp (the "Company") has been provided by representatives of the Company and has not been independently confirmed or verified by the Remarketing Agent, the Issuer or any other party. No representation is made herein as to the accuracy, completeness or adequacy of such information or as to the absence of material adverse changes in the condition of the Company or in such information after the date hereof, or that the information contained or incorporated herein by reference is correct as of any time after the date hereof.

The Company, which includes PacifiCorp and its subsidiaries, is a United States regulated electric company serving 1.7 million retail customers, including residential, commercial, industrial and other customers in portions of the states of Utah, Oregon, Wyoming, Washington, Idaho and California. PacifiCorp owns, or has interests in, 75 thermal, hydroelectric, wind-powered and geothermal generating facilities, with a net owned capacity of 10,597 megawatts. PacifiCorp also owns, or has interests in, electric transmission and distribution assets, and transmits electricity through approximately 16,200 miles of transmission lines. PacifiCorp also buys and sells electricity on the wholesale market with other utilities, energy marketing companies, financial institutions and other market participants as a result of excess electricity generation or other system balancing activities. The Company is subject to comprehensive state and federal regulation. The Company's subsidiaries support its electric utility operations by providing coal mining and environmental remediation services. The Company is an indirect subsidiary of MidAmerican Energy Holdings Company (*"MEHC"*), a holding company based in Des Moines, Iowa, that owns subsidiaries principally engaged in energy businesses. MEHC is a consolidated subsidiary of Berkshire Hathaway Inc. (*"Berkshire Hathaway"*). MEHC controls substantially all of the Company voting securities, which include both common and preferred stock.

The Company's operations are exposed to risks, including general economic, political and business conditions, as well as changes in laws and regulations affecting the Company or the electric utility industry; changes in, and compliance with, environmental laws, regulations, decisions and policies that could, among other items, increase operating and capital costs, reduce generating facility output, accelerate generating facility retirements or delay generating facility construction or acquisition; the outcome of general rate cases and other proceedings conducted by regulatory commissions or other governmental and legal bodies; changes in economic, industry or weather conditions, as well as demographic trends, that could affect customer growth and usage, electricity supply or the Company's ability to obtain long-term contracts with customers; a high degree of variance between actual and forecasted load that could impact the Company's hedging strategy and the costs of balancing generation resources and wholesale activities with its retail load obligations; hydroelectric conditions, as well as the cost, feasibility and eventual outcome of hydroelectric relicensing proceedings, that could have a significant impact on electric capacity and cost and the Company's ability to generate electricity; changes in prices, availability and demand for both purchases and sales of wholesale electricity, coal, natural gas, other fuel sources and fuel transportation that could have a significant impact on

generation capacity and energy costs; the financial condition and creditworthiness of the Company's significant customers and suppliers; changes in business strategy or development plans; availability, terms and deployment of capital, including reductions in demand for investment-grade commercial paper, debt securities and other sources of debt financing and volatility in the London Interbank Offered Rate, the base interest rate for the Company's credit facilities; changes in the Company's credit ratings; the impact of derivative contracts used to mitigate or manage volume, price and interest rate risk, including increased collateral requirements, and changes in the commodity prices, interest rates and other conditions that affect the fair value of derivative contracts; the impact of investment performance and changes in interest rates, legislation, healthcare cost trends, mortality and morbidity on the Company's pension and other postretirement benefits expense and funding requirements; unanticipated construction delays, changes in costs, receipt of required permits and authorizations, ability to fund capital projects and other factors that could affect future generating facilities and infrastructure additions; the impact of new accounting guidance or changes in current accounting estimates and assumptions on consolidated financial results; other risks or unforeseen events, including the effects of storms, floods, litigation, wars, terrorism, embargoes and other catastrophic events; and other business or investment considerations that may be disclosed from time to time in the Company's filings with the United States Securities and Exchange Commission (the *"Commission"*) or in other publicly disseminated written documents. See the Incorporated Documents under "Incorporation of Certain Documents by Reference."

The principal executive offices of the Company are located at 825 N.E. Multnomah, Portland, Oregon 97232; the telephone number is (503) 813-5608. The Company was initially incorporated in 1910 under the laws of the state of Maine under the name Pacific Power & Light Company. In 1984, Pacific Power & Light Company changed its name to PacifiCorp. In 1989, it merged with Utah Power and Light Company, a Utah corporation, in a transaction wherein both corporations merged into a newly formed Oregon corporation. The resulting Oregon corporation was re-named PacifiCorp, which is the operating entity today.

AVAILABLE INFORMATION

The Company is subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the *"Exchange Act"*), and in accordance therewith files reports and other information with the Commission. Such reports and other information (including proxy and information statements) filed by the Company may be inspected and copied at public reference rooms maintained by the Commission in Washington, D.C., New York, New York and Chicago, Illinois. Please call the Commission at 1-800-SEC-0330 for further information on the public reference rooms. The Company's filings with the Commission are also available to the public at the website maintained by the Commission at http://www.sec.gov.

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

The following documents filed by the Company with the Commission pursuant to the Exchange Act are incorporated herein by reference:

1. Annual Report on Form 10-K for the fiscal year ended December 31, 2011.

2. Current Report on Form 8-K, dated January 6, 2012.

3. Current Report on Form 8-K, dated March 6, 2012.

4. Current Report on Form 8-K, dated April 3, 2012.

5. All other documents filed by the Company pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act after the date hereof.

All documents filed by the Company pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act after the filing of the Annual Report on Form 10-K for the year ended December 31, 2011 and before the termination of the reoffering made by this Reoffering Circular (the *"Reoffering Circular"*) shall be deemed to be incorporated by reference in this Reoffering Circular and to be a part hereof from the date of filing such documents (such documents and the documents enumerated above, being hereinafter referred to as the *"Incorporated Documents"*), *provided, however,* that the documents enumerated above and the documents subsequently filed by the Company pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act in each year during which the reoffering made by this Reoffering Circular is in effect before the filing of the Company's Annual Report on Form 10-K covering such year shall not be Incorporated Documents or be incorporated by reference in this Reoffering Circular or be a part hereof from and after such filing of such Annual Report on Form 10-K.

Any statement contained in an Incorporated Document shall be deemed to be modified or superseded for purposes hereof to the extent that a statement contained herein or in any other subsequently filed Incorporated Document modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part hereof.

The Incorporated Documents are not presented in this Reoffering Circular or delivered herewith. The Company hereby undertakes to provide without charge to each person to whom a copy of this Reoffering Circular has been delivered, on the written or oral request of any such person, a copy of any or all of the Incorporated Documents, other than exhibits to such documents, unless such exhibits are specifically incorporated by reference therein. Requests for such copies should be directed to PacifiCorp, 825 N.E. Multnomah, Portland, Oregon 97232, telephone number (503) 813-5608. The information relating to the Company contained in this Reoffering Circular does not purport to be comprehensive and should be read together with the information contained in the Incorporated Documents.

APPENDIX B

JPMORGAN CHASE BANK, NATIONAL ASSOCIATION

The following information concerning JPMorgan Chase Bank, National Association has been provided by representatives of JPMorgan Chase Bank, National Association and has not been independently confirmed or verified by the Issuer, the Company or any other party. No representation is made by the Company or the Issuer as to the accuracy, completeness or adequacy of such information and no representation is made as to the absence of material adverse changes in such information subsequent to the date hereof, or that the information contained or incorporated herein by reference is correct as of any time subsequent to its date.

JPMorgan Chase Bank, National Association (*"JPMorgan"*) is a wholly owned subsidiary of JPMorgan Chase & Co., a Delaware corporation whose principal office is located in New York, New York. JPMorgan offers a wide range of banking services to its customers, both domestically and internationally. It is chartered and its business is subject to examination and regulation by the Office of the Comptroller of the Currency.

As of December 31, 2011, JPMorgan, had total assets of $1,811.7 billion, total net loans of $580.1 billion, total deposits of $1,190.7 billion, and total stockholder's equity of $131.0 billion. These figures are extracted from JPMorgan's unaudited Consolidated Reports of Condition and Income (the *"Call Report"*) as of December 31, 2011, prepared in accordance with regulatory instructions that do not in all cases follow U.S. generally accepted accounting principles. The Call Report including any update to the above quarterly figures is filed with the Federal Deposit Insurance Corporation and can be found at www.fdic.gov.

Additional information, including the most recent annual report on Form 10-K for the year ended December 31, 2011, of JPMorgan Chase & Co., the 2011 Annual Report of JPMorgan Chase & Co., and additional annual, quarterly and current reports filed with or furnished to the Securities and Exchange Commission by JPMorgan Chase & Co., as they become available, may be obtained without charge by each person to whom this Official Statement is delivered upon the written request of any such person to the Office of the Secretary, JPMorgan Chase & Co., 270 Park Avenue, New York, New York 10017 or at the SEC's website at www.sec.gov.

The information contained in this Appendix relates to and has been obtained from JPMorgan. The delivery of the Official Statement shall not create any implication that there has been no change in the affairs of JPMorgan since the date hereof, or that the information contained or referred to in this Appendix is correct as of any time subsequent to its date.

APPENDIX C

OFFICIAL STATEMENT DATED JANUARY 13, 1988

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FIVE NEW ISSUES

Customized Purchase Bonds™*

CP Bonds™*

Subject to compliance by the Company and the Issuer of each issue of Bonds with certain covenants, in the opinion of Chapman and Cutler, Bond Counsel, under present law (i) interest on each issue of Bonds will not be includible in gross income of the owners thereof for federal income tax purposes, except for interest on any Bond for any period during which such Bond is owned by a person who is a substantial user of the related Project or any person considered to be related to such person (within the meaning of Section 103(b)(13) of the Internal Revenue Code of 1954, as amended) and (ii) interest on the Bonds will not be treated as an item of tax preference in computing the alternative minimum tax for individuals and corporations. Such interest will be taken into account, however, in computing the corporate alternative minimum tax, as more fully discussed under the heading "TAX EXEMPTION." Bond Counsel is also of the opinion that such interest is exempt from certain Montana and Wyoming taxes, as the case may be, as more fully discussed under the heading "TAX EXEMPTION" herein.

$164,700,000

Customized Purchase Pollution Control Revenue Refunding Bonds

(PacifiCorp Projects)

$17,000,000
Converse County, Wyoming
Series 1988
Due: January 1, 2014

$45,000,000
City of Forsyth, Rosebud County, Montana
Series 1988
Due: January 1, 2018

$41,200,000
City of Gillette, Campbell County, Wyoming
Series 1988
Due: January 1, 2018

$50,000,000
Sweetwater County, Wyoming
Series 1988A
Due: January 1, 2017

$11,500,000
Sweetwater County, Wyoming
Series 1988B
Due: January 1, 2014

Dated: January 1, 1988

Due: As stated above

Price: 100%

(Plus accrued interest, if any)

The Bonds of each issue will be limited obligations of the respective Issuer, payable solely from and secured by a pledge of payments to be made under a separate Loan Agreement between the respective Issuer and

PacifiCorp

From the date of initial authentication and delivery of the Bonds through January 14, 1993, unless earlier terminated as described herein, the Bonds of each issue will be payable from funds drawn under irrevocable Letters of Credit issued, with respect to the Converse Bonds, by the Seattle Branch of

The Sumitomo Bank, Limited

with respect to the Forsyth Bonds, by the Los Angeles Agency of

The Industrial Bank of Japan, Limited

with respect to the Gillette Bonds, by the New York Branch of

Deutsche Bank AG

and, with respect to both issues of Sweetwater Bonds, by the San Francisco Overseas Branch of

National Westminster Bank PLC

Under each Letter of Credit, the Trustee will be entitled to draw up to an amount sufficient to pay the principal of and, initially, up to 294 days' accrued interest on the related issue of Bonds to be used (a) to pay the principal of and interest on the Bonds when due and (b) to pay the purchase price of Bonds tendered by the Owners thereof as provided in the related Indenture.

Upon the terms and conditions described herein, the Bonds of each issue will be purchased on the demand of the Owners thereof and will be subject to redemption prior to maturity.

Initially, each Bond will bear interest from the date of actual authentication and delivery thereof at the CP Rate, determined by the Remarketing Agent, for the CP Period selected by the Owner thereof, as described herein.

The Bonds of each issue are subject to conversion to interest rates other than the CP Rate as more fully described herein under the caption "CONVERSION OF RATE." After such conversion, such Bonds may cease to be subject to purchase as described herein.

The Bonds of each issue are issuable as fully registered Bonds without coupons, initially in the denomination of $100,000 each or integral multiples thereof. Interest on the Bonds while the Bonds bear interest at a CP Rate will be payable on the CP Date with respect to each Bond by check mailed to the persons in whose names such Bond is registered at the close of business on the record date, which is the fourth day preceding the CP Date for CP Periods longer than three days and the first day of a CP Period in all other cases. Interest may, at the option of any Owner of Bonds in an aggregate principal amount of at least $1,000,000, be transmitted by wire transfer to such Owner. Principal of and premium, if any, on all Bonds will be payable at the office of The First National Bank of Chicago, as Trustee, in Chicago, Illinois.

The Bonds of each issue are offered when, as and if issued by the respective Issuers and accepted by the Underwriter, subject to prior sale, to withdrawal or modification of the offer without notice and to the approval of legality by Chapman and Cutler, as Bond Counsel, the approval of certain matters by Stoel Rives Boley Jones & Grey, Counsel for the Company, and by Kutak Rock & Campbell, counsel for the Underwriter, and certain other conditions. It is expected that delivery of the Bonds will be made on or about January 14, 1988 in New York, New York against payment therefor.

E.F. Hutton & Company Inc.

Dated: January 13, 1988

* "Customized Purchase Bonds" and "CP Bonds" are trademarks of E. F. Hutton & Company Inc.

No broker, dealer, salesman or other person has been authorized to give any information or to make any representations other than those contained in this Official Statement in connection with the offering made hereby and, if given or made, such information or representations must not be relied upon as having been authorized by the Issuers, PacifiCorp, The Sumitomo Bank, Limited, The Industrial Bank of Japan, Limited, Deutsche Bank AG, National Westminster Bank PLC or the Underwriter. Neither the delivery of this Official Statement nor any sale hereunder shall under any circumstances create any implication that there has been no change in the affairs of the Issuers, The Sumitomo Bank, Limited, The Industrial Bank of Japan, Limited, Deutsche Bank AG, National Westminster Bank PLC or PacifiCorp since the date hereof. None of the Issuers has or will assume any responsibility as to the accuracy or completeness of the information in this Official Statement, other than that relating to itself under the caption "THE ISSUERS," all of which has been furnished by others. Upon issuance, the Bonds of each issue will not be registered under the Securities Act of 1933, as amended, and will not be listed on any stock or other securities exchange. Neither the Securities and Exchange Commission nor any other federal, state, municipal or other governmental entity will have passed upon the accuracy or adequacy of this Official Statement or, other than the respective Issuers, approved the Bonds of each issue for sale.

TABLE OF CONTENTS

IN CONNECTION WITH THE OFFERING, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SECURITIES OFFERED HEREBY AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

$164,700,000
Customized Purchase Pollution Control Revenue Refunding Bonds
(PacifiCorp Projects)

INTRODUCTORY STATEMENT

This Official Statement is provided to furnish certain information with respect to the offer by the respective issuers named below (individually, the "Issuer," and collectively, the "Issuers") of five separate issues of revenue refunding bonds (collectively, the "Bonds") in the aggregate principal amount of $164,700,000, as follows:

(i) $17,000,000 Converse County, Wyoming Customized Purchase Pollution Control Revenue Refunding Bonds (PacifiCorp Project) Series 1988 (the "Converse Bonds");

(ii) $45,000,000 City of Forsyth, Rosebud County, Montana Customized Purchase Pollution Control Revenue Refunding Bonds (PacifiCorp Project) Series 1988 (the "Forsyth Bonds");

(iii) $41,200,000 City of Gillette, Campbell County, Wyoming Customized Purchase Pollution Control Revenue Refunding Bonds (PacifiCorp Project) Series 1988 (the "Gillette Bonds");

(iv) $50,000,000 Sweetwater County, Wyoming Customized Purchase Pollution Control Revenue Refunding Bonds (PacifiCorp Project) Series 1988A (the "Sweetwater Series A Bonds"); and

(v) $11,500,000 Sweetwater County, Wyoming Customized Purchase Pollution Control Revenue Refunding Bonds (PacifiCorp Project) Series 1988B (the "Sweetwater Series B Bonds," and, together with the Sweetwater Series A Bonds, the "Sweetwater Bonds").

Each issue of Bonds is being issued pursuant to a separate Trust Indenture dated as of January 1, 1988 (individually, an "Indenture," and collectively, the "Indentures") between the respective Issuer and The First National Bank of Chicago, as Trustee (the "Trustee"). The proceeds from the sale of the Bonds will be loaned to PacifiCorp (formerly Pacific Power & Light Company) (the "Company") pursuant to the terms of a separate Loan Agreement for each issue of Bonds dated as of January 1, 1988 (individually, an "Agreement," and collectively, the "Agreements") and used, together with certain other moneys, to provide for the refunding (the "Refunding") of the outstanding bonds (collectively, the "Prior Bonds") of each of the following issues of bonds: (a) in the case of the Converse Bonds, the $17,000,000 Converse County, Wyoming, Floating Rate Monthly Demand Pollution Control Refunding Revenue Bonds (PacifiCorp Project) Series 1984, previously issued to refund certain bonds of Converse County, Wyoming ("Converse"), the proceeds of which were used to finance a portion of the costs of the acquisition, construction, improvement and installation of certain air and water pollution control facilities located at the Dave Johnston coal-fired, steam electric generating plant in Converse County, Wyoming; (b) in the case of the Forsyth Bonds, the $45,000,000 City of Forsyth, Rosebud County, Montana, Floating Rate Monthly Demand Pollution Control Revenue Bonds (Pacific Power & Light Company Colstrip Project) Series 1981, the proceeds of which were used to finance a portion of the cost of the Company's undivided interest in the acquisition and improvement of certain air and water pollution control and solid waste disposal facilities at the Colstrip coal-fired, steam electric generating plant located near the City of Forsyth ("Forsyth") in Rosebud County, Montana; (c) in the case of the Gillette Bonds, the $41,295,000 outstanding principal amount of the City of Gillette, Campbell County, Wyoming, Pollution Control Revenue Bonds (Pacific Power & Light Company Project) Series 1984, the proceeds of which were used to finance a portion of the cost of the Company's undivided interest in the acquisition and improvement of certain air and water pollution control facilities at the Wyodak coal-fired, steam electric generating plant located near the City of Gillette ("Gillette") in Campbell County, Wyoming; and (d) in the case of the Sweetwater Series A Bonds and the Sweetwater Series B Bonds, respectively, the $50,000,000 Sweetwater County, Wyoming, Floating

Rate Monthly Demand Pollution Control Revenue Bonds (Pacific Power & Light Company Project) Series 1983 and the $11,500,000 Sweetwater County, Wyoming, Floating Rate Monthly Demand Pollution Control Refunding Revenue Bonds (PacifiCorp Project) Series 1984, the proceeds of which were used, respectively, to finance a portion of the Company's undivided interest (the "Sweetwater Project") in the acquisition and improvement of certain air and water pollution control facilities at the Jim Bridger coal-fired, steam electric generating plant located near Rock Springs in Sweetwater County, Wyoming ("Sweetwater"), and to refund certain prior bond issues of Sweetwater, the proceeds of which were used to finance a portion of the Sweetwater Project.

The Bonds of each issue will be limited, and not general, obligations of the Issuer thereof as described under the caption "THE BONDS—Limited Obligations." Under the Agreements, the Company is unconditionally obligated to pay amounts sufficient to provide for payment of the principal of, premium, if any, and interest on the Bonds (the "Loan Payments") and for payment of the purchase price of the Bonds.

The Bonds of each issue will be secured under a separate irrevocable Letter of Credit (individually, the "Letter of Credit," and, collectively, the "Letters of Credit"). The Converse Bonds will be secured by an irrevocable Letter of Credit to be issued by The Sumitomo Bank, Limited, a bank organized under the laws of Japan, acting through its Seattle Branch. The Forsyth Bonds will be secured by an irrevocable Letter of Credit to be issued by The Industrial Bank of Japan, Limited, a bank organized under the laws of Japan, acting through its Los Angeles Agency. The Gillette Bonds will be secured by an irrevocable Letter of Credit to be issued by Deutsche Bank AG, a bank organized under the laws of the Federal Republic of Germany, acting through its New York Branch, and the two issues of Sweetwater Bonds will be respectively secured by separate irrevocable Letters of Credit to be issued by National Westminster Bank PLC, a bank organized under the laws of England, acting through its San Francisco Overseas Branch. The Sumitomo Bank, Limited, The Industrial Bank of Japan, Limited, Deutsche Bank AG and National Westminster Bank PLC are hereafter referred to individually as the "Bank" and, collectively, as the "Banks." With respect to the Bonds of each issue, the Trustee will be entitled to draw under the related Letter of Credit up to (a) an amount equal to the principal amount of such Bonds to be used (i) to pay the principal of such Bonds, (ii) to enable E. F. Hutton & Company Inc., as Remarketing Agent (the "Remarketing Agent"), to pay the portion of the purchase price equal to the principal amount of such Bonds delivered or deemed delivered to it for purchase and not remarketed, (iii) to enable the Trustee to pay the portion of the purchase price equal to the principal amount of such Bonds delivered or deemed delivered to it for purchase, (iv) to enable the Trustee to pay the purchase price of Bonds not retained by an Owner on a CP Date (as hereafter defined) or (v) to enable the Company to purchase such Bonds in lieu of redemption under certain circumstances, plus (b) an amount equal to 294 days' accrued interest on such Bonds (calculated at an assumed maximum rate of 12% per annum), (i) to pay interest on such Bonds or (ii) to enable the Trustee or the Remarketing Agent to pay the portion of the purchase price of such Bonds properly delivered for purchase equal to the accrued interest, if any, on such Bonds. The Company is permitted under the Agreements and the Indentures to provide a letter of credit (the "Substitute Letter of Credit") issued by the same Bank which issued the Letter of Credit in substitution for which the Substitute Letter of Credit is to be provided and which is identical to such Letter of Credit except for (i) an increase or decrease in the Interest Coverage Rate (as hereafter defined), (ii) an increase or decrease in the Interest Coverage Period (as hereafter defined) or (iii) any combination of (i) and (ii). As used hereafter, "Letter of Credit" shall, unless the context otherwise requires, mean such Substitute Letter of Credit from and after the issuance date thereof. The Company also is permitted under the Agreements and Indentures to provide for the delivery of an alternate credit facility, including a letter of credit of a commercial bank or a credit facility from a financial institution, or any other credit support agreement or mechanism arranged by the Company (which may involve a letter of credit or other credit facility or first mortgage bonds of the Company or an insurance policy), the administration provisions of which are acceptable to the Trustee (an "Alternate Credit Facility"), to replace a Letter of Credit or provide for the termination of a Letter of Credit or any Alternate Credit Facility then in effect. The entity (other than the Company) obligated to make payments under an Alternate Credit Facility shall be referred to hereafter as the "Obligor on the Alternate Credit Facility." See "THE LETTERS OF CREDIT" and "THE BONDS—Purchase of Bonds."

The Bonds of each issue contain substantially the same terms and provisions as, but will be entirely separate from, the Bonds of the other issues. The Bonds of one issue will not be payable from or entitled to any revenues delivered to the Trustee in respect of Bonds of the other issues. The mechanism for determining the interest rate may result in a rate for the Bonds of one issue different from that of the Bonds of the other issues. Redemption of the Bonds of one issue may be made in the manner described below without redemption of the other issues, and a default in respect of the Bonds of one issue will not of itself constitute a default in respect of the Bonds of the other issues; however, the same occurrence may constitute a default with respect to the Bonds of more than one issue.

Brief descriptions of the Issuers, the Bonds, the Letters of Credit, the method by which the interest rate on the Bonds is changed, the Agreements and the Indentures are included in this Official Statement, including Appendix F hereto. Information regarding the business, properties and financial condition of the Company is included in Appendix A attached hereto. Brief descriptions of The Sumitomo Bank, Limited, The Industrial Bank of Japan, Limited, Deutsche Bank AG and National Westminster Bank PLC are included as Appendices B, C, D and E, respectively, hereto. The descriptions herein of the Agreements, the Indentures and the Letters of Credit are qualified in their entirety by reference to such documents, and the descriptions herein of the Bonds are qualified in their entirety by reference to the forms thereof and the information with respect thereto included in the aforesaid documents. All such descriptions are further qualified in their entirety by reference to laws and principles of equity relating to or affecting the enforcement of creditors' rights generally. Copies of such documents may be obtained from the principal corporate trust office of the Trustee in Chicago, Illinois and, during the initial offering period, at the principal offices of E. F. Hutton & Company Inc. and of Shearson Lehman Brothers Inc. in New York, New York.

THE ISSUERS

Forsyth is a municipal corporation and political subdivision duly organized and existing under the Constitution and laws of the State of Montana. Forsyth is authorized by Sections 90-5-101 through 90-5-114, inclusive, of the Montana Code Annotated, as amended (the "Montana Act"), to issue the Forsyth Bonds for the purpose of refunding all of the related Prior Bonds, to enter into the related Indenture and the related Agreement and to secure such Bonds by an assignment to the Trustee of the payments to be made by the Company under the related Agreement and a pledge of other moneys deposited with the Trustee under the related Indenture.

Gillette is a municipal corporation and political subdivision, and Converse and Sweetwater are political subdivisions, duly organized and existing under the Constitution and laws of the State of Wyoming. Pursuant to Sections 15-1-701 to 15-1-710, inclusive, of the Wyoming Statutes (1977), as amended (the "Wyoming Act"), Gillette, Converse and Sweetwater are authorized to issue their respective Bonds for the purpose of refunding all or a portion of the related Prior Bonds, to enter into the related Indenture and the related Agreement and to secure such Bonds by an assignment to the Trustee of the payments to be made by the Company under the related Agreement and a pledge of other moneys deposited with the Trustee under the related Indenture.

The Montana Act and the Wyoming Act are hereafter referred to collectively as the "Act."

The Bonds will be limited obligations of the respective Issuers as described under the caption "THE BONDS—Limited Obligations."

THE BONDS

The Bonds of each issue will be independent of the others, and a default in respect of one issue will not of itself constitute a default in respect of the other issues; however, the same occurrence may constitute a default with respect to more than one issue. The five issues of Bonds contain substantially the same terms and provisions, and the following is a summary of certain provisions common to the Bonds of the five issues. Reference is hereby made to the Bonds in their entirety for the detailed provisions thereof. All references in this description are to the documents or the Letters of Credit (or Alternate Credit Facilities) corresponding to the respective issues of Bonds.

General

The Bonds will be dated January 1, 1988 and will mature as set forth on the cover page hereof. Bonds authenticated prior to the first Interest Payment Date (as hereafter described) shall bear interest from the date of the first authentication and delivery of Bonds. Bonds authenticated on or after the first Interest Payment Date thereon shall bear interest from the Interest Payment Date next preceding the date of authentication thereof (except that if the Bonds bear interest at a Daily Interest Rate, as hereafter described, the Bonds shall bear interest from the day next succeeding the Interest Accrual Date, as hereafter described, next preceding such date of authentication), unless such date of authentication shall be an Interest Payment Date to which interest on the Bonds has been paid in full or duly provided for, in which case they shall bear interest from such date of authentication (or, if the Bonds bear interest at a Daily Interest Rate, from the day next succeeding the Interest Accrual Date next preceding such date of authentication); provided that if, as shown by the records of the Registrar (as hereinafter defined) interest on the Bonds shall be in default, Bonds issued in exchange for or upon the registration of transfer of Bonds shall bear interest from the date to which interest has been paid in full on the Bonds or, if no interest has been paid on the Bonds, the date of the first authentication and delivery of fully executed and authenticated Bonds under the Indenture. Each Bond shall bear interest on overdue principal and, to the extent permitted by law, on overdue premium, if any, and interest at the rates of interest borne by the Bonds during such time.

The First National Bank of Chicago is Trustee and Registrar under the Indenture and has its corporate trust office in Chicago, Illinois. First Chicago Trust Company of New York has been appointed agent of the Registrar under the Indenture. The Registrar may be removed or replaced by the Issuer at the direction of the Company.

Principal of, premium, if any, and interest on the Bonds are payable at the place or places and in the manner specified on the cover page of this Official Statement. Bonds may be transferred or exchanged for Bonds of authorized denominations at the corporate trust office in New York, New York of First Chicago Trust Company of New York, as agent of the Registrar, without cost, except for any tax or other governmental charge.

E. F. Hutton & Company Inc. has, at the direction of the Company, been appointed Remarketing Agent under the Indenture. The principal office of E. F. Hutton & Company Inc. is located in New York, New York. The Remarketing Agent may be removed or replaced by the Issuer at the direction of the Company and with the written consent of the Bank (or the Obligor on the Alternate Credit Facility, as the case may be) and the Issuer. For a description of the proposed acquisition of E. F. Hutton & Company Inc. by Shearson Lehman Brothers Inc. and of Shearson Lehman Brothers Inc. as successor Remarketing Agent, see the caption "UNDERWRITING" herein.

Interest on the Bonds

CP Rate. The Bonds shall initially bear interest at a CP Rate not exceeding 12% per annum, which is, with respect to each Bond for a CP Period, an interest rate on such Bond established as hereafter described. Such interest will be payable on the CP Date for such Bond. "CP Date" means, with respect to each Bond, the day next succeeding the last day of a CP Period. "CP Period" means, with respect to each Bond, each consecutive period (one to no more than 270 days, or one to 365 or 366 days, as applicable to a particular year, as determined by the Company, as described under the caption "THE LETTERS OF CREDIT—Substitute Letter of Credit") established pursuant to the Indenture during which such Bond shall bear interest at a particular CP Rate. "CP Date Parameters" means the parameters stated in Exhibit E to the Indenture regarding allowable CP Periods. On the date interest starts to accrue on the Bonds at a CP Rate and on each CP Date thereafter, except any CP Date that is a Conversion Date, the Remarketing Agent shall determine for each CP Period allowable under the CP Date Parameters the interest rate which, in the judgment of the Remarketing Agent, when borne by a Bond having such a CP Period would be the minimum interest rate necessary to enable the Remarketing Agent to sell such Bond on such date at a price equal to the principal amount thereof.

Each Bond shall bear interest during the CP Period selected for such Bond at a rate per annum equal to the interest rate determined as described above for such CP Period, or, in the event such Bond is not remarketed, the CP Rate shall be the CP Rate equal to the interest rate for the shortest allowable CP Period under the CP Date Parameters. If for any reason a CP Rate is not established

by the Remarketing Agent or the rate established by the Remarketing Agent is held to be invalid or unenforceable by a court of law with respect to any CP Period, the CP Rate for such CP Period shall equal the Floating Interest Index (as defined in the Indenture) determined by the Indexing Agent (as defined in the Indenture) as of the date such CP Rate was to have been determined.

Conversion to Alternative Rates. The method of determining interest payable on the Bonds may be converted from a CP Rate to another Floating Interest Rate (a Daily Interest Rate, a Weekly Interest Rate or a Monthly Interest Rate), a Tender Interest Rate or a Fixed Interest Rate (as each of those terms is described in Appendix F hereto) or from any such method of determination to any other method of determination under the conditions described below under the caption "CONVERSION OF RATE." The date on which the method of determining the interest on the Bonds is converted to another method is a "Conversion Date." Certain terms applicable to the Bonds at such time as the Bonds are not bearing interest at a CP Rate are described in Appendix F hereto.

Payment and Accrual of Interest. The Bonds shall bear interest from and including the date of first authentication and delivery thereof until payment of the principal or redemption price thereof shall have been made or provided for in accordance with the provisions of the Indenture, whether at maturity, upon redemption, acceleration or otherwise, at the lesser of (i) the Maximum Rate (as hereafter defined) or (ii) the rate determined as described under the caption "THE BONDS—Interest on the Bonds" and in Appendix F hereto. "Maximum Rate" means (i) while a Letter of Credit (or an Alternate Credit Facility, if applicable) is outstanding, the lesser of 20% per annum or the Interest Coverage Rate and (ii) at all other times, 20% per annum. "Interest Coverage Rate" means the rate specified in the Letter of Credit (or an Alternate Credit Facility, if applicable), initially 12%, which is used to determine the maximum amount that can be drawn to pay interest on the Bonds (or the portion of the purchase price corresponding to accrued interest) (the "Interest Component") for the number of days specified in the Letter of Credit (the "Interest Coverage Period"), initially 294 days.

Interest accrued on the Bonds during each Interest Period (as hereafter described) shall be paid to the Owner as of the Record Date (as hereafter described) on the next succeeding Interest Payment Date and, while the Bonds bear a Floating Interest Rate, computed on the basis of a year of 365 or 366 days, as applicable to a particular year, for the actual number of days elapsed and, while the Bonds bear a Fixed Interest Rate or a Tender Interest Rate, computed on the basis of a year of 360 days consisting of twelve 30-day months.

"Authorized Denomination" means (i) $100,000 while the Bonds bear interest at a Floating Interest Rate and (ii) $5,000 while the Bonds bear interest at a Tender Interest Rate or a Fixed Interest Rate and, in all cases, integral multiples thereof.

"Business Day" means a day on which banks located in the city in which the principal office of the Bank (or of the Obligor on the Alternate Credit Facility, as the case may be) is located and banks located in the city in which the principal office of the Trustee is located are not required or authorized by law to remain closed and are not closed, and on which The New York Stock Exchange and the principal office of the Remarketing Agent are not closed.

"Interest Accrual Date" means, with respect to any Interest Period (i) during which interest on the Bonds accrues at a CP Rate, the last day of the applicable CP Period, (ii) during which interest on the Bonds accrues at a Daily Interest Rate, the last day of the calendar month, (iii) during which interest on the Bonds accrues at the Weekly Interest Rate or the Monthly Interest Rate (as hereafter described), the day next preceding the first Business Day of the next succeeding calendar month and (iv) during which interest on the Bonds accrues at a Tender Interest Rate or at a Fixed Interest Rate, the day next preceding January 1 and July 1 of each year.

"Interest Payment Date" means (a) during such time as the Bonds bear a Daily Interest Rate, the fifth day after the Interest Accrual Date, (b) during such time as the Bonds bear interest determined by any other method, the day next succeeding the Interest Accrual Date and (c) any Conversion Date.

"Interest Period" means the period from and including the date interest starts to accrue on the Bonds pursuant to a particular method of calculating interest to and including the next succeeding Interest Accrual Date and each succeeding period from the day next succeeding such Interest Accrual

Date to and including (i) the next succeeding Interest Accrual Date or (ii) if earlier, the day next preceding a Conversion Date.

"Owner" means the person or persons in whose name any Bond is registered on the books of the Issuer maintained by the Registrar.

"Record Date" means (a) when a Bond bears interest at a CP Rate, the third day next preceding the Interest Accrual Date, except for a Bond with a CP Period of less than four days, in which case the Record Date means the first day of such CP Period; (b) when the Bonds bear interest at a Daily Interest Rate, the Interest Accrual Date; (c) when the Bonds bear interest at a Weekly Interest Rate, the day on which the Weekly Interest Rate applicable to the Interest Accrual Date is determined; (d) when the Bonds bear interest at a Monthly Interest Rate, the third day next preceding the Interest Accrual Date; and (e) when the Bonds bear a Tender Interest Rate or a Fixed Interest Rate, the fifteenth day of the calendar month next preceding any Interest Payment Date.

Purchase of Bonds

Purchase While Bonds Bear CP Rate. On the CP Date with respect to a Bond, such Bond shall be purchased at a purchase price equal to the principal amount thereof upon delivery of the Bond (with all necessary endorsements) to the Remarketing Agent. If the Owner elects not to have his Bond purchased on such CP Date, the Owner shall give telephonic or written notice to the Remarketing Agent not later than 10:00 a.m., New York, New York time, on the Business Day next preceding the CP Date stating that the Owner elects not to have his Bond purchased on such CP Date and stating the next CP Period (which shall be within the CP Date Parameters) for such Bond, in which event and upon receipt of appropriate information confirmed in writing from the Remarketing Agent, the Trustee shall issue a new Bond to such Owner reflecting the next CP Period in exchange for the Bond then held by such Owner. Bonds to be purchased which are not delivered by the Owner thereof shall be deemed to have been delivered by the Owner thereof for purchase and to have been purchased, provided that there have been irrevocably deposited with the Trustee moneys in accordance with the Indenture in an amount sufficient to pay the purchase price of such Bonds. Moneys deposited with the Trustee for such purchase of Bonds shall be held in trust in a separate escrow account without liability for interest thereon and shall be paid to the Owners of such Bonds upon presentation thereof. The Trustee shall on the last day of each month give written notice to the Company whether Bonds have not been delivered, and upon direction to do so by the Company, the Trustee shall give notice by mail to each Owner whose Bonds are deemed to have been purchased that such moneys are on deposit at the principal office of the Trustee and that interest on such Bonds ceased to accrue on the applicable CP Date.

While Bonds Bear Alternative Rates. While a Bond bears a Daily Interest Rate, a Weekly Interest Rate, a Monthly Interest Rate or a Tender Interest Rate, such Bond will be purchased on the demand of the Owner thereof, as described in Appendix F hereto.

Funds for Purchase of Bonds. On the date on which Bonds delivered to the Remarketing Agent or the Trustee for purchase as specified above under "THE BONDS—Purchase of Bonds—Purchase While Bonds Bear CP Rate" or as described in Appendix F hereto are to be purchased, such Bonds shall be purchased with immediately available funds at a purchase price equal to the principal amount thereof, plus accrued interest, if any. Funds for the payment of such purchase price shall be derived solely from the following sources in the order of priority indicated, neither the Trustee nor the Remarketing Agent being obligated to use funds from any other source:

(a) Available Moneys (as hereinafter defined) directed by the Company to be used to purchase Bonds as described in the Indenture;

(b) proceeds of the sale of such Bonds by the Remarketing Agent;

(c) Available Moneys or moneys drawn under the Letter of Credit or Alternate Credit Facility, as the case may be, for the purchase of defeased Bonds;

(d) proceeds of a drawing under the Letter of Credit or an Alternate Credit Facility, as the case may be, for such purchase; and

(e) any other moneys furnished by the Company for purchase of the Bonds;

provided, however, that funds for the payment of the purchase price of defeased Bonds shall be derived only from the sources described in (b) and (c) above, in such order of priority.

"Available Moneys" means (a) during such time as a Letter of Credit or an Alternate Credit Facility which does not consist of first mortgage bonds of the Company is outstanding, (i) moneys on deposit in trust with the Trustee for a period of 123 days prior to and during which no petition in bankruptcy or similar insolvency proceeding has been filed by or against the Company or the Issuer or is pending, (ii) proceeds of the issuance of refunding bonds if, in the written opinion of nationally recognized counsel experienced in bankruptcy matters and acceptable to the Issuer and the Trustee (which opinion shall be delivered to the Trustee at or prior to the time of the deposit of such proceeds with the Trustee), the deposit and use of such proceeds will not constitute a voidable preference under Section 547 of the United States Bankruptcy Code in the event the Issuer or the Company were to become debtors under the United States Bankruptcy Code and (iii) any other money (x) approved in writing by Moody's Investors Service ("Moody's"), if the Bonds are then rated by Moody's, and Standard and Poor's Corporation ("S&P"), if the Bonds are then rated by S&P and (y) the application of which will not, in the written opinion of nationally recognized counsel experienced in bankruptcy matters and acceptable to the Issuer and the Trustee (which opinion shall be delivered to the Trustee at or prior to the time of such application), constitute a voidable preference under Section 544 or 547 of the United States Bankruptcy Code in the event the Issuer or the Company were to become debtors under the United States Bankruptcy Code, and (b) at any time that a Letter of Credit or an Alternate Credit Facility is not outstanding, or if an Alternate Credit Facility consisting of first mortgage bonds of the Company is outstanding, any moneys on deposit with the Trustee and proceeds from the investment thereof.

Remarketing of Bonds

While the Bonds bear interest at a CP Rate, the Remarketing Agent shall offer for sale and use its best efforts to remarket any Bond to be purchased on a CP Date on such CP Date, any such remarketing to be made at a price equal to the principal amount thereof and for such CP Periods as are available within the CP Date Parameters. In the event more than one prospective purchaser has offered to purchase a Bond on a CP Date, the Remarketing Agent shall remarket the Bond to the purchaser from among such prospective purchasers who has selected the next CP Period for such Bond which will, in the Remarketing Agent's judgment, taking into consideration the overall yield curve determined as of such CP Date and projected market conditions during the 270 days or 365 or 366 days, as applicable to a particular year (depending on the maximum length of the then current Interest Coverage Period), next succeeding such CP Date, be the most beneficial for the financing program while the Bonds bear interest at a CP Rate. If a Bond cannot be remarketed, the CP Date for such Bond shall be the next Business Day. While Bonds bear a Daily Interest Rate, a Weekly Interest Rate, a Monthly Interest Rate or a Tender Interest Rate, the Remarketing Agent will offer for sale and use its best efforts to remarket Bonds to be purchased on the dates and at the purchase prices as described in this Official Statement.

No Purchases or Sales After Certain Defaults. Anything in the Indenture to the contrary notwithstanding, (i) at any time when neither the Letter of Credit nor an Alternate Credit Facility, as the case may be, is outstanding, there shall be no purchases or sales of Bonds as described above, and (ii) at any time during which the Letter of Credit or an Alternate Credit Facility, as the case may be, is outstanding, there shall be no sales of Bonds, if, in either case, there shall have occurred and not have been cured or waived an Event of Default described in paragraph (a), (b), (c), (d) or (e) under the caption "THE INDENTURES—Defaults" of which the Remarketing Agent and the Trustee have actual knowledge.

Limited Obligations

The Bonds, together with the premium, if any, and interest thereon, are limited, and not general, obligations of the Issuer not constituting or giving rise to a pecuniary liability of the Issuer or any charge against its general credit or taxing powers nor an indebtedness of or a loan of credit thereof and shall be payable solely from the revenues to be received by the Issuer under the Agreement and from any other moneys made available to the Issuer for such purpose, including moneys drawn under the Letter of Credit or an Alternate Credit Facility, as the case may be. The Issuer shall not be obligated to pay the purchase price of the Bonds from any source.

Mandatory Redemption of Bonds

While the Bonds bear interest at a Tender Interest Rate or at a Fixed Interest Rate, the Bonds are subject to mandatory redemption in whole or in part at the principal amount thereof plus accrued interest to the date of redemption within 180 days following a "Determination of Taxability" as described below. The Bonds shall be redeemed either in whole or in part in such principal amount that the interest payable on the Bonds remaining outstanding after such redemption would not be included in the gross income of any Owner thereof, other than an Owner of a Bond who is a "substantial user" of the Facilities (as hereafter defined) or a "related person" within the meaning of Section 103(b)(13) of the Internal Revenue Code of 1954, as amended (the "1954 Code").

A "Determination of Taxability" shall be deemed to have occurred if, as a result of an Event of Taxability (as defined below), a final decree or judgment of any federal court or a final action of the Internal Revenue Service determines that interest paid or payable on any Bond is or was includible in the gross income of an Owner of the Bonds for federal income tax purposes under the Internal Revenue Code of 1986 (the "Code") (other than an Owner who is a "substantial user" or "related person" within the meaning of Section 103(b)(13) of the 1954 Code). However, no such decree or action will be considered final for this purpose unless the Company has been given written notice and, if it is so desired and is legally allowed, has been afforded the opportunity to contest the same, either directly or in the name of any Owner of a Bond, and until conclusion of any appellate review, if sought. If the Trustee receives written notice from any Owner stating (i) that the Owner has been notified in writing by the Internal Revenue Service that it proposes to include the interest on any Bond in the gross income of such Owner for the reasons described therein or any other proceeding has been instituted against such Owner which may lead to a final decree or action as described in the Agreement, and (ii) that such Owner will afford the Company the opportunity to contest the same, either directly or in the name of the Owner, until a conclusion of any appellate review, if sought, then the Trustee shall promptly give notice thereof to the Company, the Bank (or the Obligor on the Alternate Credit Facility, as the case may be), the Issuer and the Owner of each Bond then outstanding. If a final decree or action as described above thereafter occurs and the Trustee has received written notice thereof at least 45 days prior to the redemption date, the Trustee shall make the required demand for prepayment of the amounts payable under the Agreement and prepayment of the Bonds and give notice of the redemption of the Bonds at the earliest practical date, but not later than the date specified in the Agreement, and in the manner provided by the Indenture.

An "Event of Taxability" means the failure of the Company to observe any covenant, agreement or representation in the Agreement, which failure results in a Determination of Taxability.

A DETERMINATION OF TAXABILITY MAY NOT OCCUR FOR A SUBSTANTIAL PERIOD OF TIME AFTER INTEREST FIRST BECOMES INCLUDIBLE IN THE GROSS INCOME OF OWNERS OF THE BONDS. IN SUCH EVENT, THE TAX LIABILITY OF OWNERS OF THE BONDS MAY EXTEND TO YEARS FOR WHICH INTEREST WAS RECEIVED ON THE BONDS AND FOR WHICH THE RELEVANT STATUTE OF LIMITATIONS HAS NOT YET RUN. MOREOVER, OWNERS OF BONDS WILL NOT RECEIVE ANY ADDITIONAL INTEREST, PREMIUM OR OTHER PAYMENT TO COMPENSATE THEM FOR FEDERAL INCOME TAXES, INTEREST AND PENALTIES WHICH MAY BE ASSESSED WITH RESPECT TO SUCH INTEREST.

Optional Redemption of Bonds

(a) During any CP Period, the Bonds shall be subject to optional redemption on any Business Day by the Issuer, in whole or in part (and if in part, in an Authorized Denomination), at the direction of the Company (but only with the timely written consent of the Bank or of the Obligor on the Alternate Credit Facility, as the case may be), at the principal amount thereof plus accrued interest, if any, on 30 days' prior notice from the Company to the Issuer and the Trustee.

(b) While the Bonds bear interest at a Daily Interest Rate, a Weekly Interest Rate or a Monthly Interest Rate, the Bonds shall be subject to optional redemption on any Interest Payment Date by the Issuer, in whole or in part (and if in part, in an Authorized Denomination), at the direction of the Company (but only with the timely written consent of the Bank or of the Obligor on the Alternate

Credit Facility, as the case may be), at the principal amount thereof plus accrued interest, if any, with 30 days' prior notice from the Company to the Issuer and the Trustee.

(c) While the Bonds bear interest at a Fixed Interest Rate or at a Tender Interest Rate, the Bonds shall be subject to optional redemption on any Interest Payment Date by the Issuer, in whole or in part (and if in part, in an Authorized Denomination), at the direction of the Company (but only with the timely written consent of the Bank or of the Obligor on the Alternate Credit Facility, as the case may be), with 30 days' prior notice from the Company to the Issuer and the Trustee; provided, however, that the Bonds shall not be redeemable during the No-Call Period shown below, which shall begin on the first day of the Fixed Rate Period or Tender Period. On and during the six months after the Interest Payment Date that ends the No-Call Period (or the next succeeding Interest Payment Date, if the No-Call Period does not end on an Interest Payment Date), the Bonds shall be redeemable at the percentage of their principal amount shown in the Initial Redemption Price column plus interest accrued to the redemption date. The redemption price shall decline semiannually by the amount shown in the SemiAnnual Reduction in Redemption Price column until the Bonds shall be redeemable without premium in the year or portion of a year indicated in the No Premium column and in any later years or periods in the Fixed Rate Period or Tender Period.

Fixed Rate Period or Tender Period					
Equal to or Greater Than	But Less Than	No-Call Period	Initial Redemption Price	SemiAnnual Reduction in Redemption Price	No Premium
18 Years	N/A	5 Years	103 %	½%	9th Year
12 Years	18 Years	5 Years	103	½	9th Year
9 Years	12 Years	5 Years	102	½	8th Year
7 Years	9 Years	5 Years	101	½	7th Year
5 Years	7 Years	3 Years	101	½	5th Year
3 Years	5 Years	2 Years	100½	¼	4th Year
2 Years	3 Years	1 Year	100¼	¼	18th Month
1 Year	2 Years	6 Months	100⅛	⅛	12th Month
6 Months	1 Year	6 Months	100	N/A	N/A

If the Fixed Rate Period or Tender Period is less than six months, the Bonds will not be redeemable pursuant to this subparagraph. While a Letter of Credit or an Alternate Credit Facility is outstanding, the Company may only cause a redemption of Bonds pursuant to this subparagraph which would require a payment of a premium if on the date of the giving of notice of redemption the Trustee has Available Moneys in the Bond Fund or can draw under the Letter of Credit or an Alternate Credit Facility, as the case may be, in an amount sufficient to pay such premium due on the date of redemption. The initial Letter of Credit does not provide for drawings in respect of the amount of any such redemption premium.

If the interest rate borne by the Bonds is converted pursuant to the Indenture, and if in connection with such conversion the Company directs in writing to the Trustee and the Remarketing Agent pursuant to the Indenture that the foregoing schedule of premiums and No-Call Periods be revised and specifies the new premiums and No-Call Periods, the foregoing schedule of premiums and No-Call Periods shall be revised in accordance with such direction of the Company.

(d) At any time, the Bonds shall be subject to redemption by the Issuer in whole or in part (and if in part, in an Authorized Denomination), at the direction of the Company (but only with the timely written consent of the Bank if required by the Letter of Credit or, if applicable, of the Obligor on the Alternate Credit Facility if required by such Alternate Credit Facility), with 30 days' prior notice from the Company to the Issuer and the Trustee, at the principal amount thereof plus accrued interest to the redemption date, but without premium, if the Company shall deliver a certificate stating that one of the following events has occurred:

(i) the Company shall have determined that the continued operation of the Project (as defined in the Indenture) is impracticable, uneconomical or undesirable for any reason; or

(ii) the Company shall have determined that the continued operation of the pollution control facilities or the solid waste disposal facilities, as the case may be (the "Facilities"), at the steam

electric generating plant of which the Project is a part is impracticable, uneconomical or undesirable due to (A) the imposition of taxes, other than ad valorem taxes currently levied upon privately owned property used for the same general purpose as the Facilities, or other liabilities or burdens with respect to the Facilities or the operation thereof, (B) changes in technology, in environmental standards or legal requirements or in the economic availability of materials, supplies, equipment or labor or (C) destruction of or damage to all or part of the Facilities; or

(iii) all or substantially all of the Facilities or the Project shall have been condemned or taken by eminent domain; or

(iv) the operation of the Facilities or the Project shall have been enjoined or shall have otherwise been prohibited by, or shall conflict with, any order, decree, rule or regulation of any court or of any federal, state or local regulatory body, administrative agency or other governmental body.

Redemption Upon Expiration or Termination of Letter of Credit or Alternate Credit Facility

Except for Bonds redeemed as described under "THE BONDS—Redemption Upon Conversion," the Bonds are subject to mandatory redemption by the Issuer, in whole, at a price equal to the principal amount thereof, plus accrued interest, if any, on the earlier of (i) the Interest Payment Date next preceding the date of the expiration of the term of the Letter of Credit or the term of the Alternate Credit Facility except as provided in the following clause (ii), or (ii) a Business Day not less than five days next preceding the Business Day next preceding the termination date of the Letter of Credit or Alternate Credit Facility specified by the Company in a notice given by the Company as described herein in the second paragraph under the caption "THE LETTERS OF CREDIT—Alternate Credit Facility," or in the second paragraph under the caption "THE LETTERS OF CREDIT—Termination of Letter of Credit or Alternate Credit Facility," provided that there shall not be so redeemed (a) Bonds delivered to the Remarketing Agent or the Trustee for purchase on such Interest Payment Date or on such Business Day or on any Business Day from the date of notice of such redemption through the date of such redemption, (b) Bonds with respect to which the Trustee shall have received written directions not to so redeem the same from the Owners thereof, (c) Bonds purchased or deemed to have been purchased pursuant to the Indenture as described below under "THE BONDS—Purchase by Company in Lieu of Redemption," and (d) Bonds issued in exchange for or upon the registration of transfer of Bonds referred to in the preceding clauses (a) and (b).

An Owner of Bonds may direct the Issuer not to redeem any Bond or Bonds owned by it by delivering to the Trustee at its principal office on or before the third Business Day preceding the date fixed for such redemption an instrument or instruments in writing executed by such Owner which, among other things, (i) specifies the numbers and denominations of the Bonds held by such Owner, (ii) specifically acknowledges each of the matters set forth in a notice given by the Trustee, and (iii) directs the Issuer not to redeem such Bonds. Any such instrument delivered to the Trustee shall be irrevocable with respect to the redemption for which such instrument was delivered and shall be binding upon subsequent Owners of such Bonds, including Bonds issued in exchange therefor or upon the registration of the transfer thereof.

Redemption Upon Conversion

The Bonds shall be subject to mandatory redemption by the Issuer, in whole, on a Conversion Date, at the principal amount thereof or, in the case of Bonds to be redeemed upon conversion from a Tender Interest Rate or a Fixed Interest Rate, at the percentage of their principal amount at which they would be redeemed as described above under paragraph (c) of "THE BONDS—Optional Redemption of Bonds" on the Conversion Date plus accrued interest, if any; provided that there shall not be so redeemed (a) Bonds delivered to the Remarketing Agent or the Trustee for purchase on such Conversion Date or on any Business Day from the date notice of such redemption is given through the date of such redemption, (b) Bonds with respect to which the Trustee shall have received written directions not to so redeem the same from the Owners thereof, (c) Bonds purchased or deemed to have been purchased pursuant to the Indenture as described below under "THE BONDS—Purchase by Company in Lieu of Redemption," and (d) Bonds issued in exchange for or upon the registration

of transfer of Bonds referred to in clauses (a) and (b) above. While a Letter of Credit or an Alternate Credit Facility is outstanding, the Company may only cause a redemption of Bonds pursuant to this paragraph which would require a payment of a premium if on the date of the giving of notice of redemption the Trustee can draw under the Letter of Credit or an Alternate Credit Facility, as the case may be, in an amount sufficient to pay such premium due on the date of redemption. The initial Letter of Credit does not provide for drawings in respect of the amount of any such redemption premium.

An Owner may direct the Issuer not to redeem any Bond or Bonds owned by it by delivering to the Trustee at its principal office on or before the third Business Day (sixth Business Day if the Bonds are to be converted to a Tender Interest Rate or a Fixed Interest Rate) preceding the date fixed for such redemption an instrument or instruments in writing executed by such Owner which, among other things, (i) specifies the numbers and denominations of the Bonds held by such Owner, (ii) specifically acknowledges each of the matters set forth in a notice given by the Trustee, and (iii) directs the Issuer not to redeem such Bonds. Any such instrument delivered to the Trustee shall be irrevocable with respect to the redemption for which such instrument is delivered and shall be binding upon subsequent Owners of such Bonds, including Bonds issued in exchange therefor or upon the registration of the transfer thereof.

Denomination Redemption

The Bonds or portions thereof are subject to mandatory redemption by the Issuer on the Interest Payment Date upon which the Bonds begin to accrue interest at a Floating Interest Rate following conversion from a Tender Interest Rate or a Fixed Interest Rate in such amounts so that all outstanding Bonds are in Authorized Denominations.

Purchase by Company in Lieu of Redemption

The Company shall have the right to purchase or cause to be purchased Bonds to be redeemed as described above under "THE BONDS—Redemption Upon Expiration or Termination of Letter of Credit or Alternate Credit Facility," "THE BONDS—Redemption Upon Conversion" and "THE BONDS—Denomination Redemption" at a purchase price equal to the principal amount of the Bonds to be so purchased plus accrued interest, if any, or in the case of a purchase on conversion from a Fixed Interest Rate or a Tender Interest Rate, the redemption price for redemption of such Bonds on the Conversion Date as described above under (c) of "THE BONDS—Optional Redemption of Bonds." Moneys for the payment of the purchase price shall be derived, in the following order of priority, from: (i) Available Moneys furnished by the Company for such purpose, (ii) proceeds of the sale of such Bonds, (iii) Available Moneys or moneys drawn under the Letter of Credit or Alternate Credit Facility, as the case may be, for the purchase of defeased Bonds, (iv) moneys drawn under the Letter of Credit or an Alternate Credit Facility, as the case may be, for such purpose and (v) any other moneys furnished by the Company for such purpose; provided, however, that funds for the payment of the purchase price of defeased Bonds shall be derived only from the sources described in (ii) and (iii) above, in such order of priority; and provided further that if in connection with such redemption, the Letter of Credit or an Alternate Credit Facility which does not consist of first mortgage bonds of the Company is replaced with an Alternate Credit Facility consisting of first mortgage bonds of the Company or is not being replaced by any other Alternate Credit Facility, moneys for the payment of the purchase price of the Bonds may not be derived from (ii) above. Bonds to be so purchased pursuant to the Indenture on the date fixed for redemption of such Bonds which are not delivered on such date will nonetheless be deemed to have been delivered for purchase by the Owners thereof and to have been purchased pursuant to the Indenture. The Trustee shall hold moneys for such purchase of Bonds, without liability for interest thereon, for the benefit of the former Owner of the Bond on such date of purchase, who shall thereafter be restricted exclusively to such moneys for any claim of whatever nature on such Owner's part under the Indenture or on, or with respect to, such Bond. Any moneys so deposited with and held by the Trustee not so applied to the payment of Bonds within six months after such date of purchase shall be paid by the Trustee to the Bank (or the Obligor on the Alternate Credit Facility, as the case may be) to the extent of any amount payable under the Reimbursement Agreement (as defined below) and the balance to the Company upon the written direction of the Company, and thereafter the former Owners shall be entitled to look only to the Company for payment,

and then only to the extent of the amount so repaid, and the Company shall not be liable for any interest thereon and shall not be regarded as a trustee of such money.

Procedure for and Notice of Redemption

If less than all of the Bonds shall be called for redemption, the particular Bonds or portions thereof to be redeemed shall be selected by the Trustee, in such manner as the Trustee in its sole discretion may deem proper, in the principal amount designated by the Company or otherwise as required by the Indenture. In selecting Bonds for redemption, the Trustee shall treat each Bond as representing that number of Bonds which is obtained by dividing the principal amount of each Bond by the minimum denomination in which Bonds are then authorized to be issued at the time of such redemption. Any Bonds selected for redemption which are deemed to be paid in accordance with the provisions of the Indenture will cease to bear interest on the date fixed for redemption. Upon presentation and surrender of such Bonds at the place or places of payment such Bonds shall be paid and redeemed. Notice of redemption shall be given by mail as provided in the Indenture, at least 10 days prior to the redemption date, provided that the failure to duly give notice by mailing to any Owner, or any defect therein, shall not affect the validity of any proceedings for the redemption of any other of the Bonds.

With respect to notice of any optional redemption of the Bonds, as described above, unless upon the giving of such notice, such Bonds shall be deemed to have been paid within the meaning of the Indenture, such notice shall state that such redemption shall be conditional upon the receipt by the Trustee, on or prior to the date fixed for such redemption, of moneys sufficient to pay the principal of, premium, if any, and interest on such Bonds to be redeemed. If such moneys are not so received, the Issuer will not redeem such Bonds and the Trustee shall give notice, in the manner in which the notice of redemption was given, that such redemption will not take place.

THE LETTERS OF CREDIT

The following is a brief description of each Letter of Credit and certain of the terms common to the Letters of Credit and the agreements dated as of January 1, 1988 between the Company and the Banks pursuant to which such Letters of Credit are issued (individually, a "Reimbursement Agreement" and, collectively, the "Reimbursement Agreements," which term shall also include the document pursuant to which an Alternate Credit Facility is issued). All references in this description are to the documents or the Letters of Credit (or Alternate Credit Facilities) corresponding to the respective issues of Bonds.

The Letter of Credit will be an irrevocable obligation of the Bank which will expire at the close of the Bank's business on January 14, 1993, unless earlier terminated or otherwise extended, to pay to the Trustee, upon request and in accordance with the terms thereof, up to (a) an amount equal to the outstanding principal amount of the Bonds to be used (i) to pay the principal of the Bonds, (ii) to enable the Remarketing Agent to pay the portion of the purchase price equal to the principal amount of Bonds delivered to it for purchase and not remarketed, (iii) to enable the Trustee to pay the portion of the purchase price equal to the principal amount of Bonds delivered to it for purchase, (iv) to enable the Trustee to pay the purchase price of Bonds not retained by an Owner on a CP Date or (v) to enable the Company to purchase Bonds in lieu of redemption under certain circumstances, plus (b) an amount equal to 294 days' accrued interest on the Bonds (calculated at a rate of 12% per annum and on the basis of a year of 365 days), to be used (i) to pay interest on the Bonds or (ii) to enable the Trustee or the Remarketing Agent to pay the portion of the purchase price of the Bonds properly delivered for purchase equal to the accrued interest, if any, on such Bonds. The Company is permitted under the Agreement and the Indenture to secure an extension of the Letter of Credit beyond the expiration date of the then current Letter of Credit, but the Bank is under no obligation to agree to such an extension.

The Bank's obligation under the Letter of Credit will be reduced to the extent of any drawings thereunder. However, with respect to a drawing by the Trustee to enable the Remarketing Agent or the Trustee to pay the purchase price of Bonds delivered for purchase and not remarketed, such amounts shall be immediately reinstated upon reimbursement. With respect to a drawing by the Trustee for the payment of interest on the Bonds, the amount that may be drawn under the Letter of Credit will be automatically reinstated to the extent of such drawing as of the close of business

on the ninth Business Day following such drawing unless the Bank shall have notified the Trustee within nine Business Days after such drawing that the Company has failed to reimburse the Bank or to cause it to be reimbursed for such drawing.

Upon an acceleration of the maturity of the Bonds due to an event of default under the Indenture, the Trustee will be entitled to draw on the Letter of Credit, if it is then in effect, to the extent of the aggregate principal amount of the Bonds outstanding, plus up to 294 days' interest accrued and unpaid on the Bonds, less amounts paid in respect of principal or interest for which the Letter of Credit has not been reinstated as described above.

Upon the earliest of (i) the close of business on January 14, 1993, unless otherwise extended pursuant to an agreement between the Bank and the Company, (ii) the making of a final drawing under the Letter of Credit, or (iii) the date the Trustee surrenders the Letter of Credit to the Bank for cancellation, the Letter of Credit shall expire (the "Expiration Date"). The Trustee agrees to surrender the Letter of Credit to the Bank, and not to make any drawing, after (i) 4:00 p.m. local time in the city of the office of the Bank that will issue the Letter of Credit on the Expiration Date, (ii) there are no Bonds outstanding under the Indenture, (iii) the first Business Day after the conversion of the interest rate on the Bonds to a Fixed Interest Rate, or (iv) a Substitute Letter of Credit or Alternate Credit Facility, as the case may be, has been delivered to the Trustee.

Alternate Credit Facility

At any time (with notice to the Bank or the Obligor on the Alternate Credit Facility, as the case may be) the Company may, at its option, provide for the delivery to the Trustee of an Alternate Credit Facility to replace the Letter of Credit or the Alternate Credit Facility then in effect, as the case may be. An Alternate Credit Facility may have an expiration date earlier than the maturity of the Bonds, but in no event shall such Alternate Credit Facility have an expiration date earlier than one year from the date of its delivery. The Company must furnish to the Trustee (i) an opinion of nationally recognized Bond Counsel ("Bond Counsel") stating that the delivery of such Alternate Credit Facility is authorized under the Agreement and complies with the terms thereof and will not cause the interest on the Bonds to become includible in the gross income of the Owners thereof for federal income tax purposes and (ii) written evidence from Moody's, if the Bonds are then rated by Moody's, or S&P, if the Bonds are then rated by S&P, in each case to the effect that such rating agency has reviewed the proposed Alternate Credit Facility and that the delivery of the proposed Alternate Credit Facility will not, by itself, result in a reduction or withdrawal of its rating or ratings of the Bonds.

The Company may, however, at any time, provide for the delivery on any Business Day to the Trustee of an Alternate Credit Facility where the above-described evidence from Moody's or S&P's is not received, provided that the Company shall deliver to the Trustee, the Remarketing Agent, the Indexing Agent and the Bank (or the Obligor on the Alternate Credit Facility, as the case may be) a notice which (A) states (x) the effective date of the Alternate Credit Facility to be so provided and (y) the termination date of the Letter of Credit or Alternate Credit Facility which is to terminate (which termination date shall not be prior to the effective date of the Alternate Credit Facility to be so provided), (B) describes the terms of the Alternate Credit Facility, (C) directs the Trustee to give notice of the call of the Bonds for redemption, in whole, on the Business Day next preceding the termination date of the Letter of Credit or Alternate Credit Facility which is to terminate (which Business Day shall be not less than 30 days from the date of receipt by the Trustee of the notice from the Company specified above), in accordance with the Indenture and (D) directs the Trustee, after taking such actions as are required to be taken to provide moneys due under the Indenture in respect of the Bonds or the purchase thereof, to surrender the Letter of Credit or Alternate Credit Facility, as the case may be, which is to terminate, to the Obligor thereon on the next Business Day after the later of the effective date of the Alternate Credit Facility to be provided and the termination date of the Letter of Credit or Alternate Credit Facility which is to terminate and to thereupon deliver any and all instruments which may be reasonably requested by such Obligor. The Company shall furnish to the Trustee an opinion of Bond Counsel satisfying the requirement of the next preceding paragraph in connection with such delivery.

After the Interest Payment Date on which Bonds are to be redeemed as described in clause (i) in the first paragraph under "THE BONDS—Redemption Upon Expiration or Termination of Letter

of Credit or Alternate Credit Facility," the Company may, but is not obligated to, provide for delivery of an Alternate Credit Facility for payment of the principal of and interest on the Bonds. The Company shall furnish to the Trustee an opinion of Bond Counsel satisfying the requirement of the second preceding paragraph in connection with such delivery.

Substitute Letter of Credit

The Company may, at its option, at any time provide for the delivery to the Trustee of a Substitute Letter of Credit. No Substitute Letter of Credit may be delivered which:

(i) so long as the interest rate borne by the Bonds is a CP Rate, reduces the Interest Coverage Period to a period shorter than 294 days (during such time as CP Periods can be from one to not more than 270 days) or 389 or 390 days, as applicable to a particular year (during such time as CP Periods can be from one to 365 or 366 days, as applicable to a particular year);

(ii) so long as the interest rate borne by the Bonds is a Daily Interest Rate, a Weekly Interest Rate or a Monthly Interest Rate, reduces the Interest Coverage Period to a period shorter than 65 days;

(iii) so long as the interest rate borne by the Bonds is a Tender Interest Rate or a Fixed Interest Rate, reduces the Interest Coverage Period to a period shorter than 208 days;

(iv) decreases the Interest Coverage Rate below 12%; or

(v) increases the Interest Coverage Rate above the Maximum Rate.

The Company may, at its option, at any time direct in writing the Trustee and the Remarketing Agent to allow the selection of CP Periods of from one to no more than 365 or 366 days, as applicable to a particular year, or from one to no more than 270 days, but only if (for such time as CP Periods can be from one to 365 or 366 days, as applicable to a particular year) the Company provides for the delivery to the Trustee of a Substitute Letter of Credit which increases the Interest Coverage Period to 389 or 390 days, as applicable to a particular year.

Termination of Letter of Credit or Alternate Credit Facility

At any time, the Company may, at its option, provide for the termination on any Business Day of the Letter of Credit or any Alternate Credit Facility then in effect. The Company must furnish to the Trustee (i) an opinion of Bond Counsel stating that the termination of the Letter of Credit or Alternate Credit Facility is authorized under the Agreement and complies with the terms thereof and will not cause the interest on the Bonds to become includible in the gross income of the Owners thereof for purposes of federal income taxation and (ii) written evidence from Moody's, if the Bonds are then rated by Moody's, or S&P, if the Bonds are then rated by S&P, in each case to the effect that such rating agency has reviewed the proposed termination of the Letter of Credit or Alternate Credit Facility and that such termination will not, by itself, result in a reduction or withdrawal of its rating or ratings of the Bonds.

The Company may, however, at any time, at its option, provide for the termination on any Business Day of the Letter of Credit or any Alternate Credit Facility then in effect when the above-described evidence from Moody's or S&P is not received, provided that the Company shall deliver to the Trustee, the Remarketing Agent, the Indexing Agent and the Bank (or the Obligor on the Alternate Credit Facility, as the case may be) a notice which (A) states the termination date of the Letter of Credit or Alternate Credit Facility which is to terminate, (B) directs the Trustee to give notice of the call of the Bonds for redemption, in whole, no later than the fifth day next preceding the Business Day next preceding the termination date of the Letter of Credit or Alternate Credit Facility which is to terminate (which Business Day shall be not less than 30 days from the date of receipt by the Trustee of the notice from the Company specified above), in accordance with the Indenture and (C) directs the Trustee, after taking such actions as are required to be taken to provide moneys due under the Indenture in respect of the Bonds or the purchase thereof, to surrender the Letter of Credit or Alternate Credit Facility, as the case may be, which is to terminate to the Obligor thereon on the next Business Day after the termination date of the Letter of Credit or Alternate Credit Facility to be

terminated and to thereupon deliver any and all instruments which may be reasonably requested by such Obligor.

CONVERSION OF RATE

The Bonds of each issue will be independent of the others and a conversion to an Alternative Rate with respect to one issue will not necessarily result in a conversion with respect to the other issues; however, a conversion may occur with respect to more than one issue at the same time. The Bonds of each issue contain substantially the same terms and provisions, and the following is a summary of certain provisions common to the five issues. All references in this description are to the documents, the Bonds or the Letter of Credit relating to each issue of Bonds.

Conversion to Fixed Interest Rate, Tender Interest Rate or Floating Interest Rates. The interest rate borne by the Bonds (the type of interest rate in effect immediately prior to a conversion being herein called the "Existing Rate") shall be converted to a Fixed Interest Rate, a Tender Interest Rate, a Tender Interest Rate with a Tender Period of different length than the then current Tender Period or any of the Floating Interest Rates upon receipt by the Trustee of a written direction from the Company specifying the specific method of interest accrual on the Bonds and the effective date (which, if a Letter of Credit or an Alternate Credit Facility is outstanding, shall be a date at least 11 days prior to the Interest Payment Date next preceding the scheduled expiration date of the Letter of Credit or Alternate Credit Facility, as the case may be) of the conversion to such method of accrual, specifying changes, if any, to the Bond redemption prices and No-Call Periods and, if applicable, specifying the length of the Tender Period (which must be a period of six months or an integral multiple thereof, provided that the first Tender Period may be less than such period but must end on the day next preceding a January 1 or July 1). The Conversion Date must be (a) if the Existing Rate is a Floating Interest Rate other than a CP Rate, a Business Day not less than 30 days from the date of receipt by the Trustee of the written direction from the Company specified above or (b) if the Existing Rate is a CP Rate, a Business Day not less than 30 days from the date of receipt by the Trustee of the written direction from the Company specified above or (c) if the Existing Rate is a Tender Interest Rate, a January 1 or July 1 not less than 20 days after the receipt by the Trustee of the written notice specified above and not prior to the end of the No-Call Period for such Tender Period or (d) if the Bonds then bear a Fixed Interest Rate, a January 1 or July 1 not less than 20 days after the receipt by the Trustee of the written notice specified above and not prior to the end of the No-Call Period for such Fixed Rate Period. The written direction shall be accompanied by a written opinion, addressed to the Trustee, the Issuer, the Company, the Bank (or the Obligor on an Alternate Credit Facility, as the case may be) and the Remarketing Agent, of Bond Counsel selected by the Company and acceptable to the Trustee and acceptable to the Remarketing Agent stating that such conversion (i) is authorized or permitted by the Indenture, (ii) will not cause interest on the Bonds to become includible in the gross income of the Owners thereof for purposes of federal income taxation and (iii) will not violate the provisions of the Act or other applicable state law. The conversion of the interest rate borne by the Bonds shall not become effective unless on the Conversion Date the Trustee shall have received an opinion of such Bond Counsel dated the Conversion Date reaffirming the conclusions of the opinion accompanying the written direction of the Company initiating the conversion.

Inability To Convert. If for any reason a change in method of calculation of interest on the Bonds cannot proceed, the Bonds shall continue to bear interest calculated in the method applicable prior to the proposed change.

Notice to Owners of Conversion. The Trustee shall give notice by first-class mail to the Owners of Bonds not less than 10 days and not more than 15 days prior to the Conversion Date. Such notice shall state (i) that the method of determining the interest rate on the Bonds will be converted to an alternate method of determining the rate, (ii) the effective date of the alternate method of determining the rate, (iii) the procedures and dates involved in determining the rate and the procedure for notifying Owners of the interest rate, (iv) when interest on the Bonds will be payable after the effective date, (v) if the Trustee has been so notified by the Company, whether a Letter of Credit or an Alternate Credit Facility, as the case may be, will be in effect after such effective date and, if so, the issuer, the expiration terms and the interest coverage of the Letter of Credit or Alternate Credit Facility,

as the case may be, (vi) whether subsequent to such effective date the Owners of Bonds will no longer have the right to deliver Bonds to the Remarketing Agent or the Trustee for purchase, (vii) that the rating on the Bonds by Moody's, if the Bonds are then rated by Moody's, or S&P, if the Bonds are then rated by S&P, may be reduced or withdrawn, and (viii) that all outstanding Bonds not repurchased on or prior to the effective date will be redeemed on such effective date except Bonds with respect to which the Owner has directed the Issuer not to redeem the same in accordance with the Indenture.

THE AGREEMENTS

Each Agreement will operate independently of the others, and a default under one Agreement will not necessarily constitute a default under the other Agreements. The Agreements contain substantially identical terms, and the following is a summary of certain provisions common to the five Agreements. All references in this summary are to the documents, the Bonds or the Letters of Credit (or Alternate Credit Facilities) relating to each Agreement.

Loan Payments

As Loan Payments, the Company will pay to the Trustee, for the account of the Issuer, an amount equal to the principal of, premium, if any, and interest on the Bonds when due on the dates, in the amounts and in the manner provided in the Indenture for the payment of the principal of, premium, if any, and interest on the Bonds, whether at maturity, upon redemption, acceleration or otherwise; provided, however, that the obligation of the Company to make any such Loan Payment will be deemed to be satisfied and discharged to the extent of the corresponding payment made (i) by the Bank to the Trustee under the Letter of Credit or (ii) by the Obligor on the Alternate Credit Facility to the Trustee under the Alternate Credit Facility.

From the date of the original issuance of the Bonds to and including the Interest Payment Date next preceding the date of expiration or earlier termination of the Letter of Credit (or the Alternate Credit Facility, as the case may be), the Company will provide for the payment of the principal of the Bonds, upon redemption or acceleration, and interest on the Bonds when due, by the delivery of the Letter of Credit (or the Alternate Credit Facility, as the case may be) to the Trustee. The Trustee will be directed to draw moneys under the Letter of Credit (or the Alternate Credit Facility, as the case may be), in accordance with the provisions of the Indenture and the Letter of Credit (or the Alternate Credit Facility, as the case may be), to the extent necessary to pay the principal of, premium, if any, and interest on the Bonds if and when due. The initial Letter of Credit does not provide for drawings in respect of amounts of such redemption premium.

Payments to Remarketing Agent and Trustee

The Company will pay to the Remarketing Agent and the Trustee amounts equal to the amounts to be paid by the Remarketing Agent and the Trustee pursuant to the Indenture for the purchase of outstanding Bonds, such amounts to be paid by the Company to the Remarketing Agent and the Trustee, as the case may be, on the dates such payments are to be made; provided, however, that the obligation of the Company to make any such payment under the Agreement shall be reduced by the amount of any moneys available for such payments, including proceeds from the remarketing of the Bonds or moneys drawn under the Letter of Credit (or the Alternate Credit Facility, as the case may be).

From the date of the original issuance of the Bonds to and including the Interest Payment Date next preceding the date of the expiration or earlier termination of the Letter of Credit (or the Alternate Credit Facility, as the case may be), the Company will provide for the payment of the amounts to be paid by the Remarketing Agent or the Trustee for the purchase of Bonds by the delivery of the Letter of Credit (or the Alternate Credit Facility, as the case may be) to the Trustee. The Trustee will be directed to draw moneys under the Letter of Credit (or the Alternate Credit Facility, as the case may be), in accordance with the provisions of the Indenture and the Letter of Credit (or the Alternate Credit Facility, as the case may be), to the extent necessary for the purchase of Bonds.

Obligation Absolute

The Company's obligation to make Loan Payments and payments to the Remarketing Agent and the Trustee for the purchase of Bonds is absolute, irrevocable and unconditional and will not be subject

to any defense other than payment or to any right of setoff, counterclaim or recoupment arising out of any breach by the Issuer, the Bank (or Obligor on an Alternate Credit Facility), the Trustee or the Remarketing Agent of any obligation to the Company.

Expenses

The Company is obligated to pay reasonable compensation and to reimburse certain expenses and advances of the Issuer, the Trustee, the Registrar, the Remarketing Agent, Moody's, S&P and the Indexing Agent directly to such entity.

Tax Covenants; Tax-Exempt Status of Bonds

The Company covenants that the Bond proceeds, the earnings thereon and other moneys on deposit with respect to the Bonds will not be used in such a manner as to cause the Bonds to be arbitrage bonds within the meaning of the Code.

The Company covenants that it will not take, or permit to be taken on its behalf, any action which would cause the interest on the Bonds to become includible in the gross income of Owners of the Bonds for purposes of federal income taxation and will take, or require to be taken, such action as may, from time to time, be required under applicable law or regulation to continue to cause the interest on the Bonds not to be includible in the gross income of the Owners thereof for purposes of federal income taxation. See "TAX EXEMPTION."

Assignment; Merger

With the consent of the Bank (or the Obligor on the Alternate Credit Facility, as the case may be), the Company's interest in the Agreement may be assigned in whole or in part by the Company to another entity, subject, however, to the conditions that no assignment shall (a) cause the interest payable on the Bonds (other than Bonds held by a "substantial user" or "related person" within the meaning of Section 103(b)(13) of the 1954 Code) to become includible in the gross income of the Owners thereof for purposes of federal income taxation or (b) relieve (other than as described in the next succeeding paragraph) the Company from primary liability for its obligations to make the Loan Payments or to make payments to the Remarketing Agent or the Trustee with respect to the purchase of the Bonds or for any other of its obligations under the Agreement; and subject further to the condition that the Company shall have delivered to the Trustee and the Bank (or the Obligor on the Alternate Credit Facility, as the case may be) an opinion of counsel to the Company that such assignment complies with the provisions of this paragraph. The Company shall, within 30 days after the delivery thereof, furnish to the Issuer, the Bank (or Obligor on the Alternate Credit Facility, as the case may be) and the Trustee a true and complete copy of the agreements or other documents effectuating any such assignment.

The Company may enter into the transactions described in the Joint Proxy Statement/Prospectus of PacifiCorp and Utah Power & Light Company dated October 29, 1987 (the "Prospectus") filed as a part of a Registration Statement on Form S-4 with the Securities and Exchange Commission, Registration No. 33-18164, effective October 29, 1987, resulting in a Merger (as defined in the Prospectus) or Reincorporation (as defined in the Prospectus) and the Merger of the Company into PC/UP&L Merging Corp., an Oregon corporation (to be renamed "PacifiCorp"). After the effectiveness of the Merger or Reincorporation, PC/UP&L Merging Corp. will assume (either by operation of law or in writing) all of the obligations of the Company under the Agreement and all references to the Company in the Agreement shall mean PC/UP&L Merging Corp. (renamed "PacifiCorp").

The Company also may (a) consolidate with or merge into another domestic corporation (i.e., a corporation (i) incorporated and existing under the laws of one of the states of the United States or of the District of Columbia and qualified to do business in the State of Montana or the State of Wyoming, as the case may be, as a foreign corporation or (ii) incorporated and existing under the laws of the State of Montana or the State of Wyoming, as the case may be), or sell or otherwise transfer to another domestic corporation all or substantially all of its assets as an entirety and thereafter dissolve, provided the resulting, surviving or transferee corporation, as the case may be, shall be the Company or as a result of the transaction shall assume (either by operation of law or in writing) all of the obligations of the Company under the Agreement; or (b) convey all or substantially all of its

assets to one or more wholly owned subsidiaries of the Company so long as the Company shall remain in existence and primarily liable on all of its obligations under the Agreement and the subsidiary or subsidiaries to which such assets shall be so conveyed shall guarantee in writing the performance of all of the Company's obligations under the Agreement.

Defaults

Each of the following events will constitute an "Event of Default" under the Agreement:

(a) a failure by the Company to make when due any Loan Payment or any payment required to be made to the Remarketing Agent or the Trustee for the purchase of Bonds, which failure shall have resulted in an "Event of Default" as described herein in paragraph (a), (b) or (c) under "THE INDENTURES—Defaults";

(b) a failure by the Company to pay when due any other amount required to be paid under the Agreement or to observe and perform any other covenant, condition or agreement under the Agreement (other than a failure described in clause (a) above), which failure continues for a period of 60 days (or such longer period as the Trustee and the Bank (or the Obligor on the Alternate Credit Facility, as the case may be) may agree to in writing) after written notice given to the Company and the Bank (or the Obligor on the Alternate Credit Facility, as the case may be) by the Trustee or to the Company, the Trustee and the Bank (or the Obligor on the Alternate Credit Facility, as the case may be) by the Issuer; provided, however, that if such failure is other than for the payment of money and cannot be corrected within the applicable period, such failure shall not constitute an Event of Default so long as the Company institutes corrective action within the applicable period and such action is being diligently pursued; or

(c) certain events of bankruptcy, dissolution, liquidation or reorganization of the Company.

The Agreement provides that, with respect to any Event of Default described in clause (b) above, if, by reason of acts of God, strikes, orders of political bodies, certain natural disasters, civil disturbances and certain other events, or any cause or event not reasonably within the control of the Company, the Company is unable in whole or in part to carry out one or more of its agreements or obligations contained in the Agreement (other than its obligations to make when due Loan Payments and payments to the Remarketing Agent or the Trustee for the purchase of Bonds and its obligation to maintain its existence), the Company shall not be deemed in default by reason of not carrying out such agreement or performing such obligation during the continuance of such inability.

Remedies

Upon the occurrence and continuance of any Event of Default described in (a) or (c) in the second preceding paragraph, and further upon the condition that, in accordance with the terms of the Indenture, the Bonds shall have been declared to be immediately due and payable pursuant to any provision of the Indenture, the Loan Payments shall, without further action, become and be immediately due and payable. Any waiver of any "Event of Default" under the Indenture and a rescission and annulment of its consequences will constitute a waiver of the corresponding Event or Events of Default under the Agreement and a rescission and annulment of the consequences thereof. See the caption "THE INDENTURES—Defaults."

Upon the occurrence and continuance of any Event of Default under the Agreement, the Issuer may take any action at law or in equity to collect any payments then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement or covenant of the Company under the Agreement.

Any amounts collected upon an Event of Default under the Agreement will be applied in accordance with the Indenture.

Amendments

The Agreement may be amended subject to the limitations contained in the Agreement and in the Indenture. See the caption "THE INDENTURES—Amendment of the Agreement."

THE INDENTURES

Each Indenture will operate independently of the others, and a default under one Indenture will not necessarily constitute a default under the others. The Indentures contain substantially identical terms, and the following is a summary of certain provisions common to the five Indentures. All references in this summary are to the documents, the Bonds or the Bond Fund relating to each Indenture.

Pledge and Security

Pursuant to the Indenture, the Loan Payments will be pledged by the Issuer to secure the payment of the principal of, and premium, if any, and interest on, the Bonds and all other amounts payable under the Indenture. The Issuer will also pledge and assign to the Trustee all its rights and interests under the Agreement (other than its rights to indemnification and reimbursement of expenses and certain other rights), and has pledged to the Trustee all moneys and obligations deposited or to be deposited in the Bond Fund established with the Trustee; provided that the Trustee will have a prior claim on the Bond Fund for the payment of its compensation and expenses and for the repayment of any advances (plus interest thereon) made by it to effect performance of certain covenants in the Indenture and the Agreement (except that the Trustee will not have such priority with respect to amounts deposited in the Bond Fund from amounts drawn under the Letter of Credit or Alternate Credit Facility).

Application of Proceeds

Proceeds from the sale of the Bonds will be deposited with the trustee for the Prior Bonds and used for the Refunding.

Application of the Bond Fund

There is created under the Indenture a Bond Fund and therein established a Principal Account and an Interest Account. Loan Payments, amounts drawn by the Trustee under the Letter of Credit (or Alternate Credit Facility, as the case may be) for payment of the principal of, and interest on, the Bonds when due, and certain other amounts specified in the Indenture are to be deposited in the appropriate account in the Bond Fund. While any Bonds are outstanding and except as provided in an arbitrage regulation agreement for each issue of Bonds among the Trustee, the related Issuer and the Company, moneys in the Bond Fund will be used solely for the payment of the principal of, and premium, if any, and interest on, the Bonds when due, or, in some circumstances, for payment of the purchase price of the Bonds, subject to the prior claim of the Trustee to the extent described in "THE INDENTURES—Pledge and Security."

Funds for the payment of the principal of, and premium, if any, and interest on, the Bonds shall be derived from the following sources in the order of priority indicated:

(a) Available Moneys;

(b) moneys drawn under the Letter of Credit or an Alternate Credit Facility, as the case may be; and

(c) any other moneys paid by the Company pursuant to the Agreement or any other moneys in the Bond Fund.

Investment of Funds

Moneys in the Bond Fund will, at the direction of the Company, be invested in securities or obligations specified in the Indenture, provided, however, that during the term of the Letter of Credit (or an Alternate Credit Facility, as the case may be) moneys drawn under the Letter of Credit (or an Alternate Credit Facility, as the case may be) shall be invested by the Trustee only in Government Obligations (as defined in the Indenture) with a term not exceeding 30 days. All income or other gain from such investments will be credited, and any loss will be charged, to the particular fund or account from which the investments were made.

Defaults

Each of the following events will constitute an "Event of Default" under the Indenture:

(a) a failure to pay the principal of, or premium, if any, on, any of the Bonds (other than Bonds pledged to the Bank (the "Pledged Bonds")) when the same becomes due and payable at maturity, upon redemption or otherwise;

(b) a failure to pay an installment of interest on any of the Bonds (other than Pledged Bonds) for a period of five days after such interest has become due and payable;

(c) a failure to pay amounts due to Owners of the Bonds who have delivered Bonds to the Remarketing Agent or the Trustee for purchase for a period of five days after such payment has become due and payable;

(d) the Trustee's receipt of notice from the Bank not later than the ninth Business Day following a drawing under the Letter of Credit that the Bank has not been reimbursed for such drawing;

(e) the Trustee's receipt of notice from the Bank (or the Obligor on the Alternate Credit Facility, as the case may be) of an "Event of Default" under and as defined in the Reimbursement Agreement (which may be caused by the failure of the Company to comply with any of its covenants and obligations thereunder);

(f) a failure by the Issuer to observe and perform any other covenant, condition or agreement contained in the Bonds or the Indenture (other than a failure described in clause (a), (b) or (c) above), which failure shall continue for a period of 90 days after written notice given to the Issuer and the Company by the Trustee, which notice may be given at the discretion of the Trustee and must be given at the written request of the Owners of not less than 25% in principal amount of Bonds then outstanding, unless such period is extended by the Trustee, or by the Trustee and the Owners of a principal amount of Bonds not less than the principal amount of Bonds the Owners of which requested such notice, as the case may be; provided, however, that the Trustee, or the Trustee and the Owners of such principal amount of Bonds, as the case may be, will be deemed to have agreed to an extension of such period if corrective action is initiated by the Issuer, or the Company on behalf of the Issuer, within such period and is being diligently pursued; and

(g) an "Event of Default" under the Agreement.

Remedies

(i) Upon the occurrence (without waiver or cure) of an Event of Default described in clause (a), (b) or (c) of the preceding paragraph or an Event of Default described in clause (g) of the preceding paragraph resulting from an "Event of Default" under the Agreement as described under clause (a) or (c) of "THE AGREEMENT—Defaults" herein, the Trustee may (and upon the written request of the Owners of not less than 25% in principal amount of the Bonds then outstanding the Trustee must), or (ii) upon the occurrence (without waiver or cure) of an Event of Default described in clause (d) or (e) of the preceding paragraph, the Trustee must, by written notice to the Issuer, the Company and the Bank (or the Obligor on the Alternate Credit Facility, as the case may be), declare the Bonds to be immediately due and payable, whereupon they shall, without further action, become and be immediately due and payable and, during the period the Letter of Credit (or Alternate Credit Facility, as the case may be) is in effect, with interest on the Bonds accruing to the Bond Payment Date (as defined in the Indenture) established by the Trustee pursuant to the Indenture, anything in the Indenture or in the Bonds to the contrary notwithstanding, and the Trustee shall give notice thereof to the Issuer, the Company and the Bank (or the Obligor on the Alternate Credit Facility, as the case may be) and shall give notice by first-class mail thereof to Owners of the Bonds, and the Trustee shall as promptly as practicable draw moneys under the Letter of Credit or an Alternate Credit Facility, as the case may be, to the extent available thereunder, in an amount sufficient to pay principal of and accrued interest on the Bonds to the Bond Payment Date.

The provisions described in the preceding paragraph are subject to the condition that if, so long as no Letter of Credit or Alternate Credit Facility is outstanding, after the principal of the Bonds

shall have been so declared to be due and payable, and before any judgment or decree for the payment of the moneys due shall have been obtained or entered as hereinafter provided, the Issuer shall cause to be deposited with the Trustee a sum sufficient to pay all matured installments of interest upon all Bonds and the principal of any and all Bonds which shall have become due otherwise than by reason of such declaration (with interest upon such principal and, to the extent permissible by law, on overdue installments of interest, at the rate per annum specified in the Bonds) and such amount as shall be sufficient to cover reasonable compensation and reimbursement of expenses payable to the Trustee, and all Events of Default under the Indenture (other than nonpayment of the principal of Bonds which shall have become due by said declaration) shall have been remedied, then, in every such case, such Event of Default shall be deemed waived and such declaration and its consequences rescinded and annulled, and the Trustee shall promptly give written notice of such waiver, rescission or annulment to the Issuer and the Company and shall give notice thereof to Owners of the Bonds by first-class mail; but no such waiver, rescission or annulment shall extend to or affect any subsequent Event of Default or impair any right or remedy consequent thereon.

The provisions of the second preceding paragraph are, further, subject to the condition that, if an Event of Default described in clause (d) or (e) of "THE INDENTURE—Defaults" shall have occurred and if the Trustee shall thereafter have received notice from the Bank (or the Obligor on the Alternate Credit Facility, as the case may be) (x) that the notice which caused such Event of Default to occur has been withdrawn and (y) that the amounts available to be drawn on the Letter of Credit (or the Alternate Credit Facility, as the case may be) to pay (i) the principal of the Bonds or the portion of purchase price equal to principal and (ii) interest on the Bonds and the portion of purchase price equal to accrued interest have been reinstated to an amount equal to the principal amount of the Bonds outstanding plus accrued interest thereon for the applicable Interest Coverage Period at the Interest Coverage Rate, then, in every such case, such Event of Default shall be deemed waived and its consequences rescinded and annulled, and the Trustee shall promptly give written notice of such waiver, rescission and annulment to the Issuer, the Bank (or the Obligor on the Alternate Credit Facility, as the case may be), the Company and, prior to conversion to a Fixed Interest Rate, the Remarketing Agent, and shall give notice thereof to all Owners of the outstanding Bonds (if such Owners were notified of the acceleration) by first-class mail; but no such waiver, rescission and annulment shall extend to or affect any subsequent Event of Default or impair any right or remedy consequent thereon.

Upon the occurrence and continuance of any Event of Default under the Indenture, the Trustee may, and upon the written request of the Owners of not less than 25% in principal amount of the Bonds outstanding and receipt of indemnity to its satisfaction shall, pursue any available remedy to enforce the rights of the Owners of the Bonds and require the Company, the Issuer or the Bank (or the Obligor on the Alternate Credit Facility, as the case may be) to carry out its agreements, bring suit upon the Bonds, require the Issuer to account as if it were the trustee of an express trust for the Owners of the Bonds or enjoin any acts or things which may be unlawful, or in violation of the rights of the Owners of the Bonds. The Trustee is not required to take any action in respect of an Event of Default (other than, in certain circumstances, to declare the Bonds to be immediately due and payable) or to enforce the trusts created by the Indenture except upon the written request of the Owners of not less than 25% in principal amount of the Bonds then outstanding and receipt of indemnity satisfactory to it.

The Owners of a majority in principal amount of Bonds then outstanding will have the right to direct the time, method and place of conducting all remedial proceedings under the Indenture or exercising any trust or power conferred on the Trustee upon furnishing satisfactory indemnity to the Trustee and provided that such direction shall not result in any personal liability of the Trustee.

No Owner of any Bond will have any right to institute suit to execute any trust or power of the Trustee unless such Owner has previously given the Trustee written notice of an Event of Default and unless the Owners of not less than 25% in principal amount of the Bonds then outstanding have made written request of the Trustee so to do, and unless satisfactory indemnity has been offered to the Trustee and the Trustee has not complied with such request within a reasonable time.

Notwithstanding any other provision in the Indenture, the right of the Owner of any Bond to receive payment of the principal of, premium, if any, and interest on his Bond on or after the respective due dates expressed therein, or to institute suit for the enforcement of any such payment on or after such respective date, will not be impaired or affected without the consent of such Owner of the Bonds.

Defeasance

All or any portions of Bonds (in Authorized Denominations) shall, prior to the maturity or redemption date thereof, be deemed to have been paid for all purposes of the Indenture when:

(a) in the event said Bonds or portions thereof have been selected for redemption, the Trustee shall have given, or the Company shall have given to the Trustee in form satisfactory to it irrevocable instructions to give, notice of redemption of such Bonds or portions thereof;

(b) there shall have been deposited with the Trustee moneys (which constitute Available Moneys or moneys drawn under the Letter of Credit or an Alternate Credit Facility) in an amount as shall be sufficient to pay when due the principal of, premium, if any, and interest due and to become due (which amount of interest to become due shall be calculated at the Maximum Rate) on said Bonds or portions thereof on and prior to the redemption date or maturity date thereof, as the case may be;

(c) in the event said Bonds or portions thereof do not mature and are not to be redeemed within the next succeeding 30 days, the Issuer at the direction of the Company shall have given the Trustee in form satisfactory to it irrevocable instructions to give, as soon as practicable in the same manner as a notice of redemption is given pursuant to the Indenture, a notice to the Owners of said Bonds or portions thereof that the deposit required by clause (b) above has been made with the Trustee and that said Bonds or portions thereof are deemed to have been paid and stating the maturity or redemption date upon which moneys are to be available for the payment of the principal of and interest on said Bonds or portions thereof; and

(d) the Trustee shall have received written evedence from Moody's, if the Bonds are then rated by Moody's, and S&P, if the Bonds are then rated by S&P, that such action, if it applies to less than all of the Bonds then Outstanding, will not result in a reduction or withdrawal of the rating on the Bonds by Moody's or S&P, as the case may be.

Moneys deposited with the Trustee as described above shall not be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of and interest on said Bonds or portions thereof, or for the payment of the purchase price of Bonds in accordance with the Indenture; provided that such moneys, if not then needed for such purpose, shall, to the extent practicable, be invested and reinvested in Government Obligations maturing on or prior to the earlier of (a) the date moneys may be required for the purchase of Bonds or (b) the Interest Payment Date next succeeding the date of investment or reinvestment, and interest earned from such investments shall be paid over to the Company, as received by the Trustee, free and clear of any trust, lien or pledge.

The provisions of the Indenture relating to (i) the registration and exchange of Bonds, (ii) the delivery of Bonds to the Remarketing Agent or the Trustee for purchase and the related obligations of the Remarketing Agent and the Trustee with respect thereto, (iii) the mandatory redemption of the Bonds in connection with the expiration of the term of the Letter of Credit (or the Alternate Credit Facility, as the case may be) and (iv) payment of the Bonds from such moneys, shall remain in full force and effect with respect to all Bonds until the maturity date of the Bonds or the last date fixed for redemption of all Bonds prior to maturity, notwithstanding that all or any portion of the Bonds are deemed to be paid; provided, further, that the provisions with respect to registration and exchange of Bonds shall continue to be effective until the maturity or the last date fixed for redemption of all Bonds.

In the event the requirements of the next to the last sentence of the next succeeding paragraph can be satisfied, the preceding three paragraphs shall not apply and the following two paragraphs shall be applicable.

Any Bond shall be deemed to be paid within the meaning of the Indenture when (a) payment of the principal of and premium, if any, on such Bond, plus interest thereon to the due date thereof (whether such due date is by reason of maturity, acceleration or upon redemption as provided in the Indenture), either (i) shall have been made or caused to be made in accordance with the terms thereof, or (ii) shall have been provided for by irrevocably depositing with the Trustee in trust and irrevocably set aside exclusively for such payment, (1) Available Moneys or moneys drawn under the Letter of Credit or an Alternate Credit Facility, as the case may be, sufficient to make such payment and/or (2) Government Obligations purchased with Available Moneys or moneys drawn under the Letter of Credit or an Alternate Credit Facility, as the case may be, maturing as to principal and interest in such amount and at such time as will insure, without reinvestment, the availability of sufficient moneys to make such payment, and (b) all necessary and proper fees, compensation and expenses of the Trustee and the Registrar pertaining to the Bonds with respect to which such deposit is made shall have been paid or the payment thereof provided for to the satisfaction of the Trustee. The provisions of clause (2) of this paragraph shall apply only if (x) the Bond with respect to which such deposit is made is to mature or be called for redemption prior to the next succeeding date on which such Bond is subject to purchase as described herein under the caption "THE BONDS—Purchase of Bonds" and (y) the Company waives, to the satisfaction of the Trustee, its right to convert the interest rate borne by such Bond. At such times as a Bond shall be deemed to be paid thereunder, as aforesaid, such Bond shall no longer be secured by or entitled to the benefits of the Indenture, except for the purposes of any such payment from such moneys or Government Obligations.

Notwithstanding the foregoing paragraph, no deposit under clause (a)(ii) of the immediately preceding paragraph shall be deemed a payment of such Bonds as aforesaid until: (a) proper notice of redemption of such Bonds shall have been previously given in accordance with the Indenture, or in the event said Bonds are not to be redeemed within the next succeeding 60 days, until the Company shall have given the Trustee on behalf of the Issuer, in form satisfactory to the Trustee, irrevocable instructions to notify, as soon as practicable, the Owners of the Bonds, in accordance with the Indenture, that the deposit required by clause (a)(ii) above has been made with the Trustee and that said Bonds are deemed to have been paid in accordance with the Indenture and stating the maturity or redemption date upon which moneys are to be available for the payment of the principal of and the applicable redemption premium, if any, on said Bonds, plus interest thereon to the due date thereof; or (b) the maturity of such Bonds.

Removal of Trustee

The Trustee may be removed, and a successor Trustee appointed, (i) by the Issuer, under certain circumstances, and (ii) with the prior written consent of the Bank (which consent, if unreasonably withheld, shall not be required), by the Owners of not less than a majority in principal amount of Bonds at the time outstanding.

Modifications and Amendments

The Indenture may be modified or amended by supplemental indentures without the consent of or notice to the Owners of the Bonds for any of the following purposes: (a) to cure any formal defect, omission, inconsistency or ambiguity in the Indenture; (b) to add to the covenants and agreements of the Issuer under the Indenture or to surrender any right or power reserved or conferred upon the Issuer which shall not adversely affect the interests of Owners of the Bonds; (c) to confirm, as further assurance, any pledge of or lien on any property subjected or to be subjected to the lien of the Indenture; (d) to comply with the Trust Indenture Act of 1939, as amended; (e) to modify, alter, amend or supplement the Indenture in any other respect which, in the judgment of the Trustee, is not adverse to the Owners of the Bonds; (f) to change the method for determining the Floating Interest Index or the Fixed Interest Index, to implement a conversion of an interest rate or to evidence or give effect to or facilitate the delivery and administration under the Indenture of an Alternate Credit Facility or a Substitute Letter of Credit; (g) to provide for a depositary to accept tendered Bonds in lieu of the Remarketing Agent; (h) to provide for uncertificated Bonds or for the issuance of coupons and bearer Bonds or Bonds registered only as to principal, but only to the extent that such would not cause interest on the Bonds to become includible in the gross income of the Owners thereof for purposes of federal income taxation; (i) to secure or maintain a rating for the Bonds in both the highest

short-term or commercial paper debt Rating Category (as defined in the Indenture) and in either of the two highest long-term debt Rating Categories; and (j) to provide demand purchase obligations to cause the Bonds to be authorized purchases for Investment Companies. Notwithstanding the foregoing, notice shall be given to the Owners of the Bonds of any supplemental indenture changing the method of determining the Floating Interest Index or the Fixed Interest Index.

Except for supplemental indentures entered into for the purposes described in the preceding paragraph, the Indenture will not be modified or amended without the consent of the Owners of not less than 60% in aggregate principal amount of Bonds outstanding, who shall have the right to consent to and approve any supplemental indenture; provided that, unless approved in writing by the Owners of all the Bonds then affected thereby, there will not be permitted (a) a change in the times, amounts or currency of payment of the principal of, premium, if any, or interest on any Bond, a change in the terms of the purchase thereof by the Remarketing Agent or the Trustee, or a reduction in the principal amount or redemption price thereof or the rate of interest thereon, (b) the creation of a claim or lien on or a pledge of the receipts and revenues of the Issuer under the Agreement ranking prior to or on a parity with the lien or pledge created by the Indenture, or (c) a reduction in the aggregate principal amount of Bonds the consent of the Owners of which is required to approve any such supplemental indenture or which is required to approve any amendment to the Agreement. No amendment of the Indenture shall be effective without the prior written consent of the Company and the Bank (or the Obligor on the Alternate Credit Facility, as the case may be).

Amendment of the Agreement

Without the consent of or notice to the Owners of the Bonds, the Issuer may amend the Agreement, and the Trustee may consent thereto, as may be required (a) by the provisions of the Agreement and the Indenture, (b) for the purpose of curing any formal defect, omission, inconsistency or ambiguity, (c) in connection with any other change therein which is not materially adverse to the Owners of the Bonds or (d) to secure or maintain a rating for the Bonds in both the highest short-term or commercial paper debt Rating Category and in either of the two highest long-term debt Rating Categories. The Issuer and the Trustee will not consent to any other amendment of the Agreement without the written approval or consent of the Owners of not less than 60% in aggregate principal amount of the Bonds at the time outstanding; provided, however, that, unless approved in writing by the Owners of all Bonds affected thereby, nothing shall permit, or be construed as permitting, a change in the obligations of the Company to make Loan Payments or payments to the Trustee or Remarketing Agent for the purchase of Bonds. No amendment of the Agreement will become effective without the prior written consent of the Bank (or the Obligor on the Alternate Credit Facility, as the case may be) and the Company.

UNDERWRITING

E.F. Hutton & Company Inc., as Underwriter, has agreed to purchase the Bonds of each issue from the Issuer thereof at a purchase price of 100% of the principal amount thereof. The Underwriter is committed to purchase all of the Bonds of an issue if any are purchased.

The Company has agreed to pay the Underwriter an aggregate fee of $576,450 and indemnify the Underwriter against certain liabilities, including liabilities under the federal securities laws. The Underwriter may offer and sell the Bonds to certain dealers (including dealers depositing Bonds into investment trusts) and others at prices lower than the offering price stated on the cover page hereof. After the initial public offering, the public offering price may be changed from time to time by the Underwriter.

On December 2, 1987, Shearson Lehman Brothers Holdings Inc. ("Holdings"), the parent company of Shearson Lehman Brothers Inc. ("Shearson Lehman") and The E.F. Hutton Group Inc. ("E.F. Hutton Group"), the parent company of E.F. Hutton & Company Inc. ("E.F. Hutton"), entered into an agreement, amended as of December 28, 1987 (the "Agreement"), pursuant to which Holdings agreed to acquire all the outstanding shares of E.F. Hutton Group common stock. Pursuant to a tender offer for certain of the outstanding shares of E.F. Hutton Group common stock which expired January 12, 1988, 32,144,465 shares were tendered and Holdings has agreed to purchase 29,610,000 shares or 90%

of E.F. Hutton Group's common stock outstanding and available for tender. As permitted by the terms of the Agreement, Holdings intends to assign its right to purchase the shares to Shearson Lehman. Following the initial merger of a newly-formed, wholly-owned subsidiary of Shearson Lehman into E.F. Hutton Group, E.F. Hutton Group will merge into Shearson Lehman as soon as practicable. The proposed acquisition and merger of E. F. Hutton Group with and into Shearson Lehman is expected to occur within the first three-quarters of 1988. Upon the effectiveness of the merger of E.F. Hutton Group with and into Shearson Lehman, the surviving corporation will assume all of the obligations of E.F. Hutton as Underwriter, as Remarketing Agent and as Indexing Agent with respect to the Bonds of each issue.

TAX EXEMPTION

The Code contains a number of requirements and restrictions which apply to each issue of Bonds, including investment restrictions, periodic payments of arbitrage profits to the United States, requirements regarding the proper use of bond proceeds and the facilities financed therewith, and certain other matters. The Company and each of the Issuers have covenanted to comply with all requirements of the Code that must be satisfied in order for the interest on each issue of Bonds to be excludible from gross income. Failure to comply with certain of such requirements may cause interest on the related issue or issues of Bonds to become subject to federal income taxation retroactive to the date of issuance of such Bonds.

Subject to the condition that the Company and the related Issuer comply with the above-referenced covenants, under present law, in the opinion of Bond Counsel, interest on each issue of Bonds will not be includible in the gross income of the owners thereof for federal income tax purposes, except for interest on any Bond for any period during which such Bond is owned by a person who is a substantial user of the related Project or any person considered to be related to such person (within the meaning of Section 103(b)(13) of the 1954 Code) and the interest on each issue of Bonds will not be treated as an item of tax preference in computing the alternative minimum tax for individuals and corporations (since the Prior Bonds were issued prior to August 8, 1986). Such interest will be taken into account, however, in computing an adjustment used in determining the alternative minimum tax for certain corporations.

The Code includes provisions for an alternative minimum tax ("AMT") for corporations. The AMT is levied for taxable years beginning after December 31, 1986 in addition to the regular corporate tax in certain cases. The AMT, if any, depends upon the corporation's alternative minimum taxable income ("AMTI"), which is the corporation's taxable income with certain adjustments. One of the adjustment items used in computing AMTI of a corporation (excluding S corporations, Regulated Investment Companies, Real Estate Investment Trusts and REMICs) is an amount equal to 50% of the excess of such corporation's "adjusted net book income" over an amount equal to its AMTI (before such adjustment item and the alternative tax net operating loss deduction). For taxable years beginning after 1989, such adjustment item will be 75% of the excess of such corporation's "adjusted current earnings" over an amount equal to its AMTI (before such adjustment item and the alternative tax net operating loss deduction). Both "adjusted net book income" and "adjusted current earnings" would include all tax-exempt interest, including interest on each issue of Bonds.

In rendering its opinion with respect to each issue of Bonds, Bond Counsel will rely upon certifications of the Company with respect to certain material facts solely within the Company's knowledge about the Project relating to such issue of Bonds and to the application of the proceeds of such issue of Bonds and the proceeds of the related issue of Prior Bonds.

Ownership of the Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, corporations subject to either the environmental tax or the branch profits tax, financial institutions, certain insurance companies, certain S corporations, individual recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry tax-exempt obligations. Prospective purchasers of Bonds should consult their tax advisors as to applicability of any such collateral consequences.

In the opinion of Chapman and Cutler, Bond Counsel, under present Montana law, interest on the Forsyth Bonds is exempt from individual income taxes imposed by the State of Montana.

In the opinion of Chapman and Cutler, Bond Counsel, under present Wyoming law, the State of Wyoming imposes no income taxes which would be applicable to the Converse Bonds, the Gillette Bonds or the two issues of the Sweetwater Bonds.

Except as described above, Bond Counsel expresses no opinion as to whether the Bonds will be subject to any state or local taxes under applicable state or local law. Prospective purchasers of Bonds should consult their tax advisors regarding the applicability of any such state or local taxes.

CERTAIN LEGAL MATTERS

The validity of the Bonds will be passed upon by Chapman and Cutler, Bond Counsel, and the Underwriter's obligation to purchase any issue of the Bonds is subject to the issuance of Bond Counsel's opinion with respect thereto. Certain legal matters will be passed upon for the Company by Stoel Rives Boley Jones & Grey, as Counsel for the Company, and for the Underwriter by Kutak Rock & Campbell, as Counsel to the Underwriter. The validity of the Letter of Credit relating to the Converse Bonds will be passed upon for The Sumitomo Bank, Limited, by its United States counsel, Preston, Thorgrimson, Ellis & Holman, and by its Japanese counsel, Nishi, Tanaka & Takahashi. The validity of the Letter of Credit for the Forsyth Bonds will be passed upon for The Industrial Bank of Japan, Limited, by its United States counsel, Lillick McHose & Charles, and by its Japanese counsel, Tokyo Kokusai Law Offices. The validity of the Letter of Credit for the Gillette Bonds will be passed upon for Deutsche Bank AG by its United States counsel, White & Case, and by its Central Legal Department. The validity of the Letters of Credit for the Sweetwater Bonds will be passed upon for National Westminster Bank PLC by its United States counsel, Lillick McHose & Charles, and by its English counsel, Wilde Sapte.

Chapman and Cutler has represented other parties in matters involving subsidiaries of the Company where legal fees of Chapman and Cutler have been paid by such subsidiaries.

MISCELLANEOUS

The attached Appendices are an integral part of this Official Statement and must be read together with all of the balance of this Official Statement.

The distribution of this Official Statement has been duly consented to by each Issuer. Each Issuer, however, has not reviewed and is not responsible for any information set forth herein except that information under the heading "THE ISSUERS" insofar as it relates to each such Issuer.

APPENDIX A

PACIFICORP

PacifiCorp is a diversified enterprise which conducts four separate businesses: electric operations; telecommunications; mining and resource development; and financial services. To give recognition to its diversification into areas other than those relating to a regulated utility, the Company's name was changed to PacifiCorp from Pacific Power & Light Company at its annual meeting of stockholders on June 13, 1984. The Company conducts its electric operations under the name of Pacific Power & Light Company ("Pacific Power"). Pacific Power furnishes electric service in six western states. A subsidiary of the Company, Pacific Telecom, Inc., provides telecommunications services in Alaska, six other western states and Wisconsin and is engaged in other nonregulated activities through its subsidiaries and equity investees. Another subsidiary, NERCO, Inc., is engaged in surface coal and precious metals mining, minerals and precious metals exploration, and oil and gas exploration and development in several regions of the United States. Another subsidiary, PacifiCorp Financial Services Inc., is primarily engaged in the leasing of equipment, secured lending and general investment activity.

The principal executive offices of the Company are located at 1600 Pacific First Federal Center, 851 Southwest Sixth Avenue, Portland, Oregon 97204; the telephone number is (503) 464-6000.

PENDING MERGER

The shareholders of PacifiCorp and Utah Power & Light ("UP&L") approved on December 15, 1987 a merger of both companies into PC/UP&L Merging Corp., an Oregon corporation (to be renamed "PacifiCorp"). The merger is described in the Joint Proxy Statement/Prospectus of PacifiCorp and Utah Power & Light Company dated October 29, 1987, filed as a part of a Registration Statement on Form S-4 with the Securities and Exchange Commission, Registration No. 33-18164, effective October 29, 1987. PacifiCorp and UP&L are currently seeking the regulatory approvals required to effect the merger. UP&L is an electric utility with its principal executive offices located in Salt Lake City, Utah and conducts its electric utility operations in the States of Utah, Idaho and Wyoming.

AVAILABLE INFORMATION

The Company is subject to the informational requirements of the Securities Exchange Act of 1934 and in accordance therewith files reports, proxy statements and other information with the Securities and Exchange Commission. Such reports, proxy statements and other information may be inspected and copied at the offices of the Commission at 450 Fifth Street, N.W., Washington, D.C. 20549; Room 1102, Jacob K. Javits Building, 26 Federal Plaza, New York, New York 10007; Suite 500F, 15757 Wilshire Boulevard, Los Angeles, California 90036; and Room 1204, Everett McKinley Dirksen Building, 219 South Dearborn Street, Chicago, Illinois 60604. Copies of such material may be obtained from the Public Reference Section of the Commission at 450 Fifth Street, N.W., Washington, D.C. 20549, at prescribed rates. Reports, proxy material and other information concerning the Company may also be inspected at the New York and Pacific Stock Exchanges.

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

The following documents filed by the Company with the Securities and Exchange Commission are incorporated in this Appendix by reference:

(a) Annual Report on Form 10-K for the year ended December 31, 1986.

(b) Quarterly Report on Form 10-Q for the quarter ended March 31, 1987.

(c) Quarterly Report on Form 10-Q for the quarter ended June 30, 1987.

(d) Quarterly Report on Form 10-Q for the quarter ended September 30, 1987.

(e) Proxy statement dated June 4, 1987 relating to the Company's annual meeting of stockholders held on July 7, 1987.

(f) Current Reports on Form 8-K dated May 7, 1987 and June 4, 1987.

(g) Registration Statement on Form S-4, effective October 29, 1987.

All reports filed pursuant to Section 13, 14 or 15(d) of the Securities Exchange Act of 1934 after the date of this Official Statement and prior to the termination of the offering made by this Official Statement shall be deemed to be incorporated by reference in this Appendix A and to be a part hereof from the date of filing such documents.

The Company hereby undertakes to provide without charge to each person to whom a copy of this Official Statement has been delivered, on the request of any such person, a copy of any or all of the documents referred to above which have been or may be incorporated herein by reference, other than exhibits to such documents. Requests for such copies should be directed to Robert F. Lanz, Vice President and Treasurer, PacifiCorp, 1600 Pacific First Federal Center, 851 Southwest Sixth Avenue, Portland, Oregon 97204. The telephone number is (503) 464-6110.

The information contained and incorporated by reference in this Appendix A to the Official Statement has been obtained from the Company. The Issuers and the Underwriter make no representation as to the accuracy or completeness of such information.

APPENDIX B

THE SUMITOMO BANK, LIMITED

The Sumitomo Bank, Limited ("Sumitomo") is a Japanese banking corporation organized under the banking law of Japan. Sumitomo was formally established in 1895, although its earliest beginnings date back about 400 years to the early 17th century when Masatomo Sumitomo started certain businesses in the old capital of Kyoto.

The main business of Sumitomo is providing financial services to individuals, corporations and governments. Such services include accepting deposits, processing short- and medium-term loans, effecting money transfers and underwriting Japanese government bonds, national and local, as well as a wide variety of other services in both domestic and international financial markets. With the growth of the multinational corporation, Sumitomo has expanded its international services well beyond the traditional areas of foreign trade and exchange.

Sumitomo is the second largest bank in the world as well as in Japan in terms of assets. As of March 31, 1987, Sumitomo had total assets of approximately U.S. $265 billion, deposits of approximately U.S. $179 billion, loans and bills discounted outstanding of approximately U.S. $136 billion and total stockholders' equity of approximately U.S. $5 billion on a consolidated basis.

Sumitomo took its first step into international banking by concluding a correspondent agreement with an overseas bank to handle remittance from Japanese citizens living in Hawaii. Shortly thereafter, Sumitomo was among the first Japanese commercial banks to establish an international network. In 1916, Sumitomo established its first overseas branch in San Francisco. Since that time, Sumitomo has expanded its international network to 16 branches located in New York, London, Hong Kong, Dusseldorf, Madrid, Singapore, Brussels, Chicago, Seattle, Panama, Seoul, Milan, Barcelona, Houston, Cayman and San Francisco; 23 representative offices located in Toronto, Vienna, Jakarta, Mexico City, Tehran, Cairo, Bahrain, Sydney, Buenos Aires, Bangkok, Paris, Beijing, Kuala Lumpur, Melbourne, Caracas, Zurich, Guangzhou, Atlanta, Stockholm, Frankfurt, Birmingham, Shanghai and Dailian; eight subsidiaries, The Sumitomo Bank of California, Banco Sumitomo Brasileiro S.A., Sumitomo International Finance A.G., Sumitomo Finance Overseas, S.A., Sumitomo Finance (Asia) Limited, Sumitomo Perpetual Australia Limited, Gotthard Bank and Sumitomo Finance (Middle East) E.C.; and seven principal affiliates. This network is supplemented by correspondent banking relationships with over 1,500 institutions.

Sumitomo will provide without charge to each person to whom this Official Statement is delivered, upon the request of any such person, a copy of its Annual Report. Written requests should be directed to: The Sumitomo Bank, Limited, Seattle Branch, Suite 4600, 1001 Fourth Avenue Plaza, Seattle, Washington 98154, Attention: Loan Department.

APPENDIX C

THE INDUSTRIAL BANK OF JAPAN, LIMITED

The Industrial Bank of Japan, Limited (IBJ) was incorporated as a quasi-governmental financial institution on March 27, 1902, under Japanese law. After World War II, IBJ's legal status was changed to that of a private corporation operating under the Long-Term Credit Bank Law, enacted in 1952.

The Long-Term Credit Bank Law provides for the establishment of banks whose specific purpose is to provide long-term funds for Japanese industry, defined to include loans having maturities of more than six months. This law further provides that long-term credit banks finance their operations primarily by the sale of their own debentures. IBJ is also engaged in various securities activities and provides international banking services, including foreign exchange trading.

IBJ is the oldest and largest of Japan's long-term credit banks and, in terms of deposits and debentures, is also one of the largest banks in Japan. According to the July 1987 issue of "Institutional Investor," IBJ was the eighth largest bank in the world in terms of assets. On March 31, 1987, on a nonconsolidated basis, IBJ had total assets of approximately US$194 billion, total loans and bills discounted outstanding of approximately US$106 billion, total debentures and deposits of approximately US$154 billion, and total shareholders' equity of approximately US$3 billion.

In addition to its 24 domestic branches, IBJ has overseas branches in New York, Chicago, London, Singapore, Paris and Hong Kong; an agency in Los Angeles; representative offices in Atlanta, Houston, San Francisco, Washington, D.C., Bahrain, Bangkok, Beijing, Dalian, Dusseldorf, Frankfurt/Main, Guangzhou, Jakarta, Kuala Lumpur, Madrid, Melbourne, Mexico City, Panama, Rio de Janeiro, Sao Paulo, Shanghai, Sydney and Toronto; and overseas subsidiaries in New York, London, Frankfurt/Main, Luxembourg, Zurich, Hong Kong, Toronto, Jakarta, Perth and Curacao. IBJ is publicly owned, and its shares are listed on the Tokyo Stock Exchange and the Osaka Securities Exchange.

IBJ will provide without charge to each person to whom this Official Statement is delivered, upon the request of any such person, a copy of its latest Annual Report, prepared in accordance with Japanese law and accounting principles. Written requests should be directed to: The Industrial Bank of Japan, Limited, Los Angeles Agency, 800 West Sixth Street, Los Angeles, California 90017, Attention: PacifiCorp Account Manager.

APPENDIX D

DEUTSCHE BANK AG

Deutsche Bank AG, New York Branch, is a New York State-licensed branch of Deutsche Bank AG (the "Bank"). The Bank is West Germany's largest banking institution. It is the parent company of a group consisting of commercial banks, mortgage banks, investment banking companies and specialized institutions. The Bank is represented in over 500 towns and cities in the Federal Republic of Germany through a network of more than 1,100 branches and through a subsidiary in each of Berlin and the Saarland. The foreign network of the group, which is worldwide, consists of 15 branches, 17 representative offices and 12 wholly-owned subsidiaries of the Bank, including Deutsche Bank (Asia) AG with 16 branches and subsidiaries, and Banca d'America e d'Italia S.p.A., Milan, of which the Bank holds 98.3% of the voting shares, with 2 subsidiaries and 99 branches.

As of December 31, 1986, the group had total assets of DM257.2 billion (US$133.8 billion), total loans of DM179.8 billion (US$93.5 billion), total funds from outside sources of DM233.8 billion (US$121.6 billion) and capital and reserves of DM10.0 billion (US$5.2 billion).

Upon request therefor, the Bank will provide without charge to each person to whom this Official Statement is delivered a copy of the Annual Report of the Bank, which contains the consolidated statements of the Bank for the fiscal year ended December 31, 1986. Written requests should be directed to: Deutsche Bank AG, New York Branch, Post Office Box 890, New York, New York 10101, Attention: Management.

APPENDIX E

NATIONAL WESTMINSTER BANK PLC

National Westminster Bank PLC (the "Bank"), together with its subsidiaries (the "Group"), is engaged in a wide range of banking, financial and related activities in the United Kingdom and throughout the world.

Based on consolidated total assets and deposits, the Group was the largest banking group in the United Kingdom at December 31, 1986 and is among the larger international banking groups in the world. At December 31, 1986 the Group reported consolidated total assets of £83.3 billion, consolidated total deposits of £69.3 billion and consolidated ordinary shareholders' equity of £4.6 billion. The Group's audited financial statements for the fiscal year ended December 31, 1986 have been filed on Form 20-F with the Securities and Exchange Commission.

On July 28, 1987 the Group reported interim pre-tax profits of £251 million after a charge for debt provisions of £564 million. The charge for bad and doubtful debts mainly reflects sovereign debt provisions of £496 million. This brings the Group's total sovereign debt cover to £886 million, which is 29.5% of its £3 billion outstandings to 35 problem countries.

The Group currently employs approximately 96,000 people worldwide. Its United Kingdom operations are conducted directly through the Bank, which is one of the four major London Clearing Banks, and through three additional banking subsidiaries and other subsidiary companies. International operations are conducted by the Bank and affiliated companies in the United Kingdom and in 36 other countries. The Group's international business has concentrated on OECD countries and its exposure to countries with liquidity difficulties is small relative to its total assets.

The Bank announced on August 5, 1987 that it had agreed to a cash purchase of First Jersey National Corporation, an American banking group in New Jersey, for a purchase price of US$820 million. First Jersey National Corporation is the fourth largest banking group in New Jersey with 114 branches and is a leading institution with state-wide operations. The transaction is expected to be completed shortly after January 1, 1988 subject to, inter alia, approval by the relevant regulatory authorities and of the terms of the offer by First Jersey National Corporation shareholders.

On November 27, 1987 the Bank announced that it had postponed for the time being its proposals to undertake a public offering in Japan and to list its ordinary shares on the Tokyo Stock Exchange. This decision has been taken in view of the significant changes which have taken place in the world equity markets since the middle of October. The position will be kept under review.

In the United Kingdom the Group is supervised by the Bank of England with which periodic reports are filed, together with other information as required. The Bank's San Francisco Overseas Branch is licensed by the State of California Banking Department and is subject to periodic examination by the Department. By virtue of its ownership of National Westminster Bank USA, the Bank is also subject to federal reporting requirements as a bank holding company.

APPENDIX F

ALTERNATIVE INTEREST RATES

The following is a description of the interest rate and purchase provisions of the Bonds while the Bonds bear a Daily Interest Rate, Weekly Interest Rate, a Monthly Interest Rate, a Tender Rate or a Fixed Interest Rate. The method by which the interest rate on the Bonds is determined can be changed as described in the Official Statement under "CONVERSION OF RATE."

Interest Provisions

Daily Interest Rate. With respect to each day the Bonds are to bear a Daily Interest Rate, the Daily Interest Rate shall be determined by the Remarketing Agent to be the interest rate which, in the judgment of the Remarketing Agent, when borne by the Bonds, would be the minimum interest rate necessary to enable the Remarketing Agent to sell the Bonds on such date at the principal amount thereof plus accrued interest, if any; provided, however, that (A) with respect to any day that is not a Business Day, the Daily Interest Rate shall be the same rate as the Daily Interest Rate established for the immediately preceding Business Day unless the Remarketing Agent is open for business on such non-Business Day and determines a rate for such non-Business Day, in which case the Bonds shall bear interest at the rate so determined, and (B) if for any reason a Daily Interest Rate is not established by the Remarketing Agent or the rate established by the Remarketing Agent is held to be invalid or unenforceable by a court of law with respect to any day, the Daily Interest Rate for such day shall equal the Floating Interest Index determined by the Indexing Agent as of such day. On the basis of such Daily Interest Rates, the Trustee shall calculate the amount of interest payable during each Interest Period on the Bonds bearing interest at a Daily Interest Rate.

Weekly Interest Rate. With respect to each week the Bonds are to bear interest at a Weekly Interest Rate, the Weekly Interest Rate on the Bonds shall be determined by the Remarketing Agent by 12:00 noon, New York, New York time, on Wednesday of each week to be the interest rate which, in the judgment of the Remarketing Agent, when borne by the Bonds would be the minimum interest rate necessary to enable the Remarketing Agent to sell the Bonds on such date at the principal amount thereof plus accrued interest, if any. While the Bonds bear interest at the Weekly Interest Rate, the Remarketing Agent shall on the next to the last Business Day of each Interest Period provide in writing to the Bank (or the Obligor on the Alternate Credit Facility, as the case may be) and the Trustee the Weekly Interest Rates in effect during such Interest Period. In the determination of the Weekly Interest Rate, the following special provisions shall apply:

(1) In the event the Remarketing Agent shall fail or refuse for any week to determine the Weekly Interest Rate, the Weekly Interest Rate shall be the same as for the next preceding week.

(2) If for any reason (i) a Weekly Interest Rate is not established by the Remarketing Agent for any two successive weeks or (ii) the rate established by the Remarketing Agent is held to be invalid or unenforceable by a court of law, the Weekly Interest Rate for such week (or the second of such successive weeks, in the case of (i) above) shall equal the Floating Interest Index (as described in the Indenture) determined by the Indexing Agent (initially E.F. Hutton & Company Inc.) for such week.

Monthly Interest Rate. With respect to each Interest Period the Bonds are to bear interest at a Monthly Interest Rate, the Monthly Interest Rate shall be determined on the first Business Day of such Interest Period by the Remarketing Agent to be that rate which would be the minimum interest rate necessary to enable the Remarketing Agent to sell the Bonds on the first day of such Interest Period at the principal amount thereof. If for any reason a Monthly Interest Rate is not established by the Remarketing Agent or the rate established by the Remarketing Agent is held to be invalid or unenforceable by a court of law with respect to any Interest Period, the Monthly Interest Rate for such Interest Period shall equal the Floating Interest Index determined by the Indexing Agent for such Interest Period.

Tender Interest Rate. With respect to each Tender Period the Bonds are to bear interest at a Tender Interest Rate, the Tender Interest Rate shall be determined by the Remarketing Agent as follows. On the Business Day next preceding the first day of a Tender Period, the Remarketing Agent shall determine the Tender Interest Rate, which shall be the rate which would be the minimum interest rate necessary to enable the Remarketing Agent to sell all of the Bonds on the first day of such Tender Period at the principal amount thereof.

If for any reason a Tender Interest Rate is not established by the Remarketing Agent or the rate established by the Remarketing Agent is held to be invalid or unenforceable by a court of law with respect to any Tender Period, the Tender Interest Rate for such Tender Period shall equal the Floating Interest Index determined by the Indexing Agent as of the first day of such Tender Period.

Promptly after the determination of each Tender Interest Rate, the Trustee shall mail a notice by first-class mail to each Owner of a Bond, at the address shown on the registration books of the Issuer maintained by the Registrar, advising such Owner of such Tender Interest Rate and of the Tender Period for which such Tender Interest Rate will be in effect. Failure by the Trustee to give any such notice by mailing, or any defect therein, shall not affect the Tender Interest Rate to be borne by the Bonds in any Tender Period.

Fixed Interest Rate. The Fixed Interest Rate shall be determined by the Remarketing Agent as follows. On the Business Day next preceding the effective date of the Fixed Interest Rate, the Remarketing Agent shall determine the Fixed Interest Rate, which shall be the rate which would be the minimum interest rate necessary to enable the Remarketing Agent to sell all of the Bonds on the effective date of the Fixed Interest Rate at the principal amount thereof.

If for any reason the Fixed Interest Rate is not established by the Remarketing Agent or the rate established by the Remarketing Agent is held to be invalid or unenforceable by a court of law, the Fixed Interest Rate shall equal the Fixed Interest Index (as defined in the Indenture) determined by the Indexing Agent as of the effective date of the Fixed Interest Rate.

Promptly after the determination of the Fixed Interest Rate, the Trustee shall mail a notice by first-class mail to each Owner of a Bond, at the address shown on the registration books of the Issuer maintained by the Registrar, advising such Owner of such Fixed Interest Rate. Failure by the Trustee to give any such notice by mailing, or any defect therein, shall not affect the Fixed Interest Rate to be borne by the Bonds.

Conclusiveness of Determination. The computation of the Floating Interest Index and the Fixed Interest Index by the Indexing Agent, and the determination of any interest rate by the Remarketing Agent or the Indexing Agent, shall be conclusive and binding upon the Issuer, the Trustee, the Bank (or the Obligor on the Alternate Credit Facility, as the case may be), the Company, the Registrar, the Remarketing Agent and the Owners of the Bonds.

Purchase Provisions

Purchase on Demand of Owner While Bonds Bear Daily Interest Rate. While the Bonds bear interest at a Daily Interest Rate, any Bond shall be purchased on the demand of the Owner thereof, on any Business Day, at a purchase price equal to the principal amount thereof plus accrued interest, if any, to the date of purchase (provided that if such Business Day occurs prior to the Interest Payment Date for any Interest Period and after the Record Date in respect thereto, the purchase price will equal the principal amount thereof plus accrued interest, if any, only from such Record Date to the date of purchase), upon (A) delivery to the Remarketing Agent (and at the option of an Owner which is an Investment Company, with a copy to the Trustee) at its Principal Office, by no later than 9:30 a.m., New York, New York time, on such Business Day, of a written notice or a telephonic notice, promptly confirmed by tested telex, which states the principal amount of such Bond to be purchased and the date on which the same shall be purchased pursuant to this paragraph, and (B) delivery of such Bond (with all necessary endorsements) to the Remarketing Agent at its Principal Office, at or prior to 9:30 a.m., New York, New York time, on the date specified in such notice.

Purchase on Demand of Owner While Bonds Bear Weekly Interest Rate.

(a) Except as provided in the next sentence, while the Bonds bear interest at a Weekly Interest Rate, any Bond shall be purchased, on the demand of the Owner thereof, on any

Wednesday at a purchase price equal to the principal amount thereof plus accrued interest, if any, to the date of purchase, upon: (i) delivery to the Principal Office of the Remarketing Agent of a telephonic notice (unless the Trustee shall be serving as Remarketing Agent, in which case written notice delivered to the Principal Office of the Trustee shall be required) by 10:00 a.m., New York, New York time, on the Tuesday preceding such Wednesday, which states the aggregate principal amount thereof; (ii) delivery of such Bond (with all necessary endorsements) and, in the case of a Bond to be purchased prior to the Interest Payment Date for any Interest Period and after the Record Date in respect thereto, a due-bill, in form satisfactory to the Remarketing Agent, at the Principal Office of the Remarketing Agent at or prior to 10:00 a.m., New York, New York time, on such Wednesday; provided, however, that such Bond shall be so purchased only if the Bond so delivered to the Remarketing Agent shall conform in all respects to the description thereof in the aforesaid notice. In the event that in any week both Monday and Tuesday are not Business Days, or both Tuesday and Wednesday are not Business Days, there shall be no purchase pursuant to this paragraph for such week; in all other events, the procedures described in this paragraph to occur on either Tuesday or Wednesday, should either day not be a Business Day, shall occur on the next succeeding Business Day. An Owner who gives the notice set forth in clause (i) above may repurchase the Bonds so tendered with such notice on such Wednesday if the Remarketing Agent agrees to sell the Bonds so tendered to such Owner. If such Owner decides to repurchase such Bonds and the Remarketing Agent agrees to sell the specified Bonds to such Owner prior to delivery of such Bonds as set forth in clause (ii) hereinabove, the delivery requirement set forth in such clause (ii) shall be waived.

(b) While the Bonds bear interest at a Weekly Interest Rate, any Bond shall be purchased, on the demand of the Owner thereof, on any Business Day at a purchase price equal to the principal amount thereof plus accrued interest, if any, to the date of purchase, upon: (1) delivery to the Principal Office of the Remarketing Agent of a written notice (and at the option of an Owner which is an Investment Company, with a copy to the Trustee) which (i) states the aggregate principal amount of such Bond and (ii) states the date on which such Bond shall be purchased pursuant to this subparagraph (b), which date shall be a Business Day not prior to the seventh day next succeeding the date of the delivery of such notice to the Remarketing Agent; and (2) delivery of such Bond (with all necessary endorsements) and, in the case of a Bond to be purchased prior to the Interest Payment Date for any Interest Period and after the Record Date in respect thereto, a due-bill, in form satisfactory to the Remarketing Agent, at the Principal Office of the Remarketing Agent at or prior to 10:00 a.m., New York, New York time, on the date specified in the aforesaid notice; provided, however, that such Bond shall be so purchased pursuant to this subparagraph (b) only if the Bond so delivered to the Remarketing Agent shall conform in all respects to the description thereof in the aforesaid notice.

Purchase on Demand of Owner While Bonds Bear Monthly Interest Rate.

(a) While the Bonds bear interest at a Monthly Interest Rate, any Bond shall be purchased, on the demand of the Owner thereof, on any Interest Payment Date at a purchase price equal to the principal amount thereof, upon (1) delivery to the Principal Office of the Remarketing Agent at or prior to 4:00 p.m., New York, New York time, on the third Business Day prior to such Interest Payment Date of a telephonic notice (unless the Trustee shall be serving as Remarketing Agent, in which case written notice delivered to the Principal Office of the Trustee shall be required) which (i) states the aggregate principal amount of such Bond and (ii) states that such Bond shall be purchased on such Interest Payment Date pursuant to this subparagraph (a); and (2) the delivery of such Bond (with all necessary endorsements) at the Principal Office of the Remarketing Agent at or prior to 10:00 a.m., New York, New York time, on such Interest Payment Date; provided, however, that such Bond shall be so purchased pursuant to this subparagraph (a) only if the Bond so delivered to the Remarketing Agent shall conform in all respects to the description thereof in the aforesaid notice. An Owner who gives the notice set forth in clause (1) hereinabove may repurchase the Bonds so tendered on such Interest Payment Date if the Remarketing Agent agrees to sell the Bonds so tendered to such Owner. If such Owner decides to repurchase such Bonds and the Remarketing Agent agrees to sell the specified Bonds to such Owner prior to

delivery of such Bonds as set forth in clause (2) hereinabove, the delivery requirement set forth in such clause (2) shall be waived.

(b) While the Bonds bear interest at a Monthly Interest Rate, any Bond shall be purchased, on the demand of the Owner thereof, on any Business Day at a purchase price equal to the principal amount thereof plus accrued interest, if any, to the date of purchase, upon: (1) delivery to the Principal Office of the Remarketing Agent (and at the option of an Owner which is an Investment Company, with a copy to the Trustee) of a written notice which (i) states the aggregate principal amount of such Bond and (ii) states the date on which such Bond shall be purchased pursuant to this subparagraph (b), which date shall be a Business Day not prior to the seventh day next succeeding the date of the delivery of such notice to the Remarketing Agent; and (2) delivery of such Bond (with all necessary endorsements) and, in the case of a Bond to be purchased prior to the Interest Payment Date for any Interest Period and after the Record Date in respect thereto, a due-bill, in form satisfactory to the Remarketing Agent, at the Principal Office of the Remarketing Agent at or prior to 10:00 a.m., New York, New York time, on the date specified in the aforesaid notice; provided, however, that such Bond shall be so purchased pursuant to this subparagraph (b) only if the Bond so delivered to the Remarketing Agent shall conform in all respects to the description thereof in the aforesaid notice.

Purchase While Bonds Bear Tender Interest Rate.

(a) While the Bonds bear interest at a Tender Interest Rate, any Bond shall be purchased on the day (which is not a Conversion Date) next succeeding the last day of any Tender Period (a "Purchase Date") at a purchase price equal to the principal amount thereof unless the Owner of the Bond delivers a completed Bondholder Election Notice (as defined in the Indenture) to the Principal Office of the Trustee (as defined in the Indenture) or any office designated by the Trustee between the opening of business on the twenty-first day next preceding the Purchase Date and the close of business on the seventh day next preceding the Purchase Date (or if such twenty-first or seventh day is not a Business Day, the next succeeding Business Day). The delivery of a Bondholder Election Notice by an Owner to retain his Bond is irrevocable and binding on such Owner and cannot be withdrawn. The Trustee shall give the Remarketing Agent telephonic notice, promptly confirmed in writing, specifying the principal amount of Bonds for which Bondholder Election Notices have been received. Not later than the fifteenth day next preceding the Purchase Date, the Trustee shall give notice by first-class mail to the Owners of the Bonds stating (i) the last day of the Tender Period, (ii) that the Bonds will be purchased on the Purchase Date unless the Owner of the Bond delivers a completed Bondholder Election Notice (a copy of which shall accompany the notice from the Trustee) to the Trustee as provided in the Indenture between the opening of business on the twenty-first day and the close of business on the seventh day next preceding the Purchase Date (or if such seventh day is not a Business Day, the next succeeding Business Day) and (iii) that after the Purchase Date the Bonds will bear interest at a Tender Interest Rate for a Tender Period of the same length as the then current Tender Period.

If during any Tender Period the Company fails to deliver to the Trustee a notice of conversion as described under the caption "CONVERSION OF RATE—Conversion to Fixed Interest Rate, Tender Interest Rate or Floating Interest Rates," from and after the Purchase Date the Bonds shall bear interest at a Tender Interest Rate for a Tender Period of the same length as that ending on the day immediately preceding such Purchase Date.

Any Owner of a Bond who does not deliver a completed Bondholder Election Notice as described above must deliver such Bond (with any necessary endorsements) to the Principal Office of the Trustee, not later than 10:00 a.m., New York, New York time, on the Purchase Date.

Any Owner who delivers a completed Bondholder Election Notice as described above in order to retain a portion of a Bond must deliver such Bond (with any necessary endorsements) to the Principal Office of the Trustee at the same time as the delivery of such Bondholder Election Notice. If an Owner so elects to retain a portion of a Bond, the Trustee shall, in accordance with the provisions of the Indenture, deliver to such Owner a principal amount of Bonds in Authorized Denominations equal to the portion of the Bond so retained.

(b) Bonds or portions thereof to be purchased as provided in paragraph (a) above which are not delivered by the Owners thereof to the Trustee as above provided shall nonetheless be deemed to have been delivered by the Owner thereof for purchase and to have been purchased; provided that there have been irrevocably deposited with the Trustee moneys in accordance with the Indenture in an amount sufficient to pay the purchase price of such Bonds. Thereafter, the Trustee shall authenticate a new Bond as provided in the Indenture. Moneys deposited with the Trustee for purchase of Bonds pursuant to the Indenture shall be held in trust in a separate escrow account (without liability for interest thereon) and shall be paid to the Owners of such Bonds upon presentation thereof. The Trustee shall within five days after the Purchase Date give written notice to the Company whether Bonds have not been delivered, and upon direction to do so by the Company, the Trustee shall give notice by mail to each Owner whose Bonds are deemed to have been purchased pursuant to the Indenture, which notice shall state that interest on such Bonds ceased to accrue on the Purchase Date and that moneys representing the purchase price of such Bonds are available against delivery thereof at the Principal Office of the Trustee. The Trustee shall hold moneys deposited by the Company or drawn by the Trustee under the Letter of Credit or an Alternate Credit Facility, as the case may be, for the purchase of Bonds as provided in the Indenture, without liability for interest thereon, for the benefit of the former Owner of the Bond on such Purchase Date, who shall thereafter be restricted exclusively to such moneys for any claim of whatever nature on his part under the Indenture or on, or with respect to, such Bond. Any moneys so deposited with and held by the Trustee not so applied to the payment of Bonds, if any, within six months after such Purchase Date shall be paid by the Trustee to the Bank (or the Obligor on the Alternate Credit Facility, as the case may be) to the extent of any amount payable under the Reimbursement Agreement, and the balance shall be paid by the Trustee to the Company upon the written direction of the Authorized Company Representative consented to in writing by the Bank (or the Obligor on the Alternate Credit Facility, as the case may be), and thereafter the former owners shall be entitled to look only to the Company for payment, and then only to the extent of the amount so repaid to the Bank (or the Obligor on the Alternate Credit Facility, as the case may be) and/or the Company, and the Company shall not be liable for any interest thereon and shall not be regarded as a trustee of such money.

SUMMARY TABLE

The information contained in this table is summary in nature and is qualified in its entirety by reference to the remainder of the Official Statement to which this is attached, the Indentures and the Bonds.

CP PROGRAM
SUMMARY OF MODES
(Initial Mode: CP)

Glossary

Bank—Bank or Obligor on the Alternate Credit Facility, as the case may be
BD—Business Day
BH—Bond Holder
CD or Conversion Date—The effective date of a conversion from one method of determining the interest rate to another
CP Date—For each Bond, the first day next succeeding the last day of a CP Period
CP Parameters—The parameters stated in the Indenture for establishing CP Periods
CP Period—For each Bond, the period (1-270 days or, at Company's option, 1-365 or -366 days, as applicable to a particular year) which is selected by the BH
IAD—Interest Accrual Date
IPD—Interest Payment Date
LC—The initial Letter of Credit or any Alternate Credit Facility
PD or Purchase Date—For each Bond bearing Tender Rate, the day on which a BH may demand purchase at par
RA—Remarketing Agent
RD—Record Date
TP or Tender Period—For each Bond bearing a Tender Rate, the period of time in integral six-month periods ending on the day preceding the PD
TT—Trustee
Note: All times set forth are New York City time.

	Floating Rate and Tender Rate (Put Periods less than maximum CP Period)					Tender Rate	Fixed Rate
	CP	Daily	Weekly	Monthly	6-Month Tender Period	One Year or Longer Tender Period	
I. Structure							
Authorized Denominations	$100,000 or integral multiples	Same	Same	Same	$5,000 or integral multiples	Same	Same
BH Option to Tender	On the CP Date with delivery of Bond to RA, unless BH gives written or telephonic notice to RA by 5 p.m. on BD next preceding CP Date of election not to tender. Deemed purchased if such notice not given.	On any BD with written or telephonic notice to RA by 9:30 a.m. and delivery of Bond to RA by 9:30 a.m.	(i) On any BD with 7 days' written notice to RA (Investment Company has right to send copy to TT) and delivery of Bond to RA by 10 a.m. on purchase date specified in the notice or (ii) on any Wed. with telephonic notice to RA (if TT is serving as RA, written notice to TT) the preceding Tues. by 10 a.m. and delivery of Bond to RA by 10 a.m. on Wed.	(i) On any BD with 7 days' written notice to RA (Investment Company has right to send copy to TT) and delivery of Bond to RA by 10 a.m. on purchase date specified in the notice or (ii) on any IPD with 3 BDs' telephonic notice to RA and delivery of Bond to RA by 10 a.m. on the IPD.	Bonds deemed tendered on PD unless BH notifies RA between the 21st day prior to such date and the 7th such day prior to such date that he wishes to keep his Bond and delivers a Bondholder Election Notice to such effect.	Same	Not Applicable

	Floating Rate and Tender Rate (Put Periods less than 270 Days)					Tender Rate	Fixed Rate
	CP	Daily	Weekly	Monthly	6-Month Tender Period	One Year or Longer Tender Period	
I. Structure (cont.)							
Frequency of Change in Interest Rate (not including conversion)	Each Bond's rate changes on its respective CP Date	Daily	Weekly (effective Wed.-Tues.)	Monthly	Semiannually	Each PD	Not Applicable
Interest Rate Determination	The interest rate will be the rate per annum determined by the RA to be the rate necessary to enable the RA to sell such Bond at par plus accrued interest, if applicable, on the date such interest rate is to take effect.						
Interest Rate Announced	On the CP Date	Each BD	12 noon of each Wed.	First BD of calendar month	21 days prior to PD, notice to BH of minimum and maximum interest rates; actual interest rate announced on BD prior to PD	Same	21 days prior to CD, notice to BH of minimum and maximum interest rates; actual interest rate announced on BD prior to CD
Interest Payment Date	CP Date	Fifth day after last day of preceding calendar month	First BD of each month	First BD of each month	Each January 1 and July 1	Same	Same
Interest Payment	In all cases, on IPD by check or draft to registered owner as of Record Date; wire transfer at option of owners of $1 million or more.						
Interest Accrual Date	Last day of CP Period	Last day of calendar month	Day next preceding first BD of succeeding calendar month	Same	Day next preceding IPD	Same	Same
Record Date	Third day preceding IAD except when CP Period is less than 4 days, in which case, the first day of CP Period	IAD	First day on which the interest rate is determined next preceding an IPD	Third day preceding IAD	Fifteenth day of calendar month preceding IPD	Same	Same
Accrued Interest Calculation	365/366 and actual days elapsed	Same	Same	Same	360-day year of 12 30-day months, actual days elapsed	Same	Same
Optional Redemption	In Floating Rate structures upon 30 days' notice, in whole or in part, on any IPD, or with respect to CP Bonds, on any BD, at par plus accrued interest, if any. In Tender Rate and Fixed Rate structures, Optional Redemption and No-Call Period set forth on pages 17 and 18 of the Official Statement.						
Mandatory Redemption	While Bonds bear Tender Rate or Fixed Rate, in whole or in part upon the occurrence of determination of taxability.						
Mandatory Purchase or Redemption	In all cases, upon CD and on IPD or BD preceding expiration or termination of Letter of Credit or Alternate Credit Facility.						
Right of BH to Opt Out of Mandatory Redemption Upon Conversion	Notice to TT on or before 3rd BD prior to CD	Same	Same	Same	Notice to TT on or before 6th BD prior to CD	Same	Same

	Floating Rate and Tender Rate (Put Periods less than 270 Days)					Tender Rate	Fixed Rate
	CP	Daily	Weekly	Monthly	6-Month Tender Period	One Year or Longer Tender Period	
II. Adjustment of Structure by Company							
Date of Decision to Convert	At Company's discretion, with notice to RA, TT, Issuer and Bank	Same	Same	Same	Same	Same	Same
Interest Rate to which Bonds can be converted	In all cases, Bonds can be converted to a Floating Rate, any Tender Rate or a Fixed Rate.						
Date Conversion Becomes Effective	Any BD not less than 30 days after Company gives notice of adjustment to RA, TT, Issuer and Bank	Same	Same	Same	IPD	IPD after No-Call Period	Same
Notice to BH of Conversion	10 to 15 days prior to CD	Same	Same	Same	Same	Same	Same
Opinion of Counsel Required to Convert	Yes	Yes	Yes	Yes	Yes	Yes	Yes

APPENDIX D

PROPOSED FORM OPINION OF BOND COUNSEL

[LETTERHEAD OF CHAPMAN AND CUTLER LLP]

[DATED THE CLOSING DATE]

The Bank of New York Mellon,
Trust Company, N.A.,
as successor Trustee
2 North LaSalle Street, Suite 1020
Chicago, Illinois 60602

PacifiCorp
825 N.E. Multnomah Street,
Suite 1900
Portland, Oregon 97232-4116

City of Forsyth, Rosebud County,
Montana
247 North Ninth Street
Forsyth, Montana 59327

JPMorgan Chase Bank, National Association
383 Madison Avenue
New York, New York 10179

Re: $45,000,000
City of Forsyth, Rosebud County, Montana
Customized Purchase Pollution Control Revenue Refunding Bonds
(PacifiCorp Project) Series 1988 (the *"Bonds"*)

Ladies and Gentlemen:

This opinion is being furnished in accordance with Section 4.03(b) of that certain Loan Agreement, dated as of January 1, 1988 (the *"Loan Agreement"*), between the City of Forsyth, Rosebud County, Montana (the *"Issuer"*) and PacifiCorp (the *"Company"*). Prior to the date hereof, payment of principal and purchase price of and interest on the Bonds was secured by a credit facility issued by BNP Paribas. On the date hereof, the Company desires to deliver a Letter of Credit (the *"Letter of Credit"*) to be issued by JPMorgan Chase Bank, National Association (the *"Bank"*), for the benefit of the Trustee.

We have examined the law and such documents and matters as we have deemed necessary to provide this opinion letter. As to questions of fact material to the opinions expressed herein, we have relied upon the provisions of the Trust Indenture, dated as of January 1, 1988 (the *"Indenture"*), between the Issuer and The Bank of New York Mellon Trust Company, N.A., as successor trustee (the *"Trustee"*) and related documents, and upon representations, including regarding the consent of the Owners, made to us without undertaking to verify the same by independent investigation.

The terms used herein denoted by initial capitals and not otherwise defined shall have the meanings specified in the Indenture.

Based upon the foregoing and as of the date hereof, we are of the opinion that:

1. The delivery of the Letter of Credit is authorized under the Loan Agreement and complies with the terms of the Loan Agreement.

2. The delivery of the Letter of Credit, the validity under the Act of the Bonds and will not cause interest on the Bonds to become includible in the gross income of the owners thereof for federal income tax purposes.

At the time of the issuance of the Bonds, we rendered our approving opinion relating to, among other things, the validity of the Bonds and the exclusion from federal income taxation of interest on the Bonds. We have not been requested, nor have we undertaken, to make an independent investigation to confirm that the Company and the Issuer have complied with the provisions of the Indenture, the Loan Agreement, the Tax Certificate (as defined in the Indenture) and other documents relating to the Bonds, or to review any other events that may have occurred since such approving opinion was rendered other than with respect to the Company in connection with other than with respect to the Company in connection with (a) the adjustment of the interest rate on the Bonds described in our opinion dated February 28, 1996, (b) the delivery of an Alternate Credit Facility, dated as of December 19, 1996, (c) the delivery of an Alternate Credit Facility, dated as of December 12, 2001, (d) delivery of the Prior Letter of Credit, dated September 15, 2004 and (e) the delivery of the Letter of Credit described herein. Accordingly, we do not express any opinion with respect to the Bonds, except as described above.

Our opinion represents our legal judgment based upon our review of the law and the facts that we deem relevant to render such opinion and is not a guarantee of a result. This opinion is given as of the date hereof and we assume no obligation to review or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

In rendering this opinion as Bond Counsel, we are passing only upon those matters set forth in this opinion and are not passing upon the adequacy, accuracy or completeness of any information furnished to any person in connection with any offer or sale of the Bonds.

Respectfully submitted,

APPENDIX E

[FORM OF LETTER OF CREDIT]

IRREVOCABLE TRANSFERABLE LETTER OF CREDIT

April 18, 2012
U.S. $45,961,644.00
Letter of Credit No. CPCS-352394
CUSIP No. 346668 BG0

The Bank of New York Mellon Trust Company, N.A.,
as trustee (the *"Trustee"*) under the Trust Indenture dated as of January 1, 1988 (the *"Indenture"*), between City of Forsyth, Rosebud County, Montana (the *"Issuer"*) and the Trustee
2 North LaSalle Street, Suite 1020
Chicago, Illinois 60602

Attention: Corporate Trust Department

Ladies and Gentlemen:
We hereby establish in your favor as Trustee for the benefit of the holders of the Bonds (as hereinafter defined), our irrevocable transferable Letter of Credit No. CPCS-352394 for the account of PacifiCorp, an Oregon corporation (the *"Borrower"*), whereby we hereby irrevocably authorize you to draw on us from time to time, from and after the date hereof to and including the earliest to occur of our close of business on: (i) April 18, 2013 (as extended from time to time, the *"Stated Expiration Date"*), (ii) the earlier of (A) the date which is fifteen (15) days following the date of conversion of the interest rate on all of the Bonds to a fixed interest rate pursuant to Section 4.01 of the Indenture, as such date is specified in a certificate in the form of Annex A hereto (the *"Conversion Date"*) or (B) the date on which the Bank honors a drawing under the Letter of Credit on or after the Conversion Date, (iii) the date which is fifteen (15) days following receipt from you of a certificate in the form set forth as Annex B hereto, (iv) the date on which an Acceleration Drawing is honored by us, and (v) the date which is fifteen (15) days following receipt by you of a written notice from us specifying the occurrence of an Event of Default under the Reimbursement Agreement dated as of April 18, 2012, between the Borrower and us (the *"Reimbursement Agreement"*) and directing you to accelerate the Bonds (such earliest date, the *"Termination Date"*), a maximum aggregate amount not exceeding forty-five million nine hundred sixty-one thousand six hundred forty-four United States Dollars (U.S. $45,961,644 - the *"Original Stated Amount"*) to pay principal of and accrued interest on, or the purchase price of, the U.S. $45,000,000 Customized Purchase Pollution Control Revenue Refunding Bonds (PacifiCorp Project) Series 1988 issued by the Issuer (the *"Bonds"*), in accordance with the terms hereof (said U.S. $45,961,644 having been calculated to be equal to U.S. $45,000,000 (forty-five million U.S. Dollars), the original principal amount of the Bonds,

plus U.S. $961,644 (nine hundred sixty-one thousand six hundred forty-four U.S. Dollars), which is 65 days' accrued interest on said principal amount of the Bonds at the rate of twelve percent (12.0%) per annum calculated on a 365-day basis (the "*Cap Interest Rate"*)). This credit is available to you against presentation of the following documents (the *"Payment Documents"*) presented to JPMorgan Chase Bank, N.A. (the *"Issuing Bank"*) as described below:
A certificate (with all blanks appropriately completed) (i) in the form attached as Annex C hereto to pay accrued interest on the Bonds as provided for under Section 6.04 of the Indenture (an *"Interest Drawing"*), (ii) in the form attached as Annex D hereto to pay the principal amount of and accrued interest on the Bonds in respect of any redemption of the Bonds as provided for in Section 3.10, 3.11 or 3.12 of the Indenture (a *"Redemption Drawing"*), provided that in the event the date of redemption or purchase coincides with an Interest Payment Date (as defined in the Indenture) the Redemption Drawing shall not include any accrued interest on the Bonds (which interest is payable pursuant to an Interest Drawing), (iii) in the form attached as Annex E hereto, to allow Barclays Capital, as Remarketing Agent (together with its permitted successors and assigns, the *"Remarketing Agent"*), to pay the purchase price of Bonds tendered for purchase as provided for in Section 3.01, 3.02, 3.03, 3.04, or 3.05 of the Indenture which have not been successfully remarketed or for which the purchase price has not been received by the Remarketing Agent by 10:00 A.M., New York, New York time, on the purchase date (a *"Liquidity Drawing"*), provided that in the event the purchase date coincides with an Interest Payment Date, the Liquidity Drawing shall not include any accrued interest on the Bonds (which interest is payable pursuant to an Interest Drawing), (iv) in the form attached as Annex F hereto, to pay the principal of and accrued interest in respect of Bonds the payment of which has been accelerated pursuant to Section 9.02(a) of the Indenture (an *"Acceleration Drawing"*), or (v) in the form attached as Annex G hereto to pay the principal amount of Bonds maturing on January 1, 2018 (a *"Stated Maturity Drawing"*), each certificate to state therein that it is given by your duly authorized representative and dated the date such certificate is presented hereunder. No drawings shall be made under this Letter of Credit for Pledged Bonds (as defined in the Indenture) or Bonds registered in the name of the Company.

All drawings shall be made by presentation of each Payment Document by facsimile (at facsimile number (312) 954-6163 or alternately to (312) 954-3140), Attention: Standby Service Unit, without further need of documentation, including the original of this Letter of Credit, it being understood that each Payment Document so submitted is to be the sole operative instrument of drawing.

We agree to honor and pay the amount of any Interest, Redemption, Liquidity, Acceleration or Stated Maturity Drawing if presented in compliance with all of the terms of this Letter of Credit. If such drawing, other than a Liquidity Drawing, is presented prior to 3:00 P.M., New York, New York time, on a Business Day, payment shall be made to the account number or address designated by you of the amount specified, in immediately available funds, by 10:00 A.M., New York, New York time, on the following Business Day. If any such drawing, other than a Liquidity Drawing, is presented at or after 3:00 P.M., New York, New York time, on a Business Day, payment shall be made to the account number or address designated by you of the amount specified, in immediately available funds, by 1:30 P.M., New York, New York time, on the following Business Day. If a Liquidity Drawing is presented prior to 12:00 Noon, New York, New York time, on a Business Day, payment shall be made to the account number or address

designated by you of the amount specified, in immediately available funds, by 2:00 P.M., New York, New York time, on the same Business Day. If a Liquidity Drawing is presented at or after 12:00 Noon, New York, New York time, payment shall be made to the account number and at such bank designated by you of the amount specified, in immediately available funds, by 10:00 A.M., New York, New York time, on the following Business Day. Payments made hereunder shall be made by wire transfer to you or by deposit into your account with us in accordance with the instructions specified by the Trustee in the drawing certificate relating to a particular drawing hereunder. *"Business Day"* means any day other than a day on which banking institutions in the city in which the principal corporate trust office of the Trustee or the principal corporate trust office of the Tender Agent or the principal office of the Remarketing Agent (as defined in the Indenture) is located, or the city where the office of the Issuing Bank where drawings are made hereunder is located, are required or authorized by law to remain closed, or other than a day on which the New York Stock Exchange is closed.

The Available Amount (as hereinafter defined) will be reduced automatically by the amount of any drawing hereunder; *provided, however,* that the amount of any Interest Drawing hereunder shall be automatically reinstated on the 9th (ninth) Business Day after payment by us of such drawing unless the Issuing Bank gives notice of an Event of Default under the Reimbursement Agreement. After payment by us of a Liquidity Drawing, the obligation of the Issuing Bank to honor drawings under this Letter of Credit will be automatically reduced by an amount equal to the Original Purchase Price of any Bonds (or portions thereof) purchased pursuant to said drawing. In addition, prior to the Conversion Date, in the event of the remarketing of the Bonds (or portions thereof) previously purchased with the proceeds of a Liquidity Drawing, our obligation to honor drawings hereunder shall be automatically reinstated concurrently upon receipt by the Issuing Bank, or the Trustee on the Issuing Bank's behalf, of an amount equal to the Original Purchase Price of such Bonds (or portion thereof) plus accrued interest thereon as required under the Reimbursement Agreement as specified in a certificate in the form of Annex L hereto (a "*Reinstatement Certificate*"); the amount of such reinstatement shall be equal to the Original Purchase Price of such Bonds (or portions thereof). *"Original Purchase Price"* shall mean the principal amount of any Bond purchased with the proceeds of a Liquidity Drawing plus the amount of accrued interest on such Bond paid with the proceeds of a Liquidity Drawing (and not pursuant to an Interest Drawing) upon such purchase.

Upon receipt by us of a certificate of the Trustee in the form of Annex H hereto, the Letter of Credit will automatically and permanently reduce the amount available to be drawn hereunder by the amount specified in such certificate. Such reduction shall be effective as of the next Business Day following the date of delivery of such certificate.

Upon any permanent reduction of the *Available Amount* to be drawn under this Letter of Credit, as provided herein, we will deliver to you an amendment to this Letter of Credit substantially in the form of Annex I hereto to reflect any such reduction. The *"Available Amount"* shall mean the Original Stated Amount (i) less the amount of all prior reductions pursuant to Interest, Redemption, Liquidity, Acceleration or Stated Maturity Drawings, (ii) less the amount of any reduction thereof pursuant to a certificate in the form of Annex H hereto, (iii) plus the amount of all reinstatements as above provided.

Prior to the Termination Date, we may extend the Stated Expiration Date from time to time at the request of the Borrower by delivering to you an amendment to this Letter of Credit in the form of Annex K hereto designating the date to which the Stated Expiration Date is being extended. Each such extension of the Stated Expiration Date shall become effective on the Business Day following delivery of such notice to you and thereafter all references in this Letter of Credit to the Stated Expiration Date shall be deemed to be references to the date designated as such in such notice. Any date to which the Stated Expiration Date has been extended as herein provided may be extended in a like manner.

Upon the Termination Date this Letter of Credit shall automatically terminate and be delivered to the Issuing Bank for cancellation. Failure to deliver said Letter of Credit will have no effect on the Termination Date, and the Letter of Credit will still be considered terminated.

This Letter of Credit is transferable to any transferee who has succeeded you as Trustee under the Indenture, and may be successively transferred. Any transfer request must be affected by presenting to us the attached form of Annex J signed by the transferor and the transferee together with the original Letter of Credit. Upon our endorsement of such transfer, the transferee instead of the transferor shall, without necessity of further action, be entitled to all the benefits of and rights under this Letter of Credit in the transferor's place; provided that, in such case, any certificates of the Trustee to be provided hereunder shall be signed by one who states therein that he is a duly authorized officer or agent of the transferee.

Communications with respect to this Letter of Credit shall be addressed to us at JPMorgan Chase Bank, N.A., 131 South Dearborn, 5th Floor, Mail Code IL1-0236, Chicago, Il 60603-5506, Attention: Standby Letter of Credit Unit, specifically referring to the number of this Letter of Credit. For telephone assistance, please contact the Standby Client Service Unit at 1-800-634-1969, select Option 1, or 1-312-385-7910, and have this Letter of Credit number available.

Except as expressly stated herein, this Letter of Credit is governed by, and construed in accordance with the International Standby Practices, ICC Publication No. 590 (the "ISP98"). As to matters not governed by the ISP98, this Letter of Credit shall be governed by and construed in accordance with the laws of the State of New York, including without limitation the Uniform Commercial Code as in effect in the State of New York, without regard to principals of conflict of laws.

All payments made by us hereunder shall be made from our funds and not with the funds of any other Person.

This Letter of Credit sets forth in full the terms of our undertaking, and such undertaking shall not in any way be modified or amended by reference to any other document whatsoever.

Very truly yours,

JPMorgan Chase Bank, N.A.

By: _____
Name:
Title:

ANNEX A
TO
JPMORGAN CHASE BANK, N.A.
LETTER OF CREDIT
NO. CPCS-352394

NOTICE OF CONVERSION DATE

[Date]

JPMorgan Chase Bank, N.A.
131 South Dearborn
5th Floor, Mail Code IL1-0236
Chicago, IL 60603-5506

Attn: Standby Letter of Credit Unit

Ladies and Gentlemen:

Reference is hereby made to that certain Irrevocable Transferable Letter of Credit No. CPCS-352394 dated April 18, 2012 (the *"Letter of Credit"*), which has been established by you for the account of PacifiCorp, an Oregon corporation, in favor of the Trustee.

The undersigned hereby certifies and confirms that the Conversion Date has occurred on [insert date], and, accordingly, said Letter of Credit shall terminate 15 days after such Conversion Date in accordance with its terms.

All defined terms used herein which are not otherwise defined herein shall have the same meaning as in the Letter of Credit.

The Bank of New York Mellon Trust Company, N.A.
as Trustee

By: _____
[Title of Authorized Representative]

ANNEX B
TO
JPMORGAN CHASE BANK, N.A.
LETTER OF CREDIT
NO. CPCS-352394

NOTICE OF TERMINATION

[Date]

JPMorgan Chase Bank, N.A.
131 South Dearborn
5th Floor, Mail Code IL1-0236
Chicago, IL 60603-5506

Attn: Standby Letter of Credit Unit

Ladies and Gentlemen:

Reference is hereby made to that certain Irrevocable Transferable Letter of Credit No. CPCS-352394 dated April 18, 2012 (the *"Letter of Credit"*), which has been established by you for the account of PacifiCorp, an Oregon corporation in favor of the Trustee.

The undersigned hereby certifies and confirms that [(i) no Bonds (as defined in the Letter of Credit) remain Outstanding within the meaning of the Indenture, (ii) all drawings required to be made under the Indenture and available under the Letter of Credit have been made and honored, or (iii) [a Substitute Letter of Credit] [an Alternate Credit Facility] (as defined in the Indenture) has been provided to replace the Letter of Credit pursuant to the Indenture and Section 4.03(__) of the Loan Agreement dated as of January 1, 1988, between the Issuer and the Borrower,]* and, accordingly, the Letter of Credit shall be terminated in accordance with its terms.

All defined terms used herein which are not otherwise defined shall have the same meaning as in the Letter of Credit.

The Bank of New York Mellon Trust
Company, N.A.
as Trustee

By _____
[Title of Authorized
Representative]

* Insert appropriate subsection.

ANNEX C
TO
JPMORGAN CHASE BANK, N.A.
LETTER OF CREDIT
NO. CPCS-352394

INTEREST DRAWING CERTIFICATE

JPMorgan Chase Bank, N.A.
facsimile number (312) 954-6163
alternately to (312) 954-3140)

Attn: Standby Letter of Credit Unit

The undersigned individual, a duly authorized representative of The Bank of New York Mellon Trust Company, N.A. (the *"Beneficiary"*), hereby CERTIFIES on behalf of the Beneficiary as follows with respect to (i) that certain Irrevocable Transferable Letter of Credit No. CPCS-352394 dated April 18, 2012 (the *"Letter of Credit"*), issued by JPMorgan Chase Bank, N.A. (the *"Bank"*) in favor of the Beneficiary; (ii) those certain Bonds (as defined in the Letter of Credit); and (iii) that certain Indenture (as defined in the Letter of Credit):

1. The Beneficiary is the Trustee under the Indenture.

2. The Beneficiary is entitled to make this drawing in the amount of U.S. $_____ under the Letter of Credit pursuant to the Indenture with respect to the payment of interest due on all Bonds outstanding on the Interest Payment Date (as defined in the Indenture) occurring on [insert applicable date][, other than Pledged Bonds (as defined in the Indenture)] or Bonds registered in the name of the Company.

3. The amount of the drawing is equal to the amount required to be drawn by the Trustee pursuant to Section 6.04 of the Indenture.

4. The amount of the drawing made by this Certificate was computed in compliance with the terms of the Indenture and, when added to the amount of any other drawing under the Letter of Credit made simultaneously herewith, does not exceed the Available Amount (as defined in the Letter of Credit).

5. Payment by the Bank pursuant to this drawing shall be made to _____, ABA Number _____, Account Number _____, Attention: _____, Re: _____.

(Signature Page Follows)

IN WITNESS WHEREOF, this Certificate has been executed this ____ day of _____, 20___.

The Bank of New York Mellon Trust Company, N.A.
as Trustee

By _____
[Title of Authorized Representative]

ANNEX D
TO
JPMORGAN CHASE BANK, N.A.
LETTER OF CREDIT
NO. CPCS-352394

REDEMPTION DRAWING CERTIFICATE

JPMorgan Chase Bank, N.A.
facsimile number (312) 954-6163
alternately to (312) 954-3140)

Attn: Standby Letter of Credit Unit

The undersigned individual, a duly authorized representative of The Bank of New York Mellon Trust Company, N.A. (the *"Beneficiary"*), hereby CERTIFIES on behalf of the Beneficiary as follows with respect to (i) that certain Irrevocable Transferable Letter of Credit No. CPCS-352394 dated April 18, 2012 (the *"Letter of Credit"*), issued by JPMorgan Chase Bank, N.A. (the *"Bank"*) in favor of the Beneficiary; (ii) those certain Bonds (as defined in the Letter of Credit); and (iii) that certain Indenture (as defined in the Letter of Credit):

1. The Beneficiary is the Trustee under the Indenture.

2. The Beneficiary is entitled to make this drawing in the amount of U.S. $_____ under the Letter of Credit pursuant to Section [**3.10][3.11][3.12]** * of the Indenture.

3. (a) The amount of this drawing is equal to (i) the principal amount of Bonds to be redeemed by the Issuer (as defined in the Letter of Credit) pursuant to Section [**3.10][3.11][3.12]*** of the Indenture on [insert applicable date] (the *"Redemption Date*") (other than Pledged Bonds (as defined in the Indenture) or Bonds registered in the name of the Company), plus (ii) interest on such Bonds accrued from the immediately preceding Interest Payment Date (as defined in the Indenture) to the Redemption Date, provided that in the event the Redemption Date coincides with an Interest Payment Date this drawing does not include any accrued interest on such Bonds.

(b) Of the amount stated in paragraph 2 above:

(i) U.S. $_____ is demanded in respect of the principal amount of the Bonds referred to in subparagraph (a) above; and

(ii) U.S. $_____ is demanded in respect of accrued interest on such Bonds.

4. Payment by the Bank pursuant to this drawing shall be made to _____, ABA Number _____, Account Number _____, Attention: _____, Re: _____.

* Insert appropriate subsection.

5. The amount of the drawing made by this Certificate was computed in compliance with the terms and conditions of the Indenture and, when added to the amount of any other drawing under the Letter of Credit made simultaneously herewith, does not exceed the Available Amount (as defined in the Letter of Credit).

6. Upon payment of the amount drawn hereunder, the Bank is hereby directed to permanently reduce the Available Amount by U.S. $[insert amount of reduction] and the Available Amount shall thereupon equal U.S. $[insert new Available Amount]. The Available Amount has been reduced by an amount equal to the principal of Bonds paid with this drawing and an amount equal to 65 days' interest thereon at the Cap Interest Rate (as defined in the Letter of Credit).

7. Of the amount of the reduction stated in paragraph 6 above:

(i) U.S. $_____ is attributable to the principal amount of Bonds redeemed; and

(ii) U.S. $_____ is attributable to interest on such Bonds (*i.e.*, 65 days' interest thereon at the Cap Interest Rate).

8. The amount of the reduction in the Available Amount has been computed in accordance with the provisions of the Letter of Credit.

9. Following the reduction, the Available Amount shall be at least equal to the aggregate principal amount of the Bonds outstanding (to the extent such Bonds are not Pledged Bonds (as defined in the Indenture) or Bonds registered in the name of the Company) plus 65 days' interest thereon at the Cap Interest Rate.

[*] 10. In the case of a redemption pursuant to Section 3.11 of the Indenture, the Trustee, prior to giving notice of redemption to the owners of the Bonds, received written evidence from the Bank that the Bank has consented to such redemption.

(Signature Page Follows)

[*] To be included in certificate only if Section 3.11 is referenced in paragraph numbered 2 or 3 above.

IN WITNESS WHEREOF, this Certificate has been executed this _____ day of _____, _____.

The Bank of New York Mellon Trust Company, N.A.
as Trustee

By _____
[Title of Authorized Representative]

ANNEX E
TO
JPMORGAN CHASE BANK, N.A.
LETTER OF CREDIT
NO. CPCS-352394

LIQUIDITY DRAWING CERTIFICATE

JPMorgan Chase Bank, N.A.
facsimile number (312) 954-6163
alternately to (312) 954-3140)

Attn: Standby Letter of Credit Unit

The undersigned individual, a duly authorized representative of The Bank of New York Mellon Trust Company, N.A. (the *"Beneficiary"*) hereby CERTIFIES as follows with respect to (i) that certain Irrevocable Transferable Letter of Credit No. CPCS-352394 dated April 18, 2012 (the *"Letter of Credit"*), issued by JPMorgan Chase Bank, N.A. (the *"Bank"*) in favor of the Beneficiary; (ii) those certain Bonds (as defined in the Letter of Credit); and (iii) that certain Indenture (as defined in the Letter of Credit):

1. The Beneficiary is the Trustee under the Indenture.

2. The Beneficiary is entitled to make this drawing under the Letter of Credit in the amount of U.S. $_____ with respect to the payment of the purchase price of Bonds tendered for purchase in accordance with Section 3.01, 3.02, 3.03, 3.04 or 3.05 of the Indenture and to be purchased on [insert applicable date] (the *"Purchase Date"*) which Bonds have not been remarketed as provided in the Indenture or the purchase price of which has not been received by the Remarketing Agent (as defined in the Letter of Credit) by 10:00 A.M., New York, New York time, on said Purchase Date.

3. (a) The amount of the drawing is equal to (i) the principal amount of Bonds to be purchased pursuant to the Indenture on the Purchase Date (other than Pledged Bonds as defined in the Indenture or Bonds registered in the name of the Company), plus (ii) interest on such Bonds accrued from the immediately preceding Interest Payment Date (as defined in the Indenture) (or if none, the date of issuance of the Bonds) to the Purchase Date, provided that in the event the Purchase Date coincides with an Interest Payment Date this drawing does not include any accrued interest on such Bonds.

(b) Of the amount stated in paragraph (2) above:

(i) U.S. $_____ is demanded in respect of the principal portion of the purchase price of the Bonds referred to in subparagraph (2) above; and

(ii) U.S. $_____ is demanded in respect of payment of the interest portion of the purchase price of such Bonds.

4. The amount of the drawing made by this Certificate was computed in compliance with the terms and conditions of the Indenture and, when added to the amount of any other drawing under the Letter of Credit made simultaneously herewith, does not exceed the Available Amount (as defined in the Letter of Credit).

5. The Beneficiary will register or cause to be registered in the name of the Borrower, upon payment of the amount drawn hereunder, Bonds in the principal amount of the Bonds being purchased with the amounts drawn hereunder and will deliver such Bonds to the Trustee in accordance with the Indenture.

6. Payment by the Bank pursuant to this drawing shall be made to _____, ABA Number _____, Account Number _____, Attention: _____, Re: _____.

IN WITNESS WHEREOF, this Certificate has been executed this _____ day of _____, _____.

The Bank of New York Mellon Trust Company, N.A.
as Trustee

By _____
[Title of Authorized Representative]

ANNEX F
TO
JPMORGAN CHASE BANK, N.A.
LETTER OF CREDIT
NO. CPCS-352394

ACCELERATION DRAWING CERTIFICATE

JPMorgan Chase Bank, N.A.
facsimile number (312) 954-6163
alternately to (312) 954-3140)

Attn: Standby Letter of Credit Unit

The undersigned individual, a duly authorized representative of The Bank of New York Mellon Trust Company, N.A. (the *"Beneficiary"*), hereby CERTIFIES on behalf of the Beneficiary as follows with respect to (i) that certain Irrevocable Transferable Letter of Credit No. CPCS-352394 dated April 18, 2012 (the *"Letter of Credit"*), issued by JPMorgan Chase Bank, N.A. (the *"Bank"*) in favor of the Beneficiary; (ii) those certain Bonds (as defined in the Letter of Credit); and (iii) that certain Indenture (as defined in the Letter of Credit):

1. The Beneficiary is the Trustee under the Indenture.

2. An Event of Default has occurred under subsection [insert subsection] of Section 9.01 of the Indenture and the Trustee has declared the principal of and accrued interest on all Bonds then outstanding immediately due and payable. The Beneficiary is entitled to make this drawing in the amount of U.S. $_____ under the Letter of Credit pursuant to Section 9.02 of the Indenture in order to pay the principal of and interest accrued on the Bonds due to an acceleration thereof in accordance with Section **[___]** of the Indenture.

3. (a) The amount of this drawing is equal to (i) the principal amount of Bonds outstanding on [insert date of acceleration] (the *"Acceleration Date"*) other than Pledged Bonds (as defined in the Indenture) or Bonds registered in the name of the Company, plus (ii) interest on such Bonds accrued from the immediately preceding Interest Payment Date (as defined in the Indenture) to the Acceleration Date.

(b) Of the amount stated in paragraph 2 above:

(i) U.S. $_____ is demanded in respect of the principal portion of the Bonds referred to in subparagraph (a) above; and

(ii) U.S. $_____ is demanded in respect of accrued interest on such Bonds.

4. The amount of this drawing made by this Certificate was computed in compliance with the terms and conditions of the Indenture and, when added to the amount of any drawing under the Letter of Credit made simultaneously herewith, does not exceed the Available Amount (as defined in the Letter of Credit).

5. Payment by the Bank pursuant to this drawing shall be made to _____, ABA Number _____, Account Number _____, Attention: _____, Re: _____.

(Signature Page Follows)

IN WITNESS WHEREOF, this Certificate has been executed this ____ day of _____, 20___.

The Bank of New York Mellon Trust Company, N.A.
as Trustee

By _____
[Title of Authorized Representative]

ANNEX G
TO
JPMORGAN CHASE BANK, N.A.
LETTER OF CREDIT
NO. CPCS-352394

STATED MATURITY DRAWING CERTIFICATE

JPMorgan Chase Bank, N.A.
facsimile number (312) 954-6163
alternately to (312) 954-3140)

Attn: Standby Letter of Credit Unit

The undersigned individual, a duly authorized representative of The Bank of New York Mellon Trust Company, N.A. (the *"Beneficiary"*), hereby CERTIFIES on behalf of the Beneficiary as follows with respect to (i) that certain Irrevocable Transferable Letter of Credit No. CPCS-352394 dated April 18, 2012 (the *"Letter of Credit"*), issued by JPMorgan Chase Bank, N.A. (the *"Bank"*) in favor of the Beneficiary; (ii) those certain Bonds (as defined in the Letter of Credit); and (iii) that certain Indenture (as defined in the Letter of Credit):

1. The Beneficiary is the Trustee under the Indenture.

2. The Beneficiary is entitled to make this drawing in the amount of U.S. $_____ under the Letter of Credit pursuant to Section 6.04 of the Indenture.

3. The amount of this drawing is equal to the principal amount of Bonds outstanding on **[_____, _____,]** the maturity date thereof as specified in the Indenture, other than Pledged Bonds (as defined in the Indenture) or Bonds registered in the name of the Company.

4. The amount of this drawing made by this Certificate was computed in compliance with the terms and conditions of the Indenture and, when added to the amount of any other drawing under the Letter of Credit made simultaneously herewith, does not exceed the Available Amount (as defined in the Letter of Credit) .

5. Payment by the Bank pursuant to this drawing shall be made to _____, ABA Number _____, Account Number _____, Attention: _____, Re: _____.

(Signature Page Follows)

ANNEX G
TO
JPMORGAN CHASE BANK, N.A.
LETTER OF CREDIT
NO. CPCS-352394

IN WITNESS WHEREOF, this Certificate has been executed this _____ day of _____, _____.

The Bank of New York Mellon Trust Company, N.A.
as Trustee

By _____
[Title of Authorized Representative]

ANNEX H
TO
JPMORGAN CHASE BANK, N.A.
LETTER OF CREDIT
NO. CPCS-352394

REDUCTION CERTIFICATE

JPMorgan Chase Bank, N.A.
131 South Dearborn
5th Floor, Mail Code IL1-0236
Chicago, IL 60603-5506

Attn: Standby Letter of Credit Unit

The undersigned individual, a duly authorized representative of The Bank of New York Mellon Trust Company, N.A. (the *"Beneficiary"*), hereby CERTIFIES on behalf of the Beneficiary as follows with respect to (i) that certain Irrevocable Transferable Letter of Credit No. CPCS-352394 dated April 18, 2012 (the *"Letter of Credit"*), issued by JPMorgan Chase Bank, N.A. (the *"Bank"*) in favor of the Beneficiary; (ii) those certain Bonds (as defined in the Letter of Credit); and (iii) that certain Indenture (as defined in the Letter of Credit):

1. The Beneficiary is the Trustee under the Indenture.

2. Upon receipt by the Bank of this Certificate, the Available Amount (as defined in the Letter of Credit) shall be reduced by U.S.$_____ and the Available Amount shall thereupon equal U.S. $_____. U.S. $_____ of the new Available Amount is attributable to interest.

3. The amount of the reduction in the Available Amount has been computed in accordance with the provisions of the Letter of Credit.

4. Following the reduction, the Available Amount shall be at least equal to the aggregate principal amount of the Bonds outstanding (other than Pledged Bonds (as defined in the Indenture) or Bonds registered in the name of the Company) plus 65 days' interest thereon at the Cap Interest Rate (as defined in the Letter of Credit).

IN WITNESS WHEREOF, this Certificate has been executed this _____ day of _____, ____.

The Bank of New York Mellon Trust
Company, N.A.
as Trustee

By _____
[Title of Authorized
Representative]

ANNEX I
TO
JPMORGAN CHASE BANK, N.A.
LETTER OF CREDIT
NO. CPCS-352394

NOTICE OF REDUCTION AMENDMENT

[Date]
CUSIP No. 346668 BG0

The Bank of New York Mellon Trust Company, N.A.,
as trustee (the *"Trustee"*) under the Trust Indenture dated as of January 1, 1988 (the *"Indenture"*), between City of Forsyth, Rosebud County, Montana (the *"Issuer"*) and the Trustee
2 North LaSalle Street, Suite 1020
Chicago, Illinois 60602

Attention:

Ladies and Gentlemen:
Reference is hereby made to that certain Irrevocable Transferable Letter of Credit No. CPCS-352394 dated April 18, 2012 (the *"Letter of Credit"*), established by us in your favor as Beneficiary related to , the U.S. $45,000,000 Customized Purchase Pollution Control Revenue Refunding Bonds (PacifiCorp Project) Series 1988 issued by the Issuer (the *"Bonds"*). We hereby notify you that, in accordance with the terms of the Letter of Credit and the Reimbursement Agreement (as defined in the Letter of Credit), the Available Amount (as defined in the Letter of Credit) has been reduced to U.S. $_____, of which U.S. $_____ is attributable to principal and U.S. $_____ is attributable to interest.

This amendment shall be attached to the Letter of Credit and made a part thereof.

JPMorgan Chase Bank, N.A.

By: _____
Name:
Title:

ANNEX J
TO
JPMORGAN CHASE BANK, N.A.
LETTER OF CREDIT
NO. CPCS-352394

REQUEST FOR TRANSFER

JPMorgan Chase Bank, N.A.
131 South Dearborn
Mail Code IL1-0236
Chicago, IL 60603-5506

Date: _____

Attn: Standby Letter of Credit Unit

Re: JPMorgan Chase Bank, N.A. Irrevocable Transferable Letter of Credit No. CPCS-352394 dated April 18, 2012
We, the undersigned "Transferor", hereby irrevocably transfer all of our rights to draw under the above referenced Letter of Credit ("Credit") in its entirety to:

NAME OF TRANSFEREE _____
(Print Name and complete address of the Transferee) "Transferee"

ADDRESS OF TRANSFEREE _____

_____

CITY, STATE/COUNTRY ZIP _____

In accordance with ISP98, Rule 6, regarding transfer of drawing rights, all rights of the undersigned Transferor in such Credit are transferred to the Transferee, who shall have the sole rights as beneficiary thereof, including sole rights relating to any amendments whether increases or extensions or other amendments and whether now existing or hereafter made. All amendments are to be advised directly to the Transferee without necessity of any consent of or notice to the undersigned Transferor.

The original Credit, including amendments to this date, is attached and the undersigned Transferor requests that you endorse an acknowledgment of this transfer on the reverse thereof. The undersigned Transferor requests that you notify the Transferee of this Credit in such form and manner as you deem appropriate, and the terms and conditions of the Credit as transferred. The undersigned Transferor acknowledges that you incur no obligation hereunder and that the transfer shall not be effective until you have expressly consented to effect the transfer by notice to the Transferee.

If you agree to these instructions, please advise the Transferee of the terms and conditions of this transferred Credit and these instructions.

Transferor represents and warrants that (a) the Transferee is the Transferor's successor trustee under the Indenture, (b) the enclosed Credit is original and complete, and (c) there is no outstanding demand or request for payment or transfer under the Credit affecting the rights to be transferred.

The Effective Date shall be the date hereafter on which Transferring Bank effects the requested transfer by acknowledging this request and giving notice thereof to Transferee.

WE WAIVE ANY RIGHT TO TRIAL BY JURY THAT WE MAY HAVE IN ANY ACTION OR PROCEEDING RELATING TO OR ARISING OUT OF THIS TRANSFER.

This Request is made subject to ISP98 and is subject to and shall be governed by the laws of the State of New York, without regard to principles of conflict of laws.
(Signature Page Follows)

ANNEX J
TO
JPMORGAN CHASE BANK, N.A.
LETTER OF CREDIT
NO. CPCS-352394

Sincerely yours,

The Bank of New York Mellon Trust Company, N.A.
(Print Name of Transferor)

_____
(Transferor's Authorized Signature)

_____
(Print Authorized Signers Name and Title)

_____
(Telephone Number/Fax Number)

SIGNATURE GUARANTEED
Signature(s) with title(s) conform(s) with that/those on file with us for this individual, entity or company and signer(s) is/are authorized to execute this agreement

_____
(Print Name of Bank)

_____
(Address of Bank)

_____
(City, State, Zip Code)

_____
(Print Name and Title of Authorized Signer)

_____
(Authorized Signature)

Acknowledged:

_____
(Print Name of Transferee)

_____
(Transferee's Authorized Signature)

_____
(Print Authorized Signers Name and Title)

_____
(Telephone Number/Fax Number)

SIGNATURE GUARANTEED
Signature(s) with title(s) conform(s) with that/those on file with us for this individual, entity or company and signer(s) is/are authorized to execute this agreement.

_____
(Print Name of Bank)

_____
(Address of Bank)

_____
(City, State, Zip Code)

_____
(Print Name and Title of Authorized Signer)

_____
(Authorized Signature)

Acknowledged as of _____, 20__:

JPMorgan Chase Bank, N.A.

By: _____
Name:
Title:

ANNEX K
TO
JPMORGAN CHASE BANK, N.A.
LETTER OF CREDIT
NO. CPCS-352394

NOTICE OF EXTENSION AMENDMENT

[Date]
CUSIP No. 346668 BG0

The Bank of New York Mellon Trust Company, N.A.,
as trustee (the *"Trustee"*) under the Trust Indenture dated as of January 1, 1988 (the *"Indenture"*), between City of Forsyth, Rosebud County, Montana (the *"Issuer"*) and the Trustee
2 North LaSalle Street, Suite 1020
Chicago, Illinois 60602

Attention:

Ladies and Gentlemen:

Reference is hereby made to that certain Irrevocable Transferable Letter of Credit No. CPCS-352394 dated April 18, 2012 (the *"Letter of Credit"*), established by us in your favor as Beneficiary related to the U.S. $_____ Customized Purchase Pollution Control Revenue Refunding Bonds (PacifiCorp Project) Series 1988 issued by the Issuer (the *"Bonds"*). We hereby notify you that, in accordance with the terms of the Letter of Credit and the Reimbursement Agreement (as defined in the Letter of Credit), the Stated Expiration Date (as defined in the Letter of Credit) has been extended to _____, 20__.

This amendment shall be attached to the Letter of Credit and made a part thereof.

JPMorgan Chase Bank, N.A.

By: _____
Name:
Title:

ANNEX L
TO
JPMORGAN CHASE BANK, N.A.
LETTER OF CREDIT
NO. CPCS-352394

REINSTATEMENT CERTIFICATE

JPMORGAN CHASE BANK, N.A.
facsimile number (312) 954-6163
alternately to (312) 954-3140)

Attn: Standby Letter of Credit Unit

The undersigned individual, a duly authorized representative of The Bank of New York Mellon Trust Company, N.A. (the *"Beneficiary"*), hereby CERTIFIES on behalf of the Beneficiary as follows with respect to (i) that certain Irrevocable Transferable Letter of Credit No. CPCS-352394 dated April 18, 2012 (the *"Letter of Credit"*), issued by JPMorgan Chase Bank, N.A. (the *"Bank"*) in favor of the Beneficiary; (ii) those certain Bonds (as defined in the Letter of Credit); and (iii) that certain Indenture (as defined in the Letter of Credit):

1. The undersigned is the Trustee under the Indenture.

2. The Trustee has previously made a Liquidity Drawing under the Letter of Credit on _____ in the amount of U.S. $_____ (representing U.S. $_____ of principal and U.S. $_____ of interest) with respect to the purchase price of Bonds which are now held as Pledged Bonds under the Indenture.

3. The Trustee has received proceeds from the sale of remarketed Pledged Bonds originally purchased with the proceeds of the above described Liquidity Drawing and as of the date hereof holds in the Custody Account established under the Indenture the amount of U.S. $_____ (representing U.S. $_____ of principal and U.S. $_____ of interest) with respect to the sale of such Pledged Bonds.

4. In accordance with the terms of the Letter of Credit, the Trustee deems that the amount available under the Letter of Credit has been automatically reinstated to the extent of the lesser of (i) the proceeds of remarketed Pledged Bonds held in the Custody Account as set forth above, or (ii) the amount of the Liquidity Drawing described above, all in accordance with the terms of the Letter of Credit and this notice.

IN WITNESS WHEREOF, the undersigned has executed and delivered this Certificate this ____ day of _____, _____.

The Bank of New York Mellon Trust Company, N.A.
as Trustee
By _____
[Title of Authorized Representative] (Title)

SUPPLEMENT, DATED APRIL 18, 2012
TO THE SUPPLEMENT TO OFFICIAL STATEMENT, DATED APRIL 16, 2012

RELATING TO

DELIVERY OF
ALTERNATE CREDIT FACILITY AND REOFFERING
$45,000,000
EMERY COUNTY, UTAH
POLLUTION CONTROL REVENUE REFUNDING BONDS
(PACIFICORP PROJECT), SERIES 1991

This Supplement (the *"Supplement"*) modifies, amends and supplements certain information contained in the Supplement to Official Statement (the *"Original Supplement"*), dated April 16, 2012, relating to the above-captioned bonds (the *"Bonds"*). This Supplement incorporates by this reference the Original Supplement and shall be deemed to be a part of the Original Supplement, except as the Original Supplement is specifically modified, amended or supplemented hereby. All capitalized terms used but not otherwise defined herein shall have the meanings given to such terms in the Original Supplement.

The cover page of the Original Supplement incorrectly indicates that the Bonds currently bear interest at a Daily Rate. The Bonds actually currently bear interest at a Weekly Interest Rate as described under the heading "THE BONDS — Interest on the Bonds." The cover page is hereby amended to indicate that the Bonds currently bear interest at a Weekly Interest Rate.

This Supplement is dated April 18, 2012.

REOFFERING-NOT A NEW ISSUE

The opinion of Chapman and Cutler delivered on May 23, 1991 stated that, subject to the condition that the Issuer and the Company comply with certain covenants, under then existing law (i) interest on the Bonds is not includible in gross income of the owners thereof for federal income tax purposes, except for interest on any Bond for any period during which such Bond is owned by a person who is a substantial user of the Project or any person considered to be related to such person (within the meaning of Section 103(b)(13) of the Internal Revenue Code of 1954, as amended), and (ii) interest on the Bonds will not be treated as an item of tax preference in computing the alternative minimum tax for individuals and corporations. Interest on the Bonds will be taken into account, however, in computing an adjustment used in determining the alternative minimum tax for certain corporations. Such opinion of Bond Counsel was also to the effect that under then existing law, the interest on the Bonds is exempt from individual income taxes imposed by the Utah Individual Income Tax Act. Such opinions have not been updated as of the date hereof. In the opinion of Bond Counsel to be delivered in connection with the delivery of the Letter of Credit, the delivery of the Letter of Credit will not cause the interest on the Bonds to become includible in the gross income of the owners thereof for federal income tax purposes. See "TAX EXEMPTION" herein for a more complete discussion.

DELIVERY OF
ALTERNATE CREDIT FACILITY AND REOFFERING
$45,000,000*
EMERY COUNTY, UTAH
POLLUTION CONTROL REVENUE REFUNDING BONDS
(PACIFICORP PROJECT), SERIES 1991

Purchase Date: April 18, 2012 Due: July 1, 2015

The Bonds are limited obligations of the Issuer payable solely from and secured by a pledge of payments to be made under a Loan Agreement between the Issuer and

PACIFICORP

and from funds drawn under an irrevocable direct pay Letter of Credit (the *"Letter of Credit"*) to be issued by

JPMORGAN CHASE BANK, NATIONAL ASSOCIATION

Under the Letter of Credit, the Trustee will be entitled to draw through April 18, 2013 (unless earlier terminated or extended) up to an amount sufficient to pay the principal of and, up to 65 days' accrued interest on the Bonds calculated at a maximum interest rate of 12% per annum (a) to pay the principal of and interest on the Bonds and (b) to pay the purchase price of Bonds tendered by the Owners thereof as provided in the Indenture.

The Bonds are currently secured by a Letter of Credit (the *"Prior Letter of Credit"*) issued by BNP Paribas (the *"Prior Bank"*). PacifiCorp (the *"Company"*) has delivered notice that prior to or on April 18, 2012, the Letter of Credit will be delivered to the Trustee to support the Bonds. After that date, the Bonds will not have the benefit of the Prior Letter of Credit.

The Bonds are issuable as fully registered Bonds without coupons, initially in the denomination of $100,000 and integral multiples of $5,000 in excess thereof. Interest on the Bonds while the Bonds bear interest at Daily, Weekly or Monthly Rates will be payable monthly on each Interest Payment Date. As of the date hereof, the Bonds bear interest at a Daily Rate. The Depository Trust Company, New York, New York (*"DTC"*), will continue to act as a securities depository for Bonds. Such Bonds are registered in the name of Cede & Co., as registered owner and nominee of DTC, and, except for the limited circumstances described herein, beneficial owners of interests in such Bonds will not receive certificates representing their interests in such Bonds. Payments of principal of, and premium, if any, and interest on Bonds will be made through DTC and its Participants and disbursements of such payments to purchasers will be the responsibility of such Participants.

The Bonds are being offered solely on the basis of the Letter of Credit and the financial strength of JPMorgan Chase Bank, National Association, and are not being offered on the basis of the financial strength of the Company or any other security.

Certain legal matters related to the delivery of the Letter of Credit will be passed upon by Chapman and Cutler LLP, Bond Counsel to the Company. Certain legal matters will be passed upon for the Company by Paul J. Leighton, Esq., counsel to the Company.

Price: 100%

The Bonds are reoffered, subject to prior sale and certain other conditions.

J.P. Morgan
Remarketing Agent

April 16, 2012

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* The Bonds were issued in the aggregate principal amount of $45,000,000, all of which remain outstanding. This Supplement relates to the remarketing, in a secondary market transaction, of $43,000,000 of the Bonds delivered for mandatory purchase by the respective owners thereof for purchase on April 18, 2012. Owners of the remaining $2,000,000 aggregate principal amount of the Bonds have elected to retain such Bonds pursuant to the Indenture.

No broker, dealer, salesman or other person has been authorized to give any information or to make any representations other than those contained in this Supplement to Official Statement in connection with the reoffering made hereby, and, if given or made, such information or representations must not be relied upon as having been authorized by the Issuer, PacifiCorp, JPMorgan Chase Bank, National Association, or the Remarketing Agent. Neither the delivery of this Supplement to Official Statement nor any sale hereunder shall under any circumstances create any implication that there has been no change in the affairs of the Issuer, JPMorgan Chase Bank, National Association, or PacifiCorp since the date hereof. The Issuer has not and will not assume any responsibility as to the accuracy or completeness of the information in this Supplement to Official Statement. No representation is made by JPMorgan Chase Bank, National Association, as to the accuracy, completeness or adequacy of the information contained in this Supplement to Official Statement, except with respect to APPENDIX B hereto and the information under the caption "THE LETTER OF CREDIT." The Bonds are not registered under the Securities Act of 1933, as amended. Neither the Securities and Exchange Commission nor any other federal, state or other governmental entity has passed upon the accuracy or adequacy of this Supplement to Official Statement.

In connection with this offering, the Remarketing Agent may overallot or effect transactions which stabilize or maintain the market price of the securities offered hereby at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

TABLE OF CONTENTS

$45,000,000
EMERY COUNTY, UTAH
POLLUTION CONTROL REVENUE REFUNDING BONDS
(PACIFICORP PROJECT), SERIES 1991

GENERAL INFORMATION

THIS SUPPLEMENT TO OFFICIAL STATEMENT DOES NOT CONTAIN COMPLETE DESCRIPTIONS OF DOCUMENTS AND OTHER INFORMATION WHICH IS SET FORTH IN THE OFFICIAL STATEMENT DATED MAY 22, 1991, A COPY OF WHICH IS ATTACHED HERETO AS APPENDIX C (THE *"ORIGINAL OFFICIAL STATEMENT"* AND, TOGETHER WITH THIS SUPPLEMENT TO OFFICIAL STATEMENT, THE *"OFFICIAL STATEMENT"*) EXCEPT WHERE THERE HAS BEEN A CHANGE IN THE DOCUMENTS OR MORE RECENT INFORMATION SINCE THE DATE OF THE ORIGINAL OFFICIAL STATEMENT. THIS SUPPLEMENT TO OFFICIAL STATEMENT SHOULD THEREFORE BE READ ONLY IN CONJUNCTION WITH THE ORIGINAL OFFICIAL STATEMENT.

This Supplement to Official Statement is provided to furnish certain information with respect to the reoffering of the $45,000,000 outstanding principal amount of the Pollution Control Revenue Refunding Bonds (PacifiCorp Projects) Series 1991 (the *"Bonds"*) issued by Emery County, Utah (the *"Issuer"*).

The Bonds were issued pursuant to a Trust Indenture, dated as of May 1, 1991 (the *"Indenture"*) between the Issuer and The Bank of New York Mellon Trust Company, N.A. (successor in interest to The First National Bank of Chicago), as Trustee (the *"Trustee"*). The proceeds from the sale of the Bonds were loaned to PacifiCorp (the *"Company"*) pursuant to the terms of a Loan Agreement dated as of May 1, 1991 (the *"Agreement"*), between the Issuer and the Company. Under the Agreement, the Company is unconditionally obligated to pay amounts sufficient to provide for payment of the principal of, premium, if any, and interest on the Bonds (the *"Loan Payments"*) and for payment of the purchase price of the Bonds.

The proceeds of the Bonds, together with certain other moneys of the Company, were used for the purposes set forth in the Original Official Statement.

The Bonds, together with premium, if any, and interest thereon, are limited and not general, obligations of the Issuer not constituting or giving rise to a pecuniary liability of the Issuer nor any charge against its general credit or taxing powers nor an indebtedness of or a loan of credit thereof, shall be payable solely from the Revenues (as defined in the Indenture and which includes moneys drawn under the Letter of Credit) and other moneys pledged therefor under the Indenture, and shall be a valid claim of the respective holders thereof only against the Bond Fund (as defined in the Indenture), the Revenues and other moneys held by the Trustee as part of the Trust Estate (as defined in the Indenture). The Issuer shall not be obligated to pay the purchase price of Bonds from any source.

No recourse shall be had for the payment of the principal of, or premium, if any, or interest on any of the Bonds or for any claim based thereon or upon any obligation, covenant or agreement in the Indenture contained, against any past, present or future officer or employee of the Issuer, or any incorporator, officer, director or member of any successor corporation, as such, either directly, or through the Issuer or any successor corporation, under any rule of law or equity, statute or constitution or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such incorporator, officer, director or member as such was expressly waived and released as a condition of and in consideration for the execution of the Indenture and the issuance of any of the Bonds.

The Company has exercised its right under the Agreement and the Indenture to terminate the Letter of Credit, dated September 15, 2004, as amended (the *"Prior Letter of Credit"*), issued by BNP Paribas (the *"Prior Bank"*), which has supported payment of the principal, interest and purchase price of the Bonds since the date such Prior Letter of Credit was issued. Pursuant to the Indenture, the Company has elected to replace the Prior Letter of Credit with an Irrevocable Letter of Credit (the *"Letter of Credit"*) issued by JPMorgan Chase Bank, National Association (*"JPMorgan"*). The Letter of Credit will be delivered to the Trustee on April 18, 2012 (the *"Purchase Date"*) and, after such date, the Bonds will not have the benefit of the Prior Letter of Credit.

All references in the Official Statement (unless expressly stated otherwise) to the Letter of Credit shall be deemed to refer to the Letter of Credit and not to the Prior Letter of Credit, and all references to the Bank shall be deemed to refer to JPMorgan and not to the Prior Bank.

During the Daily, Weekly and Monthly Rate periods, the Trustee will be entitled to draw under the Letter of Credit up to (a) an amount equal to the principal amount of the Bonds to be used (i) to pay the principal of the Bonds, (ii) to enable the Trustee to pay the portion of the purchase price equal to the principal amount of the Bonds delivered or deemed delivered to it for purchase and not remarketed by the Remarketing Agent, and (iii) to enable the Company to purchase the Bonds in lieu of redemption under certain circumstances, plus (b) an amount equal to 65 days' accrued interest on the Bonds (calculated at an assumed maximum rate of 12% per annum) (i) to pay interest on the Bonds or (ii) to enable the Trustee to pay the portion of the purchase price of the Bonds properly delivered for purchase equal to the accrued interest, if any, on the purchased Bonds.

The Letter of Credit constitutes an Alternate Credit Facility (defined below) under the Indenture. At any time, the Company may, at its option, provide for the delivery to the Trustee of an Alternate Credit Facility to replace the Letter of Credit or provide for the termination of the Letter of Credit or any other Alternate Credit Facility then in effect, as described in the Original Official Statement under the caption "THE LETTER OF CREDIT — Alternate Credit Facility."

Brief descriptions of the Issuer, the Bonds, the Letter of Credit, the Agreement and the Indenture are included in this Supplement to Official Statement, including the Original Official Statement attached as APPENDIX C hereto. Information regarding the business, properties and

financial condition of the Company is included in APPENDIX A attached hereto. A brief description of JPMorgan is included as APPENDIX B hereto. The descriptions herein of the Agreement, the Indenture and the Letter of Credit are qualified in their entirety by reference to such documents, and the descriptions herein of the Bonds are qualified in their entirety by reference to the form thereof and the information with respect thereto included in the aforesaid documents. All such descriptions are further qualified in their entirety by reference to laws and principles of equity relating to or affecting the enforcement of creditors' rights generally. Copies of such documents may be obtained from the principal corporate trust office of the Trustee in Chicago, Illinois and at the principal offices of the Remarketing Agent in New York, New York.

THE BONDS

Reference is hereby made to the Bonds in their entirety for the detailed provisions thereof. Certain terms used herein are set forth in the Original Official Statement under the caption "THE BONDS—Interest on the Bonds" and in "APPENDIX F" thereto.

INTEREST ON THE BONDS

The Bonds currently bear interest at a Weekly Interest Rate (not exceeding 12% while the Letter of Credit is in effect) unless and until changed as described in the Original Official Statement under "CONVERSION OF RATE." The Weekly Interest Rate on the Bonds shall be determined by the Remarketing Agent on each Tuesday (or the next succeeding Business Day, if such Tuesday is not a Business Day) of each week to be the interest rate which, on the following day, in the judgment of the Remarketing Agent, when borne by the Bonds would be the minimum interest rate necessary to enable the Remarketing Agent to sell the Bonds on such date at 100% of the principal amount thereof plus accrued interest, if any.

Interest accrued on the Bonds during each Interest Period (as defined below) shall be paid to the Owner as of the Record Date (as defined below) on the next succeeding Interest Payment Date (as defined below) and, while the Bonds bear interest at a Weekly Interest Rate or other Floating Interest Rate (as defined in the Official Statement), computed on the basis of a year of 365 or 366 days, as applicable, for the actual number of days elapsed.

"Interest Payment Date" means (a) during such time as the Bonds bear a Weekly Interest Rate, the day next succeeding the Interest Accrual Date, and (b) any Conversion Date.

"Interest Period" means the period from and including the date interest starts to accrue on the Bonds pursuant to a particular method of calculating interest to and including the next succeeding Interest Accrual Date and each succeeding period from the day next succeeding such Interest Accrual Date to and including (i) the next succeeding Interest Accrual Date or (ii) if earlier, the day next preceding a Conversion Date.

"Interest Accrual Date" means, with respect to any Interest Period during which interest on the Bonds accrues at a Weekly Interest Rate, the day next preceding the first Business Day of the next succeeding calendar month.

"Record Date" means, when the Bonds bear interest at a Weekly Interest Rate, the Interest Accrual Date.

PURCHASE ON DEMAND OF OWNER

While the Bonds bear interest at a Weekly Interest Rate, any Bond shall be purchased, on the demand of the Owner thereof, on any Wednesday at a purchase price equal to the principal amount thereof plus accrued interest, if any, to the date of purchase, upon: (i) delivery to the Remarketing Agent at its Principal Office, by no later than 10:00 a.m. New York, New York time, on the seventh day preceding such Wednesday, of a written notice, which states the principal amount of such Bonds to be purchased, and (ii) delivery of such Bond (with all necessary endorsements) and, in the case of a Bond to be purchased prior to the Interest Payment Date for any Interest Period and after the Record Date in respect thereto, a due-bill, in form satisfactory to the Trustee, at the New York delivery office of the Trustee at or prior to 10:00 a.m., New York, New York time, on such Wednesday; provided, however, that such Bond shall be so purchased only if the Bond so delivered to the Trustee shall conform in all respects to the description thereof in the aforesaid notice. In the event that Wednesday is not a Business Day, the procedures described in this paragraph to occur on Wednesday, shall occur on the next succeeding Business Day. An Owner who gives the notice set forth in clause (i) above may repurchase the Bonds so tendered with such notice on such Wednesday if the Remarketing Agent agrees to sell the Bonds so tendered to such Owner. If such Owner decides to repurchase such Bonds and the Remarketing Agent agrees to sell the specified Bonds to such Owner prior to delivery of such Bonds as set forth in clause (ii) hereinabove, the delivery requirement set forth in such clause (ii) shall be waived.

Anything in the Indenture notwithstanding, (i) at any time when neither the Letter of Credit nor an Alternate Credit Facility is outstanding, there shall be no purchases or sales of Bonds as described above, and (ii) at any time during which the Letter of Credit or an Alternate Credit Facility is outstanding, there shall be no sales of Bonds, if (A) there shall have occurred and not have been cured or waived an Event of Default described in the Original Official Statement in paragraph (a), (b), (c), (d) or (e) under the caption "THE INDENTURES — Defaults" of which the Remarketing Agent and the Trustee have actual knowledge or (B) the Bonds have been declared to be immediately due and payable as described in the Official Statement under the caption "THE INDENTURE — Remedies" and such declaration has not been rescinded pursuant to the Indenture.

REDEMPTION OF BONDS

Bonds bearing interest at a Weekly Interest Rate are subject to optional redemption on any Interest Payment Date by the Issuer in whole or in part (and if in part in an Authorized Denomination), at the direction of the Company (but only with the timely written consent of the Bank or of the Obligor on the Alternate Credit Facility, as the case may be), at the principal amount thereof, plus accrued interest, if any, with 30 days' prior notice from the Company to the Issuer and the Trustee.

The Bonds are also subject to redemption under certain circumstances including (i) certain events relating to the Project, (ii) a Determination of Taxability, (iii) expiration or termination of the Letter of Credit or Alternate Credit Facility and (iv) a Conversion Date as described in the Original Official Statement under the captions "THE BONDS — Extraordinary Optional Redemption of Bonds," "— Special Mandatory Redemption of Bonds," "— Redemption Upon Expiration or Termination of Letter of Credit or Alternate Credit Facility," and "— Redemption Upon Conversion."

Notice requirements and other procedures relating to redemption of Bonds are as described in the Original Official Statement under the caption "THE BONDS — Procedure for and Notice of Redemption."

THE LETTER OF CREDIT AND THE CREDIT AGREEMENT

The following is a brief summary of certain provisions of the Letter of Credit and that certain $800,000,000 Credit Agreement, dated July 6, 2006, as amended and supplemented, among the Company, the financial institutions party thereto, the Administrative Agent (defined below) and The Royal bank of Scotland plc, as syndication agent (together with all related documents, the "Credit Agreement"). This summary is not a complete recital of the terms of the Letter of Credit or the Credit Agreement and reference is made to the Letter of Credit or the Credit Agreement, as applicable, in its entirety.

THE LETTER OF CREDIT

On the date of reoffering of the Bonds, JPMorgan will issue in favor of the Trustee a Letter of Credit for the Bonds in the form of a direct pay letter of credit. The Letter of Credit will be issued in the aggregate principal amount of the Bonds plus 65 days' interest at 12% per annum, on the basis of a 365 day year (the *"Original Stated Amount"*) (as from time to time reduced and reinstated as provided in the Letter of Credit). The Letter of Credit will permit the Trustee to draw up to an amount equal to the Original Stated Amount to pay the unpaid principal thereof and accrued interest on the Bonds, subject to the terms, conditions and limitations stated therein. The Letter of Credit will be substantially in the form attached hereto as APPENDIX E.

The Letter of Credit will expire on April 18, 2013. At any time there remains no less than 90 days to the then current Stated Expiration Date (defined below), the Company may request JPMorgan to extend such Stated Expiration Date for a period of one year. JPMorgan may, in its sole discretion, extend the Stated Expiration Dated then in effect and will give written notice of such election to extend to the Company and the Trustee within 30 days of receipt the of request to extend. Failure by JPMorgan to notify the Company and the Trustee of any decision within 30 days will be deemed to be a rejection of such request. The date on which the Letter of Credit expires as described in the preceding sentence and as it may be extended from time to time, is defined in the Letter of Credit as the *"Stated Expiration Date"*. For purposes of the Letter of Credit, *"Business Day"* means any day other than a day on which banking institutions in the city in which the principal corporate trust office of the Trustee or the principal corporate trust office of the Tender Agent or the principal office of the Remarketing Agent is located, or

the city where the office of JPMorgan where drawings are made hereunder is located, are required or authorized by law to remain closed, or other than a day on which the New York Stock Exchange is closed.

Each drawing honored by JPMorgan under the Letter of Credit will immediately reduce the available amount thereunder by the amount of such drawing. Any drawing to pay interest will be automatically reinstated on the ninth (9th) Business Day following the date such drawing is honored by the Bank, unless JPMorgan gives notice of an Event of Default under that certain Reimbursement Agreement, dated April 18, 2012 (the *"Reimbursement Agreement"*), between the Company and JPMorgan, pursuant to which the Letter of Credit will be issued. Any drawing to pay the purchase price of a Bond shall be automatically reinstated upon receipt by JPMorgan, or the Trustee on behalf of JPMorgan, of an amount equal to the purchase price of such Bonds (or portion thereof) plus accrued interest on such Bonds as required under the Reimbursement Agreement. See APPENDIX E.

CREDIT AGREEMENT

General. The Company is party to the Credit Agreement. In addition, the Company has executed and delivered the Reimbursement Agreement requesting that JPMorgan issue a letter of credit for the Bonds and governing the issuance thereof. The Letter of Credit is issued pursuant to the Credit Agreement and the Reimbursement Agreement.

The Credit Agreement defines the relationship between the Company and the financial institutions party thereto, including JPMorgan; neither the Issuer nor the Trustee has any interest in the Credit Agreement or in any of the funds or accounts created under it. Under the Credit Agreement and the Reimbursement Agreement, the Company has agreed to reimburse JPMorgan for any drawings under a Letter of Credit, to pay certain fees and expenses, to pay interest on any unreimbursed drawings or other amounts unpaid, and to reimburse JPMorgan for certain other costs and expenses incurred.

Defined Terms. Capitalized terms used in this section and in the Credit Agreement, as applicable, that are not otherwise defined in this Reoffering Circular will have the meanings set forth below.

"Administrative Agent" means JPMorgan Chase Bank, N.A., in its capacity as administrative agent for the Syndicate Banks and its successors in such capacity.

"Commitment" means (i) with respect to any Syndicate Bank listed on the signature pages to the Credit Agreement, the amount set forth opposite its name on the commitment schedule as its Commitment and (ii) with respect to each additional Syndicate Bank or assignee which becomes a Syndicate Bank pursuant to the Credit Agreement, the amount of the Commitment thereby assumed by it, in each case as such amount may from time to time be reduced or increased pursuant to the Credit Agreement.

"Debt" of any Person means at any date, without duplication, (i) all obligations of such Person for borrower money, (ii) all obligations of such Person evidenced by bonds (other than

surety bonds), debentures, notes or other similar instruments, (iii) all obligations of such Person to pay the deferred purchase price of property or services, except trade accounts payable arising in the ordinary course of business, (iv) all Capitalized Lease Obligations (as defined in the Credit Agreement) of such Person, (v) all non-contingent reimbursement, indemnity or similar obligations of such Person in respect of amounts paid under a letter of credit, surety bond or similar instrument, (vi) all Debt of others secured by a Lien on any asset of such Person, whether or not such Debt is assumed by such Person, and (vii) all Debts of others Guaranteed (as defined in the Credit Agreement) by such Person.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended, or any successor statute.

"ERISA Group" means all members of a controlled group of corporations and all trades or business (whether or not incorporated) under common control which, together with Company, are treated as a single employer under Section 414 of the Internal Revenue Code.

"Issuing Bank" means any Syndicate Bank designated by Company that may agree to issue letters of credit pursuant to an instrument in form reasonably satisfactory to the Administrative Agent, each in its capacity as an issuer of a letter of credit under the Credit Agreement.

"Loans" means Committed Loans or Competitive Bid Loans (as such terms are defined in the Credit Agreement) or any combination of the foregoing pursuant to the Credit Agreement.

"Material Debt" means Debt of the Company arising under a single or series of related instruments or other agreements exceeding $35,000,000 in principal amount.

"PBGC" means the Pension Benefit Guaranty Corporation or any entity succeeding to any or all of its functions under ERISA.

"Person" means any individual, a corporation, a partnership, an association, a trust or any other entity or organization, including a government or political subdivision or an agency or instrumentality thereof.

"Reimbursement Obligations" means all such amounts paid by an Issuing Bank and remaining unpaid by the Company after the date and time required for payment under the Credit Agreement.

"Required Banks" means at any time Syndicate Banks having more than 50% of the total Commitments under the Credit Agreement, or if the Commitments shall have been terminated, holding more than 50% of the sum of the outstanding Loans and letter of credit liabilities.

"Syndicate Bank" or *"Syndicate Banks"* means, individually or collectively, each bank or other financial institution listed on the signature pages to the Credit Agreement, each assignee which becomes a Syndicate Bank pursuant to the Credit Agreement, and their respective successors.

Events of Default and Remedies. Any one or more of the following events constitute an event of default (an *"Event of Default"*) under the Credit Agreement:

(a) the Company shall fail to pay when due any principal of any Loan or any Reimbursement Obligation or shall fail to pay, within five days of the due date thereof, any interest, commitment fees or facility fees payable hereunder or shall fail to cash collateralize any letter of credit pursuant to the Credit Agreement;

(b) the Company shall fail to pay any other amount claimed by one or more Syndicate Banks under the Credit Agreement within five days of the due date thereof, unless (i) such claim is disputed in good faith by the Company, (ii) such unpaid claimed amount does not exceed $100,000 and (iii) the aggregate of all such unpaid claimed amounts does not exceed $300,000;

(c) the Company shall fail to observe or perform certain specified financial covenants contained in the Credit Agreement;

(d) the Company shall fail to observe or perform any covenant or agreement contained in the Credit Agreement (other than those covered by clause (a), (b) or (c) above) for 15 days after written notice thereof has been given to the Company by the Administrative Agent at the request of any Syndicate Bank;

(e) any representation, warranty, certification or statement made by the Company in the Credit Agreement or in any certificate, financial statement or other document delivered pursuant to the Credit Agreement shall prove to have been incorrect in any material respect when made (or deemed made);

(f) the Company shall fail to make any payment in respect of any Material Debt (other than Loans or any Reimbursement Obligation) or Material Hedging Obligations (as defined in the Credit Agreement) when due or within any applicable grace period;

(g) any event or condition shall occur which results in the acceleration of the maturity of any Material Debt of the Company or enables the holder of such Material Debt or any Person acting on such holder's behalf to accelerate the maturity thereof;

(h) the Company shall commence a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to itself or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property; or shall consent to any such relief or to the appoint of or taking possession by any such official in an involuntary case or other proceeding commenced against it, or shall make a general assignment for the benefit of creditors, or shall fail generally to pay its debts as they become due, or shall take any corporate action to authorize any of the foregoing;

(i) an involuntary case or other proceeding shall be commenced against the Company seeking liquidation, reorganization or other relief with respect to it or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, and such involuntary case or other proceeding shall remain undismissed and unstayed for a period of 60 days; or an order for relief shall be entered against the Company under the federal bankruptcy laws as now or hereafter in effect;

(j) the Company or any member of the ERISA Group shall fail to pay when due an amount or amounts aggregating in excess of $25,000,000 which it shall have become liable to pay to the PBGC or to a Plan under Title IV of ERISA; or notice of intent to terminate certain material plans identified in the Credit Agreement (each a *"Material Plan"*) shall be filed under Title IV of ERISA by any member of the ERISA Group, any plan administrator or any combination of the foregoing; or the PBGC shall institute proceedings under Title IV of ERISA to terminate, to impose liability in excess of $25,000,000 (other than for premiums under Section 4007 of ERISA) in respect of, or to cause a trustee to be appointed to administer any Material Plan or a proceeding shall be instituted by a fiduciary of any multiemployer plan (identified in the Credit Agreement) against any member of the ERISA Group to enforce Section 515 or 4219(c)(5) of ERISA in respect of an amount or amounts aggregating in excess of $25,000,000, and such proceeding shall not have been dismissed within 20 days thereafter; or a condition shall exist by reason of which the PBGC would be entitled to obtain a decree adjudicating that any Material Plan must be terminated; or there shall occur a complete or partial withdrawal from, or a default, within the meaning of Section 4219(c)(5) of ERISA, with respect to, one or more Multiemployer Plans which would cause one or more members of the ERISA Group to incur a current payment obligation in excess of $25,000,000;

(k) a judgment or order for the payment of money in excess of $25,000,000 shall be rendered against the Company and such judgment or order shall continue unsatisfied and unstayed for a period of 30 days;

(l) MidAmerican Energy Holdings Company or any wholly-owned subsidiary thereof that owns common stock of the Company (*"MidAmerican"*) shall fail to own (directly or indirectly through one or more Subsidiaries) at least 80% of the outstanding shares of common stock of the Company; any person or group of persons (within the meaning of Section 13 or 14 of the Securities Exchange Act of 1934, as amended), except Berkshire Hathaway Inc. or any wholly-owned subsidiary thereof, shall acquire a beneficial ownership (within the meaning of Rule 13d-3 promulgated by the Securities and Exchange Commission under said Act) of 35% or more of the outstanding shares of common stock of MidAmerican; or, during any period of 14 consecutive calendar months commencing on or after March 21, 2006, individuals who were directors of the Company on the first day of such period and any new director whose election by the board of directors of the Company or nomination for election by the Company's shareholders was approved by a vote of at least a majority of the directors then still in office who either were directors at the beginning of the applicable period or whose election or nomination

for election was previously so approved, shall cease to constitute a majority of the board of directors of the Company.

Upon the occurrence of any Event of Default under the Credit Agreement, the Administrative Agent shall (i) if requested by the Required Banks, by notice to the Company terminate the Commitments and the obligation of each Syndicate Bank to make Loans thereunder and the obligation of each Issuing Bank to issue any letter of credit thereunder and such obligations to make Loans and issue new letters of credit shall thereupon terminate, and (ii) if requested by the Required Banks, by notice to the Company declare the Loans (together with accrued interest thereon) and any outstanding Reimbursement Obligations in respect of any drawing under a letter of credit issued under the Credit Agreement to be, and the same shall thereupon become, immediately due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Company; *provided* that in the case of any of the Events of Default specified in clause (h) or (i) above with respect to the Company, without any notice to the Company or any other act by the Administrative Agent or the Syndicate Banks, the Commitments shall thereupon terminate and the Loans (together with accrued interest thereon) and any outstanding Reimbursement Obligations in respect of any drawing under a letter of credit issued under the Credit Agreement shall become immediately due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Company.

The Company agrees, in addition to the Events of Default provisions above, that upon the occurrence and during the continuance of any Event of Default, it shall, if requested by the Administrative Agent upon the instruction of the Required Banks or any Issuing Bank having an outstanding letter of credit issued under the Credit Agreement, pay to the Administrative Agent an amount in immediately available funds (which funds shall be held as collateral pursuant to arrangements satisfactory to the Administrative Agent) equal to the aggregate amount available for drawing under all letters of credit issued under the Credit Agreement outstanding at such time (or, in the case of a request by an Issuing Bank, all such letters of credit issued by it); provided that, upon the occurrence of any Event of Default specified in clause (h) or (i) above with respect to the Company, and on the scheduled termination date of the Credit Agreement, the Company shall pay such amount forthwith without any notice or demand or any other act by the Administrative Agent, any Issuing Bank or any Syndicate Bank.

REMARKETING AGENT

J.P. Morgan Securities LLC (the *"Remarketing Agent"*) will continue as remarketing agent for the Bonds. Subject to certain conditions, the Remarketing Agent has agreed to determine the rate of interest on the Bonds and use its best efforts to remarket all tendered Bonds.

In the ordinary course of its business, the Remarketing Agent has engaged, and may in the future engage, in investment banking and/or commercial banking transactions with the Company, its subsidiaries and its other affiliates, for which it has received and will receive customary compensation.

The Remarketing Agent is Paid by the Company. The Remarketing Agent's responsibilities include determining the interest rate from time to time and remarketing Bonds that are optionally or mandatorily tendered by the owners thereof (subject, in each case, to the terms of the Indenture and the Remarketing Agreement), all as further described in this Reoffering Circular. The Remarketing Agent is appointed by the Company and paid by the Company for its services. As a result, the interests of the Remarketing Agent may differ from those of existing Holders and potential purchasers of Bonds.

The Remarketing Agent May Purchase Bonds for Its Own Accounts. The Remarketing Agent acts as remarketing agent for a variety of variable rate demand obligations and, in its sole discretion, may purchase such obligations for its own accounts. The Remarketing Agent is permitted, but not obligated, to purchase tendered Bonds for its own accounts and, in its sole discretion, may acquire such tendered Bonds in order to achieve a successful remarketing of the Bonds (i.e., because there otherwise are not enough buyers to purchase the Bonds) or for other reasons. However, the Remarketing Agent is not obligated to purchase Bonds, and may cease doing so at any time without notice. The Remarketing Agent may also make a market in the Bonds by purchasing and selling Bonds other than in connection with an optional or mandatory tender and remarketing. Such purchases and sales may be at or below par. However, the Remarketing Agent is not required to make a market in the Bonds. The Remarketing Agent may also sell any Bonds it has purchased to one or more affiliated investment vehicles for collective ownership or enter into derivative arrangements with affiliates or others in order to reduce its exposure to the Bonds. The purchase of Bonds by the Remarketing Agent may create the appearance that there is greater third party demand for the Bonds in the market than is actually the case. The practices described above also may result in fewer Bonds being tendered in a remarketing.

Bonds May Be Offered at Different Prices on Any Date Including an Interest Rate Determination Date. Pursuant to the Indenture and the Remarketing Agreement, the Remarketing Agent is required to determine the applicable rate of interest that, in its judgment, is the lowest rate that would permit the sale of the Bonds bearing interest at the applicable interest rate at par plus accrued interest, if any, on and as of the applicable interest rate determination date. The interest rate will reflect, among other factors, the level of market demand for the Bonds (including whether the Remarketing Agent is willing to purchase Bonds for its own accounts). There may or may not be Bonds tendered and remarketed on an interest rate determination date, the Remarketing Agent may or may not be able to remarket any Bonds tendered for purchase on such date at par and the Remarketing Agent may sell Bonds at varying prices to different investors on such date or any other date. The Remarketing Agent is not obligated to advise purchasers in a remarketing if it does not have third party buyers for all of the Bonds at the remarketing price. In the event the Remarketing Agent owns any Bonds for its own account, it may, in its sole discretion in a secondary market transaction outside the tender process, offer such Bonds on any date, including the interest rate determination date, at a discount to par to some investors.

The Ability to Sell the Bonds Other Than Through the Tender Process May Be Limited. The Remarketing Agent may buy and sell Bonds other than through the tender process. However, it is not obligated to do so and may cease doing so at any time without notice and may

require Holders that wish to tender their Bonds to do so through the Trustee with appropriate notice. Thus, investors who purchase the Bonds, whether in a remarketing or otherwise, should not assume that they will be able to sell their Bonds other than by tendering the Bonds in accordance with the tender process.

The Remarketing Agent May Resign, be Removed or Cease Remarketing the Bonds, Without a Successor Being Named. Under certain circumstances the Remarketing Agent may be removed or have the ability to resign or cease its remarketing efforts, without a successor having been named, subject to the terms of the Indenture and the Remarketing Agreement.

BOND TERMS AND RELATED DOCUMENTS

Descriptions of provisions of the Bonds and summaries of the Agreement and the Indenture are set forth in the Original Official Statement under the following captions and the information under the following captions in the Original Official Statement is incorporated by reference in this Supplement to Official Statement:

THE BONDS
"Alternate Credit Facility," "Substitute Letter of Credit" and "Termination of Letter of Credit or Alternate Credit Facility" under "THE LETTERS OF CREDIT."
CONVERSION OF RATE
THE AGREEMENT
THE INDENTURE

TAX EXEMPTION

Original Opinion. The opinion of Chapman and Cutler delivered on May 23, 1991 stated that, subject to the condition that the Issuer and the Company comply with certain covenants made to satisfy pertinent requirements of the Internal Revenue Code of 1986 (the *"Code"*), under then existing law, interest on the Bonds is not includible in gross income of the owners thereof for federal income tax purposes, except for interest on any Bond for any period during which such Bond is owned by a person who is a substantial user of the Pollution Control Facilities or any person considered to be related to such person (within the meaning of Section 103(b)(13) of the 1954 Code), and the interest on the Bonds will not be treated as an item of tax preference in computing the alternative minimum tax for individuals and corporations (since the Prior Bonds were issued prior to August 8, 1986). Interest on the Bonds will be taken into account, however, in computing an adjustment used in determining the alternative minimum tax for certain corporations. Ownership of the Bonds may result in other federal tax consequences to certain taxpayers; no opinion was expressed regarding any such collateral consequences arising with respect to the Bonds. In rendering this opinion, Chapman and Cutler relied upon a certificate of the Company with respect to certain material facts solely within the Company's knowledge relating to the Plant (as defined in the Indenture) and the application of the proceeds of the Prior Bonds (as defined in the Indenture) and the Bonds.

In addition, such opinion stated that, under then existing laws of the State of Utah, interest on the Bonds is exempt from taxes imposed by the Utah Individual Income Tax Act.

The failure to comply with certain of such covenants of the Issuer and the Company could cause the interest on the Bonds to be included in gross income retroactive to the date of issuance of the Bonds. Chapman and Cutler LLP has made no independent investigation to confirm that such covenants have been complied with.

Supplemental Opinion. Chapman and Cutler LLP will deliver an opinion in connection with the delivery of the Letter of Credit to the effect that the delivery of the Letter of Credit (i) is authorized under the Agreement and complies with the terms thereof and (ii) will not impair the validity under the Act of the Bonds or will not cause the interest on the Bonds to become includible in the gross income of the Owners thereof for federal income tax purposes. Except as necessary to render the foregoing opinions, Chapman and Cutler LLP has not reviewed any factual or legal matters relating to its opinion dated January 14, 1988 subsequent to its issuance other than with respect to the Company in connection with (a) the adjustment of the interest rate on the Bonds described in our opinion dated February 28, 1996, (b) the delivery of an Alternate Credit Facility, dated as of May 15, 2001, (c) delivery of the Prior Letter of Credit, dated September 15, 2004 and (d) the delivery of the Letter of Credit described herein. The opinion delivered in connection with delivery of the Letter of Credit is not to be interpreted as a reissuance of the original approving opinion as of the date of this Supplement to Official Statement.

MISCELLANEOUS

This Supplement to Official Statement has been approved by the Company for distribution by the Remarketing Agent to current Bondholders and potential purchasers of the Bonds. **THE ISSUER MAKES NO REPRESENTATION WITH RESPECT TO AND HAS NOT PARTICIPATED IN THE PREPARATION OF ANY PORTION OF THIS SUPPLEMENT TO OFFICIAL STATEMENT.**

APPENDIX A

PACIFICORP

The following information concerning PacifiCorp (the "Company") has been provided by representatives of the Company and has not been independently confirmed or verified by the Remarketing Agent, the Issuer or any other party. No representation is made herein as to the accuracy, completeness or adequacy of such information or as to the absence of material adverse changes in the condition of the Company or in such information after the date hereof, or that the information contained or incorporated herein by reference is correct as of any time after the date hereof.

The Company, which includes PacifiCorp and its subsidiaries, is a United States regulated electric company serving 1.7 million retail customers, including residential, commercial, industrial and other customers in portions of the states of Utah, Oregon, Wyoming, Washington, Idaho and California. PacifiCorp owns, or has interests in, 75 thermal, hydroelectric, wind-powered and geothermal generating facilities, with a net owned capacity of 10,597 megawatts. PacifiCorp also owns, or has interests in, electric transmission and distribution assets, and transmits electricity through approximately 16,200 miles of transmission lines. PacifiCorp also buys and sells electricity on the wholesale market with other utilities, energy marketing companies, financial institutions and other market participants as a result of excess electricity generation or other system balancing activities. The Company is subject to comprehensive state and federal regulation. The Company's subsidiaries support its electric utility operations by providing coal mining and environmental remediation services. The Company is an indirect subsidiary of MidAmerican Energy Holdings Company (*"MEHC"*), a holding company based in Des Moines, Iowa, that owns subsidiaries principally engaged in energy businesses. MEHC is a consolidated subsidiary of Berkshire Hathaway Inc. (*"Berkshire Hathaway"*). MEHC controls substantially all of the Company voting securities, which include both common and preferred stock.

The Company's operations are exposed to risks, including general economic, political and business conditions, as well as changes in laws and regulations affecting the Company or the electric utility industry; changes in, and compliance with, environmental laws, regulations, decisions and policies that could, among other items, increase operating and capital costs, reduce generating facility output, accelerate generating facility retirements or delay generating facility construction or acquisition; the outcome of general rate cases and other proceedings conducted by regulatory commissions or other governmental and legal bodies; changes in economic, industry or weather conditions, as well as demographic trends, that could affect customer growth and usage, electricity supply or the Company's ability to obtain long-term contracts with customers; a high degree of variance between actual and forecasted load that could impact the Company's hedging strategy and the costs of balancing generation resources and wholesale activities with its retail load obligations; hydroelectric conditions, as well as the cost, feasibility and eventual outcome of hydroelectric relicensing proceedings, that could have a significant impact on electric capacity and cost and the Company's ability to generate electricity; changes in prices, availability and demand for both purchases and sales of wholesale electricity, coal, natural gas, other fuel sources and fuel transportation that could have a significant impact on

generation capacity and energy costs; the financial condition and creditworthiness of the Company's significant customers and suppliers; changes in business strategy or development plans; availability, terms and deployment of capital, including reductions in demand for investment-grade commercial paper, debt securities and other sources of debt financing and volatility in the London Interbank Offered Rate, the base interest rate for the Company's credit facilities; changes in the Company's credit ratings; the impact of derivative contracts used to mitigate or manage volume, price and interest rate risk, including increased collateral requirements, and changes in the commodity prices, interest rates and other conditions that affect the fair value of derivative contracts; the impact of investment performance and changes in interest rates, legislation, healthcare cost trends, mortality and morbidity on the Company's pension and other postretirement benefits expense and funding requirements; unanticipated construction delays, changes in costs, receipt of required permits and authorizations, ability to fund capital projects and other factors that could affect future generating facilities and infrastructure additions; the impact of new accounting guidance or changes in current accounting estimates and assumptions on consolidated financial results; other risks or unforeseen events, including the effects of storms, floods, litigation, wars, terrorism, embargoes and other catastrophic events; and other business or investment considerations that may be disclosed from time to time in the Company's filings with the United States Securities and Exchange Commission (the *"Commission"*) or in other publicly disseminated written documents. See the Incorporated Documents under "Incorporation of Certain Documents by Reference."

The principal executive offices of the Company are located at 825 N.E. Multnomah, Portland, Oregon 97232; the telephone number is (503) 813-5608. The Company was initially incorporated in 1910 under the laws of the state of Maine under the name Pacific Power & Light Company. In 1984, Pacific Power & Light Company changed its name to PacifiCorp. In 1989, it merged with Utah Power and Light Company, a Utah corporation, in a transaction wherein both corporations merged into a newly formed Oregon corporation. The resulting Oregon corporation was re-named PacifiCorp, which is the operating entity today.

AVAILABLE INFORMATION

The Company is subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the *"Exchange Act"*), and in accordance therewith files reports and other information with the Commission. Such reports and other information (including proxy and information statements) filed by the Company may be inspected and copied at public reference rooms maintained by the Commission in Washington, D.C., New York, New York and Chicago, Illinois. Please call the Commission at 1-800-SEC-0330 for further information on the public reference rooms. The Company's filings with the Commission are also available to the public at the website maintained by the Commission at http://www.sec.gov.

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

The following documents filed by the Company with the Commission pursuant to the Exchange Act are incorporated herein by reference:

1. Annual Report on Form 10-K for the fiscal year ended December 31, 2011.

2. Current Report on Form 8-K, dated January 6, 2012.

3. Current Report on Form 8-K, dated March 6, 2012.

4. Current Report on Form 8-K, dated April 3, 2012.

5. All other documents filed by the Company pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act after the date hereof.

All documents filed by the Company pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act after the filing of the Annual Report on Form 10-K for the year ended December 31, 2011 and before the termination of the reoffering made by this Reoffering Circular (the *"Reoffering Circular"*) shall be deemed to be incorporated by reference in this Reoffering Circular and to be a part hereof from the date of filing such documents (such documents and the documents enumerated above, being hereinafter referred to as the *"Incorporated Documents"*), *provided, however,* that the documents enumerated above and the documents subsequently filed by the Company pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act in each year during which the reoffering made by this Reoffering Circular is in effect before the filing of the Company's Annual Report on Form 10-K covering such year shall not be Incorporated Documents or be incorporated by reference in this Reoffering Circular or be a part hereof from and after such filing of such Annual Report on Form 10-K.

Any statement contained in an Incorporated Document shall be deemed to be modified or superseded for purposes hereof to the extent that a statement contained herein or in any other subsequently filed Incorporated Document modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part hereof.

The Incorporated Documents are not presented in this Reoffering Circular or delivered herewith. The Company hereby undertakes to provide without charge to each person to whom a copy of this Reoffering Circular has been delivered, on the written or oral request of any such person, a copy of any or all of the Incorporated Documents, other than exhibits to such documents, unless such exhibits are specifically incorporated by reference therein. Requests for such copies should be directed to PacifiCorp, 825 N.E. Multnomah, Portland, Oregon 97232, telephone number (503) 813-5608. The information relating to the Company contained in this Reoffering Circular does not purport to be comprehensive and should be read together with the information contained in the Incorporated Documents.

APPENDIX B

JPMORGAN CHASE BANK, NATIONAL ASSOCIATION

The following information concerning JPMorgan Chase Bank, National Association has been provided by representatives of JPMorgan Chase Bank, National Association and has not been independently confirmed or verified by the Issuer, the Company or any other party. No representation is made by the Company or the Issuer as to the accuracy, completeness or adequacy of such information and no representation is made as to the absence of material adverse changes in such information subsequent to the date hereof, or that the information contained or incorporated herein by reference is correct as of any time subsequent to its date.

JPMorgan Chase Bank, National Association (*"JPMorgan"*) is a wholly owned subsidiary of JPMorgan Chase & Co., a Delaware corporation whose principal office is located in New York, New York. JPMorgan offers a wide range of banking services to its customers, both domestically and internationally. It is chartered and its business is subject to examination and regulation by the Office of the Comptroller of the Currency.

As of December 31, 2011, JPMorgan, had total assets of $1,811.7 billion, total net loans of $580.1 billion, total deposits of $1,190.7 billion, and total stockholder's equity of $131.0 billion. These figures are extracted from JPMorgan's unaudited Consolidated Reports of Condition and Income (the *"Call Report"*) as of December 31, 2011, prepared in accordance with regulatory instructions that do not in all cases follow U.S. generally accepted accounting principles. The Call Report including any update to the above quarterly figures is filed with the Federal Deposit Insurance Corporation and can be found at www.fdic.gov.

Additional information, including the most recent annual report on Form 10-K for the year ended December 31, 2011, of JPMorgan Chase & Co., the 2011 Annual Report of JPMorgan Chase & Co., and additional annual, quarterly and current reports filed with or furnished to the Securities and Exchange Commission by JPMorgan Chase & Co., as they become available, may be obtained without charge by each person to whom this Official Statement is delivered upon the written request of any such person to the Office of the Secretary, JPMorgan Chase & Co., 270 Park Avenue, New York, New York 10017 or at the SEC's website at www.sec.gov.

The information contained in this Appendix relates to and has been obtained from JPMorgan. The delivery of the Official Statement shall not create any implication that there has been no change in the affairs of JPMorgan since the date hereof, or that the information contained or referred to in this Appendix is correct as of any time subsequent to its date.

APPENDIX C

OFFICIAL STATEMENT DATED MAY 22, 1991

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NEW ISSUE

Subject to compliance by the Company and the Issuer with certain covenants, in the opinion of Chapman and Cutler, Bond Counsel, under present law (a) interest on the Bonds will not be includible in gross income of the Owners thereof for federal income tax purposes, except for interest on any Bond for any period during which such Bond is owned by a person who is a substantial user of the Project or any person considered to be related to such person (within the meaning of Section 103(b)(13) of the Internal Revenue Code of 1954, as amended), and (b) interest on the Bonds will not be treated as an item of tax preference in computing the alternative minimum tax for individuals and corporations. Such interest will be taken into account, however, in computing the corporate alternative minimum tax, as more fully discussed under the heading "TAX EXEMPTION" herein. Bond Counsel is also of the opinion that under present law such interest will be exempt from taxes imposed by the Utah Individual Income Tax Act, as more fully discussed under the heading "TAX EXEMPTION" herein.

$45,000,000
Emery County, Utah
Pollution Control Revenue Refunding Bonds
(PacifiCorp Project)
Series 1991

Interest Accrual: Date of Delivery **Due: July 1, 2015**

The Bonds are limited obligations of the Issuer and, except to the extent payable from any moneys pledged therefor, will be payable solely from and secured by a pledge of payments to be made under a Loan Agreement with

PacifiCorp

and from funds drawn under an irrevocable direct-pay Letter of Credit issued by the Los Angeles Branch of

Credit Suisse

Under the Letter of Credit, the Trustee will be entitled to draw through May 23, 1994 (unless earlier terminated or extended) up to an amount sufficient to pay the principal of and, initially, up to 294 days' accrued interest on the Bonds at 12% per annum to be used (a) to pay the principal of and interest on the Bonds and (b) to pay the purchase price of Bonds tendered by the Owners thereof as provided in the Indenture.

Initially, each Bond will bear interest from the date of first authentication and delivery thereof at a Flexible Rate, determined by the Remarketing Agent, for the Flexible Period selected by the Owner thereof, as described herein. Thereafter, the interest rate on the Bonds may be changed in accordance with the Indenture to a Daily, Weekly, Monthly or Term Interest Rate.

The Bonds are subject to conversion to interest rates other than Flexible Rates as more fully described herein. After such conversion, such Bonds may cease to be subject to purchase as described herein. Upon the terms and conditions described herein, the Bonds will be subject to redemption prior to maturity.

The Bonds are issuable as fully registered Bonds without coupons, initially in the denomination of $100,000 and integral multiples of $5,000 in excess thereof. Interest on the Bonds while the Bonds bear interest at Flexible Rates will be payable on the Flexible Date with respect to each Bond by check mailed to the person in whose name such Bond is registered at the close of business on the record date. Interest may, at the option of any Owner of Bonds in an aggregate principal amount of at least $1,000,000, be transmitted by wire transfer to such Owner. Principal of and premium, if any, on all Bonds will be payable at the principal corporate trust office of The First National Bank of Chicago, as Trustee, in Chicago, Illinois.

Price: 100%

The Bonds are offered when, as and if issued by the Issuer and accepted by the Underwriter, subject to the approval of legality by Chapman and Cutler, Bond Counsel, and certain other conditions. Certain legal matters will be passed upon for the Underwriter by its counsel, Winthrop, Stimson, Putnam & Roberts. It is expected that the Bonds will be available for delivery in New York, New York, on or about May 23, 1991 against payment therefor.

Goldman, Sachs & Co.

May 22, 1991

No broker, dealer, salesman or other person has been authorized to give any information or to make any representations other than those contained in this Official Statement in connection with the offering made hereby and, if given or made, such information or representations must not be relied upon as having been authorized by the Issuer, PacifiCorp, Credit Suisse or the Underwriter. Neither the delivery of this Official Statement nor any sale hereunder shall under any circumstances create any implication that there has been no change in the affairs of the Issuer, Credit Suisse or PacifiCorp since the date hereof. The Issuer has not or will not assume any responsibility as to the accuracy or completeness of the information in this Official Statement, other than that relating to itself under the caption "THE ISSUER." Upon issuance, the Bonds will not be registered under the Securities Act of 1933, as amended, and will not be listed on any stock or other securities exchange. Neither the Securities and Exchange Commission nor any other federal, state, municipal or other governmental entity will have passed upon the accuracy or adequacy of this Official Statement or, other than the Issuer, approved the Bonds for sale.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SECURITIES OFFERED HEREBY AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

TABLE OF CONTENTS

$45,000,000
Emery County, Utah
Pollution Control Revenue Refunding Bonds
(PacifiCorp Project)
Series 1991

INTRODUCTORY STATEMENT

This Official Statement is provided to furnish certain information with respect to the offer by Emery County, Utah (the "Issuer") of $45,000,000 aggregate principal amount of Pollution Control Revenue Refunding Bonds (PacifiCorp Project) Series 1991 (the "Bonds").

The Bonds are being issued pursuant to a Trust Indenture dated as of May 1, 1991 (the "Indenture") between the Issuer and The First National Bank of Chicago, as Trustee (the "Trustee"). The proceeds from the sale of the Bonds will be loaned to PacifiCorp, the successor to Utah Power & Light Company (the "Company"), pursuant to the terms of a Loan Agreement dated as of May 1, 1991 (the "Agreement") and used to refund the Issuer's $45,000,000 Pollution Control Revenue Bonds, 11⅛% Series due April 1, 2011 (Utah Power & Light Company Project) (the "Prior Bonds"). The proceeds of the Prior Bonds were used to finance a portion of the Company's cost of acquiring, constructing and installing certain air and water pollution control and solid waste disposal facilities (the "Project") at the Hunter coal-fired, steam electric generating plant (the "Station") located in Emery County, Utah.

The Bonds, together with the premium, if any, and interest thereon, shall not constitute nor give rise to a general obligation or liability of the Issuer or a charge against its general credit or taxing powers nor an indebtedness of or a loan of credit thereof and shall be payable solely from the revenues to be received by the Issuer under the Agreement and from any other moneys pledged under the Indenture for such purpose, including moneys drawn under the Letter of Credit (hereinafter defined) or an Alternate Credit Facility (hereinafter defined), as the case may be. The Issuer shall not be obligated to pay the purchase price of the Bonds from any source. Under the Agreement, the Company is unconditionally obligated to pay amounts sufficient to provide for payment of the principal of, premium, if any, and interest on the Bonds (the "Loan Payments") and for payment of the purchase price of the Bonds.

The Bonds will be supported by an irrevocable direct-pay Letter of Credit (the "Letter of Credit") to be issued by Credit Suisse, acting through its Los Angeles Branch (the "Bank"). The Trustee will be entitled to draw under the Letter of Credit through May 23, 1994 (unless earlier terminated or extended) up to an amount sufficient to pay the principal of, and, initially, up to 294 days' accrued interest on the Bonds at 12% per annum to be used (a) to pay the principal of and interest on the Bonds and (b) to pay the purchase price of Bonds tendered by Owners thereof as provided in the Indenture. The Company is permitted under the Agreement and the Indenture to provide a letter of credit (the "Substitute Letter of Credit") issued by the Bank which is identical to the Letter of Credit except for terms as described herein. As used hereafter, "Letter of Credit" shall, unless the context otherwise requires, mean such Substitute Letter of Credit from and after the issuance date thereof. The Company also is permitted under the Agreement and Indenture to provide for the delivery of an alternate credit facility (an "Alternate Credit Facility") as described in the Indenture to replace a Letter of Credit or provide for the termination of a Letter of Credit or any Alternate Credit Facility then in effect. The entity obligated to make payments under an Alternate Credit Facility shall be referred to hereafter as the "Obligor on the Alternate Credit Facility." See "THE LETTER OF CREDIT" and "THE BONDS — Redemption Upon Expiration or Termination of Letter of Credit or Alternate Credit Facility."

Brief descriptions of the Issuer, the Bonds, the Letter of Credit, the method by which the interest rate on the Bonds is changed, the Agreement and the Indenture are included in this Official Statement, including Appendix C hereto. Information regarding the business, properties and financial condition of the Company is included in Appendix A hereto. A brief description of the Bank is included as Appendix B hereto. The descriptions herein of the Agreement, the Indenture and the Letter of Credit are qualified in their entirety by reference to such documents, and the descriptions herein of the Bonds are qualified in their entirety by reference to the forms thereof and the information with respect thereto included in the aforesaid documents. All such descriptions are further qualified in their entirety by reference to laws and principles of equity relating to or affecting the enforcement of creditors' rights generally. Copies of such documents may be obtained from the principal corporate trust office of the Trustee in Chicago, Illinois and, during the initial offering period, at the principal office of Goldman, Sachs & Co. in New York, New York.

THE ISSUER

The Issuer is a political subdivision, duly organized and existing under the Constitution and laws of the State of Utah. Pursuant to the Utah Industrial Facilities and Development Act, Title 11, Chapter 17, Utah Code Annotated 1953, as amended (the "Act"), the Issuer is authorized to issue the Bonds, to enter into the Indenture and the Agreement and to secure Bonds by an assignment to the Trustee of the payments to be made by the Company under the Agreement and a pledge of other moneys deposited with the Trustee under the Indenture. The Bonds will be limited obligations of the Issuer as described above.

THE PROJECT AND USE OF PROCEEDS

The Project financed in part with the proceeds of the Prior Bonds consists of certain air and water pollution control and solid waste disposal facilities at the Station.

It is expected that the proceeds from the sale of the Bonds, together with funds of the Company, will be applied to the redemption of $45,000,000 principal amount of the Prior Bonds at 103% of the principal amount of such Prior Bonds plus accrued interest thereon. An underwriting fee and the costs of issuance of the Bonds will be paid by the Company, other than from the proceeds of the Bonds.

THE BONDS

Reference is hereby made to the Bonds in their entirety for the detailed provisions thereof. Certain terms used herein are set forth below under the caption "THE BONDS — Certain Definitions".

General

The Bonds will mature on July 1, 2015 and are dated as of May 1, 1991. Bonds authenticated prior to the first Interest Payment Date shall bear interest from the date of the first authentication and delivery of Bonds. Bonds authenticated on or after the first Interest Payment Date thereon shall bear interest from the Interest Payment Date next preceding the date of authentication thereof. Each Bond shall bear interest on overdue principal and, to the extent permitted by law, on overdue premium, if any, and interest at the rates borne by the Bonds during such time.

The First National Bank of Chicago is Trustee and Registrar under the Indenture and has its corporate trust office in Chicago, Illinois. First Chicago Trust Company of New York has been designated as the delivery office of the Trustee and Registrar in New York, New York, for certain purposes. The Trustee and Registrar may be removed or replaced by the Issuer at the direction of the Company.

Principal of, premium, if any, and interest on the Bonds are payable at the place and in the manner specified on the cover page of this Official Statement. Bonds may be transferred or exchanged for Bonds of authorized denominations at the principal corporate trust office in Chicago, Illinois of The First National

Bank of Chicago or at the delivery office in New York, New York of the Trustee, without cost to the Owner, except for any tax or other governmental charge.

Goldman, Sachs & Co. has, at the direction of the Company, been appointed Remarketing Agent (the "Remarketing Agent") under a remarketing agreement and is acting in that capacity under the Indenture. The principal office of Goldman, Sachs & Co. is located in New York, New York. The Remarketing Agent may be removed or replaced by the Issuer at the direction of the Company and with the written consent of the Bank and the Issuer upon the giving of at least 30 days notice. The Remarketing Agent may at any time resign and be discharged of its duties and obligations as such by giving at least 30 days' notice to the Company, the Issuer, the Bank, the Registrar and the Trustee.

Interest on the Bonds

Flexible Rates. The Bonds shall initially bear interest at Flexible Rates not exceeding 12% per annum, which is, with respect to each Bond for a Flexible Period, an interest rate on such Bond established as hereafter described. Such interest will be payable on the Flexible Date for such Bond. "Flexible Date" means, with respect to each Bond, the day next succeeding the last day of a Flexible Period. "Flexible Period" means, with respect to each Bond, each consecutive period (one to no more than 270 days, or one to 365 or 366 days, as applicable, as determined by the Company, as described under the caption "THE LETTER OF CREDIT — Substitute Letter of Credit") established pursuant to the Indenture during which such Bond shall bear interest at a particular Flexible Rate. On the date interest starts to accrue on the Bonds at Flexible Rates and thereafter on each Flexible Date with respect to any Bond, except any Flexible Date that is a Conversion Date, the Remarketing Agent shall determine for each Flexible Period the interest rate which, in the judgment of the Remarketing Agent, when borne by a Bond having such a Flexible Period would be the minimum interest rate necessary to enable the Remarketing Agent to sell such Bond on such date at a price equal to 100% of the principal amount thereof.

Conversion to Alternative Rates. The method of determining interest payable on the Bonds may be converted from a Flexible Rate to another Floating Interest Rate (a Daily Interest Rate, a Weekly Interest Rate or a Monthly Interest Rate) or a Term Interest Rate (as each of those terms is described in Appendix C hereto) or from any such method of determination to any other method of determination under the conditions described below under the caption "CONVERSION OF RATE." The date on which the method of determining the interest on the Bonds is converted to another method, including a change in the duration of a Term Period (as that term is defined in Appendix C), is a "Conversion Date." Certain terms applicable to the Bonds at such time as the Bonds are not bearing interest at Flexible Rates are described in Appendix C hereto.

Payment and Accrual of Interest. The Bonds shall bear interest from and including the date of the first authentication and delivery thereof until payment of the principal or redemption price thereof shall have been made or provided for in accordance with the provisions of the Indenture, whether at maturity, upon redemption, acceleration or otherwise, at the lesser of (i) the Maximum Interest Rate (as hereafter defined) or (ii) the rate determined as described under the caption "THE BONDS — Interest on the Bonds" and in Appendix C hereto. "Maximum Interest Rate" means (i) while a Letter of Credit (or an Alternate Credit Facility, if applicable) is outstanding, the lesser of 20% per annum or the Interest Coverage Rate and (ii) at all other times, 20% per annum. "Interest Coverage Rate" means the rate specified in the Letter of Credit (or an Alternate Credit Facility, if applicable), initially 12%, which is used to determine the maximum amount that can be drawn to pay interest on the Bonds (or the portion of the purchase price corresponding to accrued interest) (the "Interest Component") for the number of days specified in the Letter of Credit (the "Interest Coverage Period"), initially 294 days.

Interest accrued on the Bonds during each Interest Period shall be paid to the Owner as of the Record Date on the next succeeding Interest Payment Date and, while the Bonds bear a Floating Interest Rate, computed on the basis of a year of 365 or 366 days, as applicable, for the actual number of days elapsed and, while the Bonds bear a Term Interest Rate, computed on the basis of a year of 360 days consisting of twelve 30-day months.

Certain Definitions

"Authorized Denomination" means (i) $100,000 and integral multiples of $5,000 in excess thereof while the Bonds bear interest at Flexible Rates, (ii) $100,000 and integral multiples thereof while the Bonds bear interest at a Daily Interest Rate, a Weekly Interest Rate or a Monthly Interest Rate, and (iii) $5,000 and integral multiples thereof while the Bonds bear interest at a Term Interest Rate.

"Business Day" means a day (a) on which banks located in New York, New York, banks located in the city in which the office of the Bank to which presentation of drafts upon the Letter of Credit are made is located (or the principal office of the Obligor on the Alternate Credit Facility is located, as the case may be), and banks located in the city in which the principal office of the Trustee is located are not required or authorized by law to remain closed or are not closed, and (b) on which The New York Stock Exchange, the principal office of the Remarketing Agent and the New York delivery office of the Trustee are not closed.

"Interest Accrual Date" means, with respect to any Interest Period (i) during which interest on the Bonds accrues at Flexible Rates, the last day of the applicable Flexible Period, (ii) during which interest on the Bonds accrues at a Daily Interest Rate, a Weekly Interest Rate or a Monthly Interest Rate, the day next preceding the first Business Day of the next succeeding calendar month and (iii) during which interest on the Bonds accrues at a Term Interest Rate, the day next preceding January 1 and July 1 of each year.

"Interest Payment Date" means (a) the day next succeeding the Interest Accrual Date, and (b) any Conversion Date.

"Interest Period" means the period from and including the date interest starts to accrue on the Bonds pursuant to a particular method of calculating interest to and including the next succeeding Interest Accrual Date and each succeeding period from the day next succeeding such Interest Accrual Date to and including (i) the next succeeding Interest Accrual Date or (ii) if earlier, the day next preceding a Conversion Date.

"Record Date" means (a) when a Bond bears interest at a Flexible Rate, the first day of a Flexible Period for such Bond; (b) when the Bonds bear interest at a Daily Interest Rate, a Weekly Interest Rate or a Monthly Interest Rate, the Interest Accrual Date; and (c) when the Bonds bear interest at a Term Interest Rate, the fifteenth day of the calendar month next preceding any Interest Payment Date.

Purchase of Bonds

Purchase While Bonds Bear Flexible Rates. On the Flexible Date with respect to a Bond, such Bond shall be purchased at a purchase price equal to 100% of the principal amount thereof upon delivery of the Bond (with all necessary endorsements) to the New York delivery office of the Trustee. If the Owner elects not to have his Bond purchased on such Flexible Date, the Owner shall give telephonic or written notice to the Remarketing Agent not later than 10:00 a.m., New York, New York time, on the Business Day next preceding the Flexible Date stating that the Owner elects not to have his Bond purchased on such Flexible Date and stating the next Flexible Period for such Bond, in which event and upon receipt of appropriate information confirmed in writing from the Remarketing Agent, the Trustee shall issue a new Bond to such Owner reflecting the next Flexible Period in exchange for the Bond then held by such Owner. Bonds to be purchased which are not delivered by the Owner thereof shall be deemed to have been delivered by the Owner thereof for purchase and to have been purchased, provided that there have been irrevocably deposited with the Trustee moneys in accordance with the Indenture in an amount sufficient to pay the purchase price of such Bonds. Moneys deposited with the Trustee for such purchase of Bonds shall be held in trust in a separate escrow account without liability for interest thereon and shall be paid to the Owners of such Bonds upon presentation thereof. The Trustee shall on the last day of each month give written notice to the Company whether Bonds have not been delivered, and upon direction to do so by the Company, the Trustee shall give notice by first class mail to each Owner whose Bonds are deemed to have been purchased that moneys representing the purchase price of such Bonds are available against delivery thereof at the New York delivery office of the Trustee and that interest on such Bonds ceased to accrue on the applicable Flexible Date.

While Bonds Bear Alternative Rates. While a Bond bears a Daily Interest Rate, a Weekly Interest Rate, a Monthly Interest Rate or a Term Interest Rate, such Bond will be purchased on the demand of the Owner thereof, as described in Appendix C hereto.

Funds for Purchase of Bonds. On the date on which Bonds delivered to the Trustee for purchase as specified above under "THE BONDS — Purchase of Bonds — Purchase While Bonds Bear Flexible Rates" or as described in Appendix C hereto are to be purchased, such Bonds shall be purchased at a purchase price equal to 100% of the principal amount thereof, plus accrued interest, if any. Funds for the payment of such purchase price shall be derived solely from the following sources in the order of priority indicated, and the Trustee has no obligation to use funds from any other source:

(a) Available Moneys (as hereinafter defined) directed by the Company to be used to purchase Bonds as described in the Indenture;

(b) proceeds of the sale of such Bonds by the Remarketing Agent;

(c) Available Moneys or moneys drawn under the Letter of Credit or an Alternate Credit Facility, as the case may be, for the purchase of defeased Bonds;

(d) proceeds of a drawing under the Letter of Credit or an Alternate Credit Facility, as the case may be, for such purchase; and

(e) any other moneys furnished by the Company for purchase of the Bonds;

provided, however, that funds for the payment of the purchase price of defeased Bonds shall be derived only from the sources described in (b) and (c) above, in such order of priority.

"Available Moneys" means (a) during such time as a Letter of Credit or an Alternate Credit Facility which does not consist of Mortgage Bonds (as defined in the Indenture) of the Company is outstanding, (i) moneys on deposit in trust with the Trustee for a period of 123 days prior to and during which no petition in bankruptcy or similar insolvency proceeding has been filed by or against the Company or the Issuer or is pending, (ii) proceeds of the issuance of refunding bonds if, in the written opinion of nationally recognized counsel experienced in bankruptcy matters and acceptable to the Issuer, Moody's Investors Service ("Moody's") (if the Bonds are then rated by Moody's) and the Trustee (which opinion shall be delivered to the Trustee at or prior to the time of the deposit of such proceeds with the Trustee), the deposit and use of such proceeds will not constitute a voidable preference under Section 547 of the United States Bankruptcy Code in the event the Issuer or the Company were to become debtors under the United States Bankruptcy Code, and (iii) any other money the application of which will not, in the written opinion of nationally recognized counsel experienced in bankruptcy matters and acceptable to the Issuer, Moody's (if the Bonds are then rated by Moody's), and the Trustee (which opinion shall be delivered to the Trustee at or prior to the time of such application), constitute a voidable preference under Section 544 or 547 of the United States Bankruptcy Code in the event the Issuer or the Company were to become debtors under the United States Bankruptcy Code, and (b) at any time that a Letter of Credit or an Alternate Credit Facility is not outstanding, or if an Alternate Credit Facility consisting of Mortgage Bonds of the Company is outstanding, any moneys on deposit with the Trustee and proceeds from the investment thereof.

Remarketing of Bonds

While the Bonds bear interest at Flexible Rates, the Remarketing Agent shall offer for sale and use its best efforts to remarket any Bond to be purchased on a Flexible Date on such Flexible Date, any such remarketing to be made at a price equal to 100% of the principal amount thereof and for such Flexible Periods as determined by the Remarketing Agent. In the event more than one prospective purchaser has offered to purchase a Bond on a Flexible Date, the Remarketing Agent shall remarket the Bond to the purchaser from among such prospective purchasers who has selected the next Flexible Period for such Bond which will, in the Remarketing Agent's judgment, taking into consideration the overall yield curve determined as of such Flexible Date and projected market conditions during the succeeding 270 days or 365 or 366 days, as applicable (depending on the maximum length of the then current Interest Coverage

Period), be the most beneficial for the financing program while the Bonds bear interest at Flexible Rates. If a Bond cannot be remarketed, the Flexible Date for such Bond shall be the next Business Day. While Bonds bear a Daily Interest Rate, a Weekly Interest Rate, a Monthly Interest Rate or a Term Interest Rate, the Remarketing Agent will offer for sale and use its best efforts to remarket Bonds to be purchased on the dates and at the purchase prices as described in this Official Statement.

No Purchases or Sales After Certain Defaults. Anything in the Indenture to the contrary notwithstanding, (i) at any time when neither the Letter of Credit nor an Alternate Credit Facility, as the case may be, is outstanding, there shall be no purchases or sales of Bonds as described above, and (ii) at any time during which the Letter of Credit or an Alternate Credit Facility, as the case may be, is outstanding, there shall be no sales of Bonds, if (A) there shall have occurred and not have been cured or waived an Event of Default described in paragraph (a), (b), (c), (d) or (e) under the caption "THE INDENTURE — Defaults" of which the Remarketing Agent and the Trustee have actual knowledge or (B) the Bonds have been declared to be immediately due and payable as described under the caption "THE INDENTURE — Remedies" and such declaration has not been rescinded pursuant to the Indenture.

Optional Redemption of Bonds

(a) While a Bond bears interest at a Flexible Rate, such Bond shall be subject to optional redemption on any Interest Payment Date for such Bond by the Issuer, in whole or in part (and if in part in an Authorized Denomination), at the written direction of the Company, at 100% of the principal amount thereof, plus accrued interest to the date of redemption, if any, upon at least 30 days' prior notice from the Company to the Issuer and the Trustee.

(b) While the Bonds bear interest at a Daily Interest Rate, a Weekly Interest Rate or a Monthly Interest Rate, the Bonds shall be subject to optional redemption on any Interest Payment Date by the Issuer, in whole or in part (and if in part in an Authorized Denomination), at the written direction of the Company, at 100% of the principal amount thereof, plus accrued interest to the date of redemption, if any, upon at least 30 days' prior notice from the Company to the Issuer and the Trustee.

(c) While the Bonds bear interest at a Term Interest Rate, the Bonds shall be subject to optional redemption on any Interest Payment Date by the Issuer, in whole or in part (and if in part in an Authorized Denomination), at the direction of the Company, upon at least 30 days' prior notice from the Company to the Issuer and the Trustee; provided, however, that the Bonds shall not be redeemable during the No-Call Period shown below, which shall begin on the first day of the Term Period. On and during the six months after the Interest Payment Date that ends the No-Call Period (or the next succeeding Interest Payment Date, if the No-Call Period does not end on an Interest Payment Date), the Bonds shall be redeemable at the percentage of their principal amount shown in the Initial Redemption Price column plus interest accrued to the redemption date. The redemption price shall decline semiannually by the amount shown in the SemiAnnual Reduction in Redemption Price column until the Bonds shall be redeemable without premium in the year or portion of a year indicated in the No Premium column and in any later years or periods in the Term Period.

Term Period					
Equal to or Greater Than	But Less Than	No-Call Period	Initial Redemption Price	SemiAnnual Reduction in Redemption Price	No Premium
18 Years	N/A	5 Years	103%	1/2%	9th Year
12 Years	18 Years	5 Years	103	1/2	9th Year
9 Years	12 Years	5 Years	102	1/2	8th Year
7 Years	9 Years	5 Years	101	1/2	7th Year
5 Years	7 Years	3 Years	101	1/2	5th Year
3 Years	5 Years	2 Years	100 1/2	1/4	4th Year
2 Years	3 Years	1 Year	100 1/4	1/4	18th Month
1 Year	2 Years	6 Months	100 1/8	1/8	12th Month
6 Months	1 Year	6 Months	100	N/A	N/A

If the Term Period is less than six months, the Bonds will not be redeemable as described in this paragraph. While a Letter of Credit or an Alternate Credit Facility, as the case may be, is outstanding, the Company may only cause a redemption of Bonds as described in this paragraph which would require a payment of a premium if on the date of the giving of notice of redemption the Trustee has Available Moneys in the Bond Fund or can draw under the Letter of Credit or an Alternate Credit Facility, as the case may be, in an amount sufficient to pay such premium due on the date of redemption. The initial Letter of Credit does not provide for drawings in respect of the amount of any such redemption premium.

If the interest rate borne by the Bonds is converted pursuant to the Indenture, and if in connection with such conversion the Company directs in writing to the Trustee and the Remarketing Agent pursuant to the Indenture that the foregoing schedule of premiums and No-Call Periods be revised and specifies the new premiums and No-Call Periods, the foregoing schedule of premiums and No-Call Periods shall be revised in accordance with such direction of the Company.

Extraordinary Optional Redemption of Bonds

At any time, the Bonds shall be subject to redemption by the Issuer in whole or in part (and if in part, in an Authorized Denomination), at the direction of the Company, upon at least 30 days' prior notice from the Company to the Issuer and the Trustee, at 100% of the principal amount thereof plus accrued interest to the redemption date, but without premium, if the Company shall deliver a certificate stating that one of the following events has occurred:

(i) the Company shall have determined that the continued operation of the Station is impracticable, uneconomical or undesirable for any reason; or

(ii) the Company shall have determined that the continued operation of the Project is impracticable, uneconomical or undesirable due to (A) the imposition of taxes, other than ad valorem taxes currently levied upon privately owned property used for the same general purpose as the Project, or other liabilities or burdens with respect to the Project or the operation thereof, (B) changes in technology, in environmental standards or legal requirements or in the economic availability of materials, supplies, equipment or labor or (C) destruction of or damage to all or part of the Project; or

(iii) all or substantially all of the Project or the Station shall have been condemned or taken by eminent domain; or

(iv) the operation of the Project or the Station shall have been enjoined or shall have otherwise been prohibited by, or shall conflict with, any order, decree, rule or regulation of any court or of any federal, state or local regulatory body, administrative agency or other governmental body.

Special Mandatory Redemption of Bonds

The Bonds are subject to mandatory redemption in whole or in part at 100% of the principal amount thereof plus accrued interest to the date of redemption within 180 days following a "Determination of Taxability" as described below. The Bonds shall be redeemed either in whole or in part in such principal amount that the interest payable on the Bonds remaining outstanding after such redemption would not be includible in the gross income of any Owner thereof for purposes of federal income taxation, other than an Owner of a Bond who is a "substantial user" of the Project (as hereinbefore defined) or a "related person" within the meaning of Section 103(b)(13) of the Internal Revenue Code of 1954, as amended (the "1954 Code").

A "Determination of Taxability" shall be deemed to have occurred if, as a result of an Event of Taxability (as defined below), a final decree or judgment of any federal court or a final action of the Internal Revenue Service determines that interest paid or payable on any Bond is or was includible in the gross income of an Owner of the Bonds for federal income tax purposes under the Internal Revenue Code of 1986 (the "Code") (other than an Owner who is a "substantial user" or "related person" within the meaning of Section 103(b)(13) of the 1954 Code). However, no such decree or action will be considered final for this purpose unless the Company has been given written notice and, if it is so desired

and is legally allowed, has been afforded the opportunity to contest the same, either directly or in the name of any Owner of a Bond, and until conclusion of any appellate review, if sought. If the Trustee receives written notice from any Owner stating (i) that the Owner has been notified in writing by the Internal Revenue Service that it proposes to include the interest on any Bond in the gross income of such Owner for the reasons described therein or any other proceeding has been instituted against such Owner which may lead to a final decree or action as described in the Agreement, and (ii) that such Owner will afford the Company the opportunity to contest the same, either directly or in the name of the Owner, until a conclusion of any appellate review, if sought, then the Trustee shall promptly give notice thereof to the Company, the Bank (or the Obligor on the Alternate Credit Facility, as the case may be), the Issuer and the Owner of each Bond then outstanding. If a final decree or action as described above thereafter occurs and the Trustee has received written notice thereof at least 45 days prior to the redemption date, the Trustee shall make the required demand for prepayment of the amounts payable under the Agreement for prepayment of the Bonds and give notice of the redemption of the Bonds at the earliest practical date, but not later than the date specified in the Agreement, and in the manner provided by the Indenture.

An "Event of Taxability" means the failure of the Company to observe any covenant, agreement or representation in the Agreement, which failure results in a Determination of Taxability.

Redemption Upon Expiration or Termination of Letter of Credit or Alternate Credit Facility

The Bonds are subject to mandatory redemption by the Issuer, in whole, at a price equal to 100% of the principal amount thereof, plus accrued interest, if any, on the earlier of (i) the Interest Payment Date next preceding the date of the expiration of the Letter of Credit or the Alternate Credit Facility except as provided in the following clause (ii), or (ii) a Business Day not fewer than five days next preceding the Business Day next preceding the termination date of the Letter of Credit or the Alternate Credit Facility as specified by the Company in a notice regarding delivery of a proposed Alternate Credit Facility or with respect to termination of the Letter of Credit or Alternate Credit Facility, except in connection with such delivery or termination where the Company provides written evidence from Moody's, if the Bonds are then rated by Moody's, and Standard & Poor's Corporation ("S&P"), if the Bonds are then rated by S&P, in each case to the effect that such rating agency has reviewed the proposed Alternate Credit Facility or the proposed termination of the Letter of Credit or Alternate Credit Facility and that the delivery of the proposed Alternate Credit Facility or such termination, respectively, will not, by itself, result in a reduction, suspension or withdrawal of its rating on the Bonds and further that the Company provides an opinion of Bond Counsel described herein under the caption "THE LETTER OF CREDIT — Alternate Credit Facility" and "THE LETTER OF CREDIT — Termination of Letter of Credit or Alternate Credit Facility." Notwithstanding the foregoing, there shall not be so redeemed (a) Bonds delivered to the Trustee for purchase on such Interest Payment Date or on such Business Day or on any Business Day from the date of notice of such redemption through the date of such redemption, (b) Bonds with respect to which the Trustee shall have received written directions not to so redeem the same from the Owners thereof, (c) Bonds purchased or deemed to have been purchased pursuant to the Indenture as described below under "THE BONDS — Purchase by Company in Lieu of Redemption," and (d) Bonds issued in exchange for or upon the registration of transfer of Bonds referred to in the preceding clauses (a) and (b).

An Owner of Bonds may direct the Issuer not to redeem any Bond or Bonds owned by it by delivering to the Trustee at its New York delivery office on or before the third Business Day preceding the date fixed for such redemption an instrument or instruments in writing executed by such Owner which, among other things, (i) specifies the numbers and denominations of the Bonds held by such Owner, (ii) specifically acknowledges each of the matters set forth in a notice given by the Trustee, and (iii) directs the Issuer not to redeem such Bonds. Any such instrument delivered to the Trustee shall be irrevocable with respect to the redemption for which such instrument was delivered and shall be binding upon subsequent Owners of such Bonds, including Bonds issued in exchange therefor or upon the registration of the transfer thereof.

Redemption Upon Conversion

The Bonds shall be subject to mandatory redemption by the Issuer, in whole, on a Conversion Date, at 100% of the principal amount thereof plus accrued interest, if any, or in the case of Bonds to be redeemed upon conversion from a Term Interest Rate, at the percentage of their principal amount at which they would be redeemed as described above under paragraph (c) of "THE BONDS — Optional Redemption of Bonds" on the Conversion Date; provided that there shall not be so redeemed (a) Bonds delivered to the Trustee for purchase on such Conversion Date or on any Business Day from the date notice of such redemption is given through the date of such redemption, (b) Bonds with respect to which the Trustee shall have received written directions not to so redeem the same from the Owners thereof, (c) Bonds purchased or deemed to have been purchased pursuant to the Indenture as described below under "THE BONDS — Purchase by Company in Lieu of Redemption," and (d) Bonds issued in exchange for or upon the registration of transfer of Bonds referred to in clauses (a) and (b) above. If the Term Period is less than six months, the Bonds will not be redeemable as described in this paragraph. While a Letter of Credit or an Alternate Credit Facility, as the case may be, is outstanding, the Company may only cause a redemption of Bonds as described in this paragraph which would require a payment of a premium if on the date of the giving of notice of redemption the Trustee can draw under the Letter of Credit or an Alternate Credit Facility, as the case may be, in an amount sufficient to pay such premium due on the date of redemption. The initial Letter of Credit does not provide for drawings in respect of the amount of any such redemption premium.

An Owner may direct the Issuer not to redeem any Bond or Bonds owned by it by delivering to the New York delivery office of the Trustee on or before the third Business Day (sixth Business Day if the Bonds are to be converted to a Term Interest Rate) preceding the date fixed for such redemption an instrument or instruments in writing executed by such Owner which, among other things, (i) specifies the numbers and denominations of the Bonds held by such Owner, (ii) specifically acknowledges each of the matters set forth in a notice given by the Trustee, and (iii) directs the Issuer not to redeem such Bonds. Any such instrument delivered to the Trustee shall be irrevocable with respect to the redemption for which such instrument is delivered and shall be binding upon subsequent Owners of such Bonds, including Bonds issued in exchange therefor or upon the registration of the transfer thereof.

Denomination Redemption

The Bonds or portions thereof are subject to mandatory redemption by the Issuer on the Interest Payment Date upon which the Bonds begin to accrue interest at (i) a Daily Interest Rate, a Weekly Interest Rate, a Monthly Interest Rate or Flexible Rates following conversion from a Term Interest Rate, and (ii) a Daily Interest Rate, a Weekly Interest Rate or a Monthly Interest Rate following conversion from Flexible Rates, in each case, in such amounts so that all outstanding Bonds are in Authorized Denominations.

Purchase by Company in Lieu of Redemption

The Company shall have the right to purchase or cause to be purchased Bonds to be redeemed as described above under "THE BONDS — Redemption Upon Expiration or Termination of Letter of Credit or Alternate Credit Facility," "THE BONDS — Redemption Upon Conversion" and "THE BONDS — Denomination Redemption" at a purchase price equal to 100% of the principal amount of the Bonds to be so purchased plus accrued interest, if any, or in the case of a purchase on conversion from a Term Interest Rate, the redemption price for redemption of such Bonds on the Conversion Date as described above under (c) of "THE BONDS — Optional Redemption of Bonds." Moneys for the payment of the purchase price shall be derived, in the following order of priority, from: (i) Available Moneys furnished by the Company for such purchase, (ii) proceeds of the sale of such Bonds, (iii) Available Moneys or moneys drawn under the Letter of Credit or Alternate Credit Facility, as the case may be, for the purchase of defeased Bonds, (iv) moneys drawn under the Letter of Credit or an Alternate Credit Facility, as the case may be, for such purchase and (v) any other moneys furnished by the Company for such purchase; provided, however, that funds for the payment of the purchase price of defeased Bonds shall be derived only from the sources described in (ii) and (iii) above, in such order of priority; and provided further that

if in connection with such redemption, the Letter of Credit or an Alternate Credit Facility which does not consist of Mortgage Bonds of the Company is replaced with an Alternate Credit Facility consisting of Mortgage Bonds of the Company or is not being replaced by any other Alternate Credit Facility, moneys for the payment of the purchase price of the Bonds may not be derived from (ii) above. Bonds to be so purchased pursuant to the Indenture on the date fixed for redemption of such Bonds which are not delivered on such date will nonetheless be deemed to have been delivered for purchase by the Owners thereof and to have been purchased pursuant to the Indenture. The Trustee shall hold moneys for such purchase of Bonds, without liability for interest thereon, for the benefit of the former Owner of the Bond on such date of purchase, who shall thereafter be restricted exclusively to such moneys for any claim of whatever nature on such Owner's part under the Indenture or on, or with respect to, such Bond. Any moneys so deposited with and held by the Trustee not so applied to the payment of Bonds within six months after such date of purchase shall be paid by the Trustee to the Bank (or the Obligor on the Alternate Credit Facility, as the case may be) to the extent of any amount payable under the Reimbursement Agreement (as defined below) and the balance to the Company upon the written direction of the Company, and thereafter the former Owners shall be entitled to look only to the Company for payment, and then only to the extent of the amount so repaid, and the Company shall not be liable for any interest thereon and shall not be regarded as a trustee of such money.

Procedure for and Notice of Redemption

If less than all of the Bonds shall be called for redemption, the particular Bonds or portions thereof to be redeemed shall be selected by the Trustee, in such manner as the Trustee in its sole discretion may deem proper, in the principal amount designated by the Company or otherwise as required by the Indenture. In selecting Bonds for redemption, the Trustee shall treat each Bond as representing that number of Bonds which is obtained by dividing the principal amount of each Bond by the minimum denomination in which Bonds are then authorized to be issued at the time of such redemption. Any Bonds selected for redemption which are deemed to be paid in accordance with the provisions of the Indenture will cease to bear interest on the date fixed for redemption. Upon presentation and surrender of such Bonds at the place or places of payment such Bonds shall be paid and redeemed. Notice of redemption shall be given by mail as provided in the Indenture, at least 10 days prior to the redemption date, provided that the failure to duly give notice by mailing to any Owner, or any defect therein, shall not affect the validity of any proceedings for the redemption of any other of the Bonds. Such notice will also be sent to major bond rating agencies, certificate depositories and bond information services.

With respect to notice of any optional redemption of the Bonds, as described above, unless upon the giving of such notice, such Bonds shall be deemed to have been paid within the meaning of the Indenture, such notice shall state that such redemption shall be conditional upon the receipt by the Trustee, on or prior to the date fixed for such redemption, of moneys sufficient to pay the principal of, premium, if any, and interest on such Bonds to be redeemed. If such moneys are not so received, the Issuer will not redeem such Bonds and the Trustee shall give notice, in the manner in which the notice of redemption was given, that such redemption will not take place.

THE LETTER OF CREDIT

The following is a brief description of the Letter of Credit and certain of the terms of the Letter of Credit and the agreement dated as of May 1, 1991 between the Company and the Bank pursuant to which such Letter of Credit is issued (a "Reimbursement Agreement" which term shall also include the document pursuant to which an Alternate Credit Facility is issued), as well as a description of certain terms of the Agreement.

The Letter of Credit will be an irrevocable direct-pay obligation of the Bank to pay to the Trustee, upon request and in accordance with the terms thereof, up to (a) an amount equal to the outstanding principal amount of the Bonds to be used (i) to pay the principal of the Bonds, (ii) to enable the Trustee to pay the portion of the purchase price equal to 100% of the principal amount of Bonds delivered or deemed delivered to it for purchase and not remarketed by the Remarketing Agent or (iii) to enable the

Company to purchase Bonds in lieu of redemption under certain circumstances, plus (b) an amount equal to 294 days' accrued interest on the Bonds (calculated at a rate of 12% per annum and on the basis of a year of 365 days), to be used (i) to pay interest on the Bonds or (ii) to enable the Trustee to pay the portion of the purchase price of Bonds properly delivered for purchase equal to the accrued interest, if any, on such Bonds. The Company is permitted under the Reimbursement Agreement and the Agreement to secure an extension of the Letter of Credit beyond the expiration date of the then current Letter of Credit, but the Bank is under no obligation to agree to such an extension.

The Bank's obligation under the Letter of Credit will be reduced to the extent of any drawings thereunder. However, with respect to a drawing by the Trustee to enable the Trustee to pay the purchase price of Bonds delivered for purchase and not remarketed by the Remarketing Agent, such amounts shall be immediately reinstated upon reimbursement. With respect to a drawing by the Trustee for the payment of interest on the Bonds, the amount that may be drawn under the Letter of Credit will be automatically reinstated to the extent of such drawing as of the close of business on the ninth Business Day following such drawing unless the Bank shall have notified the Trustee within nine Business Days after such drawing that the Company has failed to reimburse the Bank or to cause it to be reimbursed for such drawing.

Upon an acceleration of the maturity of the Bonds due to an event of default under the Indenture, the Trustee will be entitled to draw on the Letter of Credit, if it is then in effect, to the extent of the aggregate principal amount of the Bonds outstanding, plus up to 294 days' interest accrued and unpaid on the Bonds, less amounts paid in respect of principal or interest for which the Letter of Credit has not been reinstated as described above.

The Letter of Credit shall expire (the "Expiration Date") at 4:00 p.m. local time in Los Angeles, California, upon the earliest of (i) May 23, 1994, unless otherwise extended pursuant to an agreement between the Bank and the Company, (ii) the making of a final drawing under the Letter of Credit, or (iii) the date the Trustee surrenders the Letter of Credit to the Bank for cancellation. The Trustee agrees to surrender the Letter of Credit to the Bank, and not to make any drawing, after (i) the Expiration Date, (ii) there are no Bonds outstanding under the Indenture, or (iii) a Substitute Letter of Credit or Alternate Credit Facility, as the case may be, has been delivered to the Trustee.

Alternate Credit Facility

At any time (with notice to the Bank or the Obligor on the Alternate Credit Facility, as the case may be) the Company may, at its option, provide for the delivery to the Trustee on any Business Day of an Alternate Credit Facility to replace the Letter of Credit or the Alternate Credit Facility then in effect, as the case may be. An Alternate Credit Facility may have an expiration date earlier than the maturity of the Bonds, but in no event shall such Alternate Credit Facility have an expiration date earlier than one year from the date of its delivery. The Company must furnish to the Trustee (i) an opinion of nationally recognized Bond Counsel ("Bond Counsel") stating that the delivery of such Alternate Credit Facility is authorized under the Agreement and complies with the terms thereof and will not impair the validity under the Act of the Bonds or will not cause the interest on the Bonds to become includible in the gross income of the Owners thereof for federal income tax purposes and (ii) written evidence from Moody's, if the Bonds are then rated by Moody's, and S&P, if the Bonds are then rated by S&P, in each case to the effect that such rating agency has reviewed the proposed Alternate Credit Facility and that the delivery of the proposed Alternate Credit Facility will not, by itself, result in a reduction, suspension or withdrawal of its rating or ratings of the Bonds.

The Company may, however, at any time, provide for the delivery on any Business Day to the Trustee of an Alternate Credit Facility where the above-described evidence from Moody's or S&P's is not received. In that event, the Bonds are subject to redemption as more fully described herein under the caption "THE BONDS — Redemption Upon Expiration or Termination of Letter of Credit or Alternate Credit Facility".

Substitute Letter of Credit

The Company may, at its option, at any time provide for the delivery to the Trustee of a Substitute Letter of Credit. No Substitute Letter of Credit may be delivered which:

(i) so long as the Bonds bear interest at Flexible Rates, reduces the Interest Coverage Period to a period shorter than 294 days (during such time as Flexible Periods can be from one to not more than 270 days) or 389 or 390 days, as applicable (during such time as Flexible Periods can be from one to 365 or 366 days, as applicable);

(ii) so long as the interest rate borne by the Bonds is a Daily Interest Rate, a Weekly Interest Rate or a Monthly Interest Rate, reduces the Interest Coverage Period to a period shorter than 65 days;

(iii) so long as the interest rate borne by the Bonds is a Term Interest Rate, reduces the Interest Coverage Period to a period shorter than 208 days; or

(iv) decreases the Interest Coverage Rate below 12%.

The Company may, at its option, at any time direct in writing the Trustee and the Remarketing Agent to allow the selection of Flexible Periods of from one to 365 or 366 days, as applicable, or from one to 270 days, but only if (for such time as Flexible Periods can be from one to 365 or 366 days, as applicable) the Company provides for the delivery to the Trustee of a Substitute Letter of Credit which increases the Interest Coverage Period to 389 or 390 days, as applicable.

Termination of Letter of Credit or Alternate Credit Facility

At any time, the Company may, at its option, provide for the termination on any Business Day of the Letter of Credit or any Alternate Credit Facility then in effect. The Company must furnish to the Trustee (i) an opinion of Bond Counsel stating that the termination of the Letter of Credit or Alternate Credit Facility is authorized under the Agreement and complies with the terms thereof and will not impair the validity under the Act of the Bonds or will not cause the interest on the Bonds to become includible in the gross income of the Owners thereof for purposes of federal income taxation and (ii) written evidence from Moody's, if the Bonds are then rated by Moody's, and S&P, if the Bonds are then rated by S&P, in each case to the effect that such rating agency has reviewed the proposed termination of the Letter of Credit or Alternate Credit Facility and that such termination will not, by itself, result in a reduction, suspension or withdrawal of its rating or ratings of the Bonds.

The Company may, however, at any time, at its option, provide for the termination on any Business Day of the Letter of Credit or any Alternate Credit Facility then in effect when the above-described evidence from Moody's or S&P is not received. In that event, the Bonds are subject to redemption as more fully described herein under the caption "THE BONDS — Redemption Upon Expiration or Termination of Letter of Credit or Alternate Credit Facility."

CONVERSION OF RATE

Conversion to Term Interest Rate or Floating Interest Rates. The interest rate borne by the Bonds (the type of interest rate in effect immediately prior to a conversion being herein called the "Existing Rate") shall be converted to a Term Interest Rate, a Term Interest Rate with a Term Period of different duration than the then current Term Period or any of the Floating Interest Rates, upon receipt by the Trustee of a written direction from the Company specifying the specific method of interest accrual on the Bonds and the effective date (which, if a Letter of Credit or an Alternate Credit Facility is outstanding, shall be a date at least 11 days prior to the Interest Payment Date next preceding the scheduled expiration date of the Letter of Credit or Alternate Credit Facility, as the case may be) of the conversion to such method of accrual, specifying changes, if any, to the Bond redemption prices and No-Call Periods and, if applicable, specifying the duration of the Term Period (which must be a period of six months or an integral multiple thereof, provided that the first Term Period may be less than such period but must end on the day next preceding a January 1 or July 1). The Conversion Date must be (a) if the Existing Rate is

a Floating Interest Rate, a Business Day not less than 30 days from the date of receipt by the Trustee of the written direction from the Company specified above or (b) if the Existing Rate is a Term Interest Rate, a January 1 or July 1 not less than 20 days after the receipt by the Trustee of the written notice specified above and not prior to the end of the No-Call Period for such Term Period. The written direction shall be accompanied by a written opinion, addressed to the Trustee, the Issuer, the Company, the Bank (or the Obligor on the Alternate Credit Facility, as the case may be) and the Remarketing Agent, of Bond Counsel selected by the Company and acceptable to the Trustee and the Remarketing Agent stating that such conversion (i) is authorized or permitted by the Indenture, (ii) will not cause interest on the Bonds to become includible in the gross income of the Owners thereof for purposes of federal income taxation and (iii) will not violate the provisions of the Act or Utah law. The conversion of the interest rate borne by the Bonds shall not become effective unless on the Conversion Date the Trustee shall have received an opinion of Bond Counsel dated the Conversion Date reaffirming the conclusions of the opinion accompanying the written direction of the Company initiating the conversion.

Inability To Convert. If for any reason a change in method of calculation of interest on the Bonds cannot proceed, the Bonds shall continue to bear interest calculated in the method applicable prior to the proposed change.

Notice to Owners of Conversion. The Trustee shall give notice by first-class mail to the Owners of Bonds not less than 10 days and not more than 15 days prior to the Conversion Date. Such notice shall state (i) that the method of determining the interest rate on the Bonds will be converted to an alternate method of determining the rate, (ii) the effective date of the alternate method of determining the rate, (iii) the procedures and dates involved in determining the rate and the procedure for notifying Owners of the interest rate, (iv) when interest on the Bonds will be payable after the effective date, (v) if the Trustee has been so notified by the Company, whether the Letter of Credit or an Alternate Credit Facility, as the case may be, will be in effect after such effective date and, if so, the issuer, the expiration terms and the interest coverage (including the Interest Coverage Period and the Interest Coverage Rate) of the Letter of Credit or Alternate Credit Facility, as the case may be, (vi) whether subsequent to such effective date the Owners of Bonds will no longer have the right to deliver Bonds to the Trustee for purchase, (vii) that the rating on the Bonds by Moody's, if the Bonds are then rated by Moody's, and S&P, if the Bonds are then rated by S&P, may be reduced, suspended or withdrawn, and (viii) that all outstanding Bonds not repurchased on or prior to the effective date will be redeemed on such effective date except Bonds with respect to which the Owner has directed the Issuer not to redeem the same in accordance with the Indenture.

THE AGREEMENT

Loan Payments

As Loan Payments, the Company will pay to the Trustee, for the account of the Issuer, an amount equal to the principal of, premium, if any, and interest on the Bonds when due on the dates, in the amounts and in the manner provided in the Indenture for the payment of the principal of, premium, if any, and interest on the Bonds, whether at maturity, upon redemption, acceleration or otherwise; provided, however, that the obligation of the Company to make any such Loan Payment will be deemed to be satisfied and discharged to the extent of the corresponding payment made (i) by the Bank to the Trustee under the Letter of Credit or (ii) by the Obligor on the Alternate Credit Facility to the Trustee under the Alternate Credit Facility.

From the date of the original issuance of the Bonds to and including the Interest Payment Date next preceding the date of expiration or earlier termination of the Letter of Credit (or an Alternate Credit Facility, as the case may be), the Company will provide for the payment of the principal of the Bonds, upon redemption or acceleration, and interest on the Bonds when due, by the delivery of the Letter of Credit (or an Alternate Credit Facility, as the case may be) to the Trustee. The Trustee will be directed to draw moneys under the Letter of Credit (or an Alternate Credit Facility, as the case may be), in accordance with the provisions of the Indenture and the Letter of Credit (or an Alternate Credit Facility, as the case may be), to the extent necessary to pay the principal of, premium, if any (if covered by such Letter of Credit or Alternate Credit Facility, as the case may be), and interest on the Bonds if and when

due. The initial Letter of Credit does not provide for drawings in respect of amounts of such redemption premium.

Payments to Trustee

The Company will pay to the Trustee amounts equal to the amounts to be paid by the Trustee pursuant to the Indenture for the purchase of outstanding Bonds, such amounts to be paid by the Company to the Trustee on the dates such payments are to be made; provided, however, that the obligation of the Company to make any such payment under the Agreement shall be reduced by the amount of any moneys available for such payments, including proceeds from the remarketing of the Bonds or moneys drawn under the Letter of Credit (or an Alternate Credit Facility, as the case may be).

From the date of the original issuance of the Bonds to and including the Interest Payment Date next preceding the date of the expiration or earlier termination of the Letter of Credit (or an Alternate Credit Facility, as the case may be), the Company will provide for the payment of the amounts to be paid by the Trustee for the purchase of Bonds by the delivery of the Letter of Credit (or an Alternate Credit Facility, as the case may be) to the Trustee. The Trustee will be directed to draw moneys under the Letter of Credit (or an Alternate Credit Facility, as the case may be), in accordance with the provisions of the Indenture and the Letter of Credit (or an Alternate Credit Facility, as the case may be), to the extent necessary for the purchase of Bonds.

Obligation Absolute

The Company's obligation to make Loan Payments and payments to the Trustee for the purchase of Bonds is absolute, irrevocable and unconditional and will not be subject to any defense other than payment or to any right of setoff, counterclaim or recoupment arising out of any breach by the Issuer, the Bank (or Obligor on the Alternate Credit Facility), the Trustee or the Remarketing Agent of any obligation to the Company.

Expenses

The Company is obligated to pay reasonable compensation and to reimburse certain expenses and advances of the Issuer, the Trustee, the Registrar, the Remarketing Agent, Moody's and S&P directly to such entity.

Tax Covenants; Tax-Exempt Status of Bonds

The Company covenants that the Bond proceeds, the earnings thereon and other moneys on deposit with respect to the Bonds will not be used in such a manner as to cause the Bonds to be arbitrage bonds within the meaning of the Code.

The Company covenants that it will not take, or permit to be taken on its behalf, any action which would cause the interest on the Bonds to become includible in the gross income of Owners of the Bonds for purposes of federal income taxation and will take, or require to be taken, such action as may, from time to time, be required under applicable law or regulation to continue to cause the interest on the Bonds not to be includible in the gross income of the Owners thereof for purposes of federal income taxation. See "TAX EXEMPTION."

Assignment; Merger

With the consent of the Bank (or the Obligor on the Alternate Credit Facility, as the case may be), the Company's interest in the Agreement may be assigned in whole or in part by the Company to another entity, subject, however, to the conditions that no assignment shall (a) cause the interest payable on the Bonds (other than Bonds held by a "substantial user" or "related person" within the meaning of Section 103(b)(13) of the 1954 Code) to become includible in the gross income of the Owners thereof for purposes of federal income taxation or (b) relieve (other than as described in the next succeeding paragraph) the Company from primary liability for its obligations to make the Loan Payments or to make payments to the Trustee with respect to the purchase of the Bonds or for any other of its obligations under the Agreement; and subject further to the condition that the Company shall have delivered to the Trustee and the Bank (or the Obligor on the Alternate Credit Facility, as the case may be) an opinion of

counsel to the Company that such assignment complies with the provisions of this paragraph. The Company shall, within 30 days after the delivery thereof, furnish to the Issuer, the Bank (or Obligor on the Alternate Credit Facility, as the case may be) and the Trustee a true and complete copy of the agreements or other documents effectuating any such assignment.

The Company also may (a) consolidate with or merge into another domestic corporation (i.e., a corporation incorporated and existing under the laws of one of the states of the United States or of the District of Columbia), or sell or otherwise transfer to another domestic corporation all or substantially all of its assets as an entirety and thereafter dissolve, provided the resulting, surviving or transferee corporation, as the case may be, shall be the Company or a corporation, qualified to do business in the State of Utah as a foreign corporation or incorporated and existing under the laws of the State of Utah, which as a result of the transaction shall assume (either by operation of law or in writing) all of the obligations of the Company under the Agreement; or (b) convey all or substantially all of its assets to one or more wholly owned subsidiaries of the Company so long as the Company shall remain in existence and primarily liable on all of its obligations under the Agreement and the subsidiary or subsidiaries to which such assets shall be so conveyed shall guarantee in writing the performance of all of the Company's obligations under the Agreement.

Defaults

Each of the following events will constitute an "Event of Default" under the Agreement:

(a) a failure by the Company to make when due any Loan Payment or any payment required to be made to the Trustee for the purchase of Bonds, which failure shall have resulted in an "Event of Default" as described herein in paragraph (a), (b) or (c) under "THE INDENTURE — Defaults";

(b) a failure by the Company to pay when due any other amount required to be paid under the Agreement or to observe and perform any other covenant, condition or agreement on the Company's part to be observed or performed (other than a failure described in clause (a) above), which failure continues for a period of 60 days (or such longer period as the Trustee and the Bank (or the Obligor on the Alternate Credit Facility, as the case may be) may agree to in writing) after written notice given to the Company and the Bank (or the Obligor on the Alternate Credit Facility, as the case may be) by the Trustee or to the Company, the Trustee and the Bank (or the Obligor on the Alternate Credit Facility, as the case may be) by the Issuer; provided, however, that if such failure is other than for the payment of money and cannot be corrected within the applicable period, such failure shall not constitute an Event of Default so long as the Company institutes corrective action within the applicable period and such action is being diligently pursued; or

(c) certain events of bankruptcy, dissolution, liquidation or reorganization of the Company.

The Agreement provides that, with respect to any Event of Default described in clause (b) above if, by reason of acts of God, strikes, orders of political bodies, certain natural disasters, civil disturbances and certain other events, or any cause or event not reasonably within the control of the Company, the Company is unable in whole or in part to carry out one or more of its agreements or obligations contained in the Agreement (other than its obligations to make when due Loan Payments and payments to the Remarketing Agent or the Trustee for the purchase of Bonds and its obligation to maintain its existence), the Company shall not be deemed in default by reason of not carrying out such agreement or performing such obligation during the continuance of such inability.

Remedies

Upon the occurrence and continuance of any Event of Default described in (a) or (c) in the second preceding paragraph, and further upon the condition that, in accordance with the terms of the Indenture, the Bonds shall have been declared to be immediately due and payable pursuant to any provision of the Indenture, the Loan Payments shall, without further action, become and be immediately due and payable. Any waiver of any "Event of Default" under the Indenture and a rescission and annulment of its consequences will constitute a waiver of the corresponding Event or Events of Default under the

Agreement and a rescission and annulment of the consequences thereof. See the caption "THE INDENTURE — Defaults."

Upon the occurrence and continuance of any Event of Default under the Agreement, the Issuer may take any action at law or in equity to collect any payments then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement or covenant of the Company under the Agreement.

Any amounts collected upon an Event of Default under the Agreement will be applied in accordance with the Indenture.

Amendments

The Agreement may be amended subject to the limitations contained in the Agreement and in the Indenture. See the caption "THE INDENTURE — Amendment of the Agreement."

THE INDENTURE

Pledge and Security

Pursuant to the Indenture, the Loan Payments will be pledged by the Issuer to secure the payment of the principal of, and premium, if any, and interest on, the Bonds and all other amounts payable under the Indenture. The Issuer will also pledge and assign to the Trustee all its rights and interests under the Agreement (other than its rights to indemnification and reimbursement of expenses and certain other rights), and has pledged to the Trustee all moneys and obligations deposited or to be deposited in the Bond Fund established with the Trustee; provided that the Trustee will have a prior claim on the Bond Fund for the payment of its compensation and expenses and for the repayment of any advances (plus interest thereon) made by it to effect performance of certain covenants in the Indenture (except that the Trustee will not have such priority with respect to amounts deposited in the Bond Fund from amounts drawn under the Letter of Credit or Alternate Credit Facility).

Application of the Bond Fund

There is created under the Indenture a Bond Fund and therein established a Principal Account and an Interest Account. Loan Payments, amounts drawn by the Trustee under the Letter of Credit (or an Alternate Credit Facility, as the case may be) for payment of the principal of, premium, if any, and interest on, the Bonds when due, and certain other amounts specified in the Indenture are to be deposited in the appropriate account in the Bond Fund. While any Bonds are outstanding and except as provided in a tax certificate and agreement among the Trustee, the Issuer and the Company, moneys in the Bond Fund will be used solely for the payment of the principal of, and premium, if any, and interest on, the Bonds when due, or, in some circumstances, for payment of the purchase price of the Bonds, subject to the prior claim of the Trustee to the extent described in "THE INDENTURE — Pledge and Security."

Funds for the payment of the principal of, and premium, if any, and interest on, the Bonds shall be derived from the following sources in the order of priority indicated:

(a) Available Moneys;

(b) moneys drawn under the Letter of Credit or an Alternate Credit Facility, as the case may be; and

(c) any other moneys paid by the Company pursuant to the Agreement or any other moneys in the Bond Fund.

Investment of Funds

Moneys in the Bond Fund will, at the direction of the Company, be invested in securities or obligations specified in the Indenture, provided, however, that during the term of the Letter of Credit (or

an Alternate Credit Facility, as the case may be) moneys drawn under the Letter of Credit (or an Alternate Credit Facility, as the case may be) shall be invested by the Trustee only in Government Obligations (as defined in the Indenture) with a term not exceeding 30 days. All income or other gain from such investments will be credited, and any loss will be charged, to the particular fund or account from which the investments were made.

Defaults

Each of the following events will constitute an "Event of Default" under the Indenture:

(a) a failure to pay the principal of, or premium, if any, on, any of the Bonds (other than Bonds pledged to the Bank (the "Pledged Bonds")) when the same becomes due and payable at maturity, upon redemption or otherwise;

(b) a failure to pay an installment of interest on any of the Bonds (other than Pledged Bonds) for a period of five days after such interest has become due and payable;

(c) a failure to pay amounts due to Owners of the Bonds who have delivered Bonds to the Trustee for purchase for a period of five days after such payment has become due and payable;

(d) the Trustee's receipt of notice from the Bank not later than the ninth Business Day following a drawing under the Letter of Credit to pay interest on the Bonds that the Bank has not been reimbursed for such drawing;

(e) the Trustee's receipt of notice from the Bank (or the Obligor on the Alternate Credit Facility, as the case may be) of an "Event of Default" under and as defined in the Reimbursement Agreement (which may be caused by the failure of the Company to comply with any of its covenants and obligations thereunder);

(f) a failure by the Issuer to observe and perform any covenant, condition, agreement or provision contained in the Bonds or the Indenture (other than a failure described in clause (a), (b) or (c) above), which failure shall continue for a period of 90 days after written notice given to the Issuer and the Company by the Trustee, which notice may be given at the discretion of the Trustee and must be given at the written request of the Owners of not less than 25% in principal amount of Bonds then outstanding, unless such period is extended prior to its expiration by the Trustee, or by the Trustee and the Owners of a principal amount of Bonds not less than the principal amount of Bonds the Owners of which requested such notice, as the case may be; provided, however, that the Trustee, or the Trustee and the Owners of such principal amount of Bonds, as the case may be, will be deemed to have agreed to an extension of such period if corrective action is initiated by the Issuer, or the Company on behalf of the Issuer, within such period and is being diligently pursued; or

(g) an "Event of Default" under the Agreement.

Remedies

(i) Upon the occurrence (without waiver or cure) of an Event of Default described in clause (a), (b) or (c) of the preceding paragraph or an Event of Default described in clause (g) of the preceding paragraph resulting from an "Event of Default" under the Agreement as described under clause (a) or (c) of "THE AGREEMENT — Defaults" herein, the Trustee may (and upon the written request of the Owners of not less than 25% in principal amount of the Bonds then outstanding the Trustee must), or (ii) upon the occurrence (without waiver or cure) of an Event of Default described in clause (d) or (e) of the preceding paragraph, the Trustee must, by written notice to the Issuer, the Company and the Bank (or the Obligor on the Alternate Credit Facility, as the case may be), declare the Bonds to be immediately due and payable, whereupon they shall, without further action, become and be immediately due and payable and, during the period the Letter of Credit (or an Alternate Credit Facility, as the case may be) is in effect, with accrued interest on the Bonds payable on the Bond Payment Date (as defined in the Indenture) established by the Trustee pursuant to the Indenture, anything in the Indenture or in the Bonds to the contrary notwithstanding, and the Trustee shall give notice thereof to the Issuer, the

Company and the Bank (or the Obligor on the Alternate Credit Facility, as the case may be) and shall give notice by first-class mail thereof to Owners of the Bonds, and the Trustee shall as promptly as practicable draw moneys under the Letter of Credit or an Alternate Credit Facility, as the case may be, to the extent available thereunder, in an amount sufficient to pay principal of and accrued interest on the Bonds payable on the Bond Payment Date.

The provisions described in the preceding paragraph are subject to the condition that if, so long as no Letter of Credit or Alternate Credit Facility is outstanding, after the principal of the Bonds shall have been so declared to be due and payable, and before any judgment or decree for the payment of the moneys due shall have been obtained or entered as hereinafter provided, the Issuer shall cause to be deposited with the Trustee a sum sufficient to pay all matured installments of interest upon all Bonds and the principal of any and all Bonds which shall have become due otherwise than by reason of such declaration (with interest upon such principal and, to the extent permissible by law, on overdue installments of interest, at the rate per annum specified in the Bonds) and such amount as shall be sufficient to cover reasonable compensation and reimbursement of expenses payable to the Trustee, and all Events of Default under the Indenture (other than nonpayment of the principal of Bonds which shall have become due by said declaration) shall have been remedied, then, in every such case, such Event of Default shall be deemed waived and such declaration and its consequences rescinded and annulled, and the Trustee shall promptly give written notice of such waiver, rescission and annulment to the Issuer and the Company and shall give notice thereof to Owners of the Bonds by first-class mail; but no such waiver, rescission and annulment shall extend to or affect any subsequent Event of Default or impair any right or remedy consequent thereon.

The provisions of the second preceding paragraph are, further, subject to the condition that, if an Event of Default described in clause (d) or (e) of "THE INDENTURE — Defaults" shall have occurred and if the Trustee shall thereafter have received written notice from the Bank (or the Obligor on the Alternate Credit Facility, as the case may be) (x) that the notice which caused such Event of Default to occur has been withdrawn and (y) that the amounts available to be drawn on the Letter of Credit (or the Alternate Credit Facility, as the case may be) to pay (i) the principal of the Bonds or the portion of purchase price equal to principal and (ii) interest on the Bonds and the portion of purchase price equal to accrued interest have been reinstated to an amount equal to the principal amount of the Bonds outstanding plus accrued interest thereon for the applicable Interest Coverage Period at the Interest Coverage Rate, then, in every such case, such Event of Default shall be deemed waived and its consequences rescinded and annulled, and the Trustee shall promptly give written notice of such waiver, rescission and annulment to the Issuer, the Bank (or the Obligor on the Alternate Credit Facility, as the case may be), the Company and the Remarketing Agent, and shall give notice thereof to all Owners of the outstanding Bonds (if such Owners were notified of the acceleration) by first-class mail; but no such waiver, rescission and annulment shall extend to or affect any subsequent Event of Default or impair any right or remedy consequent thereon.

Upon the occurrence and continuance of any Event of Default under the Indenture, the Trustee may, and upon the written request of the Owners of not less than 25% in principal amount of the Bonds outstanding and receipt of indemnity to its satisfaction must, pursue any available remedy to enforce the rights of the Owners of the Bonds and require the Company, the Issuer or the Bank (or the Obligor on the Alternate Credit Facility, as the case may be) to carry out its agreements, bring suit upon the Bonds, require the Issuer to account as if it were the trustee of an express trust for the Owners of the Bonds or enjoin any acts or things which may be unlawful, or in violation of the rights of the Owners of the Bonds. The Trustee is not required to take any action in respect of an Event of Default (other than, in certain circumstances, to declare the Bonds to be immediately due and payable, to make certain payments with respect to the Bonds and to draw on the Letter of Credit (or Alternate Credit Facility, as the case may be)) or to enforce the trusts created by the Indenture except upon the written request of the Owners of not less than 25% in principal amount of the Bonds then outstanding and receipt of indemnity satisfactory to it.

The Owners of a majority in principal amount of Bonds then outstanding will have the right to direct the time, method and place of conducting all remedial proceedings under the Indenture or exercising any

trust or power conferred on the Trustee upon furnishing satisfactory indemnity to the Trustee and provided that such direction shall not result in any personal liability of the Trustee.

No Owner of any Bond will have any right to institute suit to execute any trust or power of the Trustee unless such Owner has previously given the Trustee written notice of an Event of Default and unless the Owners of not less than 25% in principal amount of the Bonds then outstanding have made written request of the Trustee so to do, and unless satisfactory indemnity has been offered to the Trustee and the Trustee has not complied with such request within a reasonable time.

Notwithstanding any other provision in the Indenture, the right of the Owner of any Bond to receive payment of the principal of, premium, if any, and interest on his Bond on or after the respective due dates expressed therein, or to institute suit for the enforcement of any such payment on or after such respective dates, will not be impaired or affected without the consent of such Owner of the Bonds.

Acceleration of Bonds Upon Bankruptcy of the Company. As described above, certain events of bankruptcy relating to the Company constitute events of default under the Agreement and the Indenture permitting (or, at the request of the Owners of the Bonds as described above, requiring) the Trustee to accelerate the Bonds and draw upon the Letter of Credit to pay principal of and interest on the Bonds. In October 1990, in the case of *In Re Prime Motor Inns, Inc.* a United States Bankruptcy Court for the Southern District of Florida granted a preliminary injunction against such an acceleration under provisions substantially similar to those contained in the Indenture and the Agreement. The court held that the acceleration of bonds based solely on the filing of bankruptcy petitions was prohibited by the United States Bankruptcy Code and enjoined the bond trustee from disbursing to bondowners amounts drawn under various letters of credit issued to secure a number of industrial development bond issues. The decision of the court *In Re Prime Motor Inns, Inc.*, could adversely affect the ability of the Trustee to accelerate the Bonds upon the bankruptcy of the Company, at least in the absence of some other default by the Company. However, the decision would not affect the ability of the Trustee to draw upon the Letter of Credit to pay the principal of or purchase price and interest on the Bonds as the same otherwise became due and payable.

Defeasance

All or any portions of Bonds (in Authorized Denominations) shall, prior to the maturity or redemption date thereof, be deemed to have been paid for all purposes of the Indenture when:

(a) in the event said Bonds or portions thereof have been selected for redemption, the Trustee shall have given, or the Company shall have given to the Trustee in form satisfactory to it irrevocable instructions to give, notice of redemption of such Bonds or portions thereof;

(b) there shall have been deposited with the Trustee moneys which constitute Available Moneys or moneys drawn under the Letter of Credit or an Alternate Credit Facility;

(c) the moneys so deposited with the Trustee shall be in an amount sufficient (without relying on any investment income) to pay when due the principal of, premium, if any, and interest due and to become due (which amount of interest to become due shall be calculated at the Maximum Interest Rate) on said Bonds or portions thereof on and prior to the redemption date or maturity date thereof, as the case may be;

(d) in the event said Bonds or portions thereof do not mature and are not to be redeemed within the next succeeding 30 days, the Issuer at the direction of the Company shall have given the Trustee in form satisfactory to it irrevocable instructions to give, as soon as practicable in the same manner as a notice of redemption is given pursuant to the Indenture, a notice to the Owners of said Bonds or portions thereof that the deposit required by clause (b) above has been made with the Trustee and that said Bonds or portions thereof are deemed to have been paid and stating the maturity or redemption date upon which moneys are to be available for the payment of the principal of and interest on said Bonds or portions thereof;

(e) the Trustee shall have received written evidence from Moody's, if the Bonds are then rated by Moody's, and S&P, if the Bonds are then rated by S&P, that such action will not result in a

reduction, suspension or withdrawal of the rating on the Bonds by Moody's or S&P, as the case may be;

(f) the Trustee, Moody's, if the Bonds are then rated by Moody's, and S & P, if the Bonds are then rated by S & P, shall have received an opinion of an independent public accountant of nationally recognized standing, selected by the Company (an "Accountant's Opinion"), to the effect that the requirements set forth in clause (c) above have been satisfied;

(g) the Trustee, Moody's, if the Bonds are then rated by Moody's, and S & P, if the Bonds are then rated by S & P, shall have received an opinion of Bond Counsel to the effect that such deposit will not adversely affect the exclusion of interest on the Bonds from gross income for purposes of federal income taxation ("Bond Counsel's Opinion"); and

(h) the Trustee, Moody's, if the Bonds are then rated by Moody's, and S & P, if the Bonds are then rated by S & P, shall have received an unqualified opinion of counsel experienced in bankruptcy matters, selected by the Company ("Bankruptcy Counsel's Opinion"), to the effect that the payment of the Bonds from the amounts so deposited would not result in a voidable preference under Section 547 of the United States Bankruptcy Code in the event the Issuer or the Company were to become debtors under the United States Bankruptcy Code.

Moneys deposited with the Trustee as described above shall not be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of and interest on said Bonds or portions thereof, or for the payment of the purchase price of Bonds in accordance with the Indenture; provided that such moneys, if not then needed for such purpose, shall, to the extent practicable, be invested and reinvested in Government Obligations maturing on or prior to the earlier of (a) the date moneys may be required for the purchase of Bonds or (b) the Interest Payment Date next succeeding the date of investment or reinvestment, and interest earned from such investments shall be paid over to the Company, as received by the Trustee, free and clear of any trust, lien or pledge.

The provisions of the Indenture relating to (i) the registration and exchange of Bonds, (ii) the delivery of Bonds to the Trustee for purchase and the related obligations of the Trustee with respect thereto, (iii) the mandatory redemption of the Bonds in connection with the expiration of the term of the Letter of Credit (or the Alternate Credit Facility, as the case may be) and (iv) payment of the Bonds from such moneys, shall remain in full force and effect with respect to all Bonds until the maturity date of the Bonds or the last date fixed for redemption of all Bonds prior to maturity, notwithstanding that all or any portion of the Bonds are deemed to be paid; provided, further, that the provisions with respect to registration and exchange of Bonds shall continue to be effective until the maturity or the last date fixed for redemption of all Bonds.

In the event the requirements of the next to the last sentence of the next succeeding paragraph can be satisfied, the preceding three paragraphs shall not apply and the following two paragraphs shall be applicable.

Any Bond shall be deemed to be paid within the meaning of the Indenture when (a) payment of the principal of and premium, if any, on such Bond, plus interest thereon to the due date thereof (whether such due date is by reason of maturity, acceleration or upon redemption as provided in the Indenture), either (i) shall have been made or caused to be made in accordance with the terms thereof, or (ii) shall have been provided for by irrevocably depositing with the Trustee in trust and irrevocably set aside exclusively for such payment, (1) Available Moneys or moneys drawn under the Letter of Credit or an Alternate Credit Facility, as the case may be, sufficient to make such payment and/or (2) Government Obligations purchased with Available Moneys or moneys drawn under the Letter of Credit or an Alternate Credit Facility, as the case may be, maturing as to principal and interest in such amount and at such time as will insure, without reinvestment, the availability of sufficient moneys to make such payment, (b) all necessary and proper fees, compensation and expenses of the Issuer, the Trustee and the Registrar pertaining to the Bonds with respect to which such deposit is made shall have been paid or the payment thereof provided for to the satisfaction of the Trustee, and (c) an Accountant's Opinion, to the effect that such moneys and/or Government Obligations will insure, without reinvestment, the availability of sufficient moneys to make such payment, a Bankruptcy Counsel's Opinion, to the effect that the payment of the Bonds from the moneys and/or Government Obligations so deposited will not result in a voidable

preference under Section 547 of the United States Bankruptcy Code in the event the Issuer or the Company were to become debtors under the United States Bankruptcy Code, and a Bond Counsel's Opinion shall have been delivered to the Trustee. The provisions of this paragraph shall apply only if (x) the Bond with respect to which such deposit is made is to mature or be called for redemption prior to the next succeeding date on which such Bond is subject to purchase as described herein under the caption "THE BONDS — Purchase of Bonds" and (y) the Company waives, to the satisfaction of the Trustee, its right to convert the interest rate borne by such Bond. At such times as a Bond shall be deemed to be paid thereunder, as aforesaid, such Bond shall no longer be secured by or entitled to the benefits of the Indenture, except for the purposes of registration and exchange of Bonds and of any such payment from such moneys or Government Obligations.

Notwithstanding the foregoing paragraph, no deposit under clause (a)(ii) of the immediately preceding paragraph shall be deemed a payment of such Bonds as aforesaid until: (a) proper notice of redemption of such Bonds shall have been previously given in accordance with the Indenture, or in the event said Bonds are not to be redeemed within the next succeeding 60 days, until the Company shall have given the Trustee on behalf of the Issuer, in form satisfactory to the Trustee, irrevocable instructions to notify, as soon as practicable, the Owners of the Bonds in accordance with the Indenture, that the deposit required by clause (a)(ii) above has been made with the Trustee and that said Bonds are deemed to have been paid in accordance with the Indenture and stating the maturity or redemption date upon which moneys are to be available for the payment of the principal of and the applicable redemption premium, if any, on said Bonds, plus interest thereon to the due date thereof; or (b) the maturity of such Bonds.

Removal of Trustee

With the prior written consent of the Bank (which consent, if unreasonably withheld, shall not be required), the Trustee may be removed at any time by filing with the Trustee so removed, and with the Issuer, the Company, the Registrar, the Remarketing Agent and the Bank (or the Obligor on the Alternate Credit Facility, as the case may be), an instrument or instruments in writing executed by the Owners of not less than a majority in principal amount of the Bonds then Outstanding. The Trustee may also be removed by the Issuer under certain circumstances.

Modifications and Amendments

The Indenture may be modified or amended by supplemental indentures without the consent of or notice to the Owners of the Bonds for any of the following purposes: (a) to cure any formal defect, omission, inconsistency or ambiguity in the Indenture; (b) to add to the covenants and agreements of the Issuer under the Indenture or to surrender any right or power reserved or conferred upon the Issuer which shall not adversely affect the interests of Owners of the Bonds; (c) to confirm, as further assurance, any pledge of or lien on any property subjected or to be subjected to the lien of the Indenture; (d) to comply with the Trust Indenture Act of 1939, as amended; (e) to modify, alter, amend or supplement the Indenture in any other respect which in the judgment of the Trustee is not adverse to the Owners of the Bonds; (f) to implement a conversion of an interest rate or to evidence or give effect to or facilitate the delivery and administration under the Indenture of an Alternate Credit Facility or a Substitute Letter of Credit; (g) to provide for a depositary to accept tendered Bonds in lieu of the Trustee; (h) to provide for uncertificated Bonds or for the issuance of coupons and bearer Bonds or Bonds registered only as to principal, but only to the extent that such would not cause interest on the Bonds to become includible in the gross income of the Owners thereof for purposes of federal income taxation; (i) to secure or maintain a rating for the Bonds in both the highest short-term or commercial paper debt Rating Category (as defined in the Indenture) and in either of the two highest long-term debt Rating Categories; and (j) to provide demand purchase obligations to cause the Bonds to be authorized purchases for investment companies.

Except for supplemental indentures entered into for the purposes described in the preceding paragraph, the Indenture will not be modified or amended without the consent of the Owners of not less than 60% in aggregate principal amount of Bonds outstanding, who shall have the right to consent to and

approve any supplemental indenture; provided that, unless approved in writing by the Owners of all the Bonds then affected thereby, there will not be permitted (a) a change in the times, amounts or currency of payment of the principal of, premium, if any, or interest on any Bond, a change in the terms of the purchase thereof by the Trustee, or a reduction in the principal amount or redemption price thereof or the rate of interest thereon, (b) the creation of a claim or lien on or a pledge of the receipts and revenues of the Issuer under the Agreement ranking prior to or on a parity with the lien or pledge created by the Indenture, or (c) a reduction in the aggregate principal amount of Bonds the consent of the Owners of which is required to approve any such supplemental indenture or which is required to approve any amendment to the Agreement. No amendment of the Indenture shall be effective without the prior written consent of the Company and the Bank (or the Obligor on the Alternate Credit Facility, as the case may be).

Amendment of the Agreement

Without the consent of or notice to the Owners of the Bonds, the Issuer may amend the Agreement, and the Trustee may consent thereto, as may be required (a) by the provisions of the Agreement and the Indenture, (b) for the purpose of curing any formal defect, omission, inconsistency or ambiguity therein, (c) in connection with any other change therein which is not materially adverse to the Owners of the Bonds or (d) to secure or maintain a rating for the Bonds in both the highest short-term or commercial paper debt Rating Category and in either of the two highest long-term debt Rating Categories. The Issuer and the Trustee will not consent to any other amendment of the Agreement without the written approval or consent of the Bank (or the Obligor on the Alternate Credit Facility, as the case may be) and the Owners of not less than 60% in aggregate principal amount of the Bonds at the time outstanding; provided, however, that, unless approved in writing by the Owners of all Bonds affected thereby, nothing in the Indenture shall permit, or be construed as permitting, a change in the obligations of the Company to make Loan Payments or payments to the Trustee for the purchase of Bonds. No amendment of the Agreement will become effective without the prior written consent of the Bank (or the Obligor on the Alternate Credit Facility, as the case may be) and the Company.

UNDERWRITING

Goldman, Sachs & Co., as Underwriter, has agreed to purchase the Bonds from the Issuer thereof at a purchase price of 100% of the principal amount thereof. The Underwriter is committed to purchase all of the Bonds if any are purchased. The Company has agreed to pay the Underwriter an aggregate fee of $168,750 and indemnify the Underwriter against certain liabilities, including liabilities under the federal securities laws. The Underwriter may offer and sell the Bonds to certain dealers (including dealers depositing Bonds into investment trusts) and others at prices lower than the offering price stated on the cover page hereof. After the initial public offering, the public offering price may be changed from time to time by the Underwriter.

TAX EXEMPTION

The Code and the 1954 Code contain a number of requirements and restrictions which apply to the Bonds, including investment restrictions, periodic payments of arbitrage profits to the United States, requirements regarding the proper use of bond proceeds and the facilities financed therewith, and certain other matters. The Company and the Issuer have covenanted to comply with all requirements of the Code and the 1954 Code that must be satisfied in order for the interest on the Bonds to be excludible from gross income. Failure by the Company or the Issuer to comply with certain of such requirements could cause interest on the Bonds to become subject to federal income taxation retroactive to the date of issuance of the Bonds.

Subject to the condition that the Company and the Issuer comply with the above-referenced covenants, under present law, in the opinion of Bond Counsel, interest on the Bonds will not be includible in the gross income of the owners thereof for federal income tax purposes, except for interest on any

Bond for any period during which such Bond is owned by a person who is a substantial user of the Project or any person considered to be related to such person (within the meaning of Section 103(b)(13) of the 1954 Code) and the interest on the Bonds will not be treated as an item of tax preference in computing the alternative minimum tax for individuals and corporations (because the Prior Bonds were issued prior to August 8, 1986). Such interest will be taken into account, however, in computing an adjustment used in determining the alternative minimum tax for certain corporations.

The Code includes provisions for an alternative minimum tax ("AMT") for corporations. The AMT is levied for taxable years beginning after December 31, 1986 in addition to the corporate regular tax in certain cases. The AMT, if any, depends upon the corporation's alternative minimum taxable income ("AMTI"), which is the corporation's taxable income with certain adjustments. One of the adjustment items used in computing AMTI of a corporation (excluding S Corporations, Regulated Investment Companies, Real Estate Investment Trusts, and REMICs) is an amount equal to 75% of the excess of such corporation's "adjusted current earnings" over an amount equal to its AMTI (before such adjustment item and the alternative tax net operating loss deduction). "Adjusted current earnings" would include all tax exempt interest, including interest on the Bonds.

In rendering its opinion, Bond Counsel will rely upon a certificate of the Company relating to the Project and the application of the proceeds of the Bonds and the proceeds of the Prior Bonds with respect to certain material facts soley within the knowledge of the Company.

Ownership of the Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, corporations subject to either the environmental tax or the branch profits tax, financial institutions, certain insurance companies, certain S Corporations, individual recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry tax-exempt obligations. Prospective purchasers of the Bonds should consult their tax advisors as to applicability of any such collateral consequences.

In the opinion of Bond Counsel, under existing laws of the State of Utah presently enacted and construed, interest on the Bonds will be exempt from taxes imposed by the Utah Individual Income Tax Act.

Except as described above, Bond Counsel expresses no opinion as to whether the Bonds will be subject to any state or local taxes under applicable state or local law. Prospective purchasers of Bonds should consult their tax advisors regarding the applicability of any such state or local taxes.

CERTAIN LEGAL MATTERS

The validity of the Bonds will be passed upon by Chapman and Cutler, Bond Counsel, and the Underwriter's obligation to purchase any issue of the Bonds is subject to the issuance of Bond Counsel's opinion with respect thereto. Certain legal matters will be passed upon for the Company by Stoel Rives Boley Jones & Grey, as Counsel for the Company, for the Underwriter by Winthrop, Stimson, Putnam & Roberts, as Counsel to the Underwriter, and for the Issuer by Jones, Waldo, Holbrook & McDonough, as Special Counsel for the Issuer. The validity of the Letter of Credit will be passed upon for the Bank by its counsel, Milbank, Tweed, Hadley & McCloy and Dr. Dieter C. Hauser.

Chapman and Cutler has represented other parties in matters involving subsidiaries of the Company where legal fees of Chapman and Cutler have been paid by such subsidiaries. Jones, Waldo, Holbrook & McDonough represents the Company, the Utah Power & Light Company Division of the Company, and First National Bank of Chicago on matters unrelated to the Bonds. The firm served as bond counsel for the Prior Bonds.

MISCELLANEOUS

The attached Appendices are an integral part of this Official Statement and must be read together with all of the balance of this Official Statement.

EMERY COUNTY, UTAH

By Dixie K. Thompson
Chair, Board
of County Commissioners

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APPENDIX A

PACIFICORP

PacifiCorp, an Oregon corporation (the "Company"), is a diversified electric utility that conducts its retail electric utility business as Pacific Power & Light Company ("Pacific Power") and Utah Power & Light Company ("Utah Power"), and engages in power production and sales on a wholesale basis under the name PacifiCorp Electric Operations. The Company is the indirect owner, through Inner PacifiCorp, Inc., a wholly owned subsidiary, of approximately 82% of NERCO, Inc. ("NERCO"), 87% of Pacific Telecom, Inc. ("Pacific Telecom") and 100% of PacifiCorp Financial Services, Inc. ("PacifiCorp Financial Services").

Pacific Power furnishes electric service in portions of six western states: Oregon, Wyoming, Washington, Idaho, California and Montana. Utah Power furnishes electric service in portions of three western states: Utah, Wyoming and Idaho. NERCO is a natural resource company that is one of the largest producers of coal, gold and silver in North America, a significant producer of gas and oil in the Gulf Coast region of the United States and is also engaged in the exploration for and development of precious metals, gas and oil. Pacific Telecom, through its subsidiaries, provides local telephone service and access to the long distance network in Alaska, seven other western states, Wisconsin and Iowa, provides intrastate and interstate long distance communication services in Alaska, provides cellular mobile telephone services, and is engaged in the construction of and sales of capacity in a submarine fiber optic cable between the United States and Japan. PacifiCorp Financial Services is a business offering certain specialized financial services, including aviation financing, computer leasing, tax advantaged investments and business development financing.

The principal executive offices of the Company are located at 700 N.E. Multnomah, Suite 1600, Portland, Oregon 97232-4116; the telephone number is (503) 731-2000.

AVAILABLE INFORMATION

The Company is subject to the informational requirements of the Securities Exchange Act of 1934 and in accordance therewith files reports, proxy statements and other information with the Securities and Exchange Commission. Such reports, proxy statements and other information may be inspected and copied at the offices of the Commission at 450 Fifth Street, N.W., Washington, D.C. 20549; 75 Park Place, 14th Floor, New York, New York 10007; and 230 South Dearborn Street, Chicago, Illinois 60604. Copies of such material may be obtained from the Public Reference Section of the Commission at 450 Fifth Street, N.W., Washington, D.C. 20549, at prescribed rates. Reports, proxy material and other information concerning the Company may also be inspected at the New York and Pacific Stock Exchanges.

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

The following documents filed by the Company with the Securities and Exchange Commission are incorporated in this Appendix by reference:

(a) Annual Report on Form 10-K for the year ended December 31, 1990 (as amended by Form 8 dated April 29, 1991).

(b) Quarterly Report on Form 10-Q for the quarter ended March 31, 1991.

(c) Current Reports on Form 8-K dated March 12, March 13 and March 18, 1991.

All reports filed pursuant to Section 13, 14 or 15(d) of the Securities Exchange Act of 1934 after the date of this Official Statement and prior to the termination of the offering made by this Official Statement shall be deemed to be incorporated by reference in this Appendix A and to be a part hereof from the date of filing such documents.

The Company hereby undertakes to provide without charge to each person to whom a copy of this Official Statement has been delivered, on the request of any such person, a copy of any or all of the

documents referred to above which have been or may be incorporated herein by reference, other than exhibits to such documents. Requests for such copies should be directed to Corporate Shareholder Services, PacifiCorp, 700 N.E. Multnomah, Suite 700, Portland, Oregon 97232-4107. The telephone number is (503) 731-2000.

The following selected financial information for each of the three years in the period ended December 31, 1990 has been derived from the consolidated financial statements of the Company for the respective years in that three-year period. The consolidated financial statements have been audited by Deloitte & Touche, independent public accountants, and the reports of Deloitte & Touche (which include explanatory notes in the consolidated financial statements) are incorporated in this Appendix by reference. This selected financial information should be read in conjunction with the financial statements and related notes thereto included in the documents incorporated herein by reference.

SELECTED FINANCIAL INFORMATION
(Dollars in Millions)

	Year Ended December 31		
	1990	1989	1988
Income Statement Data			
Revenues(a)	$3,828.0	$3,628.4	$3,520.4
Expenses(b)	2,739.7	2,595.0	2,475.5
Income from Operations	1,088.3	1,033.4	1,044.9
Interest Expense, Income Taxes and Other	614.4	567.8	598.2
Net Income	$ 473.9	$ 465.6	$ 446.7
Capitalization			
Common Equity	$3,207.8	$3,006.6	$2,935.9
Preferred Stock	342.4	242.4	246.3
Preferred Stock Subject to Mandatory Redemption	50.0	50.0	56.3
Long Term Debt and Capital Lease Obligations	3,978.6	3,539.0	3,441.0
PacifiCorp Financial Services Long Term Debt	693.0	855.6	906.0
Total	$8,271.8	$7,693.6	$7,585.5

(a) Certain amounts from prior years have been reclassified to conform with the presentation in the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 1991. The reclassifications had no effect on previously reported consolidated net income.

(b) Includes interest expense of PacifiCorp Financial Services.

The information contained and incorporated by reference in this Appendix A to the Official Statement has been obtained from the Company. The Issuer and the Underwriter make no representation as to the accuracy or completeness of such information.

APPENDIX B

Credit Suisse

Founded in 1856, Credit Suisse is a universal bank which maintains its corporate headquarters in Zurich, Switzerland. In 1989, Credit Suisse became a subsidiary of CS Holding as a result of a share exchange transaction. With $5.8 billion in capital and reserves, Credit Suisse is among the most highly capitalized banks in the world. Credit Suisse is engaged in all banking activities and its international network operations are conducted through over 73 branches, representative offices and affiliates throughout the world. Banking operations in the United States began in 1940 and currently include branches in New York and Los Angeles, an agency in Miami and offices in San Francisco, Atlanta, Chicago and Houston. Credit Suisse is a globally active full-service bank.

Credit Suisse's principal office is at Paradeplatz 8, 8001, Zurich, Switzerland, its New York Branch is at 100 Wall Street, New York, NY 10005, and its Los Angeles Branch is at 800 Wilshire Boulevard, Los Angeles, California 90017.

Swiss accounting principles applicable to Swiss banks are to a large extent embodied in the Swiss law. Among Swiss banks it is common practice that fixed assets (including real estate), which are carried at cost net of accumulated depreciation, are depreciated faster than the life of the asset would normally require. Also, Swiss law requires that the maximum balance sheet value of marketable securities be their cost, but in fact these securities are often carried at values below such maximum amounts as there are no minimum valuations required by law. The published financial statements of Credit Suisse are now consolidated for the first time. CS Holding, which was originally a sister company of Credit Suisse, became the central holding company and parent company of the entire Credit Suisse Group during the course of 1989.

SELECTED INFORMATION OF CREDIT SUISSE(a)
(BANK ONLY)

	Year Ended December 31		
	1990	1989	1988
	(millions of dollars)		
Operating Income	$ 828	$ 1,097	$ 907
Net Income	362	551	455
Total Assets	96,744	90,513	87,218
Liquid Assets(b)	25,464	23,380	28,455
Loans(c)	59,974	54,229	45,820
Total Deposits and Due to Banks	63,471	58,903	55,569
Total Capital and Reserves	5,878	5,819	5,536

(a) The figures originally expressed in Swiss francs, have been converted into U.S. dollars at the rate of $0.77 for 1 Swiss franc prevailing at December 31, 1990. The conversion rate prevailing on May 14, 1991 was $0.70 for 1 Swiss franc. These figures represent the bank operation only.

(b) Liquid assets consist of cash, due from banks (sight and time) and bills discounted and money market paper.

(c) Loans include advances in current accounts, time loans and others.

Credit Suisse's auditors are Swiss Auditing Company.

The information relating to Credit Suisse contained above has been furnished by Credit Suisse. No representation is made herein as to the absence of material adverse changes in the information contained in this Appendix B subsequent to the date of this Official Statement. A copy of the Annual Report of Credit Suisse may be obtained free of charge from Credit Suisse, by anyone to whom this Official Statement is furnished, at its Los Angeles branch by writing to Credit Suisse at 800 Wilshire Boulevard, Suite 888, Los Angeles, California 90017-2685 or by calling (213) 489-2720 or at its New York Branch by writing to Credit Suisse at 100 Wall Street, New York, New York 10005 or by calling (212) 612-8000.

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APPENDIX C

ALTERNATIVE INTEREST RATES

The following is a description of the interest rate and purchase provisions of the Bonds while the Bonds bear a Daily Interest Rate, a Weekly Interest Rate, a Monthly Interest Rate, or a Term Interest Rate. The method by which the interest rate on the Bonds is determined can be changed as described in the Official Statement under "CONVERSION OF RATE."

Interest Provisions

Daily Interest Rate. With respect to each day the Bonds are to bear a Daily Interest Rate, the Daily Interest Rate shall be determined by the Remarketing Agent to be the interest rate which, in the judgment of the Remarketing Agent, when borne by the Bonds would be the minimum interest rate necessary to enable the Remarketing Agent to sell the Bonds on such date at 100% of the principal amount thereof plus accrued interest, if any; provided, however, that with respect to any day that is not a Business Day, the Daily Interest Rate shall be the same rate as the Daily Interest Rate established for the immediately preceding Business Day unless the Remarketing Agent is open for business on such non-Business Day and determines a rate for such non-Business Day, in which case the Bonds shall bear interest at the rate so determined. On the basis of such Daily Interest Rates, the Trustee shall calculate the amount of interest payable during each Interest Period on the Bonds bearing interest at a Daily Interest Rate.

Weekly Interest Rate. With respect to each week the Bonds are to bear interest at a Weekly Interest Rate, the Weekly Interest Rate on the Bonds shall be determined by the Remarketing Agent on Tuesday (or the next succeeding Business Day, if such Tuesday is not a Business Day) of each week to be the interest rate which, on the following day, in the judgment of the Remarketing Agent, when borne by the Bonds would be the minimum interest rate necessary to enable the Remarketing Agent to sell the Bonds on such date at 100% of the principal amount thereof plus accrued interest, if any.

Monthly Interest Rate. With respect to each Interest Period the Bonds are to bear interest at a Monthly Interest Rate, the Monthly Interest Rate shall be determined on the first Business Day of such Interest Period by the Remarketing Agent to be that rate which would be the minimum interest rate necessary to enable the Remarketing Agent to sell the Bonds on the first day of such Interest Period at 100% of the principal amount thereof.

Term Interest Rate. With respect to each Term Period the Bonds are to bear interest at a Term Interest Rate, the Term Interest Rate shall be determined by the Remarketing Agent on the Business Day next preceding the first day of a Term Period which shall be the rate which would be the minimum interest rate necessary to enable the Remarketing Agent to sell all of the Bonds on the first day of such Term Period at 100% of the principal amount thereof. "Term Period" means the period, which generally must be an integral multiple of six months, specified as such by the Company upon a conversion of the interest rate on the Bonds to a Term Interest Rate.

Promptly after the determination of each Term Interest Rate, the Trustee shall mail a notice by first-class mail to each Owner of a Bond, at the address shown on the registration books of the Issuer maintained by the Registrar, advising such Owner of such Term Interest Rate and of the Term Period for which such Term Interest Rate will be in effect. Failure by the Trustee to give any such notice by mailing, or any defect therein, shall not affect the Term Interest Rate to be borne by the Bonds in any Term Period.

General. In the event the Remarketing Agent fails for any reason to establish any Flexible Rate, Daily Interest Rate, Weekly Interest Rate, Monthly Interest Rate, or Term Interest Rate required to be established under the provisions of the Indenture, the most recently established Flexible Rate, Daily Interest Rate, Weekly Interest Rate, Monthly Interest Rate or Term Interest Rate, as the case may be, shall continue in effect until a new applicable interest rate is established.

Purchase Provisions

Purchase on Demand of Owner While Bonds Bear Daily Interest Rate.

While the Bonds bear interest at a Daily Interest Rate, any Bond shall be purchased on the demand of the Owner thereof, on any Business Day, at a purchase price equal to 100% of the principal amount thereof plus accrued interest, if any, to the date of purchase, upon (A) delivery to the Remarketing Agent

at its principal office, by no later than 9:30 a.m., New York, New York time, on such Business Day, of a written notice or a telephonic notice, promptly confirmed by tested telex, which states the principal amount of such Bond to be purchased and the date on which the same shall be purchased pursuant to this paragraph, and (B) delivery of such Bond (with all necessary endorsements) to the New York delivery office of the Trustee, at or prior to 9:30 a.m., New York, New York time, on the date specified in such notice.

Purchase on Demand of Owner While Bonds Bear Weekly Interest Rate.

While the Bonds bear interest at a Weekly Interest Rate, any Bond shall be purchased, on the demand of the Owner thereof, on any Wednesday at a purchase price equal to 100% of the principal amount thereof plus accrued interest, if any, to the date of purchase, upon: (i) delivery to the principal office of the Remarketing Agent of a telephonic notice (unless the Trustee shall be serving as Remarketing Agent, in which case written notice delivered to the New York delivery office of the Trustee shall be required) by 10:00 a.m., New York, New York time, on the seventh day preceding such Wednesday, which states the aggregate principal amount thereof; (ii) delivery of such Bond (with all necessary endorsements) and, in the case of a Bond to be purchased prior to the Interest Payment Date for any Interest Period and after the Record Date in respect thereto, a due-bill, in form satisfactory to the Trustee, at the New York delivery office of the Trustee at or prior to 10:00 a.m., New York, New York time, on such Wednesday; provided, however, that such Bond shall be so purchased only if the Bond so delivered to the Trustee shall conform in all respects to the description thereof in the aforesaid notice. In the event that Tuesday and Wednesday are not Business Days, the procedures described in this paragraph to occur on either Tuesday or Wednesday, shall occur on the next succeeding Business Day. An Owner who gives the notice set forth in clause (i) above may repurchase the Bonds so tendered with such notice on such Wednesday if the Remarketing Agent agrees to sell the Bonds so tendered to such Owner. If such Owner decides to repurchase such Bonds and the Remarketing Agent agrees to sell the specified Bonds to such Owner prior to delivery of such Bonds as set forth in clause (ii) hereinabove, the delivery requirement set forth in such clause (ii) shall be waived.

Purchase on Demand of Owner While Bonds Bear Monthly Interest Rate.

While the Bonds bear interest at a Monthly Interest Rate, any Bond shall be purchased, on the demand of the Owner thereof, on any Interest Payment Date at a purchase price equal to 100% of the principal amount thereof, upon (1) delivery to the New York delivery office of the Trustee at or prior to 4:00 p.m., New York, New York time, on the third Business Day prior to such Interest Payment Date of a written notice which (i) states the aggregate principal amount of such Bond and (ii) states that such Bond shall be purchased on such Interest Payment Date pursuant to this paragraph; and (2) the delivery of such Bond (with all necessary endorsements) at the New York delivery office of the Trustee at or prior to 10:00 a.m., New York, New York time, on such Interest Payment Date; provided, however, that such Bond shall be so purchased pursuant to this paragraph only if the Bond so delivered to the Trustee shall conform in all respects to the description thereof in the aforesaid notice. An Owner who gives the notice set forth in clause (1) hereinabove may repurchase the Bonds so tendered on such Interest Payment Date if the Remarketing Agent agrees to sell the Bonds so tendered to such Owner. If such Owner decides to repurchase such Bonds and the Remarketing Agent agrees to sell the specified Bonds to such Owner prior to delivery of such Bonds as set forth in clause (2) hereinabove, the delivery requirement set forth in such clause (2) shall be waived.

Purchase While Bonds Bear Term Interest Rate.

(a) While the Bonds bear interest at a Term Interest Rate, any Bond shall be purchased on the day (which is not a Conversion Date) next succeeding the last day of any Term Period (a "Purchase Date") at a purchase price equal to 100% of the principal amount thereof unless the Owner of the Bond delivers a completed Owner Election Notice (as defined in the Indenture) to the New York delivery office of the Trustee between the opening of business on the twenty-first day next preceding the Purchase Date and the close of business on the seventh day next preceding the Purchase Date (or if such twenty-first or seventh day is not a Business Day, the next succeeding Business Day). The delivery of an Owner Election Notice by an Owner to retain his Bond is irrevocable and binding on such Owner and cannot be withdrawn. The Trustee shall give the Remarketing Agent telephonic notice, promptly confirmed in writing, specifying the principal amount of Bonds for which Owner

Election Notices have been received. Not later than the fifteenth day next preceding the Purchase Date, the Trustee shall give notice by first-class mail to the Owners of the Bonds stating (i) the last day of the Term Period, (ii) that the Bonds will be purchased on the Purchase Date unless the Owner of the Bond delivers a completed Owner Election Notice (a copy of which shall accompany the notice from the Trustee) to the Trustee as provided in the Indenture between the opening of business on the twenty-first day and the close of business on the seventh day next preceding the Purchase Date (or if such seventh day is not a Business Day, the next succeeding Business Day) and (iii) that after the Purchase Date the Bonds will bear interest at a Term Interest Rate for a Term Period of the same duration as the then current Term Period.

If during any Term Period the Company fails to deliver to the Trustee a notice of conversion as described under the caption "CONVERSION OF RATE — Conversion to Term Interest Rate or Floating Interest Rates," from and after the Purchase Date the Bonds shall bear interest at a Term Interest Rate for a Term Period of the same duration as that ending on the day immediately preceding such Purchase Date.

Any Owner of a Bond who does not deliver a completed Owner Election Notice as described above must deliver such Bond (with any necessary endorsements) to the New York delivery office of the Trustee, not later than 10:00 a.m., New York, New York time, on the Purchase Date.

Any Owner who delivers a completed Owner Election Notice as described above in order to retain a portion of a Bond must deliver such Bond (with any necessary endorsements) to the New York delivery office of the Trustee with such Owner Election Notice. If an Owner so elects to retain a portion of a Bond, the Trustee shall, in accordance with the provisions of the Indenture, deliver to such Owner a principal amount of Bonds of Authorized Denominations equal to the portion of the Bond so retained.

(b) Bonds or portions thereof to be purchased as provided in paragraph (a) above which are not delivered by the Owner thereof to the Trustee as above provided shall nonetheless be deemed to have been delivered by the Owner thereof for purchase and to have been purchased, provided that there have been irrevocably deposited with the Trustee moneys in accordance with the Indenture in an amount sufficient to pay the purchase price of such Bonds. Thereafter, the Trustee shall authenticate a new Bond as provided in the Indenture. Moneys deposited with the Trustee for purchase of Bonds pursuant to the Indenture shall be held in trust in a separate escrow account without liability for interest thereon and shall be paid to the Owners of such Bonds upon presentation thereof. The Trustee shall within five days after the Purchase Date give written notice to the Company whether Bonds have not been delivered, and upon direction to do so by the Company the Trustee shall give notice by first class mail to each Owner whose Bonds are deemed to have been purchased pursuant to the Indenture, which notice shall state that interest on such Bonds ceased to accrue on the Purchase Date and that moneys representing the purchase price of such Bonds are available against delivery thereof at the New York delivery office of the Trustee. The Trustee shall hold moneys deposited by the Company or drawn by the Trustee under the Letter of Credit or an Alternate Credit Facility, as the case may be, for the purchase of Bonds as provided in the Indenture, without liability for interest thereon, for the benefit of the former Owner of the Bond on such date of purchase, who shall thereafter be restricted exclusively to such moneys for any claim of whatever nature on his part under the Indenture or on, or with respect to, such Bond. Any moneys so deposited with and held by the Trustee not so applied to the payment of Bonds, within six months after such date of purchase shall be paid by the Trustee to the Bank (or the Obligor on the Alternate Credit Facility, as the case may be) to the extent of any amount payable under the Reimbursement Agreement, and the balance shall be paid by the Trustee to the Company upon the written direction of the Authorized Company Representative consented to in writing by the Bank (or the Obligor on the Alternate Credit Facility, as the case may be), and thereafter the former Owners shall be entitled to look only to the Company for payment, and then only to the extent of the amount so repaid to the Bank (or the Obligor on the Alternate Credit Facility, as the case may be) and/or the Company, and the Company shall not be liable for any interest thereon and shall not be regarded as a trustee of such money.

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APPENDIX D

Upon the delivery of the Bonds, Chapman and Cutler, Bond Counsel, proposes to issue its final approving opinion in substantially the following form:

Law Offices of

CHAPMAN AND CUTLER
a partnership including professional corporations

Theodore S. Chapman
1877-1943
Henry E. Cutler
1879-1959

50 South Main Street, Salt Lake City, Utah 84144
FAX (801) 533-9595
Telephone (801) 533-0066

2 North Central Avenue
Phoenix, Arizona 85004
(602) 256-4060

111 West Monroe Street
Chicago, Illinois 60603
(312) 845-3000

Re: $45,000,000 Pollution Control Revenue Refunding Bonds (PacifiCorp Project) Series 1991 of Emery County, Utah

We hereby certify that we have examined certified copy of the proceedings of record of the Board of County Commissioners of Emery County, Utah (the "Issuer"), a political subdivision of the State of Utah, preliminary to the issuance by the Issuer of its Pollution Control Revenue Refunding Bonds (PacifiCorp Project) Series 1991, in the aggregate principal amount of $45,000,000 (the "Bonds"). The Bonds are being issued pursuant to the provisions of the Utah Industrial Facilities and Development Act, Title 11, Chapter 17, Utah Code Annotated 1953, as amended and supplemented (the "Act"), for the purpose of refunding the Issuer's $45,000,000 Pollution Control Revenue Bonds, 11⅛% Series due April 1, 2011 (Utah Power & Light Company Project) (the "Refunded Bonds"). The Refunded Bonds were issued for the purpose of financing a portion of the cost of air and water pollution control and solid waste disposal facilities (the "Project") at the Hunter generating plant (the "Station") in Emery County, Utah, for use by Utah Power & Light Company, a Utah corporation which, subsequent to the issuance of the Refunded Bonds, merged with PacifiCorp, an Oregon corporation (the "Company"). The proceeds of the Bonds, together with other moneys provided by the Company, have been deposited with the trustee for the Refunded Bonds to provide for the payment of the Refunded Bonds.

The Bonds mature on July 1, 2015, bear interest from time to time computed as set forth in each of the Bonds and are subject to redemption prior to maturity at the times, in the manner and upon the terms set forth in each of the Bonds. The Bonds are issuable in Authorized Denominations as provided in the hereinafter-defined Indenture, only as fully-registered Bonds without coupons.

From such examination of the proceedings of the Board of County Commissioners of the Issuer referred to above and from an examination of the Act, we are of the opinion that such proceedings show lawful authority for said issue of Bonds under the laws of the State of Utah now in force.

Pursuant to a Loan Agreement, dated as of May 1, 1991 (the "Loan Agreement"), by and between the Company and the Issuer, the Issuer has agreed to loan the proceeds from the sale of the Bonds to the Company for the purpose of refunding the Refunded Bonds, and the Company has agreed to pay amounts at least sufficient to pay the principal of, premium, if any, and interest on the Bonds when due, whether at stated maturity, call for redemption or acceleration. The Loan Agreement (an executed counterpart of which has been examined by us) has, in our opinion, been duly authorized, executed and delivered by the Issuer, and, assuming the due authorization, execution and delivery by the Company, is a valid and binding obligation of the Issuer, enforceable in accordance with its terms, subject to the qualification that the enforcement thereof may be limited by bankruptcy, insolvency, reorganization and

other similar laws relating to the enforcement of creditors' rights generally or usual equity principles in the event equitable remedies should be sought.

We have also examined an executed counterpart of the Trust Indenture, dated as of May 1, 1991 (the "Indenture"), by and between the Issuer and The First National Bank of Chicago, as Trustee (the "Trustee"), securing the Bonds and setting forth the covenants and undertakings of the Issuer in connection with the Bonds and making provision under certain conditions for the remarketing of the Bonds by a Remarketing Agent (the "Remarketing Agent"), for the fixing of Floating Interest Rates (as defined in the Indenture) to be borne by the Bonds, which Floating Interest Rate may be a Daily Interest Rate, a Weekly Interest Rate, a Monthly Interest Rate or Flexible Rates (each as defined in the Indenture), and for the conversion of the interest rate borne by the Bonds to a different Floating Interest Rate or to a Term Interest Rate under certain conditions. The Indenture provides that the Bonds bear interest at Flexible Rates until conversion to a different Floating Interest Rate or to a Term Interest Rate. Under the Indenture, the revenues derived by the Issuer under the Loan Agreement, together with certain of the rights of the Issuer thereunder, are pledged and assigned to the Trustee as security for the Bonds. From such examination, we are of the opinion that the proceedings of the Board of County Commissioners of the Issuer referred to above show lawful authority for the execution and delivery of the Indenture, that the Indenture is a valid and binding obligation of the Issuer, enforceable in accordance with its terms, subject to the qualification that the enforcement thereof may be limited by bankruptcy, insolvency, reorganization and other similar laws relating to the enforcement of creditors' rights generally or usual equity principles in the event equitable remedies should be sought, that the Bonds have been validly issued under the Indenture, and that all requirements under the Indenture precedent to delivery of the Bonds have been satisfied.

In connection with the Company's obligation to make payments to the Issuer under the Loan Agreement, the Company has caused to be delivered to the Trustee an irrevocable Letter of Credit (the "Letter of Credit") of Credit Suisse, Los Angeles Branch (the "Bank"), under which the Trustee is permitted under certain conditions to draw up to (a) an amount equal to the principal of the outstanding Bonds (i) to pay the principal of the Bonds when due upon redemption or acceleration or (ii) to enable the Trustee to pay the purchase price or portion of the purchase price equal to the principal amount of Bonds delivered to the Trustee for purchase and not remarketed, plus (b) an amount equal to 294 days' accrued interest on the outstanding Bonds (i) to pay interest on the Bonds or (ii) to enable the Trustee to pay the portion of the purchase price of the Bonds delivered to the Trustee equal to the accrued interest, if any, on such Bonds. Delivery of the Letter of Credit, however, does not release the Company from its payment obligation under the Loan Agreement. The stated expiration date of the Letter of Credit is May 23, 1994, subject to the provisions of the Letter of Credit.

We further certify that we have examined the form of bond prescribed in the Indenture and find the same in due form of law and in our opinion the Bonds, to the amount named, are valid and legally binding upon the Issuer according to the import thereof and, as provided in the Indenture and the Bonds, are payable by the Issuer solely out of payments to be made by the Company under the Loan Agreement, except to the extent paid from moneys drawn by the Trustee under the Letter of Credit.

Subject to the condition that the Company and the Issuer comply with certain covenants made to satisfy pertinent requirements of the Internal Revenue Code of 1954, as amended (the "1954 Code"), and the Internal Revenue Code of 1986, we are of the opinion that under present law interest on the Bonds is not includible in gross income of the owners thereof for federal income tax purposes, except for interest on any Bond for any period during which such Bond is owned by a person who is a substantial user of the Project or any person considered to be related to such person (within the meaning of Section 103(b)(13) of the 1954 Code), and the interest on the Bonds will not be treated as an item of tax preference in computing the alternative minimum tax for individuals and corporations (because the Refunded Bonds were issued prior to August 8, 1986). Interest on the Bonds will be taken into account, however, in computing an adjustment used in determining the alternative minimum tax for certain corporations. Failure to comply with certain of such Issuer and Company covenants could cause the interest on the Bonds to be included in gross income retroactive to the date of issuance of the Bonds. Ownership of the Bonds may result in other federal tax consequences to certain taxpayers; we express

no opinion regarding any such collateral consequences arising with respect to the Bonds. In rendering this opinion, we have relied upon a certificate of even date herewith of the Company relating to the Station, the Project and the application of the proceeds of the Refunded Bonds and the proceeds of the Bonds with respect to certain material facts solely within the knowledge of the Company.

In our opinion, under the existing laws of the State of Utah presently enacted and construed, the interest on the Bonds is exempt from taxes imposed by the Utah Individual Income Tax Act.

We are not passing upon the Letter of Credit or action taken by the Bank in connection therewith. The validity of the Letter of Credit has been passed upon by Milbank, Tweed, Hadley & McCloy and Dr. Dieter C. Hauser.

Stoel Rives Boley Jones & Grey, counsel to the Company, has delivered an opinion of even date herewith concerning the obligations of the Company under the Loan Agreement. In rendering this opinion, we have relied upon said opinion with respect to, among other things: (i) the due organization of the Company, (ii) the good standing or existence of the Company in the States of Utah and Oregon, (iii) the approval of the execution and delivery by the Company of the Loan Agreement by all necessary regulatory authorities exercising jurisdiction over the Company, (iv) the corporate power of the Company to enter into, and the due execution by the Company of, the Loan Agreement, and (v) the binding effect of the Loan Agreement on the Company.

Jones, Waldo, Holbrook & McDonough, special counsel to the Issuer, has delivered an opinion of even date herewith with respect to the obligations of the Issuer under the Bonds, the Loan Agreement and the Indenture.

The opinions described above are in form satisfactory to us, both in scope and content.

We express no opinion as to the title to, the description of, or the existence of any liens, charges or encumbrances on the Project or the Station.

CHAPMAN AND CUTLER

APPENDIX D

PROPOSED FORM OPINION OF BOND COUNSEL

[LETTERHEAD OF CHAPMAN AND CUTLER LLP]

[DATED THE CLOSING DATE]

The Bank of New York Mellon,
Trust Company, N.A.,
as successor Trustee
2 North LaSalle Street, Suite 1020
Chicago, Illinois 60602

PacifiCorp
825 N.E. Multnomah Street,
Suite 1900
Portland, Oregon 97232-4116

Emery County, Utah
75 East Main
Castle Dale, Utah 84513

JPMorgan Chase Bank, National Association
383 Madison Avenue
New York, New York 10179

Re: $45,000,000
Emery County, Utah
Pollution Control Revenue Refunding Bonds
(PacifiCorp Project) Series 1991 (the *"Bonds"*)

Ladies and Gentlemen:

This opinion is being furnished in accordance with Section 4.03(b) of that certain Loan Agreement, dated as of May 1, 1991 (the *"Loan Agreement"*), between Emery County, Utah (the *"Issuer"*) and PacifiCorp (the *"Company"*). Prior to the date hereof, payment of principal and purchase price of and interest on the Bonds was secured by a credit facility issued by BNP Paribas. On the date hereof, the Company desires to deliver a Letter of Credit (the *"Letter of Credit"*) to be issued by JPMorgan Chase Bank, National Association (the *"Bank"*), for the benefit of the Trustee.

We have examined the law and such documents and matters as we have deemed necessary to provide this opinion letter. As to questions of fact material to the opinions expressed herein, we have relied upon the provisions of the Trust Indenture, dated as of May 1, 1991 (the *"Indenture"*), between the Issuer and The Bank of New York Mellon Trust Company, N.A., as successor trustee (the *"Trustee"*) and related documents, and upon representations, including regarding the consent of the Owners, made to us without undertaking to verify the same by independent investigation.

The terms used herein denoted by initial capitals and not otherwise defined shall have the meanings specified in the Indenture.

Based upon the foregoing and as of the date hereof, we are of the opinion that:

1. The delivery of the Letter of Credit is authorized under the Loan Agreement and complies with the terms of the Loan Agreement.

2. The delivery of the Letter of Credit, the validity under the Act of the Bonds and will not cause interest on the Bonds to become includible in the gross income of the owners thereof for federal income tax purposes.

At the time of the issuance of the Bonds, we rendered our approving opinion relating to, among other things, the validity of the Bonds and the exclusion from federal income taxation of interest on the Bonds. We have not been requested, nor have we undertaken, to make an independent investigation to confirm that the Company and the Issuer have complied with the provisions of the Indenture, the Loan Agreement, the Tax Certificate (as defined in the Indenture) and other documents relating to the Bonds, or to review any other events that may have occurred since such approving opinion was rendered other than with respect to the Company in connection with other than with respect to the Company in connection with (a) the adjustment of the interest rate on the Bonds described in our opinion dated February 28, 1996, (b) the delivery of an Alternate Credit Facility, dated as of May 15, 2001, (c) delivery of the Prior Letter of Credit, dated September 15, 2004 and (d) the delivery of the Letter of Credit described herein. Accordingly, we do not express any opinion with respect to the Bonds, except as described above.

Our opinion represents our legal judgment based upon our review of the law and the facts that we deem relevant to render such opinion and is not a guarantee of a result. This opinion is given as of the date hereof and we assume no obligation to review or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

In rendering this opinion as Bond Counsel, we are passing only upon those matters set forth in this opinion and are not passing upon the adequacy, accuracy or completeness of any information furnished to any person in connection with any offer or sale of the Bonds.

Respectfully submitted,

APPENDIX E

[FORM OF LETTER OF CREDIT]

IRREVOCABLE TRANSFERABLE LETTER OF CREDIT

April 18, 2012
U.S. $45,961,644.00
Letter of Credit No. CPCS-358995
CUSIP No. 291147 BW5

The Bank of New York Mellon Trust Company, N.A.,
as trustee (the *"Trustee"*) under the Trust Indenture
dated as of May 1, 1991 (the *"Indenture"*), between
Emery County, Utah (the *"Issuer"*) and the Trustee
2 North LaSalle Street, Suite 1020
Chicago, Illinois 60602

Attention: Corporate Trust Department

Ladies and Gentlemen:
We hereby establish in your favor as Trustee for the benefit of the holders of the Bonds (as hereinafter defined), our irrevocable transferable Letter of Credit No. CPCS-358995 for the account of PacifiCorp, an Oregon corporation (the *"Borrower"*), whereby we hereby irrevocably authorize you to draw on us from time to time, from and after the date hereof to and including the earliest to occur of our close of business on: (i) April 18, 2013 (as extended from time to time, the *"Stated Expiration Date"*), (ii) the earlier of (A) the date which is fifteen (15) days following the date of conversion of the interest rate on all of the Bonds to a fixed interest rate pursuant to Section 4.01 of the Indenture, as such date is specified in a certificate in the form of Annex A hereto (the *"Conversion Date"*) or (B) the date on which the Bank honors a drawing under the Letter of Credit on or after the Conversion Date, (iii) the date which is fifteen (15) days following receipt from you of a certificate in the form set forth as Annex B hereto, (iv) the date on which an Acceleration Drawing is honored by us, and (v) the date which is fifteen (15) days following receipt by you of a written notice from us specifying the occurrence of an Event of Default under the Reimbursement Agreement dated as of April 18, 2012, between the Borrower and us (the *"Reimbursement Agreement"*) and directing you to accelerate the Bonds (such earliest date, the *"Termination Date"*), a maximum aggregate amount not exceeding forty-five million nine hundred sixty-one thousand six hundred forty-four United States Dollars (U.S. $45,961,644 - the *"Original Stated Amount"*) to pay principal of and accrued interest on, or the purchase price of, the U.S. $45,000,000 Pollution Control Revenue Refunding Bonds (PacifiCorp Project) Series 1991 issued by the Issuer (the *"Bonds"*), in accordance with the terms hereof (said U.S. $45,961,644 having been calculated to be equal to U.S. $45,000,000 (forty-five million U.S. Dollars), the original principal amount of the Bonds, plus U.S. $961,644 (nine hundred sixty-one thousand six hundred forty-four U.S. Dollars), which is 65 days' accrued interest on said principal amount of the Bonds at the rate of twelve percent (12.0%) per annum calculated on a 365-day basis (the "*Cap Interest Rate"*)). This credit is available to you against

presentation of the following documents (the *"Payment Documents"*) presented to JPMorgan Chase Bank, N.A. (the *"Issuing Bank"*) as described below:
A certificate (with all blanks appropriately completed) (i) in the form attached as Annex C hereto to pay accrued interest on the Bonds as provided for under Section 6.04 of the Indenture (an *"Interest Drawing"*), (ii) in the form attached as Annex D hereto to pay the principal amount of and accrued interest on the Bonds in respect of any redemption of the Bonds as provided for in Section 3.10, 3.11 or 3.12 of the Indenture (a *"Redemption Drawing"*), provided that in the event the date of redemption or purchase coincides with an Interest Payment Date (as defined in the Indenture) the Redemption Drawing shall not include any accrued interest on the Bonds (which interest is payable pursuant to an Interest Drawing), (iii) in the form attached as Annex E hereto, to allow J.P. Morgan Securities LLC, as Remarketing Agent (together with its permitted successors and assigns, the *"Remarketing Agent"*), to pay the purchase price of Bonds tendered for purchase as provided for in Section 3.01, 3.02, 3.03, 3.04, or 3.05 of the Indenture which have not been successfully remarketed or for which the purchase price has not been received by the Remarketing Agent by 10:00 A.M., New York, New York time, on the purchase date (a *"Liquidity Drawing"*), provided that in the event the purchase date coincides with an Interest Payment Date, the Liquidity Drawing shall not include any accrued interest on the Bonds (which interest is payable pursuant to an Interest Drawing), (iv) in the form attached as Annex F hereto, to pay the principal of and accrued interest in respect of Bonds the payment of which has been accelerated pursuant to Section 9.02(a) of the Indenture (an *"Acceleration Drawing"*), or (v) in the form attached as Annex G hereto to pay the principal amount of Bonds maturing on July 1, 2015 (a *"Stated Maturity Drawing"*), each certificate to state therein that it is given by your duly authorized representative and dated the date such certificate is presented hereunder. No drawings shall be made under this Letter of Credit for Pledged Bonds (as defined in the Indenture) or Bonds registered in the name of the Company.

All drawings shall be made by presentation of each Payment Document by facsimile (at facsimile number (312) 954-6163 or alternately to (312) 954-3140), Attention: Standby Service Unit, without further need of documentation, including the original of this Letter of Credit, it being understood that each Payment Document so submitted is to be the sole operative instrument of drawing.

We agree to honor and pay the amount of any Interest, Redemption, Liquidity, Acceleration or Stated Maturity Drawing if presented in compliance with all of the terms of this Letter of Credit. If such drawing, other than a Liquidity Drawing, is presented prior to 3:00 P.M., New York, New York time, on a Business Day, payment shall be made to the account number or address designated by you of the amount specified, in immediately available funds, by 10:00 A.M., New York, New York time, on the following Business Day. If any such drawing, other than a Liquidity Drawing, is presented at or after 3:00 P.M., New York, New York time, on a Business Day, payment shall be made to the account number or address designated by you of the amount specified, in immediately available funds, by 1:30 P.M., New York, New York time, on the following Business Day. If a Liquidity Drawing is presented prior to 12:00 Noon, New York, New York time, on a Business Day, payment shall be made to the account number or address designated by you of the amount specified, in immediately available funds, by 2:00 P.M., New York, New York time, on the same Business Day. If a Liquidity Drawing is presented at or after 12:00 Noon, New York, New York time, payment shall be made to the account number and at such bank designated by you of the amount specified, in immediately available funds, by 10:00 A.M., New York, New York time, on the following Business Day. Payments made hereunder

shall be made by wire transfer to you or by deposit into your account with us in accordance with the instructions specified by the Trustee in the drawing certificate relating to a particular drawing hereunder. *"Business Day"* means any day other than a day on which banking institutions in the city in which the principal corporate trust office of the Trustee or the principal corporate trust office of the Tender Agent or the principal office of the Remarketing Agent (as defined in the Indenture) is located, or the city where the office of the Issuing Bank where drawings are made hereunder is located, are required or authorized by law to remain closed, or other than a day on which the New York Stock Exchange is closed.

The Available Amount (as hereinafter defined) will be reduced automatically by the amount of any drawing hereunder; *provided, however,* that the amount of any Interest Drawing hereunder shall be automatically reinstated on the 9th (ninth) Business Day after payment by us of such drawing unless the Issuing Bank gives notice of an Event of Default under the Reimbursement Agreement. After payment by us of a Liquidity Drawing, the obligation of the Issuing Bank to honor drawings under this Letter of Credit will be automatically reduced by an amount equal to the Original Purchase Price of any Bonds (or portions thereof) purchased pursuant to said drawing. In addition, prior to the Conversion Date, in the event of the remarketing of the Bonds (or portions thereof) previously purchased with the proceeds of a Liquidity Drawing, our obligation to honor drawings hereunder shall be automatically reinstated concurrently upon receipt by the Issuing Bank, or the Trustee on the Issuing Bank's behalf, of an amount equal to the Original Purchase Price of such Bonds (or portion thereof) plus accrued interest thereon as required under the Reimbursement Agreement as specified in a certificate in the form of Annex L hereto (a "*Reinstatement Certificate*"); the amount of such reinstatement shall be equal to the Original Purchase Price of such Bonds (or portions thereof). *"Original Purchase Price"* shall mean the principal amount of any Bond purchased with the proceeds of a Liquidity Drawing plus the amount of accrued interest on such Bond paid with the proceeds of a Liquidity Drawing (and not pursuant to an Interest Drawing) upon such purchase.

Upon receipt by us of a certificate of the Trustee in the form of Annex H hereto, the Letter of Credit will automatically and permanently reduce the amount available to be drawn hereunder by the amount specified in such certificate. Such reduction shall be effective as of the next Business Day following the date of delivery of such certificate.

Upon any permanent reduction of the *Available Amount* to be drawn under this Letter of Credit, as provided herein, we will deliver to you an amendment to this Letter of Credit substantially in the form of Annex I hereto to reflect any such reduction. The *"Available Amount"* shall mean the Original Stated Amount (i) less the amount of all prior reductions pursuant to Interest, Redemption, Liquidity, Acceleration or Stated Maturity Drawings, (ii) less the amount of any reduction thereof pursuant to a certificate in the form of Annex H hereto, (iii) plus the amount of all reinstatements as above provided.

Prior to the Termination Date, we may extend the Stated Expiration Date from time to time at the request of the Borrower by delivering to you an amendment to this Letter of Credit in the form of Annex K hereto designating the date to which the Stated Expiration Date is being extended. Each such extension of the Stated Expiration Date shall become effective on the Business Day following delivery of such notice to you and thereafter all references in this Letter of Credit to the Stated Expiration Date shall be deemed to be references to the date designated as such in

such notice. Any date to which the Stated Expiration Date has been extended as herein provided may be extended in a like manner.

Upon the Termination Date this Letter of Credit shall automatically terminate and be delivered to the Issuing Bank for cancellation. Failure to deliver said Letter of Credit will have no effect on the Termination Date, and the Letter of Credit will still be considered terminated.

This Letter of Credit is transferable to any transferee who has succeeded you as Trustee under the Indenture, and may be successively transferred. Any transfer request must be affected by presenting to us the attached form of Annex J signed by the transferor and the transferee together with the original Letter of Credit. Upon our endorsement of such transfer, the transferee instead of the transferor shall, without necessity of further action, be entitled to all the benefits of and rights under this Letter of Credit in the transferor's place; provided that, in such case, any certificates of the Trustee to be provided hereunder shall be signed by one who states therein that he is a duly authorized officer or agent of the transferee.

Communications with respect to this Letter of Credit shall be addressed to us at JPMorgan Chase Bank, N.A., 131 South Dearborn, 5th Floor, Mail Code IL1-0236, Chicago, Il 60603-5506, Attention: Standby Letter of Credit Unit, specifically referring to the number of this Letter of Credit. For telephone assistance, please contact the Standby Client Service Unit at 1-800-634-1969, select Option 1, or 1-312-385-7910, and have this Letter of Credit number available.

Except as expressly stated herein, this Letter of Credit is governed by, and construed in accordance with the International Standby Practices, ICC Publication No. 590 (the "ISP98"). As to matters not governed by the ISP98, this Letter of Credit shall be governed by and construed in accordance with the laws of the State of New York, including without limitation the Uniform Commercial Code as in effect in the State of New York, without regard to principals of conflict of laws.

All payments made by us hereunder shall be made from our funds and not with the funds of any other Person.

This Letter of Credit sets forth in full the terms of our undertaking, and such undertaking shall not in any way be modified or amended by reference to any other document whatsoever.

Very truly yours,

JPMorgan Chase Bank, N.A.

By: _____
Name:
Title:

ANNEX A
TO
JPMORGAN CHASE BANK, N.A.
LETTER OF CREDIT
NO. CPCS-358995

NOTICE OF CONVERSION DATE

[Date]

JPMorgan Chase Bank, N.A.
131 South Dearborn
5th Floor, Mail Code IL1-0236
Chicago, IL 60603-5506

Attn: Standby Letter of Credit Unit

Ladies and Gentlemen:

Reference is hereby made to that certain Irrevocable Transferable Letter of Credit No. CPCS-358995 dated April 18, 2012 (the *"Letter of Credit"*), which has been established by you for the account of PacifiCorp, an Oregon corporation, in favor of the Trustee.

The undersigned hereby certifies and confirms that the Conversion Date has occurred on [insert date], and, accordingly, said Letter of Credit shall terminate 15 days after such Conversion Date in accordance with its terms.

All defined terms used herein which are not otherwise defined herein shall have the same meaning as in the Letter of Credit.

The Bank of New York Mellon Trust Company, N.A.
as Trustee

By: _____
[Title of Authorized Representative]

ANNEX B
TO
JPMORGAN CHASE BANK, N.A.
LETTER OF CREDIT
NO. CPCS-358995

NOTICE OF TERMINATION

[Date]

JPMorgan Chase Bank, N.A.
131 South Dearborn
5th Floor, Mail Code IL1-0236
Chicago, IL 60603-5506

Attn: Standby Letter of Credit Unit

Ladies and Gentlemen:

Reference is hereby made to that certain Irrevocable Transferable Letter of Credit No. CPCS-358995 dated April 18, 2012 (the *"Letter of Credit"*), which has been established by you for the account of PacifiCorp, an Oregon corporation in favor of the Trustee.

The undersigned hereby certifies and confirms that [(i) no Bonds (as defined in the Letter of Credit) remain Outstanding within the meaning of the Indenture, (ii) all drawings required to be made under the Indenture and available under the Letter of Credit have been made and honored, or (iii) [a Substitute Letter of Credit] [an Alternate Credit Facility] (as defined in the Indenture) has been provided to replace the Letter of Credit pursuant to the Indenture and Section 4.03(__) of the Loan Agreement dated as of May 1, 1991, between the Issuer and the Borrower,]* and, accordingly, the Letter of Credit shall be terminated in accordance with its terms.

All defined terms used herein which are not otherwise defined shall have the same meaning as in the Letter of Credit.

The Bank of New York Mellon Trust
Company, N.A.
as Trustee

By _____
[Title of Authorized
Representative]

* Insert appropriate subsection.

ANNEX C
TO
JPMORGAN CHASE BANK, N.A.
LETTER OF CREDIT
NO. CPCS-358995

INTEREST DRAWING CERTIFICATE

JPMorgan Chase Bank, N.A.
facsimile number (312) 954-6163
alternately to (312) 954-3140)

Attn: Standby Letter of Credit Unit

The undersigned individual, a duly authorized representative of The Bank of New York Mellon Trust Company, N.A. (the *"Beneficiary"*), hereby CERTIFIES on behalf of the Beneficiary as follows with respect to (i) that certain Irrevocable Transferable Letter of Credit No. CPCS-358995 dated April 18, 2012 (the *"Letter of Credit"*), issued by JPMorgan Chase Bank, N.A. (the *"Bank"*) in favor of the Beneficiary; (ii) those certain Bonds (as defined in the Letter of Credit); and (iii) that certain Indenture (as defined in the Letter of Credit):

1. The Beneficiary is the Trustee under the Indenture.

2. The Beneficiary is entitled to make this drawing in the amount of U.S. $_____ under the Letter of Credit pursuant to the Indenture with respect to the payment of interest due on all Bonds outstanding on the Interest Payment Date (as defined in the Indenture) occurring on [insert applicable date][, other than Pledged Bonds (as defined in the Indenture)] or Bonds registered in the name of the Company.

3. The amount of the drawing is equal to the amount required to be drawn by the Trustee pursuant to Section 6.04 of the Indenture.

4. The amount of the drawing made by this Certificate was computed in compliance with the terms of the Indenture and, when added to the amount of any other drawing under the Letter of Credit made simultaneously herewith, does not exceed the Available Amount (as defined in the Letter of Credit).

5. Payment by the Bank pursuant to this drawing shall be made to _____, ABA Number _____, Account Number _____, Attention: _____, Re: _____.

(Signature Page Follows)

IN WITNESS WHEREOF, this Certificate has been executed this ____ day of _____, 20___.

The Bank of New York Mellon Trust Company, N.A.
as Trustee

By _____
[Title of Authorized Representative]

ANNEX D
TO
JPMORGAN CHASE BANK, N.A.
LETTER OF CREDIT
NO. CPCS-358995

REDEMPTION DRAWING CERTIFICATE

JPMorgan Chase Bank, N.A.
facsimile number (312) 954-6163
alternately to (312) 954-3140)

Attn: Standby Letter of Credit Unit

The undersigned individual, a duly authorized representative of The Bank of New York Mellon Trust Company, N.A. (the *"Beneficiary"*), hereby CERTIFIES on behalf of the Beneficiary as follows with respect to (i) that certain Irrevocable Transferable Letter of Credit No. CPCS-358995 dated April 18, 2012 (the *"Letter of Credit"*), issued by JPMorgan Chase Bank, N.A. (the *"Bank"*) in favor of the Beneficiary; (ii) those certain Bonds (as defined in the Letter of Credit); and (iii) that certain Indenture (as defined in the Letter of Credit):

1. The Beneficiary is the Trustee under the Indenture.

2. The Beneficiary is entitled to make this drawing in the amount of U.S. $_____ under the Letter of Credit pursuant to Section [**3.10][3.11][3.12]** * of the Indenture.

3. (a) The amount of this drawing is equal to (i) the principal amount of Bonds to be redeemed by the Issuer (as defined in the Letter of Credit) pursuant to Section [**3.10][3.11][3.12]*** of the Indenture on [insert applicable date] (the *"Redemption Date*") (other than Pledged Bonds (as defined in the Indenture) or Bonds registered in the name of the Company), plus (ii) interest on such Bonds accrued from the immediately preceding Interest Payment Date (as defined in the Indenture) to the Redemption Date, provided that in the event the Redemption Date coincides with an Interest Payment Date this drawing does not include any accrued interest on such Bonds.

(b) Of the amount stated in paragraph 2 above:

(i) U.S. $_____ is demanded in respect of the principal amount of the Bonds referred to in subparagraph (a) above; and

(ii) U.S. $_____ is demanded in respect of accrued interest on such Bonds.

4. Payment by the Bank pursuant to this drawing shall be made to _____, ABA Number _____, Account Number _____, Attention: _____, Re: _____.

5. The amount of the drawing made by this Certificate was computed in compliance with the terms and conditions of the Indenture and, when added to the amount of any other drawing under the Letter of Credit made simultaneously herewith, does not exceed the Available Amount (as defined in the Letter of Credit).

* Insert appropriate subsection.

6. Upon payment of the amount drawn hereunder, the Bank is hereby directed to permanently reduce the Available Amount by U.S. $[insert amount of reduction] and the Available Amount shall thereupon equal U.S. $[insert new Available Amount]. The Available Amount has been reduced by an amount equal to the principal of Bonds paid with this drawing and an amount equal to 65 days' interest thereon at the Cap Interest Rate (as defined in the Letter of Credit).

7. Of the amount of the reduction stated in paragraph 6 above:

(i) U.S. $_____ is attributable to the principal amount of Bonds redeemed; and

(ii) U.S. $_____ is attributable to interest on such Bonds (*i.e.*, 65 days' interest thereon at the Cap Interest Rate).

8. The amount of the reduction in the Available Amount has been computed in accordance with the provisions of the Letter of Credit.

9. Following the reduction, the Available Amount shall be at least equal to the aggregate principal amount of the Bonds outstanding (to the extent such Bonds are not Pledged Bonds (as defined in the Indenture) or Bonds registered in the name of the Company) plus 65 days' interest thereon at the Cap Interest Rate.

* 10. In the case of a redemption pursuant to Section 3.11 of the Indenture, the Trustee, prior to giving notice of redemption to the owners of the Bonds, received written evidence from the Bank that the Bank has consented to such redemption.

(Signature Page Follows)

* To be included in certificate only if Section 3.11 is referenced in paragraph numbered 2 or 3 above.

IN WITNESS WHEREOF, this Certificate has been executed this _____ day of _____, _____.

The Bank of New York Mellon Trust Company, N.A.
as Trustee

By _____
[Title of Authorized Representative]

ANNEX E
TO
JPMORGAN CHASE BANK, N.A.
LETTER OF CREDIT
NO. CPCS-358995

LIQUIDITY DRAWING CERTIFICATE

JPMorgan Chase Bank, N.A.
facsimile number (312) 954-6163
alternately to (312) 954-3140)

Attn: Standby Letter of Credit Unit

The undersigned individual, a duly authorized representative of The Bank of New York Mellon Trust Company, N.A. (the *"Beneficiary"*) hereby CERTIFIES as follows with respect to (i) that certain Irrevocable Transferable Letter of Credit No. CPCS-358995 dated April 18, 2012 (the *"Letter of Credit"*), issued by JPMorgan Chase Bank, N.A. (the *"Bank"*) in favor of the Beneficiary; (ii) those certain Bonds (as defined in the Letter of Credit); and (iii) that certain Indenture (as defined in the Letter of Credit):

1. The Beneficiary is the Trustee under the Indenture.

2. The Beneficiary is entitled to make this drawing under the Letter of Credit in the amount of U.S. $_____ with respect to the payment of the purchase price of Bonds tendered for purchase in accordance with Section 3.01, 3.02, 3.03, 3.04 or 3.05 of the Indenture and to be purchased on [insert applicable date] (the *"Purchase Date"*) which Bonds have not been remarketed as provided in the Indenture or the purchase price of which has not been received by the Remarketing Agent (as defined in the Letter of Credit) by 10:00 A.M., New York, New York time, on said Purchase Date.

3. (a) The amount of the drawing is equal to (i) the principal amount of Bonds to be purchased pursuant to the Indenture on the Purchase Date (other than Pledged Bonds as defined in the Indenture or Bonds registered in the name of the Company), plus (ii) interest on such Bonds accrued from the immediately preceding Interest Payment Date (as defined in the Indenture) (or if none, the date of issuance of the Bonds) to the Purchase Date, provided that in the event the Purchase Date coincides with an Interest Payment Date this drawing does not include any accrued interest on such Bonds.

(b) Of the amount stated in paragraph (2) above:

(i) U.S. $_____ is demanded in respect of the principal portion of the purchase price of the Bonds referred to in subparagraph (2) above; and

(ii) U.S. $_____ is demanded in respect of payment of the interest portion of the purchase price of such Bonds.

4. The amount of the drawing made by this Certificate was computed in compliance with the terms and conditions of the Indenture and, when added to the amount of any other

drawing under the Letter of Credit made simultaneously herewith, does not exceed the Available Amount (as defined in the Letter of Credit).

5. The Beneficiary will register or cause to be registered in the name of the Borrower, upon payment of the amount drawn hereunder, Bonds in the principal amount of the Bonds being purchased with the amounts drawn hereunder and will deliver such Bonds to the Trustee in accordance with the Indenture.

6. Payment by the Bank pursuant to this drawing shall be made to _____, ABA Number _____, Account Number _____, Attention: _____, Re: _____.

IN WITNESS WHEREOF, this Certificate has been executed this _____ day of _____, _____.

The Bank of New York Mellon Trust Company, N.A.
as Trustee

By _____
[Title of Authorized Representative]

ANNEX F
TO
JPMORGAN CHASE BANK, N.A.
LETTER OF CREDIT
NO. CPCS-358995

ACCELERATION DRAWING CERTIFICATE

JPMorgan Chase Bank, N.A.
facsimile number (312) 954-6163
alternately to (312) 954-3140)

Attn: Standby Letter of Credit Unit

The undersigned individual, a duly authorized representative of The Bank of New York Mellon Trust Company, N.A. (the *"Beneficiary"*), hereby CERTIFIES on behalf of the Beneficiary as follows with respect to (i) that certain Irrevocable Transferable Letter of Credit No. CPCS-358995 dated April 18, 2012 (the *"Letter of Credit"*), issued by JPMorgan Chase Bank, N.A. (the *"Bank"*) in favor of the Beneficiary; (ii) those certain Bonds (as defined in the Letter of Credit); and (iii) that certain Indenture (as defined in the Letter of Credit):

1. The Beneficiary is the Trustee under the Indenture.

2. An Event of Default has occurred under subsection [insert subsection] of Section 9.01 of the Indenture and the Trustee has declared the principal of and accrued interest on all Bonds then outstanding immediately due and payable. The Beneficiary is entitled to make this drawing in the amount of U.S. $_____ under the Letter of Credit pursuant to Section 9.02 of the Indenture in order to pay the principal of and interest accrued on the Bonds due to an acceleration thereof in accordance with Section **[___]** of the Indenture.

3. (a) The amount of this drawing is equal to (i) the principal amount of Bonds outstanding on [insert date of acceleration] (the *"Acceleration Date"*) other than Pledged Bonds (as defined in the Indenture) or Bonds registered in the name of the Company, plus (ii) interest on such Bonds accrued from the immediately preceding Interest Payment Date (as defined in the Indenture) to the Acceleration Date.

(b) Of the amount stated in paragraph 2 above:

(i) U.S. $_____ is demanded in respect of the principal portion of the Bonds referred to in subparagraph (a) above; and

(ii) U.S. $_____ is demanded in respect of accrued interest on such Bonds.

4. The amount of this drawing made by this Certificate was computed in compliance with the terms and conditions of the Indenture and, when added to the amount of any drawing under the Letter of Credit made simultaneously herewith, does not exceed the Available Amount (as defined in the Letter of Credit).

5. Payment by the Bank pursuant to this drawing shall be made to _____, ABA Number _____, Account Number _____, Attention: _____, Re: _____.

(Signature Page Follows)

IN WITNESS WHEREOF, this Certificate has been executed this ____ day of _____, 20___.

The Bank of New York Mellon Trust Company, N.A.
as Trustee

By _____
[Title of Authorized Representative]

ANNEX G
TO
JPMORGAN CHASE BANK, N.A.
LETTER OF CREDIT
NO. CPCS-358995

STATED MATURITY DRAWING CERTIFICATE

JPMorgan Chase Bank, N.A.
facsimile number (312) 954-6163
alternately to (312) 954-3140)

Attn: Standby Letter of Credit Unit

The undersigned individual, a duly authorized representative of The Bank of New York Mellon Trust Company, N.A. (the *"Beneficiary"*), hereby CERTIFIES on behalf of the Beneficiary as follows with respect to (i) that certain Irrevocable Transferable Letter of Credit No. CPCS-358995 dated April 18, 2012 (the *"Letter of Credit"*), issued by JPMorgan Chase Bank, N.A. (the *"Bank"*) in favor of the Beneficiary; (ii) those certain Bonds (as defined in the Letter of Credit); and (iii) that certain Indenture (as defined in the Letter of Credit):

1. The Beneficiary is the Trustee under the Indenture.

2. The Beneficiary is entitled to make this drawing in the amount of U.S. $_____ under the Letter of Credit pursuant to Section 6.04 of the Indenture.

3. The amount of this drawing is equal to the principal amount of Bonds outstanding on **[_____, _____,]** the maturity date thereof as specified in the Indenture, other than Pledged Bonds (as defined in the Indenture) or Bonds registered in the name of the Company.

4. The amount of this drawing made by this Certificate was computed in compliance with the terms and conditions of the Indenture and, when added to the amount of any other drawing under the Letter of Credit made simultaneously herewith, does not exceed the Available Amount (as defined in the Letter of Credit) .

5. Payment by the Bank pursuant to this drawing shall be made to _____, ABA Number _____, Account Number _____, Attention: _____, Re: _____.

(Signature Page Follows)

IN WITNESS WHEREOF, this Certificate has been executed this _____ day of _____, _____.

The Bank of New York Mellon Trust Company, N.A.
as Trustee

By _____
[Title of Authorized Representative]

ANNEX H
TO
JPMORGAN CHASE BANK, N.A.
LETTER OF CREDIT
NO. CPCS-358995

REDUCTION CERTIFICATE

JPMorgan Chase Bank, N.A.
131 South Dearborn
5th Floor, Mail Code IL1-0236
Chicago, IL 60603-5506

Attn: Standby Letter of Credit Unit

The undersigned individual, a duly authorized representative of The Bank of New York Mellon Trust Company, N.A. (the *"Beneficiary"*), hereby CERTIFIES on behalf of the Beneficiary as follows with respect to (i) that certain Irrevocable Transferable Letter of Credit No. CPCS-358995 dated April 18, 2012 (the *"Letter of Credit"*), issued by JPMorgan Chase Bank, N.A. (the *"Bank"*) in favor of the Beneficiary; (ii) those certain Bonds (as defined in the Letter of Credit); and (iii) that certain Indenture (as defined in the Letter of Credit):

1. The Beneficiary is the Trustee under the Indenture.

2. Upon receipt by the Bank of this Certificate, the Available Amount (as defined in the Letter of Credit) shall be reduced by U.S.$_____ and the Available Amount shall thereupon equal U.S. $_____. U.S. $_____ of the new Available Amount is attributable to interest.

3. The amount of the reduction in the Available Amount has been computed in accordance with the provisions of the Letter of Credit.

4. Following the reduction, the Available Amount shall be at least equal to the aggregate principal amount of the Bonds outstanding (other than Pledged Bonds (as defined in the Indenture) or Bonds registered in the name of the Company) plus 65 days' interest thereon at the Cap Interest Rate (as defined in the Letter of Credit).

IN WITNESS WHEREOF, this Certificate has been executed this _____ day of _____, ____.

The Bank of New York Mellon Trust
Company, N.A.
as Trustee

By _____
[Title of Authorized
Representative]

ANNEX I
TO
JPMORGAN CHASE BANK, N.A.
LETTER OF CREDIT
NO. CPCS-358995

NOTICE OF REDUCTION AMENDMENT

[Date]
CUSIP No. 291147 BW5

The Bank of New York Mellon Trust Company, N.A.,
as trustee (the *"Trustee"*) under the Trust Indenture
dated as of May 1, 1991 (the *"Indenture"*), between
Emery County, Utah (the *"Issuer"*) and the Trustee
2 North LaSalle Street, Suite 1020
Chicago, Illinois 60602

Attention:

Ladies and Gentlemen:
Reference is hereby made to that certain Irrevocable Transferable Letter of Credit No. CPCS-358995 dated April 18, 2012 (the *"Letter of Credit"*), established by us in your favor as Beneficiary related to , the U.S. $45,000,000 Pollution Control Revenue Refunding Bonds (PacifiCorp Project) Series 1991 issued by the Issuer (the *"Bonds"*). We hereby notify you that, in accordance with the terms of the Letter of Credit and the Reimbursement Agreement (as defined in the Letter of Credit), the Available Amount (as defined in the Letter of Credit) has been reduced to U.S. $_____, of which U.S. $_____ is attributable to principal and U.S. $_____ is attributable to interest.

This amendment shall be attached to the Letter of Credit and made a part thereof.

JPMorgan Chase Bank, N.A.

By: _____
Name:
Title:

ANNEX J
TO
JPMORGAN CHASE BANK, N.A.
LETTER OF CREDIT
NO. CPCS-358995

REQUEST FOR TRANSFER

JPMorgan Chase Bank, N.A.
131 South Dearborn
Mail Code IL1-0236
Chicago, IL 60603-5506

Date: _____

Attn: Standby Letter of Credit Unit

Re: JPMorgan Chase Bank, N.A. Irrevocable Transferable Letter of Credit No. CPCS-358995 dated April 18, 2012
We, the undersigned "Transferor", hereby irrevocably transfer all of our rights to draw under the above referenced Letter of Credit ("Credit") in its entirety to:

NAME OF TRANSFEREE _____
(Print Name and complete address of the Transferee) "Transferee"
ADDRESS OF TRANSFEREE _____
_____
CITY, STATE/COUNTRY ZIP _____

In accordance with ISP98, Rule 6, regarding transfer of drawing rights, all rights of the undersigned Transferor in such Credit are transferred to the Transferee, who shall have the sole rights as beneficiary thereof, including sole rights relating to any amendments whether increases or extensions or other amendments and whether now existing or hereafter made. All amendments are to be advised directly to the Transferee without necessity of any consent of or notice to the undersigned Transferor.

The original Credit, including amendments to this date, is attached and the undersigned Transferor requests that you endorse an acknowledgment of this transfer on the reverse thereof. The undersigned Transferor requests that you notify the Transferee of this Credit in such form and manner as you deem appropriate, and the terms and conditions of the Credit as transferred. The undersigned Transferor acknowledges that you incur no obligation hereunder and that the transfer shall not be effective until you have expressly consented to effect the transfer by notice to the Transferee.

If you agree to these instructions, please advise the Transferee of the terms and conditions of this transferred Credit and these instructions.

Transferor represents and warrants that (a) the Transferee is the Transferor's successor trustee under the Indenture, (b) the enclosed Credit is original and complete, and (c) there is no outstanding demand or request for payment or transfer under the Credit affecting the rights to be transferred.

The Effective Date shall be the date hereafter on which Transferring Bank effects the requested transfer by acknowledging this request and giving notice thereof to Transferee.

WE WAIVE ANY RIGHT TO TRIAL BY JURY THAT WE MAY HAVE IN ANY ACTION OR PROCEEDING RELATING TO OR ARISING OUT OF THIS TRANSFER.

This Request is made subject to ISP98 and is subject to and shall be governed by the laws of the State of New York, without regard to principles of conflict of laws.

(Signature Page Follows)

Sincerely yours,

The Bank of New York Mellon Trust Company, N.A.
(Print Name of Transferor)

(Transferor's Authorized Signature)

(Print Authorized Signers Name and Title)

(Telephone Number/Fax Number)

SIGNATURE GUARANTEED
Signature(s) with title(s) conform(s) with that/those on file with us for this individual, entity or company and signer(s) is/are authorized to execute this agreement

(Print Name of Bank)

(Address of Bank)

(City, State, Zip Code)

(Print Name and Title of Authorized Signer)

(Authorized Signature)

(Telephone Number)

(Date)

Acknowledged:

(Print Name of Transferee)

(Transferee's Authorized Signature)

(Print Authorized Signers Name and Title)

(Telephone Number/Fax Number)

SIGNATURE GUARANTEED
Signature(s) with title(s) conform(s) with that/those on file with us for this individual, entity or company and signer(s) is/are authorized to execute this agreement.

(Print Name of Bank)

(Address of Bank)

(City, State, Zip Code)

(Print Name and Title of Authorized Signer)

(Authorized Signature)

(Telephone Number)

(Date)

Acknowledged as of _____, 20__:

JPMorgan Chase Bank, N.A.

By: _____
Name:
Title:

ANNEX K
TO
JPMORGAN CHASE BANK, N.A.
LETTER OF CREDIT
NO. CPCS-358995

NOTICE OF EXTENSION AMENDMENT

[Date]
CUSIP No. 291147 BW5

The Bank of New York Mellon Trust Company, N.A.,
as trustee (the *"Trustee"*) under the Trust Indenture
dated as of May 1, 1991 (the *"Indenture"*), between
Emery County, Utah (the *"Issuer"*) and the Trustee
2 North LaSalle Street, Suite 1020
Chicago, Illinois 60602

Attention:

Ladies and Gentlemen:

Reference is hereby made to that certain Irrevocable Transferable Letter of Credit No. CPCS-358995 dated April 18, 2012 (the *"Letter of Credit"*), established by us in your favor as Beneficiary related to the U.S. $_____ Pollution Control Revenue Refunding Bonds (PacifiCorp Project) Series 1991 issued by the Issuer (the *"Bonds"*). We hereby notify you that, in accordance with the terms of the Letter of Credit and the Reimbursement Agreement (as defined in the Letter of Credit), the Stated Expiration Date (as defined in the Letter of Credit) has been extended to _____, 20__.

This amendment shall be attached to the Letter of Credit and made a part thereof.

JPMorgan Chase Bank, N.A.

By: _____
Name:
Title:

ANNEX L
TO
JPMORGAN CHASE BANK, N.A.
LETTER OF CREDIT
NO. CPCS-358995

REINSTATEMENT CERTIFICATE

JPMORGAN CHASE BANK, N.A.
facsimile number (312) 954-6163
alternately to (312) 954-3140)

Attn: Standby Letter of Credit Unit

The undersigned individual, a duly authorized representative of The Bank of New York Mellon Trust Company, N.A. (the *"Beneficiary"*), hereby CERTIFIES on behalf of the Beneficiary as follows with respect to (i) that certain Irrevocable Transferable Letter of Credit No. CPCS-358995 dated April 18, 2012 (the *"Letter of Credit"*), issued by JPMorgan Chase Bank, N.A. (the *"Bank"*) in favor of the Beneficiary; (ii) those certain Bonds (as defined in the Letter of Credit); and (iii) that certain Indenture (as defined in the Letter of Credit):

1. The undersigned is the Trustee under the Indenture.

2. The Trustee has previously made a Liquidity Drawing under the Letter of Credit on _____ in the amount of U.S. $_____ (representing U.S. $_____ of principal and U.S. $_____ of interest) with respect to the purchase price of Bonds which are now held as Pledged Bonds under the Indenture.

3. The Trustee has received proceeds from the sale of remarketed Pledged Bonds originally purchased with the proceeds of the above described Liquidity Drawing and as of the date hereof holds in the Custody Account established under the Indenture the amount of U.S. $_____ (representing U.S. $_____ of principal and U.S. $_____ of interest) with respect to the sale of such Pledged Bonds.

4. In accordance with the terms of the Letter of Credit, the Trustee deems that the amount available under the Letter of Credit has been automatically reinstated to the extent of the lesser of (i) the proceeds of remarketed Pledged Bonds held in the Custody Account as set forth above, or (ii) the amount of the Liquidity Drawing described above, all in accordance with the terms of the Letter of Credit and this notice.

IN WITNESS WHEREOF, the undersigned has executed and delivered this Certificate this ____ day of _____, _____.

The Bank of New York Mellon Trust
Company, N.A.
as Trustee

By _____
[Title of Authorized
Representative] (Title)

REIMBURSEMENT AGREEMENT

dated as of April 18, 2012

by and between

PACIFICORP

and

JPMORGAN CHASE BANK, N.A.

$45,000,000
City of Forsyth, Rosebud County, Montana
Customized Purchase Pollution Control Revenue Refunding Bonds (PacifiCorp Project),
Series 1988

Table of Contents

REIMBURSEMENT AGREEMENT

THIS REIMBURSEMENT AGREEMENT, dated as of April 18, 2012, by and between PACIFICORP, an Oregon corporation, and JPMORGAN CHASE BANK, N.A., as the issuer of the hereinafter described Letter of Credit.

RECITALS:

(1) Whereas, the Borrower (such term and each other capitalized term used herein having the meaning set forth in Article I hereof) desires to secure a source of funds to be devoted exclusively to the payment by the Trustee, when and as due, of the principal of and interest on the Bonds, and has applied to the Bank for issuance by the Bank of the Letter of Credit in an original stated amount of $45,961,644.

(2) The Borrower has entered into the Credit Agreement.

(3) The Issuer has heretofore issued the Bonds pursuant to the Indenture.

(4) The Issuer and the Borrower have entered into the Loan Agreement pertaining to the Bonds.

(5) Under the Loan Agreement the Borrower has agreed to cause the Bonds to be secured by an irrevocable direct pay letter of credit.

(6) The Bank has agreed to issue the Letter of Credit subject to the following terms and conditions.

NOW, THEREFORE, in consideration of the premises, including the benefits to be realized by Borrower as above described, and in order to induce the Bank to issue the Letter of Credit, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

Section 1.01 Certain Defined Terms. Unless otherwise defined in this Agreement, terms defined in the Credit Agreement shall have the meanings respectively indicated therein. As used in this Agreement, the following terms shall have the following meanings (such meanings to be equally applicable to both the singular and plural forms of the terms defined):

"Administrative Agent" means JPMorgan Chase Bank, N.A. in its capacity as Administrative Agent under the Credit Agreement, and its successors in such capacity.

"Available Amount" means the total amount available to be drawn under the Letter of Credit, as the same may be reduced and reinstated from time to time in accordance with the provisions of the Letter of Credit.

"Bank" means JPMorgan Chase Bank, N.A., as issuer of the Letter of Credit, and its successors and assigns, and as Issuing Bank under the Credit Agreement.

"Bond Documents" means (i) the Indenture, (ii) the Loan Agreement, (iii) the Remarketing Agreement and (iv) any other document executed by the Borrower in connection with the issuance, reoffering or sale of the Bonds.

"Bonds" or "Bonds" means Issuer's $45,000,000 City of Forsyth, Rosebud County, Montana Customized Purchase Pollution Control Revenue Refunding Bonds (PacifiCorp Project) Series 1988.

"Borrower" means PacifiCorp, an Oregon corporation, and its successors and assigns.

"Business Day" has the meaning assigned thereto in the Letter of Credit.

"Closing Date" means the date on which the Letter of Credit is issued.

"Control Agreement" means the Control Agreement dated as of April 18, 2012 among the Borrower, the Bank and the Trustee as amended or supplemented and restated from time to time.

"Costs" has the meaning assigned thereto in Section 4.07.

"Credit Agreement" means that certain Amended and Restated Credit Agreement dated as of July 6, 2006, among the Borrower, various banks identified therein, the Administrative Agent and The Royal Bank of Scotland plc, as Syndication Agent, as amended or supplemented from time to time.

"Dodd-Frank Act" means the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, as enacted by the United States Congress, and signed into law on July 21, 2010, and all statutes, rules, guidelines or directives promulgated thereunder.

"Expiration Date" has the meaning assigned to such term in the Letter of Credit.

"Fee Letter" means the fee letter dated April 18, 2012 between the Borrower and the Bank.

"Governmental Authority" means any nation or government, any state, department, agency or other political subdivision thereof, and any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to any government, and any corporation or other entity owned or controlled (through stock or capital ownership or otherwise) by any of the foregoing.

"Indenture" means that certain Trust Indenture dated as of January 1, 1988 between the Issuer and the Trustee, as amended, supplemented and restated through and including the date hereof.

"ISP" or "ISP98" means, International Standby Practices 1998 (International Chamber of Commerce Publication No. 590).

"Issuer" means City of Forsyth, Rosebud County, Montana, and its lawful successors and assigns.

"Letter of Credit" means the irrevocable direct pay letter of credit issued by the Bank to the Trustee to secure payment of the Bonds, substantially in the form of Exhibit A attached hereto.

"Loan Agreement" means the Loan Agreement dated as of January 1, 1988 between the Borrower and the Issuer, as amended, supplemented and restated through and including the date hereof.

"Official Statement" means the Supplement to Official Statement dated April 16, 2012 relating to the Bonds, together with the documents incorporated therein by reference.

"Payment Document" has the meaning assigned thereto in Section 4.08.

"Pledge Agreement" means the Pledge Agreement dated as of April 18, 2012 between the Borrower and the Bank, as amended or supplemented from time to time.

"Pledged Bonds" has the meaning assigned thereto in the Indenture.

"Related Documents" means this Agreement, the Letter of Credit, the Fee Letter, the Bond Documents, the Pledge Agreement, the Control Agreement, the Credit Agreement and any other agreement or instrument relating thereto.

"Remarketing Agent" means the placement or remarketing agent at the time serving as such under the Remarketing Agreement and designated as the Remarketing Agent for purposes of the Indenture. The current Remarketing Agent is Barclays Capital, the investment banking division of Barclays Bank PLC.

"Remarketing Agreement" means the Remarketing Agreement dated January 14, 1988 between the Borrower and the Remarketing Agent, as from time to time amended or supplemented, or if such Remarketing Agreement shall be terminated, then such other agreement which may from time to time be entered into with any Remarketing Agent with respect to the remarketing or placement of the Bonds.

"Stated Expiration Date" has the meaning assigned thereto in the Letter of Credit.

"Trustee" means The Bank of New York Mellon Trust Company, N.A., as trustee under the Indenture, or any further successor trustee under the Indenture.

Section 1.02 Relation to Other Documents. Nothing in this Agreement shall be deemed to amend, or relieve the Borrower of any of its obligations under, the Credit Agreement or any other Related Document. To the extent any provision of this Agreement conflicts with any provision of the Credit Agreement, the provisions of this Agreement shall control as between the

Borrower and the Bank. For avoidance of doubt, nothing herein shall affect the rights or obligations of any other "Bank" party to the Credit Agreement.

ARTICLE II

AMOUNT AND TERMS OF THE LETTER OF CREDIT

Section 2.01 The Letter of Credit. Subject to the terms and conditions of this Agreement, the Bank agrees to issue the Letter of Credit to the Trustee as beneficiary on the Closing Date. The Letter of Credit shall be in the original stated amount of $45,961,644 consisting of (i) $45,000,000 to pay principal of the Bonds, plus (ii) 65 days' interest on said principal amount computed at the rate of twelve percent (12%) per annum calculated on the basis of a 365 day year and actual days elapsed, in the amount of $961,644.

Section 2.02 Letter of Credit Drawings. The Trustee is authorized to make drawings under the Letter of Credit in accordance with the terms thereof. The Borrower hereby directs the Bank to make payments under the Letter of Credit in the manner therein provided. The Borrower hereby irrevocably approves reductions and reinstatements of the Available Amount as provided in the Letter of Credit.

Section 2.03 Term. The Letter of Credit will expire as provided in the Letter of Credit.

Section 2.04 Reimbursement of Drawings. The Borrower agrees to reimburse the Bank for the full amount of any drawing made under the Letter of Credit upon payment by the Bank of each such drawing on the date specified pursuant to Section 2.17(c) of the Credit Agreement. If the Borrower does not make such reimbursement on such date, such reimbursement obligation shall bear interest at the applicable rate per annum specified in the Credit Agreement.

Section 2.05 Fees. The Borrower hereby agrees to pay to the Bank non-refundable fees as provided in the Fee Letter.

Section 2.06 Method of Payment; Etc. All payments to be made by the Borrower under this Agreement shall be made at the Chicago office of the Bank not later than 2:00 P.M. (Chicago time) on the date when due and shall be made in lawful money of the United States of America in freely transferable and immediately available funds in accordance with the wiring instructions below (as such instructions may be modified from time to time by notice from the Bank to the Borrower):

JPMorgan Chase Bank, N.A.
ABA # 02100021
Credit Account #: 324331754
Credit Account Name: Global Trade Services – Chicago
OBI Reference: L/C No. CPCS-352394
Attention: Standby L/C Unit

Section 2.07. Computation of Fees. All computations of fees payable by the Borrower under this Agreement shall be made on the basis of a 360-day year and actual days elapsed.

Section 2.08. Payment Due on Non-Business Day to Be Made on Next Business Day. If any sum becomes payable pursuant to this Agreement on a day which is not a Business Day, the date for payment thereof shall be extended, without penalty, to the next succeeding Business Day, and such extended time shall be included in the computation of interest and fees.

Section 2.09. Source of Funds. All payments made by the Bank pursuant to the Letter of Credit shall be made from funds of the Bank, and not from the funds of any other Person.

Section 2.10. Electronic Transmissions. The Bank is authorized to accept and process any amendments, transfers, assignments of proceeds, instructions, consents, waivers and all documents relating to the Letter of Credit which are sent to Bank by electronic transmission, including SWIFT, electronic mail, telex, telecopy, telecopy, courier, mail or other computer generated telecommunications and such electronic communication shall have the same legal effect as if written and shall be binding upon and enforceable against the Borrower. The Bank may, but shall not be obligated to, require authentication of such electronic transmission or that the Bank receives original documents prior to acting on such electronic transmission.

Section 2.11 Credit Agreement. (a) The Borrower has requested the Bank to issue the Letter of Credit pursuant to the terms and conditions of the Credit Agreement, including, without limitation, Section 2.17 thereof. The parties hereto covenant and agree that the provisions of the Credit Agreement shall apply to and govern with respect to the issuance of the Letter of Credit, the Letter of Credit Liabilities arising as a result thereof and all other matters relating thereto.

(b) The Borrower acknowledges and agrees that for all purposes hereunder and under the Credit Agreement, including without limitation for purposes of determining the Payment Date and the date from which interest shall accrue on any Reimbursement Obligation under Section 2.17(c) of the Credit Agreement, (1) the Borrower shall be deemed to have notice of any drawing on the Letter of Credit pursuant to (i) an Interest Drawing Certificate in the form of Annex C to the Letter of Credit or (ii) a Redemption Drawing Certificate in the form of Annex D to the Letter of Credit on the Business Day preceding such drawing and (2) the Borrower shall be deemed to have notice of any drawing on the Letter of Credit pursuant to (i) a Liquidity Certificate in the form of Annex E to the Letter of Credit, (ii) an Acceleration Drawing Certificate in the form of Annex F to the Letter of Credit or (iii) a Stated Maturity Drawing Certificate in the form of Annex G to the Letter of Credit by 10:00 A.M. (New York City time) on the date of such drawing.

(c) The Borrower hereby represents and warrants that:

(1) after the issuance of the Letter of Credit, the Total Outstanding Amount will not exceed the Total Commitment;

(2) immediately prior to and after the issuance of the Letter of Credit, no Default shall have occurred and be continuing under the Credit Agreement;

(3) the representations and warranties of the Borrower contained in the Bond Documents and in the Credit Agreement are true on and as of the date of issuance of the Letter of Credit, before and after giving effect to such issuance, as though made on and as of such date; and

(4) No petition by or against the Borrower has at any time been filed under the United States Bankruptcy Code or under any similar act.

Section 2.12 Extension of the Expiration Date. (a) At any time there shall remain no less than ninety (90) days to the then current Stated Expiration Date of the Letter of Credit, the Borrower may request the Bank to extend the then current Stated Expiration Date for a period of one year. If the Bank, in its sole discretion, elects to extend the Stated Expiration Date then in effect, the Bank shall give written notice of such election to extend to the Borrower and the Trustee within thirty (30) days of receipt of such extension request from the Borrower, it being understood and agreed that the failure of the Bank to notify the Borrower and the Trustee of any decision within such 30-day period shall be deemed to be a rejection of such request and the Bank shall not incur any liability or responsibility whatsoever by reason of the Bank's failure to notify such parties within such 30-day period. The Bank's consent to any such extension of the Stated Expiration Date shall be conditioned upon the preparation, execution and delivery of documentation in form and substance satisfactory to the Bank and its counsel. Any date to which the Stated Expiration Date has been extended in accordance with this Section 2.12 may be extended in like manner.

(b) Upon any extension of the Stated Expiration Date pursuant to this Section 2.12, the Bank and the Borrower each reserves the right to renegotiate any provision hereof.

Section 2.13 Remedies. Upon the occurrence of any Event of Default, the Bank may, in addition to any other remedies provided by applicable law or by the Credit Agreement or any other Related Document, give notice of the occurrence of an Event of Default to the Trustee, directing the Trustee to accelerate the Bonds pursuant to Section 9.02(a) of the Indenture.

ARTICLE III

CONDITIONS OF ISSUANCE

Section 3.01 Conditions Precedent to Issuance of the Letter of Credit. The obligation of the Bank to issue the Letter of Credit is subject to the conditions precedent that the Bank shall have received on or before the date of the issuance of the Letter of Credit the following items, each dated such date, in form and substance satisfactory to the Bank, that the other conditions described below shall have been satisfied and that the costs, expenses and fees due and payable under Section 2.05 and 4.07 hereof shall have been paid:

(a) The Issuer, the Borrower and the Trustee shall have duly authorized, executed and delivered the Bond Documents, all in form and substance satisfactory to the Bank and its counsel.

(b) The Bonds shall have been duly reoffered and sold pursuant to the Remarketing Agreement.

(c) The representations and warranties contained in the Credit Agreement and in the Bond Documents shall be true on the Closing Date with the same effect as though made on and as of that date, and no condition, event or act shall have occurred and be continuing which constitutes a Default under the Credit Agreement.

(d) The Bank shall have received from counsel for the Borrower an opinion in form and substance satisfactory to it as to such matters relating to the Related Documents as it may reasonably request.

(e) The Bank shall have received from Bond Counsel an approving opinion in substantially the form attached to the Official Statement.

(f) All proceedings taken in connection with the execution and delivery of the Bonds shall be reasonably satisfactory to the Bank and the Bank shall have received copies of such certificates, documents and papers as reasonably requested in connection therewith, all in form and substance reasonably satisfactory to the Bank. The Borrower shall supply to the Bank copies certified by the secretary or an assistant secretary of the Borrower of corporate resolutions in form and substance reasonably satisfactory to the Bank with respect to the authorization of the Related Documents and the execution thereof by the Borrower, a certificate of the Secretary or an Assistant Secretary of the Borrower certifying the names and true signatures of the officers of the Borrower authorized to sign this Agreement and the other Related Documents to which it is a party, the Articles of Incorporation and By-Laws of the Borrower, together with all amendments thereto, and a copy of a certificate issued by the Secretary of State of the State of Oregon issued no more than 30 days preceding the Closing Date, stating that the Borrower is in good standing in the State of Oregon.

(g) No law, regulation, ruling or other action of the United States, the State of New York or any political subdivision therein or thereof shall be in effect or shall have occurred, the effect of which would be to prevent the Bank from fulfilling its obligations under this Agreement.

ARTICLE IV

MISCELLANEOUS

Section 4.01. Modification of this Agreement. No amendment, modification or waiver of any provision of this Agreement shall be effective unless the same shall be in writing and signed by the Bank and the Borrower and no amendment, modification or waiver of any provision of the Letter of Credit shall in any event be effective unless the same shall be in writing and signed by the Bank. Any such waiver or consent shall be effective only in the specific instance and for the purpose for which given. No notice to or demand on the Borrower in any case shall entitle the Borrower to any other or further notice or demand in the same, similar or other circumstances.

Section 4.02. Waiver of Rights by the Bank. No course of dealing or failure or delay on the part of the Bank in exercising any right, power or privilege hereunder or under the Letter of Credit or this Agreement shall operate as a waiver thereof, nor shall a single or partial exercise thereof preclude any other or further exercise or the exercise of any other right or privilege. The rights of the Bank under the Letter of Credit and the rights of the Bank under this Agreement are cumulative and not exclusive of any rights or remedies that the Bank would otherwise have.

Section 4.03 Notices, Etc. All notices and other communications provided for hereunder shall be in writing (including telecopier communication or other electronic means if

accompanied by telephonic confirmation of receipt) and mailed, telecopied or delivered as follows:

If to the Borrower, at:

PacifiCorp
825 N .E. Multnomah St., Suite 1900
Portland, Oregon 97232
Attention: Vice President and Treasurer
Facsimile No.: (503) 813-5673

If to the Bank, at:

JPMorgan Chase Bank, N.A.
1 Chase Manhattan Plaza, Floor 03
New York, NY 10005-1401
Facsimile No.: (212) 552-7818
Telephone No.: (212) 552-5958
Attention: Regina Bruni

With a copy to the Bank,
Standby Letter of Credit Unit:

JPMorgan Chase Bank, N.A.
131 South Dearborn
5th Floor, Mail Code IL1-0236
Standby Letter of Credit Unit
Chicago, Il 60603-5506
Facsimile No.: (312) 954-6163
Telephone No.: (800) 634-1969, Option 1
Attention: Standby Service Unit

If to the Remarketing Agent, at:

Barclays Capital, Inc.
745 Seventh Avenue, 2nd Floor
New York, NY 10019
Facsimile No.: (646) 758-1123
Telephone No.: (212) 528-1016
Attention: David Lo, Short Term Municipal Desk

If to the Trustee, to

The Bank of New York Mellon Trust Company, N.A.
2 North LaSalle Street, Suite 1020
Chicago, Illinois 60602
Facsimile No.: (312) 827-8522

Telephone No.: (312) 827-8612
Attention: Corporate Trust

or, as to each party, at such other address as shall be designated by such party in a written notice to the other party. All such notices and communications shall, when mailed or telecopied, be effective when deposited in the mails or telecopied, respectively, addressed as aforesaid, except that notices to the Bank shall not be effective until received by the Bank.

Section 4.04 No Remedies. No failure on the part of the Bank to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right hereunder preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

Section 4.05 No Deductions; Increased Costs. (a) Except as otherwise required by law, each payment by the Borrower to the Bank under this Agreement or any other Related Document shall be made without setoff or counterclaim and without withholding for or on account of any present or future taxes (other than overall net income taxes on the recipient imposed by any jurisdiction having control of such recipient) imposed by or within the jurisdiction in which the Borrower is domiciled, any jurisdiction from which the Borrower makes any payment hereunder, or (in each case) any political subdivision or taxing authority thereof or therein. If any such withholding is so required, the Borrower shall make the withholding, pay the amount withheld to the appropriate Governmental Authority before penalties attach thereto or interest accrues thereon and forthwith pay such additional amount as may be necessary to ensure that the net amount actually received by the Bank free and clear of such taxes (including such taxes on such additional amount) is equal to the amount which the Bank would have received had such withholding not been made. If the Bank pays any amount in respect of any such taxes, penalties or interest, the Borrower shall reimburse the Bank for that payment on demand in the currency in which such payment was made. If the Borrower pays any such taxes, penalties or interest, it shall deliver official tax receipts evidencing that payment or certified copies thereof to the Bank on or before the thirtieth day after payment.

(b) If the Internal Revenue Code or any newly adopted law, treaty, regulation, guideline or directive, or any change in any, law, treaty, regulation, guideline or directive or any new or modified interpretation of any of the foregoing by any authority or agency charged with the administration or interpretation thereof or any central bank or other fiscal, monetary or other authority having jurisdiction over the Bank or the transactions contemplated by this Agreement, whether or not having the force of law (each a "Change in Law") shall:

(i) limit the deductibility of interest on funds obtained by the Bank to pay any of its liabilities or subject the Bank to any tax, duty, charge, deduction or withholding on or with respect to payments relating to the Bonds, the Letter of Credit or this Agreement, or any amount paid or to be paid by the Bank as the issuer of the Letter of Credit (other than any tax measured by or based upon the overall net income of the Bank imposed by any jurisdiction having control over the Bank);

(ii) impose, modify, require, make or deem applicable to the Bank any reserve requirement, capital requirement, special deposit requirement, insurance assessment or similar requirement against any assets held by, deposits with or for the account of, or loans, letters of credit or commitments by, an office of the Bank;

(iii) change the basis of taxation of payments due the Bank under this Agreement or the Bonds (other than by a change in taxation of the overall net income of the Bank);

(iv) cause or deem letters of credit to be assets held by the Bank and/or as deposits on its books; or

(v) impose upon the Bank any other condition with respect to any amount paid or payable to or by the Bank or with respect to this Agreement or any of the other Related Documents;

and the result of any of the foregoing is to increase the cost to the Bank of making any payment or maintaining the Letter of Credit, or to reduce the amount of any payment (whether of principal, interest or otherwise) receivable by the Bank, or to reduce the rate of return on the capital of the Bank or to require the Bank to make any payment on or calculated by reference to the gross amount of any sum received by it, in each case by an amount which the Bank in its reasonable judgment deems material, then:

(1) the Bank shall promptly notify the Borrower in writing of such event;

(2) the Bank shall promptly deliver to the Borrower a certificate stating the change which has occurred or the reserve requirements or other costs or conditions which have been imposed on the Bank or the request, direction or requirement with which it has complied, together with the date thereof, the amount of such increased cost, reduction or payment and a reasonably detailed description of the way in which such amount has been calculated, and the Bank's determination of such amounts, absent fraud or manifest error, shall be conclusive; and

(3) the Borrower shall pay to the Bank, from time to time as specified by the Bank, such an amount or amounts as will compensate the Bank for such additional cost, reduction or payment.

The protection of this Section 4.05(b) shall be available to the Bank regardless of any possible contention of invalidity or inapplicability of the law, regulation or condition which has been imposed; provided, however, that if it shall be later determined by the Bank that any amount so paid by the Borrower pursuant to this Section 4.05(b) is in excess of the amount payable under the provisions hereof, the Bank shall refund such excess amount to the Borrower. Notwithstanding the foregoing, for purposes of this Agreement (a) all requests, rules, guidelines or directives in connection with the Dodd-Frank Act shall be deemed to be a Change in Law, regardless of the date enacted, adopted or issued, and (b) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Regulations and Supervisory Practices (or any successor or similar authority) or any

Governmental Authority shall be deemed a Change in Law regardless of the date enacted, adopted or issued.

Section 4.06 Right of Setoff. (a) Upon the occurrence and during the continuance of an Event of Default, the Bank is hereby authorized at any time and from time to time without notice to the Borrower (any such notice being expressly waived by the Borrower), and to the fullest extent permitted by law, to setoff, to exercise any banker's lien or any right of attachment and apply any and all balances, credits, deposits (general or special, time or demand, provisional or final except those accounts established for the benefit of third parties or to satisfy legal or regulatory requirements), accounts or monies at any time held and other indebtedness at any time owing by the Bank to or for the account of the Borrower (irrespective of the currency in which such accounts, monies or indebtedness may be denominated and the Bank is authorized to convert such accounts, monies and indebtedness into United States dollars) against any and all of the Obligations of the Borrower, whether or not the Bank shall have made any demand for any amount owing to the Bank by the Borrower.

(b) The rights of the Bank under this Section 4.06 are in addition to, in augmentation of, and, except as specifically provided in this Section 4.06, do not derogate from or impair, other rights and remedies (including, without limitation, other rights of setoff) which the Bank may have.

Section 4.07 Indemnity. The Borrower shall indemnify and hold harmless the Bank, its parent, and correspondents and each of their respective directors, officers, employees and agents (each, including the Bank, an "Indemnified Person") from and against any and all claims, suits, judgments, costs, losses, fines, penalties, damages, liabilities, and expenses, including expert witness fees and reasonable legal fees, charges and disbursements of retained counsel for any Indemnified Person ("Costs"), arising out of, in connection with, or as a result of: (i) the Letter of Credit or any pre-advice of its issuance; (ii) any transfer, sale, delivery, surrender, or endorsement of any Payment Document at any time(s) held by any Indemnified Person in connection with the Letter of Credit; (iii) any action or proceeding arising out of or in connection with the Letter of Credit, this Agreement or any other Related Document (whether administrative, judicial or in connection with arbitration), including any action or proceeding to compel or restrain any presentation or payment under the Letter of Credit, or for the wrongful dishonor of or honoring a presentation under the Letter of Credit; (iv) any independent undertakings issued by the beneficiary of the Letter of Credit; (v) any unauthorized communication or instruction (whether oral, telephonic, written, telegraphic, facsimile or electronic) (each an "Instruction") regarding the Letter of Credit or error in computer transmission; (vi) an adviser, confirmer or other nominated person seeking to be reimbursed, indemnified or compensated; (vii) any third party seeking to enforce the rights of an Borrower, beneficiary, nominated person, transferee, assignee of proceeds of the Letter of Credit; (viii) the fraud, forgery or illegal action of parties other than the Indemnified Person; (ix) the enforcement of this Agreement or any rights or remedies under or in connection with this Agreement, a Related Document or the Letter of Credit; (x) the acts or omissions, whether rightful or wrongful, of any present or future de jure or de facto governmental or regulatory authority or cause or event beyond the control of such Indemnified Person; in each case, including that resulting from Bank's own negligence, provided, however, that such indemnity shall not be available to any Person claiming indemnification under (i) through (x) above to the extent that such Costs are found in a final, non-appealable

judgment by a court of competent jurisdiction to have resulted directly from the gross negligence or willful misconduct of the Indemnified Person claiming indemnity. If and to the extent that the obligations of Borrower under this paragraph are unenforceable for any reason, Borrower shall make the maximum contribution to the Costs permissible under applicable law.

Section 4.08 Obligations Absolute. The obligations of the Borrower under this Agreement shall be absolute, unconditional and irrevocable, and shall be paid strictly in accordance with the terms of this Agreement under all circumstances whatsoever, including, without limitation: (i) any lack of validity, enforceability or legal effect of this Agreement or any Related Document, or any term or provision herein or therein; (ii) payment against presentation of any draft, demand or claim for payment under the Letter of Credit or other document presented for purposes of drawing under the Letter of Credit (a "Payment Document") that does not comply in whole or in part with the terms of the Letter of Credit or which proves to be fraudulent, forged or invalid in any respect or any statement therein being untrue or inaccurate in any respect, or which is signed, issued or presented by a Person (or a transferee of such Person) purporting to be a successor or transferee of the beneficiary of the Letter of Credit; (iii) the Bank or any of its branches or affiliates being the beneficiary of the Letter of Credit; (iv) the Bank or any correspondent honoring a drawing against a Payment Document up to the amount available under the Letter of Credit even if such Payment Document claims an amount in excess of the amount available under the Letter of Credit; (v) the existence of any claim, set-off, defense or other right that the Borrower or any other Person may have at any time against any beneficiary, any assignee of proceeds, the Bank or any other Person; (vi) the Bank or any correspondent having previously paid against fraudulently signed or presented Payment Documents (whether or not the Borrower shall have reimbursed the Bank for such drawing); and (vii) any other event, circumstance or conduct whatsoever, whether or not similar to any of the foregoing, that might, but for this paragraph, constitute a legal or equitable defense to or discharge of, or provide a right of set-off against, the Borrower's obligations hereunder (whether against the Bank, the beneficiary or any other Person); provided, however, that subject to Section 4.09 hereof, the foregoing shall not exculpate the Bank from such liability to the Borrower as may be finally judicially determined in an independent action or proceeding brought by the Borrower against the Bank following payment of the Borrower's obligations under this Agreement.

Section 4.09 Liability of the Bank. (a) The liability of the Bank (or any other Indemnified Person) under, in connection with and/or arising out of this Agreement, any Related Document or the Letter of Credit (or any pre-advice), regardless of the form or legal grounds of the action or proceeding, shall be limited to any direct damages suffered by the Borrower that are caused directly by Bank's gross negligence or willful misconduct in (i) honoring a presentation that does not at least substantially comply with the Letter of Credit, (ii) failing to honor a presentation that strictly complies with the Letter of Credit or (iii) retaining Payment Documents presented under the Letter of Credit. In no event shall the Bank be deemed to have failed to act with due diligence or reasonable care if the Bank's conduct is in accordance with Standard Letter of Credit Practice or in accordance with this Agreement. The Borrower's aggregate remedies against the Bank and any Indemnified Person for wrongfully honoring a presentation under the Letter of Credit or wrongfully retaining honored Payment Documents shall in no event exceed the aggregate amount paid by the Borrower to the Bank in respect of an honored presentation under the Letter of Credit, plus interest. Notwithstanding anything to the contrary herein, the Bank and the other Indemnified Persons shall not, under any circumstances whatsoever, be liable

for any punitive, consequential, indirect or special damages or losses regardless of whether the Bank or any Indemnified Person shall have been advised of the possibility thereof or of the form of action in which such damages or losses may be claimed. The Borrower shall take action to avoid and mitigate the amount of any damages claimed against the Bank or any Indemnified Person, including by enforcing its rights in the underlying transaction. Any claim by the Borrower for damages under or in connection with this Agreement, any Related Document or the Letter of Credit shall be reduced by an amount equal to the sum of (i) the amount saved by the Borrower as a result of the breach or alleged wrongful conduct and (ii) the amount of the loss that would have been avoided had the Borrower mitigated damages.

(b) Without limiting any other provision of this Agreement, the Bank and each other Indemnified Person (if applicable), shall not be responsible to the Borrower for, and the Bank's rights and remedies against the Borrower and the Borrower's obligation to reimburse and indemnify the Bank shall not be impaired by: (i) honor of a presentation under the Letter of Credit which on its face substantially complies with the terms of the Letter of Credit; (ii) honor of a presentation of any Payment Documents which appear on their face to have been signed, presented or issued (X) by any purported successor or transferee of any beneficiary or other party required to sign, present or issue the Payment Documents or (Y) under a new name of the beneficiary; (iii) acceptance as a draft of any written or electronic demand or request for payment under the Letter of Credit, even if nonnegotiable or not in the form of a draft, and may disregard any requirement that such draft, demand or request bear any or adequate reference to the Letter of Credit; (iv) the identity or authority of any presenter or signer of any Payment Document or the form, accuracy, genuineness, or legal effect of any presentation under the Letter of Credit or of any Payment Documents; (v) disregard of any non-documentary conditions stated in the Letter of Credit; (vi) acting upon any Instruction which it, in Good Faith, believes to have been given by a Person or entity authorized to give such Instruction; (vii) any errors, omissions, interruptions or delays in transmission or delivery of any message, advice or document (regardless of how sent or transmitted) or for errors in interpretation of technical terms or in translation; (viii) any delay in giving or failing to give any notice; (ix) any acts, omissions or fraud by, or the solvency of, any beneficiary, any nominated Person or any other Person; (x) any breach of contract between the beneficiary and the Borrower or any of the parties to the underlying transaction; (xi) assertion or waiver of any provision of the ISP which primarily benefits an issuer of a letter of credit, including, any requirement that any Payment Document be presented to it at a particular hour or place; (xii) payment to any paying or negotiating bank (designated or permitted by the terms of the Letter of Credit) claiming that it rightfully honored or is entitled to reimbursement or indemnity under Standard Letter of Credit Practice; (xiii) dishonor by the Bank of any presentation for which the Borrower is unable or unwilling to reimburse or indemnify the Bank (provided that the Borrower acknowledges that if the Bank shall later be required to honor the presentation, the Borrower shall be liable therefore in accordance with Article II hereof); and (xiv) acting or failing to act as required or permitted under Standard Letter of Credit Practice. For purposes of this Section 4.09(b), "Good Faith" means honesty in fact in the conduct of the transaction concerned.

(c) The Borrower shall notify the Bank of (i) any noncompliance with any Instruction, any other irregularity with respect to the text of the Letter of Credit or any amendment thereto or any claim of an unauthorized, fraudulent or otherwise improper Instruction, within three (3) Business Days of the Borrower's receipt of a copy of the Letter of Credit or amendment and (ii)

any objection the Borrower may have to the Bank's honor or dishonor of any presentation under the Letter of Credit or any other action or inaction taken or proposed to be taken by the Bank under or in connection with this Agreement or the Letter of Credit, within three (3) Business Days after the Borrower receives notice of the objectionable action or inaction. The failure to so notify the Bank within said times shall discharge the Bank from any loss or liability that the Bank could have avoided or mitigated had it received such notice, to the extent that the Bank could be held liable for damages hereunder; provided, that, if the Borrower shall not provide such notice to the Bank within five (5) Business Days of the date of receipt in the case of clause (i) or ten (10) Business Days from the date of receipt in the case of clause (ii), Bank shall have no liability whatsoever for such noncompliance, irregularity, action or inaction and the Borrower shall be precluded from raising such noncompliance, irregularity or objection as a defense or claim against Bank.

Section 4.10 Successors and Assigns. Whenever in this Agreement the Bank is referred to, such reference shall be deemed to include the successors and assigns of the Bank and all covenants, promises and agreements by or on behalf of the Borrower which are contained in this Agreement shall inure to the benefit of such successors and assigns. The rights and duties of the Borrower hereunder, however, may not be assigned or transferred, except as specifically provided in this Agreement or with the prior written consent of the Bank, and all obligations of the Borrower hereunder shall continue in full force and effect notwithstanding any assignment by the Borrower of any of its rights or obligations under any of the Related Documents or any entering into, or consent by the Borrower to, any supplement or amendment to any of the Related Documents.

Section 4.11. Headings. The captions in this Agreement are for convenience of reference only and shall not define or limit the provisions hereof.

Section 4.12. Severability. Any provision of this Agreement which is prohibited, unenforceable or not authorized in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition, unenforceability or non-authorization without invalidating the remaining provisions hereof or affecting the validity, enforceability or legality of such provision in any other jurisdiction. The parties shall endeavor in good faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

Section 4.13. Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York.

Section 4.14. Continuing Obligation. This Agreement is a continuing obligation, shall survive the expiration of the Letter of Credit until amounts owed hereunder and under the Credit Agreement are paid in full and shall (a) be binding upon the Borrower, its successors and assigns, and (b) inure to the benefit of and be enforceable by the Bank and its successors, transferees and assigns. The obligation of the Borrower to reimburse the Bank pursuant to Sections 4.05 and 4.07 hereof shall survive the payment of the Bonds and termination of this Agreement.

Section 4.15. Entire Agreement. The Related Documents constitute the entire understanding of the parties with respect to the subject matter thereof and any prior agreements, whether written or oral, with respect thereto are superseded hereby.

Section 4.16. Drawing a Certification. Each drawing by the Trustee or any agent thereof under the Letter of Credit shall be deemed (i) a certification by the Borrower that the representations and warranties incorporated by reference in Section 2.11(c) of this Agreement are correct in all material respects as of the date of the drawing, and (ii) a certification by the Borrower that it is in all other respects in compliance with the provisions of this Agreement.

Section 4.17. Facsimile Documents. At the request of the Borrower, the Letter of Credit provides that demands for payment thereunder shall be presented to the Bank by facsimile. The Borrower acknowledges and assumes all risks relating to the use of such facsimile demands for payment and agrees that its obligations under this Agreement, the Credit Agreement and the other Related Documents shall remain absolute, unconditional and irrevocable if the Bank honors such facsimile demands for payment.

Section 4.18. Counterparts. This Agreement may be executed in counterparts by the parties hereto, and each such counterpart shall be considered an original and all shall constitute one and the same instrument.

Section 4.19. Government Regulations. Borrower shall (a) ensure that no person who owns a controlling interest in or otherwise controls the Borrower is or shall be listed on the Specially Designated Nationals and Blocked Person List or other similar lists maintained by the Office of Foreign Assets Control ("OFAC"), the Department of the Treasury or included in any Executive Orders, that prohibits or limits Bank from making any advance or extension of credit to Borrower or from otherwise conducting business with Borrower and (b) ensure that the Bond proceeds shall not be used to violate any of the foreign asset control regulations of OFAC or any enabling statute or Executive Order relating thereto. Further, Borrower shall comply, and cause any of its subsidiaries to comply, with all applicable Bank Secrecy Act ("BSA") laws and regulations, as amended. Borrower agrees to provide documentary and other evidence of Borrower's identity as may be requested by Bank at any time to enable Bank to verify Borrower's identity or to comply with any applicable law or regulation, including, without limitation, Section 326 of the USA Patriot Act of 2001, 31 U.S.C. Section 5318.

Section 4.20. Submission to Jurisdiction; Waiver of Jury Trial. The Borrower hereby submits to the nonexclusive jurisdiction of any state or federal court located in the Borough of Manhattan, City of New York, State of New York for purposes of all legal proceedings arising out of or relating to this Agreement, the other Related Documents or the transactions contemplated hereby or thereby. The Borrower irrevocably waives, to the fullest extent permitted by law, any objection which it may now or hereafter have to the laying of the venue of any such proceeding brought in such a court and any claim that any such proceeding brought in such a court has been brought in an inconvenient forum. The Borrower and the Bank each hereby irrevocably waive any and all right to trial by jury in any legal proceeding arising out of or relating to any Related Document or the transactions contemplated thereby.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first above written.

PACIFICORP, as Borrower

By _____
Name: Bruce N. Williams
Title: Vice President and Treasurer

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first above written.

JPMORGAN CHASE BANK, N.A., as Issuing Bank

By _____
Name: Juan Javellana
Title: Executive Director

EXHIBIT A
TO
REIMBURSEMENT AGREEMENT

FORM OF LETTER OF CREDIT

REIMBURSEMENT AGREEMENT

dated as of April 18, 2012

by and between

PACIFICORP

and

JPMORGAN CHASE BANK, N.A.

$45,000,000
Emery County, Utah
Pollution Control Revenue Refunding Bonds (PacifiCorp Project)
Series 1991

Table of Contents

REIMBURSEMENT AGREEMENT

THIS REIMBURSEMENT AGREEMENT, dated as of April 18, 2012, by and between PACIFICORP, an Oregon corporation, and JPMORGAN CHASE BANK, N.A., as the issuer of the hereinafter described Letter of Credit.

RECITALS:

(1) Whereas, the Borrower (such term and each other capitalized term used herein having the meaning set forth in Article I hereof) desires to secure a source of funds to be devoted exclusively to the payment by the Trustee, when and as due, of the principal of and interest on the Bonds, and has applied to the Bank for issuance by the Bank of the Letter of Credit in an original stated amount of $45,961,644.

(2) The Borrower has entered into the Credit Agreement.

(3) The Issuer has heretofore issued the Bonds pursuant to the Indenture.

(4) The Issuer and the Borrower have entered into the Loan Agreement pertaining to the Bonds.

(5) Under the Loan Agreement the Borrower has agreed to cause the Bonds to be secured by an irrevocable direct pay letter of credit.

(6) The Bank has agreed to issue the Letter of Credit subject to the following terms and conditions.

NOW, THEREFORE, in consideration of the premises, including the benefits to be realized by Borrower as above described, and in order to induce the Bank to issue the Letter of Credit, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

Section 1.01 Certain Defined Terms. Unless otherwise defined in this Agreement, terms defined in the Credit Agreement shall have the meanings respectively indicated therein. As used in this Agreement, the following terms shall have the following meanings (such meanings to be equally applicable to both the singular and plural forms of the terms defined):

"Administrative Agent" means JPMorgan Chase Bank, N.A. in its capacity as Administrative Agent under the Credit Agreement, and its successors in such capacity.

"Available Amount" means the total amount available to be drawn under the Letter of Credit, as the same may be reduced and reinstated from time to time in accordance with the provisions of the Letter of Credit.

"Bank" means JPMorgan Chase Bank, N.A., as issuer of the Letter of Credit, and its successors and assigns, and as Issuing Bank under the Credit Agreement.

"Bond Documents" means (i) the Indenture, (ii) the Loan Agreement, (iii) the Remarketing Agreement and (iv) any other document executed by the Borrower in connection with the issuance, reoffering or sale of the Bonds.

"Bonds" or "Bonds" means Issuer's $45,000,000 Emery County, Utah Pollution Control Revenue Refunding Bonds (PacifiCorp Project) Series 1991.

"Borrower" means PacifiCorp, an Oregon corporation, and its successors and assigns.

"Business Day" has the meaning assigned thereto in the Letter of Credit.

"Closing Date" means the date on which the Letter of Credit is issued.

"Control Agreement" means the Control Agreement dated as of April 18, 2012 among the Borrower, the Bank and the Trustee as amended or supplemented and restated from time to time.

"Costs" has the meaning assigned thereto in Section 4.07.

"Credit Agreement" means that certain Amended and Restated Credit Agreement dated as of July 6, 2006, among the Borrower, various banks identified therein, the Administrative Agent and The Royal Bank of Scotland plc, as Syndication Agent, as amended or supplemented from time to time.

"Dodd-Frank Act" means the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, as enacted by the United States Congress, and signed into law on July 21, 2010, and all statutes, rules, guidelines or directives promulgated thereunder.

"Expiration Date" has the meaning assigned to such term in the Letter of Credit.

"Fee Letter" means the fee letter dated April 18, 2012 between the Borrower and the Bank.

"Governmental Authority" means any nation or government, any state, department, agency or other political subdivision thereof, and any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to any government, and any corporation or other entity owned or controlled (through stock or capital ownership or otherwise) by any of the foregoing.

"Indenture" means that certain Trust Indenture dated as of May 1, 1991 between the Issuer and the Trustee, as amended, supplemented and restated through and including the date hereof.

"ISP" or "ISP98" means, International Standby Practices 1998 (International Chamber of Commerce Publication No. 590).

"Issuer" means Emery County, Utah, and its lawful successors and assigns.

"Letter of Credit" means the irrevocable direct pay letter of credit issued by the Bank to the Trustee to secure payment of the Bonds, substantially in the form of Exhibit A attached hereto.

"Loan Agreement" means the Loan Agreement dated as of May 1, 1991 between the Borrower and the Issuer, as amended, supplemented and restated through and including the date hereof.

"Official Statement" means the Supplement to Official Statement dated April 16, 2012 relating to the Bonds, together with the documents incorporated therein by reference.

"Payment Document" has the meaning assigned thereto in Section 4.08.

"Pledge Agreement" means the Pledge Agreement dated as of April 18, 2012 between the Borrower and the Bank, as amended or supplemented from time to time.

"Pledged Bonds" has the meaning assigned thereto in the Indenture.

"Related Documents" means this Agreement, the Letter of Credit, the Fee Letter, the Bond Documents, the Pledge Agreement, the Control Agreement, the Credit Agreement and any other agreement or instrument relating thereto.

"Remarketing Agent" means the placement or remarketing agent at the time serving as such under the Remarketing Agreement and designated as the Remarketing Agent for purposes of the Indenture. The current Remarketing Agent is J.P. Morgan Securities LLC.

"Remarketing Agreement" means the Remarketing Agreement dated May 1, 2001 between the Borrower and the Remarketing Agent, as from time to time amended or supplemented, or if such Remarketing Agreement shall be terminated, then such other agreement which may from time to time be entered into with any Remarketing Agent with respect to the remarketing or placement of the Bonds.

"Stated Expiration Date" has the meaning assigned thereto in the Letter of Credit.

"Trustee" means The Bank of New York Mellon Trust Company, N.A., as trustee under the Indenture, or any further successor trustee under the Indenture.

Section 1.02 Relation to Other Documents. Nothing in this Agreement shall be deemed to amend, or relieve the Borrower of any of its obligations under, the Credit Agreement or any other Related Document. To the extent any provision of this Agreement conflicts with any provision of the Credit Agreement, the provisions of this Agreement shall control as between the Borrower and the Bank. For avoidance of doubt, nothing herein shall affect the rights or obligations of any other "Bank" party to the Credit Agreement.

ARTICLE II

AMOUNT AND TERMS OF THE LETTER OF CREDIT

Section 2.01 The Letter of Credit. Subject to the terms and conditions of this Agreement, the Bank agrees to issue the Letter of Credit to the Trustee as beneficiary on the Closing Date. The Letter of Credit shall be in the original stated amount of $45,961,644 consisting of (i) $45,000,000 to pay principal of the Bonds, plus (ii) 65 days' interest on said principal amount computed at the rate of twelve percent (12%) per annum calculated on the basis of a 365 day year and actual days elapsed, in the amount of $961,644.

Section 2.02 Letter of Credit Drawings. The Trustee is authorized to make drawings under the Letter of Credit in accordance with the terms thereof. The Borrower hereby directs the Bank to make payments under the Letter of Credit in the manner therein provided. The Borrower hereby irrevocably approves reductions and reinstatements of the Available Amount as provided in the Letter of Credit.

Section 2.03 Term. The Letter of Credit will expire as provided in the Letter of Credit.

Section 2.04 Reimbursement of Drawings. The Borrower agrees to reimburse the Bank for the full amount of any drawing made under the Letter of Credit upon payment by the Bank of each such drawing on the date specified pursuant to Section 2.17(c) of the Credit Agreement. If the Borrower does not make such reimbursement on such date, such reimbursement obligation shall bear interest at the applicable rate per annum specified in the Credit Agreement.

Section 2.05 Fees. The Borrower hereby agrees to pay to the Bank non-refundable fees as provided in the Fee Letter.

Section 2.06 Method of Payment; Etc. All payments to be made by the Borrower under this Agreement shall be made at the Chicago office of the Bank not later than 2:00 P.M. (Chicago time) on the date when due and shall be made in lawful money of the United States of America in freely transferable and immediately available funds in accordance with the wiring instructions below (as such instructions may be modified from time to time by notice from the Bank to the Borrower):

JPMorgan Chase Bank, N.A.
ABA # 02100021
Credit Account #: 324331754
Credit Account Name: Global Trade Services – Chicago
OBI Reference: L/C No. CPCS-358995
Attention: Standby L/C Unit

Section 2.07. Computation of Fees. All computations of fees payable by the Borrower under this Agreement shall be made on the basis of a 360-day year and actual days elapsed.

Section 2.08. Payment Due on Non-Business Day to Be Made on Next Business Day. If any sum becomes payable pursuant to this Agreement on a day which is not a Business Day, the

date for payment thereof shall be extended, without penalty, to the next succeeding Business Day, and such extended time shall be included in the computation of interest and fees.

Section 2.09. Source of Funds. All payments made by the Bank pursuant to the Letter of Credit shall be made from funds of the Bank, and not from the funds of any other Person.

Section 2.10. Electronic Transmissions. The Bank is authorized to accept and process any amendments, transfers, assignments of proceeds, instructions, consents, waivers and all documents relating to the Letter of Credit which are sent to Bank by electronic transmission, including SWIFT, electronic mail, telex, telecopy, telecopy, courier, mail or other computer generated telecommunications and such electronic communication shall have the same legal effect as if written and shall be binding upon and enforceable against the Borrower. The Bank may, but shall not be obligated to, require authentication of such electronic transmission or that the Bank receives original documents prior to acting on such electronic transmission.

Section 2.11 Credit Agreement. (a) The Borrower has requested the Bank to issue the Letter of Credit pursuant to the terms and conditions of the Credit Agreement, including, without limitation, Section 2.17 thereof. The parties hereto covenant and agree that the provisions of the Credit Agreement shall apply to and govern with respect to the issuance of the Letter of Credit, the Letter of Credit Liabilities arising as a result thereof and all other matters relating thereto.

(b) The Borrower acknowledges and agrees that for all purposes hereunder and under the Credit Agreement, including without limitation for purposes of determining the Payment Date and the date from which interest shall accrue on any Reimbursement Obligation under Section 2.17(c) of the Credit Agreement, (1) the Borrower shall be deemed to have notice of any drawing on the Letter of Credit pursuant to (i) an Interest Drawing Certificate in the form of Annex C to the Letter of Credit or (ii) a Redemption Drawing Certificate in the form of Annex D to the Letter of Credit on the Business Day preceding such drawing and (2) the Borrower shall be deemed to have notice of any drawing on the Letter of Credit pursuant to (i) a Liquidity Certificate in the form of Annex E to the Letter of Credit, (ii) an Acceleration Drawing Certificate in the form of Annex F to the Letter of Credit or (iii) a Stated Maturity Drawing Certificate in the form of Annex G to the Letter of Credit by 10:00 A.M. (New York City time) on the date of such drawing.

(c) The Borrower hereby represents and warrants that:

(1) after the issuance of the Letter of Credit, the Total Outstanding Amount will not exceed the Total Commitment;

(2) immediately prior to and after the issuance of the Letter of Credit, no Default shall have occurred and be continuing under the Credit Agreement;

(3) the representations and warranties of the Borrower contained in the Bond Documents and in the Credit Agreement are true on and as of the date of issuance of the Letter of Credit, before and after giving effect to such issuance, as though made on and as of such date; and

(4) No petition by or against the Borrower has at any time been filed under the United States Bankruptcy Code or under any similar act.

Section 2.12 Extension of the Expiration Date. (a) At any time there shall remain no less than ninety (90) days to the then current Stated Expiration Date of the Letter of Credit, the Borrower may request the Bank to extend the then current Stated Expiration Date for a period of one year. If the Bank, in its sole discretion, elects to extend the Stated Expiration Date then in effect, the Bank shall give written notice of such election to extend to the Borrower and the Trustee within thirty (30) days of receipt of such extension request from the Borrower, it being understood and agreed that the failure of the Bank to notify the Borrower and the Trustee of any decision within such 30-day period shall be deemed to be a rejection of such request and the Bank shall not incur any liability or responsibility whatsoever by reason of the Bank's failure to notify such parties within such 30-day period. The Bank's consent to any such extension of the Stated Expiration Date shall be conditioned upon the preparation, execution and delivery of documentation in form and substance satisfactory to the Bank and its counsel. Any date to which the Stated Expiration Date has been extended in accordance with this Section 2.12 may be extended in like manner.

(b) Upon any extension of the Stated Expiration Date pursuant to this Section 2.12, the Bank and the Borrower each reserves the right to renegotiate any provision hereof.

Section 2.13 Remedies. Upon the occurrence of any Event of Default, the Bank may, in addition to any other remedies provided by applicable law or by the Credit Agreement or any other Related Document, give notice of the occurrence of an Event of Default to the Trustee, directing the Trustee to accelerate the Bonds pursuant to Section 9.02(a) of the Indenture.

ARTICLE III

CONDITIONS OF ISSUANCE

Section 3.01 Conditions Precedent to Issuance of the Letter of Credit. The obligation of the Bank to issue the Letter of Credit is subject to the conditions precedent that the Bank shall have received on or before the date of the issuance of the Letter of Credit the following items, each dated such date, in form and substance satisfactory to the Bank, that the other conditions described below shall have been satisfied and that the costs, expenses and fees due and payable under Section 2.05 and 4.07 hereof shall have been paid:

(a) The Issuer, the Borrower and the Trustee shall have duly authorized, executed and delivered the Bond Documents, all in form and substance satisfactory to the Bank and its counsel.

(b) The Bonds shall have been duly reoffered and sold pursuant to the Remarketing Agreement.

(c) The representations and warranties contained in the Credit Agreement and in the Bond Documents shall be true on the Closing Date with the same effect as though made on and as of that date, and no condition, event or act shall have occurred and be continuing which constitutes a Default under the Credit Agreement.

(d) The Bank shall have received from counsel for the Borrower an opinion in form and substance satisfactory to it as to such matters relating to the Related Documents as it may reasonably request.

(e) The Bank shall have received from Bond Counsel an approving opinion in substantially the form attached to the Official Statement.

(f) All proceedings taken in connection with the execution and delivery of the Bonds shall be reasonably satisfactory to the Bank and the Bank shall have received copies of such certificates, documents and papers as reasonably requested in connection therewith, all in form and substance reasonably satisfactory to the Bank. The Borrower shall supply to the Bank copies certified by the secretary or an assistant secretary of the Borrower of corporate resolutions in form and substance reasonably satisfactory to the Bank with respect to the authorization of the Related Documents and the execution thereof by the Borrower, a certificate of the Secretary or an Assistant Secretary of the Borrower certifying the names and true signatures of the officers of the Borrower authorized to sign this Agreement and the other Related Documents to which it is a party, the Articles of Incorporation and By-Laws of the Borrower, together with all amendments thereto, and a copy of a certificate issued by the Secretary of State of the State of Oregon issued no more than 30 days preceding the Closing Date, stating that the Borrower is in good standing in the State of Oregon.

(g) No law, regulation, ruling or other action of the United States, the State of New York or any political subdivision therein or thereof shall be in effect or shall have occurred, the effect of which would be to prevent the Bank from fulfilling its obligations under this Agreement.

ARTICLE IV

MISCELLANEOUS

Section 4.01. Modification of this Agreement. No amendment, modification or waiver of any provision of this Agreement shall be effective unless the same shall be in writing and signed by the Bank and the Borrower and no amendment, modification or waiver of any provision of the Letter of Credit shall in any event be effective unless the same shall be in writing and signed by the Bank. Any such waiver or consent shall be effective only in the specific instance and for the purpose for which given. No notice to or demand on the Borrower in any case shall entitle the Borrower to any other or further notice or demand in the same, similar or other circumstances.

Section 4.02. Waiver of Rights by the Bank. No course of dealing or failure or delay on the part of the Bank in exercising any right, power or privilege hereunder or under the Letter of Credit or this Agreement shall operate as a waiver thereof, nor shall a single or partial exercise thereof preclude any other or further exercise or the exercise of any other right or privilege. The rights of the Bank under the Letter of Credit and the rights of the Bank under this Agreement are cumulative and not exclusive of any rights or remedies that the Bank would otherwise have.

Section 4.03 Notices, Etc. All notices and other communications provided for hereunder shall be in writing (including telecopier communication or other electronic means if

accompanied by telephonic confirmation of receipt) and mailed, telecopied or delivered as follows:

If to the Borrower, at:

PacifiCorp
825 N .E. Multnomah St., Suite 1900
Portland, Oregon 97232
Attention: Vice President and Treasurer
Facsimile No.: (503) 813-5673

If to the Bank, at:

JPMorgan Chase Bank, N.A.
1 Chase Manhattan Plaza, Floor 03
New York, NY 10005-1401
Facsimile No.: (212) 552-7818
Telephone No.: (212) 552-5958
Attention: Regina Bruni

With a copy to the Bank,
Standby Letter of Credit Unit:

JPMorgan Chase Bank, N.A.
131 South Dearborn
5th Floor, Mail Code IL1-0236
Standby Letter of Credit Unit
Chicago, Il 60603-5506
Facsimile No.: (312) 954-6163
Telephone No.: (800) 634-1969, Option 1
Attention: Standby Service Unit

If to the Remarketing Agent, at:

J.P. Morgan Securities LLC
383 Madison Avenue, 8th Floor
New York, NY 10179
Facsimile No.: (917) 463-3281
Telephone No.: (212) 270-1105
Attention: Michael R. Altman

If to the Trustee, to

The Bank of New York Mellon Trust Company, N.A.
2 North LaSalle Street, Suite 1020
Chicago, Illinois 60602
Facsimile No.: (312) 827-8522

Telephone No.: (312) 827-8612
Attention: Corporate Trust

or, as to each party, at such other address as shall be designated by such party in a written notice to the other party. All such notices and communications shall, when mailed or telecopied, be effective when deposited in the mails or telecopied, respectively, addressed as aforesaid, except that notices to the Bank shall not be effective until received by the Bank.

Section 4.04 No Remedies. No failure on the part of the Bank to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right hereunder preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

Section 4.05 No Deductions; Increased Costs. (a) Except as otherwise required by law, each payment by the Borrower to the Bank under this Agreement or any other Related Document shall be made without setoff or counterclaim and without withholding for or on account of any present or future taxes (other than overall net income taxes on the recipient imposed by any jurisdiction having control of such recipient) imposed by or within the jurisdiction in which the Borrower is domiciled, any jurisdiction from which the Borrower makes any payment hereunder, or (in each case) any political subdivision or taxing authority thereof or therein. If any such withholding is so required, the Borrower shall make the withholding, pay the amount withheld to the appropriate Governmental Authority before penalties attach thereto or interest accrues thereon and forthwith pay such additional amount as may be necessary to ensure that the net amount actually received by the Bank free and clear of such taxes (including such taxes on such additional amount) is equal to the amount which the Bank would have received had such withholding not been made. If the Bank pays any amount in respect of any such taxes, penalties or interest, the Borrower shall reimburse the Bank for that payment on demand in the currency in which such payment was made. If the Borrower pays any such taxes, penalties or interest, it shall deliver official tax receipts evidencing that payment or certified copies thereof to the Bank on or before the thirtieth day after payment.

(b) If the Internal Revenue Code or any newly adopted law, treaty, regulation, guideline or directive, or any change in any, law, treaty, regulation, guideline or directive or any new or modified interpretation of any of the foregoing by any authority or agency charged with the administration or interpretation thereof or any central bank or other fiscal, monetary or other authority having jurisdiction over the Bank or the transactions contemplated by this Agreement, whether or not having the force of law (each a "Change in Law") shall:

(i) limit the deductibility of interest on funds obtained by the Bank to pay any of its liabilities or subject the Bank to any tax, duty, charge, deduction or withholding on or with respect to payments relating to the Bonds, the Letter of Credit or this Agreement, or any amount paid or to be paid by the Bank as the issuer of the Letter of Credit (other than any tax measured by or based upon the overall net income of the Bank imposed by any jurisdiction having control over the Bank);

(ii) impose, modify, require, make or deem applicable to the Bank any reserve requirement, capital requirement, special deposit requirement, insurance assessment or similar requirement against any assets held by, deposits with or for the account of, or loans, letters of credit or commitments by, an office of the Bank;

(iii) change the basis of taxation of payments due the Bank under this Agreement or the Bonds (other than by a change in taxation of the overall net income of the Bank);

(iv) cause or deem letters of credit to be assets held by the Bank and/or as deposits on its books; or

(v) impose upon the Bank any other condition with respect to any amount paid or payable to or by the Bank or with respect to this Agreement or any of the other Related Documents;

and the result of any of the foregoing is to increase the cost to the Bank of making any payment or maintaining the Letter of Credit, or to reduce the amount of any payment (whether of principal, interest or otherwise) receivable by the Bank, or to reduce the rate of return on the capital of the Bank or to require the Bank to make any payment on or calculated by reference to the gross amount of any sum received by it, in each case by an amount which the Bank in its reasonable judgment deems material, then:

(1) the Bank shall promptly notify the Borrower in writing of such event;

(2) the Bank shall promptly deliver to the Borrower a certificate stating the change which has occurred or the reserve requirements or other costs or conditions which have been imposed on the Bank or the request, direction or requirement with which it has complied, together with the date thereof, the amount of such increased cost, reduction or payment and a reasonably detailed description of the way in which such amount has been calculated, and the Bank's determination of such amounts, absent fraud or manifest error, shall be conclusive; and

(3) the Borrower shall pay to the Bank, from time to time as specified by the Bank, such an amount or amounts as will compensate the Bank for such additional cost, reduction or payment.

The protection of this Section 4.05(b) shall be available to the Bank regardless of any possible contention of invalidity or inapplicability of the law, regulation or condition which has been imposed; provided, however, that if it shall be later determined by the Bank that any amount so paid by the Borrower pursuant to this Section 4.05(b) is in excess of the amount payable under the provisions hereof, the Bank shall refund such excess amount to the Borrower. Notwithstanding the foregoing, for purposes of this Agreement (a) all requests, rules, guidelines or directives in connection with the Dodd-Frank Act shall be deemed to be a Change in Law, regardless of the date enacted, adopted or issued, and (b) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Regulations and Supervisory Practices (or any successor or similar authority) or any

Governmental Authority shall be deemed a Change in Law regardless of the date enacted, adopted or issued.

Section 4.06 Right of Setoff. (a) Upon the occurrence and during the continuance of an Event of Default, the Bank is hereby authorized at any time and from time to time without notice to the Borrower (any such notice being expressly waived by the Borrower), and to the fullest extent permitted by law, to setoff, to exercise any banker's lien or any right of attachment and apply any and all balances, credits, deposits (general or special, time or demand, provisional or final except those accounts established for the benefit of third parties or to satisfy legal or regulatory requirements), accounts or monies at any time held and other indebtedness at any time owing by the Bank to or for the account of the Borrower (irrespective of the currency in which such accounts, monies or indebtedness may be denominated and the Bank is authorized to convert such accounts, monies and indebtedness into United States dollars) against any and all of the Obligations of the Borrower, whether or not the Bank shall have made any demand for any amount owing to the Bank by the Borrower.

(b) The rights of the Bank under this Section 4.06 are in addition to, in augmentation of, and, except as specifically provided in this Section 4.06, do not derogate from or impair, other rights and remedies (including, without limitation, other rights of setoff) which the Bank may have.

Section 4.07 Indemnity. The Borrower shall indemnify and hold harmless the Bank, its parent, and correspondents and each of their respective directors, officers, employees and agents (each, including the Bank, an "Indemnified Person") from and against any and all claims, suits, judgments, costs, losses, fines, penalties, damages, liabilities, and expenses, including expert witness fees and reasonable legal fees, charges and disbursements of retained counsel for any Indemnified Person ("Costs"), arising out of, in connection with, or as a result of: (i) the Letter of Credit or any pre-advice of its issuance; (ii) any transfer, sale, delivery, surrender, or endorsement of any Payment Document at any time(s) held by any Indemnified Person in connection with the Letter of Credit; (iii) any action or proceeding arising out of or in connection with the Letter of Credit, this Agreement or any other Related Document (whether administrative, judicial or in connection with arbitration), including any action or proceeding to compel or restrain any presentation or payment under the Letter of Credit, or for the wrongful dishonor of or honoring a presentation under the Letter of Credit; (iv) any independent undertakings issued by the beneficiary of the Letter of Credit; (v) any unauthorized communication or instruction (whether oral, telephonic, written, telegraphic, facsimile or electronic) (each an "Instruction") regarding the Letter of Credit or error in computer transmission; (vi) an adviser, confirmer or other nominated person seeking to be reimbursed, indemnified or compensated; (vii) any third party seeking to enforce the rights of an Borrower, beneficiary, nominated person, transferee, assignee of proceeds of the Letter of Credit; (viii) the fraud, forgery or illegal action of parties other than the Indemnified Person; (ix) the enforcement of this Agreement or any rights or remedies under or in connection with this Agreement, a Related Document or the Letter of Credit; (x) the acts or omissions, whether rightful or wrongful, of any present or future de jure or de facto governmental or regulatory authority or cause or event beyond the control of such Indemnified Person; in each case, including that resulting from Bank's own negligence, provided, however, that such indemnity shall not be available to any Person claiming indemnification under (i) through (x) above to the extent that such Costs are found in a final, non-appealable

judgment by a court of competent jurisdiction to have resulted directly from the gross negligence or willful misconduct of the Indemnified Person claiming indemnity. If and to the extent that the obligations of Borrower under this paragraph are unenforceable for any reason, Borrower shall make the maximum contribution to the Costs permissible under applicable law.

Section 4.08 Obligations Absolute. The obligations of the Borrower under this Agreement shall be absolute, unconditional and irrevocable, and shall be paid strictly in accordance with the terms of this Agreement under all circumstances whatsoever, including, without limitation: (i) any lack of validity, enforceability or legal effect of this Agreement or any Related Document, or any term or provision herein or therein; (ii) payment against presentation of any draft, demand or claim for payment under the Letter of Credit or other document presented for purposes of drawing under the Letter of Credit (a "Payment Document") that does not comply in whole or in part with the terms of the Letter of Credit or which proves to be fraudulent, forged or invalid in any respect or any statement therein being untrue or inaccurate in any respect, or which is signed, issued or presented by a Person (or a transferee of such Person) purporting to be a successor or transferee of the beneficiary of the Letter of Credit; (iii) the Bank or any of its branches or affiliates being the beneficiary of the Letter of Credit; (iv) the Bank or any correspondent honoring a drawing against a Payment Document up to the amount available under the Letter of Credit even if such Payment Document claims an amount in excess of the amount available under the Letter of Credit; (v) the existence of any claim, set-off, defense or other right that the Borrower or any other Person may have at any time against any beneficiary, any assignee of proceeds, the Bank or any other Person; (vi) the Bank or any correspondent having previously paid against fraudulently signed or presented Payment Documents (whether or not the Borrower shall have reimbursed the Bank for such drawing); and (vii) any other event, circumstance or conduct whatsoever, whether or not similar to any of the foregoing, that might, but for this paragraph, constitute a legal or equitable defense to or discharge of, or provide a right of set-off against, the Borrower's obligations hereunder (whether against the Bank, the beneficiary or any other Person); provided, however, that subject to Section 4.09 hereof, the foregoing shall not exculpate the Bank from such liability to the Borrower as may be finally judicially determined in an independent action or proceeding brought by the Borrower against the Bank following payment of the Borrower's obligations under this Agreement.

Section 4.09 Liability of the Bank. (a) The liability of the Bank (or any other Indemnified Person) under, in connection with and/or arising out of this Agreement, any Related Document or the Letter of Credit (or any pre-advice), regardless of the form or legal grounds of the action or proceeding, shall be limited to any direct damages suffered by the Borrower that are caused directly by Bank's gross negligence or willful misconduct in (i) honoring a presentation that does not at least substantially comply with the Letter of Credit, (ii) failing to honor a presentation that strictly complies with the Letter of Credit or (iii) retaining Payment Documents presented under the Letter of Credit. In no event shall the Bank be deemed to have failed to act with due diligence or reasonable care if the Bank's conduct is in accordance with Standard Letter of Credit Practice or in accordance with this Agreement. The Borrower's aggregate remedies against the Bank and any Indemnified Person for wrongfully honoring a presentation under the Letter of Credit or wrongfully retaining honored Payment Documents shall in no event exceed the aggregate amount paid by the Borrower to the Bank in respect of an honored presentation under the Letter of Credit, plus interest. Notwithstanding anything to the contrary herein, the Bank and the other Indemnified Persons shall not, under any circumstances whatsoever, be liable

for any punitive, consequential, indirect or special damages or losses regardless of whether the Bank or any Indemnified Person shall have been advised of the possibility thereof or of the form of action in which such damages or losses may be claimed. The Borrower shall take action to avoid and mitigate the amount of any damages claimed against the Bank or any Indemnified Person, including by enforcing its rights in the underlying transaction. Any claim by the Borrower for damages under or in connection with this Agreement, any Related Document or the Letter of Credit shall be reduced by an amount equal to the sum of (i) the amount saved by the Borrower as a result of the breach or alleged wrongful conduct and (ii) the amount of the loss that would have been avoided had the Borrower mitigated damages.

(b) Without limiting any other provision of this Agreement, the Bank and each other Indemnified Person (if applicable), shall not be responsible to the Borrower for, and the Bank's rights and remedies against the Borrower and the Borrower's obligation to reimburse and indemnify the Bank shall not be impaired by: (i) honor of a presentation under the Letter of Credit which on its face substantially complies with the terms of the Letter of Credit; (ii) honor of a presentation of any Payment Documents which appear on their face to have been signed, presented or issued (X) by any purported successor or transferee of any beneficiary or other party required to sign, present or issue the Payment Documents or (Y) under a new name of the beneficiary; (iii) acceptance as a draft of any written or electronic demand or request for payment under the Letter of Credit, even if nonnegotiable or not in the form of a draft, and may disregard any requirement that such draft, demand or request bear any or adequate reference to the Letter of Credit; (iv) the identity or authority of any presenter or signer of any Payment Document or the form, accuracy, genuineness, or legal effect of any presentation under the Letter of Credit or of any Payment Documents; (v) disregard of any non-documentary conditions stated in the Letter of Credit; (vi) acting upon any Instruction which it, in Good Faith, believes to have been given by a Person or entity authorized to give such Instruction; (vii) any errors, omissions, interruptions or delays in transmission or delivery of any message, advice or document (regardless of how sent or transmitted) or for errors in interpretation of technical terms or in translation; (viii) any delay in giving or failing to give any notice; (ix) any acts, omissions or fraud by, or the solvency of, any beneficiary, any nominated Person or any other Person; (x) any breach of contract between the beneficiary and the Borrower or any of the parties to the underlying transaction; (xi) assertion or waiver of any provision of the ISP which primarily benefits an issuer of a letter of credit, including, any requirement that any Payment Document be presented to it at a particular hour or place; (xii) payment to any paying or negotiating bank (designated or permitted by the terms of the Letter of Credit) claiming that it rightfully honored or is entitled to reimbursement or indemnity under Standard Letter of Credit Practice; (xiii) dishonor by the Bank of any presentation for which the Borrower is unable or unwilling to reimburse or indemnify the Bank (provided that the Borrower acknowledges that if the Bank shall later be required to honor the presentation, the Borrower shall be liable therefore in accordance with Article II hereof); and (xiv) acting or failing to act as required or permitted under Standard Letter of Credit Practice. For purposes of this Section 4.09(b), "Good Faith" means honesty in fact in the conduct of the transaction concerned.

(c) The Borrower shall notify the Bank of (i) any noncompliance with any Instruction, any other irregularity with respect to the text of the Letter of Credit or any amendment thereto or any claim of an unauthorized, fraudulent or otherwise improper Instruction, within three (3) Business Days of the Borrower's receipt of a copy of the Letter of Credit or amendment and (ii)

any objection the Borrower may have to the Bank's honor or dishonor of any presentation under the Letter of Credit or any other action or inaction taken or proposed to be taken by the Bank under or in connection with this Agreement or the Letter of Credit, within three (3) Business Days after the Borrower receives notice of the objectionable action or inaction. The failure to so notify the Bank within said times shall discharge the Bank from any loss or liability that the Bank could have avoided or mitigated had it received such notice, to the extent that the Bank could be held liable for damages hereunder; provided, that, if the Borrower shall not provide such notice to the Bank within five (5) Business Days of the date of receipt in the case of clause (i) or ten (10) Business Days from the date of receipt in the case of clause (ii), Bank shall have no liability whatsoever for such noncompliance, irregularity, action or inaction and the Borrower shall be precluded from raising such noncompliance, irregularity or objection as a defense or claim against Bank.

Section 4.10 Successors and Assigns. Whenever in this Agreement the Bank is referred to, such reference shall be deemed to include the successors and assigns of the Bank and all covenants, promises and agreements by or on behalf of the Borrower which are contained in this Agreement shall inure to the benefit of such successors and assigns. The rights and duties of the Borrower hereunder, however, may not be assigned or transferred, except as specifically provided in this Agreement or with the prior written consent of the Bank, and all obligations of the Borrower hereunder shall continue in full force and effect notwithstanding any assignment by the Borrower of any of its rights or obligations under any of the Related Documents or any entering into, or consent by the Borrower to, any supplement or amendment to any of the Related Documents.

Section 4.11. Headings. The captions in this Agreement are for convenience of reference only and shall not define or limit the provisions hereof.

Section 4.12. Severability. Any provision of this Agreement which is prohibited, unenforceable or not authorized in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition, unenforceability or non-authorization without invalidating the remaining provisions hereof or affecting the validity, enforceability or legality of such provision in any other jurisdiction. The parties shall endeavor in good faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

Section 4.13. Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York.

Section 4.14. Continuing Obligation. This Agreement is a continuing obligation, shall survive the expiration of the Letter of Credit until amounts owed hereunder and under the Credit Agreement are paid in full and shall (a) be binding upon the Borrower, its successors and assigns, and (b) inure to the benefit of and be enforceable by the Bank and its successors, transferees and assigns. The obligation of the Borrower to reimburse the Bank pursuant to Sections 4.05 and 4.07 hereof shall survive the payment of the Bonds and termination of this Agreement.

Section 4.15. Entire Agreement. The Related Documents constitute the entire understanding of the parties with respect to the subject matter thereof and any prior agreements, whether written or oral, with respect thereto are superseded hereby.

Section 4.16. Drawing a Certification. Each drawing by the Trustee or any agent thereof under the Letter of Credit shall be deemed (i) a certification by the Borrower that the representations and warranties incorporated by reference in Section 2.11(c) of this Agreement are correct in all material respects as of the date of the drawing, and (ii) a certification by the Borrower that it is in all other respects in compliance with the provisions of this Agreement.

Section 4.17. Facsimile Documents. At the request of the Borrower, the Letter of Credit provides that demands for payment thereunder shall be presented to the Bank by facsimile. The Borrower acknowledges and assumes all risks relating to the use of such facsimile demands for payment and agrees that its obligations under this Agreement, the Credit Agreement and the other Related Documents shall remain absolute, unconditional and irrevocable if the Bank honors such facsimile demands for payment.

Section 4.18. Counterparts. This Agreement may be executed in counterparts by the parties hereto, and each such counterpart shall be considered an original and all shall constitute one and the same instrument.

Section 4.19. Government Regulations. Borrower shall (a) ensure that no person who owns a controlling interest in or otherwise controls the Borrower is or shall be listed on the Specially Designated Nationals and Blocked Person List or other similar lists maintained by the Office of Foreign Assets Control ("OFAC"), the Department of the Treasury or included in any Executive Orders, that prohibits or limits Bank from making any advance or extension of credit to Borrower or from otherwise conducting business with Borrower and (b) ensure that the Bond proceeds shall not be used to violate any of the foreign asset control regulations of OFAC or any enabling statute or Executive Order relating thereto. Further, Borrower shall comply, and cause any of its subsidiaries to comply, with all applicable Bank Secrecy Act ("BSA") laws and regulations, as amended. Borrower agrees to provide documentary and other evidence of Borrower's identity as may be requested by Bank at any time to enable Bank to verify Borrower's identity or to comply with any applicable law or regulation, including, without limitation, Section 326 of the USA Patriot Act of 2001, 31 U.S.C. Section 5318.

Section 4.20. Submission to Jurisdiction; Waiver of Jury Trial. The Borrower hereby submits to the nonexclusive jurisdiction of any state or federal court located in the Borough of Manhattan, City of New York, State of New York for purposes of all legal proceedings arising out of or relating to this Agreement, the other Related Documents or the transactions contemplated hereby or thereby. The Borrower irrevocably waives, to the fullest extent permitted by law, any objection which it may now or hereafter have to the laying of the venue of any such proceeding brought in such a court and any claim that any such proceeding brought in such a court has been brought in an inconvenient forum. The Borrower and the Bank each hereby irrevocably waive any and all right to trial by jury in any legal proceeding arising out of or relating to any Related Document or the transactions contemplated thereby.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first above written.

PACIFICORP, as Borrower

By _____

Name: Bruce N. Williams

Title: Vice President and Treasurer

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first above written.

JPMORGAN CHASE BANK, N.A., as Issuing Bank

By _____
Name: Juan Javellana
Title: Executive Director

EXHIBIT A
TO
REIMBURSEMENT AGREEMENT

FORM OF LETTER OF CREDIT