PACIFIC POWER
A DIVISION OF PACIFICORP

825 NE Multnomah, Suite 2000
Portland, Oregon 97232

June 6, 2012

VIA ELECTRONIC FILING
AND OVERNIGHT DELIVERY

Washington Utilities and Transportation Commission
1300 S. Evergreen Park Drive SW
P.O. Box 47250
Olympia, WA 98504-7250

Attn: David W. 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 May 9, 2012 and May 14, 2012.

2) Reimbursement Agreements, dated May 16, 2012 and May 17, 2012, among the Company and Barclays Bank PLC, as Letter of Credit Issuing Bank for the following Bond issues:

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

   b. $50,000,000 Sweetwater County, Wyoming Customized Purchase Pollution Control Revenue Refunding Bonds, Series 1988A (PacifiCorp Project)

   c. $11,500,000 Sweetwater County, Wyoming Customized Purchase Pollution Control Revenue Refunding Bonds, Series 1988B (PacifiCorp Project)

   d. $70,000,000 Sweetwater County, Wyoming Pollution Control Revenue Refunding Bonds, Series 1990A (PacifiCorp Project)

   e. $24,400,000 Sweetwater County, Wyoming Environmental Improvement Revenue Bonds, Series 1995 (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. These new Letters of Credit were arranged to replace similar prior letters of credit that were terminating and are expected to enable PacifiCorp to continue 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

SUPPLEMENT, DATED MAY 9, 2012
TO OFFICIAL STATEMENT, DATED DECEMBER 17, 1995

The opinion of Chapman and Cutler delivered on December 14, 1995, stated that, subject to compliance by the Company and the Issuer with certain covenants, 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 Project or the 1990A Project or any person considered to be related to such person (within the meaning of either Section 103(b)(13) of the Internal Revenue Code of 1954, as amended or Section 147(a) of the Internal Revenue Code of 1986, as amended). Such interest is included, however, as an item of tax preference in computing the federal alternative minimum tax for individuals and corporations under the Code. Such opinion of Bond Counsel was also to the effect that under then existing law the State of Wyoming imposes no income taxes that would be applicable to interest on the Bonds. 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 Replacement Letter of Credit, the delivery of the Replacement 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 CREDIT FACILITY
$24,400,000
SWEETWATER COUNTY, WYOMING
ENVIRONMENTAL IMPROVEMENT REVENUE BONDS
(PacifiCorp Project)
Series 1995

PURCHASE DATE: May 16, 2012 DUE: November 1, 2025

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

PACIFICORP

Effective on May 17, 2012, and until May 17, 2013, subject to a one time automatic extension to June 20, 2013, unless earlier terminated or extended, the Bonds will be supported by an irrevocable direct-pay Letter of Credit (the *"Replacement Letter of Credit"*) issued, with respect to the Bonds by the New York Branch of

BARCLAYS BANK PLC

Under the Replacement Letter of Credit, the Trustee will be entitled to draw up to (a) an amount sufficient to pay (i) the outstanding unpaid principal amount of the Bonds or (ii) or the portion of the purchase price of the Bonds corresponding to such outstanding unpaid principal amount and (b) an amount sufficient to pay (i) up to 50 days' accrued interest on the Bonds calculated at the maximum rate of 12% per annum and on the basis of a year of 365 days, or (ii) the portion of the purchase price of the Bonds corresponding to such accrued interest. The Replacement Letter of Credit will only be available to be drawn while the Bonds bear interest at a rate other than a Term Interest Rate (as defined in the Indenture).

The Bonds are currently supported by a Letter of Credit issued by the New York Branch of Barclays Bank PLC (the *"Existing Letter of Credit"*). On May 17, 2012, the Replacement Letter of Credit will be delivered to the Trustee in substitution for the Existing Letter of Credit, and the Bonds will not have the benefit of the Existing Letter of Credit after such substitution.

The Bonds are issuable as fully registered Bonds without coupons, initially in the denomination of $100,000 and integral multiples of $100,000 in excess thereof. Interest on the Bonds while the Bonds bear interest at Daily or Weekly 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 Barclays Bank PLC, 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

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 of the Bonds, and, if given or made, such information or representations must not be relied upon as having been authorized by the Issuer, PacifiCorp, Barclays Bank PLC, New York Branch (*"Barclays"*) or J.P. Morgan Securities LLC, as 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, Barclays 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 Barclays, as to the accuracy, completeness or adequacy of the information contained in this Supplement to Official Statement, except with respect to APPENDIX B hereto. 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.

The Remarketing Agent has provided the following sentence for inclusion in this Supplement to Official Statement. The Remarketing Agent has reviewed the information in the Supplement to Official Statement in accordance with, and as part of, their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of the transaction, but the Remarketing Agent does not guarantee the accuracy or completeness of such information.

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DELIVERY OF CREDIT FACILITY

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SWEETWATER COUNTY, WYOMING
ENVIRONMENTAL IMPROVEMENT REVENUE BONDS
(PacifiCorp Project)
Series 1995

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 DECEMBER 17, 1995, AS SUPPLEMENTED ON FEBRUARY 8, 2002, 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 (the *"Supplement"*) is provided to furnish certain information with respect to the Environmental Improvement Revenue Bonds (PacifiCorp Project), Series 1995 (the *"Bonds"*), of Sweetwater County, Wyoming (the *"Issuer")*, currently outstanding in the aggregate principal amount of $24,400,000.

The Bonds were issued pursuant to a Trust Indenture, dated as of November 1, 1995, as amended and supplemented to the date hereof (the *"Indenture"*), between the Issuer and The Bank of New York Mellon Trust Company, N.A. (as successor in interest to The First National Bank of Chicago), as successor trustee (the *"Trustee"*), and under resolutions of the governing body of the Issuer. The proceeds from the sale of the Bonds were loaned to PacifiCorp (the *"Company"*) pursuant to the terms of a Loan Agreement for the Bonds, dated as of November 1, 1995, as amended and supplemented to the date hereof (the *"Agreement"*), and used, together with certain other moneys of the Company, 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 Barclays Bank PLC, New York Branch (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 Barclays Bank PLC, a bank organized under the laws of England, acting through its New York Branch (the *"Bank"* or *"Barclays"*). The Letter of Credit will be delivered to the Trustee on May 17, 2012 (the *"Effective Date"*) and, after such date, the Bonds will not have the benefit of the Prior Letter of Credit. With respect to the Bonds, the Trustee will be entitled to draw under the Letter of Credit up to (a) an amount sufficient to pay (i) the outstanding unpaid principal amount of the Bonds or (ii) the portion of the purchase price of the Bonds corresponding to such unpaid principal amount plus (b) an amount sufficient to pay (i) up to 50 days' accrued interest on the Bonds (calculated at the maximum rate of 12% per annum and on the basis of a year of 365 days) or (ii) the portion of the purchase price of the Bonds corresponding to such accrued interest. The Letter of Credit will only be available to be drawn while the Bonds bear interest at a rate other than a Term Interest Rate (as defined in the Indenture).

After the date of delivery of the Letter of Credit, the Company is permitted under the Agreement and the Indenture to provide a substitute letter of credit (the *"Substitute Letter of Credit"*), which is issued by the same Bank that issued the then existing Letter of Credit and which is identical to such Letter of Credit except for (i) an increase or decrease in the Interest Coverage Rate (as defined in the Agreement), (ii) an increase or decrease in the Interest Coverage Period (as defined in the Agreement) 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 Agreement and Indenture 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. See "THE LETTER OF CREDIT AND THE CREDIT AGREEMENT" and the Official Statement under the caption "THE BONDS — Purchase of Bonds."

Prior to the delivery of the Letter of Credit, the Bonds bore interest at a Daily Rate. Following the delivery of the Letter of Credit, the Bonds will continue to bear interest at a Daily Rate; subject to the right of the Company to cause the interest rate on the Bonds to be converted to other interest rate determination methods as described in the Official Statement.

Brief descriptions of the Bank and summaries of certain provisions of the Reimbursement Agreement (as defined below) are included in this Supplement, including the Appendices hereto, which includes, as APPENDIX C, the Original Official Statement. Information regarding the business, properties and financial condition of the Company is included in and incorporated by reference in APPENDIX A attached hereto. A brief description of Barclays is included in APPENDIX B attached hereto. The descriptions herein, including in APPENDIX C, of the Indenture, the Loan Agreement, the Letter of Credit and the Reimbursement Agreement are qualified in their entirety by reference to such 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 letter of credit described in the Original Official Statement is no longer in effect and the information in the Original Official Statement with respect thereto should be disregarded.

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

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 sufficient to pay (i) the outstanding unpaid principal amount of the Bonds or (ii) the portion of the purchase price of the Bonds corresponding to such outstanding unpaid principal amount, plus (b) an amount sufficient to pay (i) up to 50 days' accrued interest on the Bonds (calculated at the maximum rate of 12% per annum and on the basis of a year of 365 days) or (ii) the portion of the purchase price of the Bonds corresponding to such accrued interest. The Letter of Credit will

only be available to be drawn while the Bonds bear interest at a rate other than a Term Interest Rate. The Letter of Credit will be substantially in the form attached hereto as APPENDIX D.

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 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 only 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 after such drawing unless the Bank shall have notified the Trustee within nine Business Days after such drawing of an Event of Default, as defined in that certain Reimbursement Agreement, dated May 16, 2012 (the *"Reimbursement Agreement"*), between the Company and Barclays, pursuant to which the Letter of Credit will be issued.

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 50 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 on the earliest of: (i) May 16, 2013 (such date, as it may be extended as provided in the next sentence, the *"Scheduled Expiration Date"*), (ii) the date of a final drawing under the Letter of Credit and (iii) the date the Trustee surrenders the Letter of Credit to the Bank for cancellation. The Scheduled Expiration Date shall be automatically extended one single time to June 20, 2013 unless at least 30 days prior to the Scheduled Expiration Date, the Company has received written notification from the Bank that the Bank has elected not to extend the Letter of Credit for such additional period. The Trustee agrees to surrender the Letter of Credit to the Bank, and not to make any drawing, after the earliest to occur of (i) 3:00 p.m. local time in New York, New York, 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 Term Interest Rate, or (iv) a Substitute Letter of Credit or Alternate Credit Facility, as the case may be, has been delivered to the Trustee.

Additional provisions relating to the Letter of Credit, Substitute Letter of Credit and Alternate Credit Facility are described in the Official Statement under the caption "THE LETTER OF CREDIT."

CREDIT AGREEMENT

General. The Company is party to the Credit Agreement. In addition, the Company has executed and delivered the Reimbursement Agreement requesting that Barclays issue an irrevocable direct pay 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 Barclays; 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 Barclays 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 Barclays 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 Supplement 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 Supplement. 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 Account. 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 account. The Remarketing Agent is permitted, but not obligated, to purchase tendered Bonds for its own account 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.

TAX EXEMPTION

The opinion of Chapman and Cutler delivered on December 14, 1995, stated that, subject to compliance by the Company and the Issuer 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, as amended (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 Project or the 1990A Project or any person considered to be related to such person (within the meaning of either Section 103(b)(13) of the 1954 Code or Section 147(a) of the Code); however, the interest on the Bonds is included as an item of tax preference in computing the alternative minimum tax for individuals and corporations under the Code. As indicated in such opinion, 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 (*"Bond Counsel"*) has made no independent investigation to confirm that such covenants have been complied with.

Bond Counsel will deliver an opinion in connection with delivery of the Letter of Credit, in substantially the form attached hereto as APPENDIX E, to the effect that the delivery of the Letter of Credit (i) is authorized under and complies with the terms of the Agreement 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, Bond Counsel has not reviewed any factual or legal matters relating to its opinion dated December 14, 1995 subsequent to its issuance other than with respect to the Company in connection with (a) the execution and delivery of the First Supplemental Trust Indenture, dated as of February 1, 2002, and the First Supplemental Loan Agreement, dated as of February 1, 2002, described in its opinion dated February 20, 2002, (b) the delivery of an Irrevocable Letter of Credit, described in its opinion dated as of February 20, 2002, (c) delivery of the Prior Letter of Credit, described in its opinion dated September 15, 2004, (d) delivery of the amendment to the Prior Letter of Credit, described in its opinion dated November 30, 2005 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.

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.

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 1.8 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. Quarterly Report on Form 10-Q for the quarter ended March 31, 2012.

3. Current Report on Form 8-K, dated March 23, 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 Supplement to Official Statement (the *"Supplement"*) shall be deemed to be incorporated by reference in this Supplement 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 Supplement 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 Supplement 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 Supplement or delivered herewith. The Company hereby undertakes to provide without charge to each person to whom a copy of this Supplement 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 Supplement does not purport to be comprehensive and should be read together with the information contained in the Incorporated Documents.

APPENDIX B

BARCLAYS BANK PLC

The following information concerning Barclays Bank PLC ("Barclays") has been provided by representatives of Barclays and has not been independently confirmed or verified by J.P. Morgan Securities LLC, as remarketing agent, the Company or the Issuer. No representation is made herein as to the accuracy or adequacy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof or thereof, or that the information contained or incorporated herein by reference is correct as of any time subsequent to its date.

Barclays is a public limited company registered in England and Wales under number 1026167. The liability of the members of Barclays is limited. It has its registered head office at 1 Churchill Place, London, E14 5HP, United Kingdom (telephone number +44 (0)20 7116 1000). Barclays was incorporated on 7 August 1925 under the Colonial Bank Act 1925 and on 4 October 1971 was registered as a company limited by shares under the Companies Acts 1948 to 1967. Pursuant to The Barclays Bank Act 1984, on 1 January 1985, Barclays Bank was re-registered as a public limited company and its name was changed from "Barclays Bank International Limited" to "Barclays Bank PLC".

Barclays and its subsidiary undertakings (taken together, the *"Group"*) is a major global financial services provider engaged in retail and commercial banking, credit cards, investment banking, wealth management and investment management services. The whole of the issued ordinary share capital of Barclays is beneficially owned by Barclays PLC, which is the ultimate holding company of the Group.

The short term unsecured obligations of Barclays are rated A-1 by Standard & Poor's Credit Market Services Europe Limited, P-1 by Moody's Investors Service Ltd. and F1 by Fitch Ratings Limited and the long-term obligations of Barclays are rated A+ by Standard & Poor's Credit Market Services Europe Limited, Aa3 by Moody's Investors Service Ltd. and A by Fitch Ratings Limited.

Based on the Group's audited financial information for the year ended 31 December 2011, the Group had total assets of £1,563,402 million (2010: £1,490,038 million), total net loans and advances[1] of £478,726 million (2010: £465,741 million), total deposits[2] of £457,161 million (2010: £423,777 million), and total shareholders' equity of £65,170 million (2010: £62,641 million) (including non-controlling interests of £3,092 million (2010: £3,467 million)). The profit before tax from continuing operations of the Group for the year ended 31 December 2011 was £5,974 million (2010: £6,079 million) after credit impairment charges and other provisions of £3,802 million (2010: £5,672 million). The financial information in this paragraph is extracted from the audited consolidated financial statements of Barclays for the year ended 31 December 2011.

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1 Total net loans and advances include balances relating to both bank and customer accounts.

2 Total deposits include deposits from bank and customer accounts.

The delivery of the information concerning Barclays and the Group herein shall not create any implication that there has been no change in the affairs of Barclays and the Group since the date hereof, or that the information contained or referred to herein is correct as of any time subsequent to its date.

Barclays is responsible only for the information contained in this section of the Supplement to Official Statement and did not participate in the preparation of, or in any way verify the information contained in, any other part of the Supplement to Official Statement. Accordingly, Barclays assumes no responsibility for and makes no representation or warranty as to the accuracy or completeness of information contained in any other part of the Supplement to Official Statement.

The information contained in this Appendix relates to and has been obtained from Barclays. The delivery of the Official Statement shall not create any implication that there has been no change in the affairs of Barclays Bank PLC 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 DECEMBER 13, 1995, AS SUPPLEMENTED BY A SUPPLEMENT TO OFFICIAL STATEMENT DATED FEBRUARY 8, 2002

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SUPPLEMENT TO OFFICIAL STATEMENT DATED DECEMBER 13, 1995

REOFFERING-NOT A NEW ISSUE **RATINGS: See "RATINGS" herein.**

The opinion of Chapman and Cutler delivered on December 13, 1995 stated that, subject to compliance by the Company and the Issuer with certain covenants, 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 Facilities or any person considered to be related to such person (within the meanings of either Section 147(a) of the Internal Revenue Code of 1986, as amended, or Section 103(b)(13) of the Internal Revenue Code of 1954, as amended), but that interest on the Bonds will be treated as an item of tax preference in computing the alternative minimum tax for individuals and corporations. Such opinion of Bond Counsel was also to the effect that under then existing law the State of Wyoming imposed no income taxes that would be applicable to interest on the Bonds. 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
CREDIT FACILITY AND REOFFERING
$24,400,000
SWEETWATER COUNTY, WYOMING
ENVIRONMENTAL IMPROVEMENT REVENUE BONDS
(PACIFICORP PROJECT)
SERIES 1995

Purchase Date: February 20, 2002 Due: November 1, 2025

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 Letter of Credit (the *"Letter of Credit"*) to be issued by

BANK ONE, NA

Under the Letter of Credit, the Trustee will be entitled to draw through February 20, 2004 (unless earlier terminated or extended) up to an amount sufficient to pay the principal of and, up to 50 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 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 or Weekly 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 the Bonds. Such Bonds will be 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 that bear interest at a Daily, Weekly, Term or Flexible Rate 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 Bank One, NA and are not being offered on the basis of the financial strength of the Company or any other security. This Supplement to Official Statement provides minimal information pertaining to the Company.

Certain legal matters related to the delivery of the Letter of Credit will be passed upon by Chapman and Cutler, Bond Counsel. Certain legal matters will be passed on for Bank One, NA by Katten, Muchin Zavis, Chicago, Illinois. Certain legal matters will be passed upon for the Company by Stoel Rives LLP, Portland, Oregon.

Price: 100%

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

BANC ONE CAPITAL MARKETS, INC.
Remarketing Agent

February 8, 2002

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, Bank One, NA 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, Bank One, NA 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 Bank One, NA as to the accuracy, completeness or adequacy of the information contained in this Supplement to Official Statement, except with respect to APPENDIX A 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.

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$24,400,000
SWEETWATER COUNTY, WYOMING
ENVIRONMENTAL IMPROVEMENT REVENUE BONDS
(PACIFICORP PROJECT)
SERIES 1995

GENERAL INFORMATION

THIS SUPPLEMENT TO OFFICIAL STATEMENT (THE *"SUPPLEMENT TO OFFICIAL STATEMENT"*) DOES NOT CONTAIN COMPLETE DESCRIPTIONS OF DOCUMENTS AND OTHER INFORMATION WHICH IS SET FORTH IN THE OFFICIAL STATEMENT DATED DECEMBER 13, 1995 WITH RESPECT TO THE BONDS, A COPY OF WHICH IS ATTACHED HERETO AS APPENDIX C (THE *"ORIGINAL OFFICIAL STATEMENT"* AND, TOGETHER WITH THE 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, A COPY OF WHICH IS ATTACHED TO THIS SUPPLEMENT TO OFFICIAL STATEMENT.

This Supplement to Official Statement is provided to furnish certain information with respect to the reoffering of the $24,400,000 outstanding principal amount of the Environmental Improvement Revenue Bonds (PacifiCorp Project) Series 1995 (the *"Bonds"*) issued by Sweetwater County, Wyoming (the *"Issuer"*).

The Bonds were issued pursuant to a Trust Indenture, dated as of November 1, 1995 (the *"Original Indenture"*) between the Issuer and Bank One Trust Company, NA (formerly 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 November 1, 1995 (the *"Original Loan Agreement"*) between the Issuer and the Company. Under the Original Loan 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 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.

Effective February 20, 2002, (i) the Issuer and the Trustee entered into a First Supplemental Trust Indenture dated as of February 1, 2002 (the *"First Supplemental Indenture"* and, together with the Original Indenture, the *"Indenture"*) and (ii) the Issuer and the Company entered into a First Supplemental Loan Agreement dated as of February 1, 2002 (the *"First Supplemental Loan Agreement"* and, together with the Original Loan Agreement, the *"Loan Agreement"*).

The First Supplemental Indenture amends the Original Indenture, and the First Supplemental Loan Agreement amends the Original Loan Agreement, to permit, among other things, the delivery of a letter of credit to the Trustee and amendments related to the delivery of the Letter of Credit, including without limitation, changes to mandatory purchase of Bonds, events of default and delivery of alternate credit facilities, which amendments are described in this Supplement to Official Statement under the captions "AMENDMENTS TO THE BONDS," "AMENDMENTS TO THE INDENTURE" and "AMENDMENTS TO THE LOAN AGREEMENT."

On February 20, 2002, the Company has caused to be delivered to the Trustee, for the benefit of the holders of the Bonds, an irrevocable direct pay letter of credit (the *"Letter of Credit"*) issued by Bank One, NA (together with the issuer of any Alternate Letter of Credit, the *"Bank"*). Unless earlier terminated as provided therein, the Letter of Credit extends for a term expiring on February 20, 2004. The Trustee is entitled under the Letter of Credit to draw up to (i) the principal amount of the Bonds to enable the Trustee to pay the principal of the Bonds when due at maturity, upon redemption or acceleration, or upon tender, if such tendered Bonds are not remarketed, plus (ii) an amount up to 12% per annum on the principal amount of the Bonds for a period not to exceed 50 days, to enable the Trustee to pay interest on such Bonds. The Company has entered into a Reimbursement Agreement dated as of February 20, 2002 (the *"Reimbursement Agreement"*) with the Bank with respect to the Letter of Credit. For information regarding the Letter of Credit and the Reimbursement Agreement, see "THE LETTER OF CREDIT" and "THE REIMBURSEMENT AGREEMENT."

The Bonds are limited and not general obligations of the Issuer payable solely from the revenues and amounts derived under the Loan Agreement and pledged under the Indenture consisting of all amounts payable from time to time by the Company in respect of the indebtedness under the Agreement and all receipts of the Trustee credited under the provisions of the Indenture against said amounts payable, including all moneys drawn by the Trustee under the Letter of Credit or an Alternate Credit Facility. No Owner of any Bond issued pursuant to the Sections 15-1-701 to 15-1-710, inclusive, of the Wyoming Statutes (1977), as amended (the *"Act"*), has the right to compel any exercise of the taxing power of the Issuer to pay the Bonds, or the interest or premium, if any, thereon. The Bonds shall not constitute an indebtedness or a general obligation of the Issuer or a loan of credit thereof within the meaning of any constitutional or statutory provision, nor shall any of the Bonds constitute or give rise to a pecuniary liability of the Issuer or a charge against its general credit or taxing powers.

During the Daily and Weekly 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 50 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 the Initial Letter of Credit (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.

Brief descriptions of the Issuer, the Bonds, the Letter of Credit, the Loan 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 Bank One is included as APPENDIX B hereto. The descriptions herein of the Loan 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 Chicago, Illinois.

AMENDMENTS TO THE BONDS

The following is a summary of certain additional provisions of the Bonds. Reference is made to the Bonds and the Indenture, as supplemented by the First Supplemental Indenture, in its entirety for the detailed provisions thereof.

Certain Definitions

"Alternate Credit Facility" means a credit facility provided in accordance with the Loan Agreement (other than the Initial Letter of Credit or a Substitute Letter of Credit), including, without limitation, a letter of credit of a commercial bank or a credit facility from a financial institution, including an insurance policy, or a combination thereof, the terms of which shall in all material respects be the same as the aforesaid Initial Letter of Credit and the administration provisions of which are acceptable to the Trustee, or any other credit agreement or mechanism arranged by the Company (which may involve a letter of credit or other credit facility or an insurance policy), the terms of which need not in all material respects be the same as the aforesaid Initial Letter of Credit, but the administration provisions of which are acceptable to the Trustee, which provides security for payment of the principal of and interest on the Bonds when due and for payment of the purchase price of Bonds delivered to the Trustee. 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 six months from the date of its delivery.

"Available Moneys" shall mean (a) during any period the Letter of Credit is in effect: (1) proceeds from the remarketing of any Bond or beneficial interests therein required to be purchased pursuant to the Indenture, to any person other than the Issuer, the Company or any "insider" (as defined in the Bankruptcy Code) of the Issuer or the Company; (2) moneys derived

from any draw on the Letter of Credit; (3) any other moneys or securities, if there is delivered to the Trustee an opinion of an attorney-at-law, duly admitted to practice before the highest court of the jurisdiction in which such attorney maintains an office, who is not a full-time employee of the Company, the Bank, the Issuer or the Remarketing Agent, having expertise in bankruptcy matters (who, for purposes of such opinion, may assume that no Bondholder is an "insider," as defined in the Bankruptcy Code) to the effect that the use of such moneys or securities to pay the principal or purchase price of, premium, if any, or interest on the Bonds would not be avoidable as a preferential payment under Section 547 of the Bankruptcy Code recoverable under Section 550 of the Bankruptcy Code should the Company become a debtor in a proceeding commenced thereunder, which opinion shall also be addressed to and acceptable to any Rating Agency then rating the Bonds; and (4) earnings derived from the investment of any of the foregoing; and (b) during any period no Letter of Credit is in effect, any moneys held by the Trustee under the Indenture.

"Bank" shall mean the entity issuing the Letter of Credit, if any, then in effect, and its successors in such capacity and their assigns; or if a Substitute Letter of Credit is issued, the issuer thereof, and its successors in such capacity and their assigns. The initial Bank shall be Bank One, NA. All references to "Bank" shall be of no effect at any time that no Letter of Credit secures the Bonds, except with respect to rights of any Bank established under the Indenture which do not, by their terms, expire upon the expiration of the Letter of Credit issued by such Bank.

"Expiration of the Term of the Letter of Credit" means the expiration or termination of the Letter of Credit, including any extensions thereof, in effect with respect to the Bonds without provision being made in accordance with the Loan Agreement for the delivery of an Alternate Credit Facility or a Substitute Letter of Credit.

"Expiration of the Term of the Alternate Credit Facility" means the expiration or termination of any Alternate Credit Facility, including any extensions thereof, in effect with respect to the Bonds without provision being made in accordance with the Loan Agreement for the delivery of an Alternate Credit Facility.

"Initial Letter of Credit" shall mean the Letter of Credit delivered on the Initial Letter of Credit Delivery Date by Bank One, NA with respect to the Bonds, as extended or amended from time to time.

"Initial Letter of Credit Delivery Date" shall mean February 20, 2002, the date on which the Initial Letter of Credit is issued and delivered.

"Interest Component" shall mean the maximum amount stated in the Letter of Credit or an Alternate Credit Facility, as the case may be (as reduced and reinstated from time to time in accordance with the terms thereof), which may be drawn upon with respect to payment of accrued interest or the portion of the purchase price of Bonds delivered pursuant to the Indenture corresponding to interest accrued on the Bonds on or prior to the stated maturity thereof.

"Interest Coverage Period" means the number of days specified in the Letter of Credit or an Alternate Credit Facility, as the case may be, which is used to determine the Interest Component.

"Interest Coverage Rate" means the rate specified in the Letter of Credit or an Alternate Credit Facility, as the case may be, which is used to determine the Interest Component.

"Letter of Credit" means the Initial Letter of Credit or, in the event of the delivery of a Substitute Letter of Credit, "Letter of Credit" shall, unless the context otherwise requires, mean such Substitute Letter of Credit, in each case as extended or amended from time to time. All references to the "Letter of Credit" shall be of no effect at any time that no Letter of Credit supports the Bonds, except with respect to rights of any Bank created under the Indenture which do not, by their terms, expire upon the termination of the Letter of Credit issued by the applicable Bank.

"Maximum Rate" shall mean the rate per annum equal to the lesser of (a) 18% per annum, or (b) if a Letter of Credit is then in effect, the Interest Coverage Rate.

"Obligor on the Alternate Credit Facility" means the entity obligated to make payments under any Alternate Credit Facility. "Principal Office of the Obligor on the Alternate Credit Facility" means the office specified in the Alternate Credit Facility or such other offices designated as such by the Obligor on the Alternate Credit Facility in writing to the Trustee, the Issuer, the Registrar, the Company and the Remarketing Agent.

"Reimbursement Agreement" shall mean initially, the Reimbursement Agreement dated as of February 20, 2002 between the Company and the Bank, as amended or otherwise modified from time to time, and if a Substitute Letter of Credit or Alternate Credit Facility is provided, *"Reimbursement Agreement"* shall mean the agreement pursuant to which such Substitute Letter of Credit or Alternate Credit Facility is provided. All references to "Reimbursement Agreement" shall be of no effect at any time that no Letter of Credit or Alternate Credit Facility is issued and secures the Bonds, except with respect to rights of any Bank which do not, by their terms, expire upon the expiration of the Letter of Credit issued by such Bank.

"Remarketing Agent" means the Person serving as Remarketing Agent from time to time under the Indenture.

"Substitute Letter of Credit" means a Letter of Credit provided in accordance with the Loan Agreement in substitution for the irrevocable letter of credit issued by the Bank to the Trustee pursuant to the terms of the Reimbursement Agreement, as extended from time to time, which is 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 the Letter of Credit in substitution for which the Substitute Letter of Credit is to be provided, except for:

(i) An increase or decrease in the Interest Coverage Rate; or

(ii) An increase or decrease in the Interest Coverage Period; or

(iii) Any combination of (i) and (ii).

Rate Periods

In addition to the notice requirements set forth in the Original Official Statement adjustments to Rate Periods require notice to the Bank, if any.

Mandatory Purchase

The Bonds are subject to mandatory purchase at a purchase price equal to 100% of the principal amount thereof, plus accrued interest to the purchase date described below, upon the occurrence of any of the events stated below:

(a) as to any Bond, on the effective date of any change in a Rate Period, other than the effective date of a Term Interest Rate Period which was preceded by a Term Interest Rate Period of the same duration;

(b) as to each Bond in a Flexible Interest Rate Period, on the day next succeeding the last day of any Flexible Segment with respect to such Bond;

(c) on the second Business Day prior to the stated expiration date of the Letter of Credit or Alternate Credit Facility if the Trustee has not received at least twenty (20) days prior to such Business Day an extension of the then-existing Letter of Credit or an Alternate Credit Facility or on the second Business Day prior to the termination of the Letter of Credit or an Alternate Credit Facility; and

(d) on the first Business Day prior to the date of the delivery of an Alternate Credit Facility or a Substitute Letter of Credit pursuant to the Loan Agreement.

Not later than 20 days prior to a mandatory purchase date described in clauses, (c) or (d) above, the Trustee shall mail notice to all Bondholders, the Remarketing Agent, the Bank, and the Company stating that (1) due to the occurrence of one of the events described above (which event shall be specified), the Bonds (and the beneficial interests therein) will be subject to mandatory purchase on the mandatory purchase date (which date shall be specified), and (2) that all Bonds and the beneficial interests therein shall be deemed to have been so purchased at the purchase price on the purchase date; *provided* Available Moneys in sufficient amount for such purpose are then on deposit with the Trustee and/or the Remarketing Agent. If Available Moneys are on deposit as aforesaid, such Bonds shall no longer be considered to be Outstanding for purposes of the Indenture and, in such event, shall no longer be entitled to the benefits of the Indenture, except for the payment of the purchase price thereof (and no interest shall accrue thereon subsequent to the mandatory purchase date). Transfers of beneficial ownership interests will be effected by the Securities Depository in accordance with its rules and procedures. Notice of mandatory purchase described in clause (a) and (b) above shall be given as part of the notice of adjustment referenced in the Indenture, as applicable. No failure on the part of the Trustee to give such notice shall affect the requirement that Bonds be purchased on the mandatory purchase date.

When Bonds are subject to redemption pursuant to paragraph (c) under the caption of "THE BONDS—Optional Redemption of Bonds," in the Original Official Statement, the Bonds are also subject to mandatory purchase on a day that the Bonds would be subject to redemption, at a purchase price equal to 100% of the principal amount thereof plus an amount equal to any premium which would have been payable on such redemption date had the Bonds been redeemed if the Company gives notice to the Trustee on the day prior to the redemption date that it elects to have the Bonds purchased in lieu of redemption. If the Bonds are purchased on or prior to the Record Date, the purchase price shall include accrued interest from the Interest Payment Date next preceding the date of purchase to the date of purchase (unless the date of purchase shall be an Interest Payment Date, in which case the purchase price shall be equal to the amount specified in the preceding sentence). If the Bonds are purchased after the Record Date, the purchase price shall not include accrued interest.

FOR SO LONG AS THE BONDS ARE HELD IN BOOK-ENTRY FORM, NOTICES OF MANDATORY PURCHASE OF BONDS SHALL BE GIVEN BY THE TRUSTEE TO DTC ONLY, AND NEITHER THE ISSUER, THE TRUSTEE, THE COMPANY NOR THE REMARKETING AGENT SHALL HAVE ANY RESPONSIBILITY FOR THE DELIVERY OF ANY SUCH NOTICES BY DTC TO ANY DIRECT PARTICIPANTS OF DTC, BY ANY DIRECT PARTICIPANTS TO ANY INDIRECT PARTICIPANTS OF DTC OR BY ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS TO BENEFICIAL OWNERS OF THE BONDS. FOR SO LONG AS THE BONDS ARE HELD IN BOOK-ENTRY FORM, THE REQUIREMENT FOR PHYSICAL DELIVERY OF THE BONDS IN CONNECTION WITH ANY PURCHASE PURSUANT TO THE PROVISIONS DESCRIBED ABOVE SHALL BE DEEMED SATISFIED WHEN THE OWNERSHIP RIGHTS IN THE BONDS ARE TRANSFERRED BY DIRECT PARTICIPANTS ON THE RECORDS OF DTC. SEE THE ORIGINAL OFFICIAL STATEMENT, "THE BONDS—Book-Entry System."

Purchase of Bonds

On the date on which Bonds are delivered to the Trustee for purchase as specified above under "—Mandatory Purchase" or in the Original Official Statement under "THE BONDS--Optional Purchase," the Trustee shall pay the purchase price of such Bonds, but 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) proceeds from the remarketing, excluding any proceeds of the remarketing that were received from the Issuer or the Company and sale of such Bonds pursuant to the Indenture;

(b) moneys drawn under the Letter of Credit or Alternate Credit Facility in accordance with the Indenture;

(c) moneys furnished by the Trustee upon defeasance of such Bonds, such moneys to be applied only to the purchase of Bonds which are deemed to be defeased; and

(d) any other moneys furnished by the Company to the Trustee for purchase of the Bonds;

provided, however, that funds for the payment of the purchase price of defeased Bonds shall be paid from Available Moneys.

Redemption of Bonds-General

The Bonds are subject to redemption if and to the extent the Company is entitled or required to make and makes a prepayment pursuant to the Loan Agreement, and only with the written consent of the Bank.

THE LETTER OF CREDIT

The following is a brief summary of certain provisions of the Letter of Credit. This summary is not a complete recital of the terms of the Letter of Credit and reference is made to the Letter of Credit in its entirety.

The Letter of Credit will be issued pursuant to the Reimbursement Agreement. The Letter of Credit expires on February 20, 2004 (the *"Scheduled Expiration Date"*) unless earlier terminated or extended in accordance with its terms.

The Letter of Credit will be an irrevocable direct pay obligation of Bank One 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 50 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 Scheduled Expiration Date of the Letter of Credit may, in the sole discretion of Bank One, be extended.

Bank One'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 Bank One's receipt of notice from the Trustee of the reimbursement of such amount. 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 tenth Business Day following such drawing unless Bank One shall have notified the Trustee within nine Business Days after such drawing that the Company has failed to reimburse Bank One or to cause Bank One 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 50 days' interest

accrued and unpaid on the Bonds, less amounts paid in respect of principal or interest for which the Initial Letter of Credit has not been reinstated as described above.

The Letter of Credit shall expire (the *"Expiration Date"*) upon the earliest of (i) Bank One honoring the final payment drawing presented under the Letter of Credit, (ii) the close of business on the date on which the Trustee receives an Substitute Letter of Credit or Alternate Credit Facility (as described in the Indenture) in substitution for the Letter of Credit or when the Trustee surrenders the Letter of Credit to the Bank for cancellation, (iii) the close of business on the date on which Bank One receives written notice from the Trustee that there are no longer any Bonds "Outstanding" within the meaning of the Indenture, and (iv) at the close of business on the Scheduled Expiration Date, unless extended by the Bank in its sole discretion.

THE REIMBURSEMENT AGREEMENT

The following is a summary of certain provisions of the Reimbursement Agreement, pursuant to which the Letter of Credit will be issued, and the Pledge Agreement. This summary should not be regarded as a full description of the documents themselves or of the portions summarized. Reference is made to the Reimbursement Agreement and the Pledge Agreement, copies of which are on file at the principal corporate trust office of the Trustee in Chicago, Illinois for a complete statement of the provisions thereof. Any subsequent Reimbursement Agreement pursuant to which an Alternate Credit Facility or Substitute Letter of Credit is issued may have terms substantially different from those of the Reimbursement Agreement. Capitalized terms used in this summary and not defined herein or in the Indenture shall have the meanings ascribed thereto in the Reimbursement Agreement.

General

The Company agrees to reimburse the Bank for any drawings under the Initial Letter of Credit. Liquidity Drawings must be immediately reimbursed by the Company.

The Company agrees to pay the Bank, among other fees, a nonrefundable drawing fee and an annual letter of credit fee for providing the Initial Letter of Credit. The Company also agrees to pay the Bank amounts necessary to compensate the Bank for increases in costs or reductions in expected return due to certain future changes in legal or regulatory requirements.

No later than 60 days (and no earlier than 105 days) immediately preceding each February 20, commencing February 20, 2003, the Company may request the Bank in writing to extend for one year the Expiration Date of the Letter of Credit. No later than 45 days from the date on which the Bank shall have received notice from the Company, the Bank shall notify the Company of its consent or nonconsent to the extension request. The Bank may from time to time, determine, in its sole discretion, whether or not to extend the term of the Initial Letter of Credit.

Covenants

The Reimbursement Agreement includes a number of requirements and prohibitions with which the Company must comply. These include, among others, certain financial and other reporting requirements; preservation of its corporate existence, and maintenance of the Company's properties and insurance; prohibitions against or limitations on encumbering the Company's property, transferring or disposing of the Company's property, mergers or consolidations involving the Company, and incurring additional indebtedness; and certain financial covenants.

Events of Defaults and Remedies

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

(a) the Company shall fail to pay when due any amount paid by the Bank under the Letter of Credit or any principal of any Tender Advance (as defined in the Reimbursement Agreement) or shall fail to pay, within five days of the due date thereof, any interest or any fees payable under the Reimbursement Agreement;

(b) the Company shall fail to pay any other amount claimed by the Bank under the Reimbursement Agreement within five days of the due date thereof, unless (i) such claim is disputed in good faith by the Company, (ii) such unpaid claim does not exceed $25,000, and (iii) the aggregate of all such unpaid claimed amounts does not exceed $75,000;

(c) any representation or warranty made by the Company in the Reimbursement Agreement, in the Pledge Agreement (as defined by the Reimbursement Agreement) or in any certificate, financial or other statement furnished by the Company pursuant to the Reimbursement Agreement or the Pledge Agreement shall prove to have been incorrect in any material respect when made or deemed made;

(d) for any reason (other than release by the Bank), the Pledge Agreement shall cease to be in full force and effect or to constitute a first and prior lien on all Bonds pledged pursuant to the Pledge Agreement or if the Company shall not be liable under the Pledge Agreement or shall so assert;

(e) the Company shall fail to perform or observe any of the negative covenants contained in the Reimbursement Agreement, or the Company shall fail to perform or observe any other term, covenant or agreement contained in the Reimbursement Agreement or the Pledge Agreement and any such failure shall remain unremedied for 15 days after written notice thereof shall have been given to the Company by the Bank;

(f) any material provision of the Reimbursement Agreement or the Pledge Agreement shall at any time for any reason cease to be valid and binding on the Company, or shall be declared to be null and void, or the validity or enforceability thereof shall be contested by the Company or any Governmental Authority (as defined by the Reimbursement Agreement) or the Company shall deny that it has any or further liability or obligation under the Reimbursement Agreement or the Pledge Agreement;

(g) the Company shall fail to make any payment in respect of any Material Debt (as defined by the Reimbursement Agreement) or Material Hedging Obligations (as defined by the Reimbursement Agreement) when due or within any applicable grace period;

(h) 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;

(i) certain events of bankruptcy, insolvency, dissolution or related occurrences with respect to the Company;

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

(k) the occurrence of an event of default as defined in any Operative Document (as defined by the Reimbursement Agreement).

Upon the occurrence of an Event of Default under the Reimbursement Agreement, and after giving notice to the Company, the Bank may, in its sole discretion, but shall not be obligated to exercise any of the following remedies:

(a) by notice to the Company declare all Tender Advances and all interest accrued thereon and all other amounts due under the Reimbursement Agreement immediately due and payable and, upon such declaration, the same shall become and be immediately due and payable (provided that, upon the occurrence of any Event of Default under (i) above, all such amounts shall automatically become and be immediately due and payable) without diligence, presentment, demand, protest or other notice of any kind, all of which are waived by the Company;

(b) give written notice to the Trustee as contemplated by the Indenture, that an Event of Default has occurred;

(c) by notice sent to the Company, require the immediate deposit of cash collateral in an amount equal to the Letter of Credit Amount (as defined in

the Reimbursement Agreement) and all unpaid Tender Advances, and the same shall thereupon become and be immediately due and payable by the Company; *provided, however,* that the Bank shall cause such cash collateral to be deposited in a separate account which shall not be debited to make any payment with respect to a draw under the Letter of Credit; or

(d) pursue all remedies available to it at law, by contract, at equity or otherwise.

An Event of Default under the Reimbursement Agreement, including an Event of Default with respect to the financial covenants of the Company, could result in the principal and accrued interest on the Bonds being declared due and payable immediately.

Amendments

The Reimbursement Agreement is subject to amendment by an instrument in writing at any time signed by the parties thereto without notice to or the consent of the Trustee, the Issuer or the Bondholders.

AMENDMENTS TO THE LOAN AGREEMENT

The following is a summary of certain provisions added to the Loan Agreement, which relate to the addition of a Letter of Credit and the subsequent provision of an Alternate Credit Facility or a Substitute Letter of Credit. Reference is hereby made to the Loan Agreement, as supplemented by the First Supplemental Loan Agreement, in its entirety for the detailed provisions thereof.

(a) The Company may at any time (with notice to the Bank or the Obligor on the Alternate Credit Facility, as the case may be), at its option (i) provide for the delivery to the Trustee on any Business Day (as defined in the Original Official Statement) of an Alternate Credit Facility or (ii) terminate the Letter of Credit or any Alternate Credit Facility then in effect, but only (except as otherwise provided in subsections (b) or (c) below) if the Company shall, on the date of delivery of the Alternate Credit Facility (which shall be the effective date thereof) or on the date of termination of the Letter of Credit or Alternate Credit Facility, simultaneously deliver to the Trustee (which delivery must occur prior to 9:30 a.m., New York, New York time on such date, unless a later time on such date shall be acceptable to the Trustee):

(1) an opinion of Bond Counsel stating that the delivery of such Alternate Credit Facility or the termination of the Letter of Credit or the Alternate Credit Facility (i) is authorized under the Loan 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;

(2) a certificate of an Authorized Company Representative as to whether the Bonds are then rated by either Moody's or S&P, or both; and

(3) written evidence from Moody's, if the Bonds are then rated by Moody's, and from 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 has reviewed the proposed termination of the Letter of Credit or Alternate Credit Facility, as the case may be, and that the delivery of the proposed Alternate Credit Facility or the termination of the Letter of Credit or the Alternate Credit Facility will not, by itself, result in a reduction, suspension or withdrawal of its rating or ratings of the Bonds.

(b) In lieu of satisfying the requirements of subsection (a) above, the Company may, at any time, at its option:

(1) provide for the delivery on any Business Day to the Trustee of an Alternate Credit Facility, but only provided that

(i) the Company shall deliver to the Trustee, the Remarketing 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 mandatory purchase no later than 20 days prior to the mandatory purchase date provided in the Indenture (which mandatory purchase date 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 thereupon to deliver any and all instruments which may be reasonably requested by such obligor and furnished to the Trustee (but such surrender shall occur only if the requirement of (ii) below has been satisfied); and

(ii) on the date of delivery of the Alternate Credit Facility (which shall be the effective date thereof), the Company shall furnish to the Trustee simultaneously with such delivery of the Alternate Credit Facility (which delivery must occur prior to 9:30 a.m., New York, New York time, on such date, unless a later time on such date shall be acceptable to the Trustee) an opinion of Bond Counsel satisfying the requirement of clause (1) of subsection (a) above; or

(2) provide for the termination on any Business Day of the Letter of Credit or any Alternate Credit Facility then in effect, but only provided that:

(i) the Company shall deliver to the Trustee, the Remarketing 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 mandatory purchase, in whole, no later than 20 days prior to the mandatory purchase date provided in the Indenture (which mandatory purchase date 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 and furnished to the Trustee (but such surrender shall occur only if the requirement of (ii) below has been satisfied); and

(ii) on the Business Day next preceding the date of termination of the Letter of Credit or the Alternate Credit Facility, the Company shall furnish to the Trustee (prior to 9:30 a.m., New York, New York time, on such Business Day, unless a later time on such Business Day shall be acceptable to the Trustee) an opinion of Bond Counsel satisfying the requirement of clause (1) of subsection (a) above.

(c) After the Interest Payment Date next preceding (x) the Expiration of the term of the Letter of Credit or (y) the Expiration of the term of an Alternate Credit Facility, the Company may at any time, but is not obligated to, provide an Alternate Credit Facility, without complying with the requirements of subsection (a) or (b) above, except that the Company shall:

(1) direct the Trustee to give a notice (in the form furnished to the Trustee by the Company) to the Owners of the Bonds regarding the Alternate Credit Facility; and

(2) on the date of delivery to the Trustee of such Alternate Credit Facility, furnish to the Trustee (prior to 9:30 a.m., New York, New York time, on such date, unless a later time on such date shall be acceptable to the Trustee) an opinion of Bond Counsel satisfying the requirement of clause (1) of subsection (a) above.

(d) The Company may, at its election, (i) but only with the written consent of the Bank, provide for one or more extensions of the Letter of Credit, or (ii) but only with the written consent of the Obligor on the Alternate Credit Facility, provide for one or more extensions of an Alternate Credit Facility, as the case may be, for any period commencing after its then current expiration date.

(e) The Company may, at its option, but only upon compliance with the provisions of this subsection (e), at any time provide for the delivery to the Trustee of a Substitute Letter of

Credit. Anything in the Loan Agreement or the Indenture to the contrary notwithstanding, no Substitute Letter of Credit may be delivered which:

(1) so long as the Bonds bear interest at Flexible Interest Rates, reduces the Interest Coverage Period to a period shorter than 285 days (during such time as Flexible Interest Rate Periods can be from one to not more than 270 days) or 380 days (during such time as Flexible Interest Rate Periods can be from one to 365 days);

(2) so long as the interest rate borne by the Bonds is a Daily Interest Rate or a Weekly Interest Rate, reduces the Interest Coverage Period to a period shorter than 50 days;

(3) 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

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

An Interest Coverage Period of a shorter period than required by clauses (1), (2) or (3) of subsection (e) is permissible if the Company receives confirmation in writing from Moody's (if the Bonds are then rated by Moody's) and from S&P (if the Bonds are then rated by S&P) that the shorter Interest Coverage Period will not result in a withdrawal or lowering of any rating on the Bonds from that which would otherwise accrue from a longer Interest Coverage Period.

The Company may, at its option, but only upon compliance with subsection (e), at any time direct in writing the Trustee and the Remarketing Agent to allow the selection of Flexible Interest Rate Periods of from one to 365 days or from one to no more than 270 days, but only if (for such time as Flexible Interest Rate Periods can be from one to 365 days) the Company provides for the delivery to the Trustee of a Substitute Letter of Credit which increases the Interest Coverage Period to 380 days.

AMENDMENTS TO THE INDENTURE

The following is a summary of certain additional provisions of the Indenture. Reference is hereby made to the Indenture, as supplemented by the First Supplemental Indenture in its entirety for the detailed provisions thereof.

Bond Fund

There is created under the Indenture a Bond Fund to be held by the Trustee and therein established a Principal Account and an Interest Account. The Trustee is to deposit into the Principal Account of the Bond Fund (i) payments made by the Company pursuant to the Loan Agreement in respect of principal of or premium payable on the Bonds, (ii) all monies drawn by the Trustee under the Letter of Credit or Alternate Credit Facility to pay principal, premium, if any, (but only to extent the Letter of Credit or Alternate Credit Facility covers premium) or the redemption price payable on the Bonds when due; and (iii) any other moneys required by the Indenture or the Loan Agreement to be deposited into the Principal Account of the Bond Fund.

The Trustee is to keep separate moneys drawn under the Letter of Credit or an Alternate Credit Facility, as the case may be, in the Letter of Credit Subaccount of the Principal Account and shall not commingle such moneys with other moneys in the Principal Account. In the event that separate Principal Accounts have been created in accordance with the Indenture, the Trustee shall keep all moneys, including remarketing proceeds and moneys drawn under the Letter of Credit or Alternate Credit Facility, as the case may be, deposited with respect to Bonds in a certain Rate Period separate from moneys deposited with respect to Bonds in a different Rate Period.

The Trustee is to deposit into the Interest Account of the Bond Fund (i) payments made by the Company pursuant to the Loan Agreement in respect of interest on the Bonds, (ii) all monies drawn by the Trustee under the Letter of Credit or Alternate Credit Facility to pay interest on the Bonds when due; and (iii) any other moneys required by the Indenture or the Loan Agreement to be deposited into the Interest Account of the Bond Fund. The Trustee is to keep separate moneys drawn under the Letter of Credit or an Alternate Credit Facility, as the case may be, in the Letter of Credit Subaccount of the Interest Account and shall not commingle such moneys with other moneys in the Interest Account. In the event that separate Interest Accounts have been created in accordance with the Indenture, the Trustee shall keep all moneys, including remarketing proceeds and moneys drawn under the Letter of Credit or Alternate Credit Facility, as the case may be, deposited with respect to Bonds in a certain Rate Period separate from moneys deposited with respect to Bonds in a different Rate Period.

While any Bonds are outstanding and except as provided in a Tax Exemption Certificate and Agreement among the Trustee, the Issuer and the Company (the *"Tax Certificate"*), 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 as the same shall become due and payable at maturity, upon redemption or upon acceleration of maturity, subject to the prior claim of the Trustee, to the extent described in the Original Official Statement under the caption "THE INDENTURE—Pledge and Security."

Payment of Principal, Premium and Interest

Prior to 1:30 p.m., on the Business Day preceding each Interest Payment Date and each date on which principal shall be due and payable on the Bonds, whether at maturity, upon redemption or upon acceleration, the Trustee shall draw under the Letter of Credit or Alternate Credit Facility (if then in effect), an amount equal to the principal of, premium, if any (if the Letter of Credit or Alternate Credit Facility then covers premium) and interest due and payable on the Bonds (other than Pledged Bonds and Bonds held by the Company) on such payment date. Such drawing shall be made in a timely manner under the terms of the Letter of Credit or Alternate Credit Facility in order that the Trustee may realize funds thereunder in sufficient time to pay Bondholders on the payment date as provided in the Indenture. When the Bonds are in a Book-Entry System, such payment shall be made to the Securities Depository Nominee by the time required by the Securities Depository. All amounts derived by the Trustee with respect to the Letter of Credit or Alternate Credit Facility shall be deposited in the appropriate account of the Bond Fund upon receipt thereof by the Trustee. If no Letter of Credit or Alternate Credit Facility is then in effect, the Trustee shall receive from the Company pursuant to the Loan

Agreement the full amount of principal of, premium, if any, and interest due on, the Bonds on that date.

The Trustee shall, upon written notice of a failed remarketing from the Remarketing Agent, pursuant to the Indenture, draw moneys under the Letter of Credit or Alternate Credit Facility, as the case may be, in accordance with the Indenture and in accordance with its terms to ensure timely payment thereof to the extent necessary to pay to the Remarketing Agent of the Trustee the purchase price of Bonds delivered or deemed to be delivered to the Remarketing Agent or the Trustee as described under the captions of "AMENDMENTS TO THE BONDS--Mandatory Purchase," herein and "THE BONDS—Optional Redemption of Bonds," in the Original Official Statement.

The Trustee shall only draw upon a Letter of Credit or an Alternate Credit Facility, as the case may be, for Bonds in a Rate Period with respect to which such Bonds are subject to said Letter of Credit or Alternate Credit Facility, as the case may be.

The Trustee is authorized to withdraw sufficient funds from the Bond Fund to pay the principal of, premium, if any, and interest on, the Bonds as the same become due and payable. In the event of a default under the Letter of Credit or Alternate Credit Facility, or at such time as no Letter of Credit or Alternate Credit Facility secures the Bonds, the Trustee shall use all moneys then on deposit in the Bond Fund to pay principal of, premium, if any, and interest on, the Bonds.

Letter of Credit; Substitute Letter of Credit

The Initial Letter of Credit is to be delivered to the Trustee on the Initial Letter of Credit Delivery Date.

The Company may at any time substitute a Substitute Letter of Credit or Alternate Credit Facility for an existing Letter of Credit, subject to the limitations set forth in the Loan Agreement.

If at any time there shall have been delivered to the Trustee a Substitute Letter of Credit or an Alternate Credit Facility, together with any other documents and opinions required by the Loan Agreement, then the Trustee is required to accept such Substitute Letter of Credit or Alternate Credit Facility and promptly surrender the previously held Letter of Credit to the issuer thereof, in accordance with the terms thereof for cancellation. If at any time there shall cease to be any Bonds Outstanding under the Indenture, or if the Letter of Credit or Alternate Credit Facility expires in accordance with its terms, the Trustee is required to surrender the Letter of Credit or Alternate Credit Facility to the Bank, in accordance with the terms thereof, for cancellation. The Trustee is required to comply with the procedures set forth in the Letter of Credit or Alternate Credit Facility relating to the termination thereof.

Upon the payment of a portion of the principal amount of the Bonds, the Trustee is required to take such steps as are permitted under the Letter of Credit or Alternate Credit Facility

to reduce the stated amount of the Letter of Credit or Alternate Credit Facility in accordance with the terms thereof.

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 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 for a period of one day after such interest has become due and payable;

(c) a failure to pay amounts due in respect of the purchase price of Bonds as provided under the caption "AMENDMENTS TO THE BONDS—Mandatory Purchase" and in the Original Official Statement under the caption "THE BONDS--Optional Purchase";

(d) a failure by the Issuer to observe and perform any covenant, condition, agreement or provision (other than as specified in (a), (b) and (c) described above) contained in the Bonds or the Indenture on the part of the Issuer to be observed or performed, which failure shall continue for a period of 90 days after written notice, specifying such failure and requesting that it be remedied, shall have been given to the Issuer and the Company by the Trustee by registered or certified mail, which may give such notice in its discretion and shall give such notice at the written request of the Owners of not less than 25% in principal amount of the Bonds then Outstanding, unless the Trustee, or 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, shall agree in writing to an extension of such period prior to its expiration; *provided, however,* that the Trustee, or the Trustee and the Owners of such principal amount of Bonds, as the case may be, shall 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;

(e) an "Event of Default" under the Loan Agreement;

(f) the Trustee receives written notice from the Bank to the effect that an event of default has occurred and is continuing under the Reimbursement Agreement; or

(g) the Trustee receives written notice from the Bank on or before the date or dates specified in the Letter of Credit or Alternate Credit Facility following a drawing on the Letter of Credit or Alternate Credit Facility to pay interest on the Bonds that it will not reinstate its Letter of Credit or Alternate Credit Facility in the amount of the said interest drawing.

Remedies

Upon the occurrence of an Event of Default under (f) or (g) above, the Trustee is required to declare the principal and interest on the Bonds, which has accrued to the date of such declaration of acceleration, due and payable immediately.

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 (e) of the preceding paragraph resulting from an "Event of Default" under the Loan Agreement as described in the Original Official Statement under clause (a) or (c) of "THE LOAN AGREEMENT—Defaults," then the Trustee may (and upon the written request of the Owners of not less than 25% in principal amount of the Bonds then outstanding shall) by written notice by first-class mail to the Issuer and the Company, declare the Bonds to be immediately due and payable, whereupon the Bonds shall, without further action, become immediately due and payable, anything in the Indenture or in the Bonds to the contrary notwithstanding, and the Trustee is required to give notice thereof by first call mail to all Owners of Outstanding Bonds.

Anything to the contrary contained in the Indenture, notwithstanding, if a Letter of Credit or Alternate Credit Facility is in effect, and (a) the Event of Default is not under (f) or (g) above, and (b) the Event of Default is not the result of a failure by the Bank to honor a properly presented and conforming drawing under the Letter of Credit or Alternate Credit Facility, the Trustee will not declare the Bonds to be due and payable without first obtaining the Bank's prior written consent. Upon the principal of and accrued interest on the Bonds becoming due and payable as provided in this paragraph, the Trustee is required to immediately draw on the Letter of Credit or Alternate Credit Facility, if any, to pay the principal of and accrued interest on the Bonds.

The provisions described in the preceding paragraphs 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, any unpaid purchase price 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 (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 Outstanding Bonds by first-class mail; *provided, however,* that no such waiver, rescission and annulment shall extend to or affect any other Event of Default or subsequent Event of Default or impair any right, power or remedy consequent thereon.

The provisions of the above paragraphs are, further, subject to the condition that, if an Event of Default, as described in clause (f) or (g) above 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 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 Company, the Bank (or the Obligor on the Alternate Credit Facility, as the case may be) and the Remarketing Agent, if any, and, if notice of the acceleration of the Bonds shall have been given to the Owners of Bonds, shall give notice thereof by Mail to all Owners of Outstanding Bonds; 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, then and in every such case the Trustee in its discretion, may, and upon the written direction of the Owners of not less than 25% in principal amount of the Bonds then Outstanding and receipt of indemnity to its satisfaction (except against gross negligence or willful misconduct) shall, in its own name and as the Trustee of an express trust:

(i) by mandamus, or other suit, action or proceeding at law or in equity, enforce all rights of the Owners under, and require the Issuer, the Bank (or Obligor on the Alternate Credit Facility) or the Company to carry out any agreements with or for the benefit of the Owners of Bonds and to perform its or their duties under, the Act, the Loan Agreement, the Letter of Credit or Alternate Credit Facility, as the case may be, and the Indenture, *provided* that any such remedy may be taken only to the extent permitted under the applicable provisions of the Loan Agreement or the Indenture, as the case may be;

(ii) bring suit upon the Bonds;

(iii) by action or suit in equity require the Issuer to account as if it were the trustee of an express trust for the Owners of Bonds; or

(iv) by action or suit in equity enjoin any acts or things which may be unlawful or in violation of the rights of the Owners of Bonds.

The Trustee is required to waive any Event of Default under the Indenture and its consequences and rescind any declaration of acceleration of principal upon the written request of the Owners of (A) more than a majority in principal amount of all Outstanding Bonds in respect of which default in the payment of principal of or interest on the Bonds exists or (B) more than a majority in principal amount of all Outstanding Bonds in the case of any other Event of Default; *provided, however,* that (x) there shall not be waived any Event of Default specified in (a), (b) or

(c) above unless prior to such waiver or rescission, the Issuer has caused 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 of acceleration (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 (y) (i) no Event of Default is to be waived unless (in addition to the applicable conditions as aforesaid) there shall have been deposited with the Trustee such amount as shall be sufficient to cover reasonable compensation and reimbursement of expenses payable to the Trustee; and (ii) when a Letter of Credit or Alternate Credit Facility is in effect, the Trustee receives the written consent of the Bank to the waiver of the Event of Default under the Reimbursement Agreement, if applicable, and to the rescission of the acceleration and the Trustee receives written notice from the Bank that the Letter of Credit or Alternate Credit Facility has been reinstated in accordance with the terms thereof. In case of any waiver or rescission described above, or in case any proceeding taken by the Trustee on account of any such Event of Default has been discontinued or concluded or determined adversely, then and in every such case the Issuer, the Trustee and the Owners of Bonds shall be restored to their former positions and rights under the Indenture, respectively; *provided further* that no such waiver or rescission is to extend to any subsequent or other Event of Default, or impair any right consequent thereon.

Anything in the Indenture to the contrary notwithstanding, the Owners of a majority in principal amount of the Bonds then Outstanding shall have the right, by an instrument in writing executed and delivered to the Trustee and upon furnishing to the Trustee indemnity satisfactory to it (except against gross negligence or willful misconduct), to direct the time, method and place of conducting all remedial proceedings available to the Trustee under the Indenture or exercising any trust or power conferred on the Trustee by the Indenture, *provided* that such direction shall not be other than in accordance with the provisions of law and the Indenture and shall not result in any personal liability of the Trustee.

No Owner shall have any right to institute any suit, action or proceeding in equity or at law for the execution of any trust or power under the Indenture, or any other remedy under the Indenture or in the Bonds, unless such Owner previously shall have given to the Trustee written notice of an Event of Default as provided in the Indenture and unless the Owners of not less than 25% in principal amount of the Bonds then Outstanding shall have made written request of the Trustee so to do after the right to institute said suit, action or proceeding under the Indenture shall have accrued, and shall have afforded the Trustee a reasonable opportunity to proceed to institute the same in either its or their name, and unless there also shall have been offered to the Trustee security and indemnity satisfactory to it against the costs, expenses and liabilities to be incurred therein or thereby (except against gross negligence or willful misconduct), and the Trustee shall not have complied with such request within a reasonable time; and such notification, request and offer of indemnity are declared in every such case, at the option of the Trustee, to be conditions precedent to the institution of said suit, action or proceeding; it being understood and intended that no one or more of the Owners shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security of the Indenture, or to enforce any right thereunder or under the Bonds, except in the manner provided in the Indenture, and that all suits, actions and proceedings at law or in equity shall be instituted, had and maintained in the manner provided in the Indenture and for the equal benefit of all Owners.

Notwithstanding any other provision in the Indenture, the right of any Owner to receive payment of the principal of, premium, if any, and interest on the Owner's 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 Bonds.

Modifications of Letter of Credit or Alternate Credit Facility

No Letter of Credit or Alternate Credit Facility may be modified without the prior written consent of 100% of the holders of the Bonds, except to (a) correct any formal defects therein, (b) effect transfers thereof, (c) effect extensions thereof, (d) effect reductions and reinstatements thereof in accordance with the terms of the Letter of Credit or Alternate Credit Facility, (e) increase the stated amount thereof, or (f) effect any change which does not have a material adverse effect upon the interests of the Bondholders. Pursuant to the Indenture, however, the Company has the right to obtain a Substitute Letter of Credit or Alternate Credit Facility, subject to the requirements set forth in the Loan Agreement without the consent of the Bondholders.

REMARKETING AGENT

The Company has appointed Banc One Capital Markets, Inc. (the *"Remarketing Agent"*), as remarketing agent for the Bonds beginning February 15, 2002. Following that date, the Bonds are to be remarketed by the Remarketing Agent pursuant to the Remarketing Agreement, dated as of February 15, 2002 (the *"Remarketing Agreement"*), between the Company and the Remarketing Agent. Subject to certain conditions, the Remarketing Agent has agreed to determine the rate of interest on the Bonds in accordance with the terms of the Indenture and use its best efforts to remarket all tendered Bonds.

RATINGS

Based upon the issuance of the Letter of Credit by Bank One, it is expected that Moody's Investors Service (*"Moody's"*) will assign municipal bond ratings of "Aa2/VMIG 1" to the Bonds and that Standard and Poor's Ratings Services, a division of The McGraw-Hill Companies (*"S&P"*), will assign municipal bond ratings of "A+/A-1" to the Bonds. (Moody's and S&P are referred to herein as the *"Rating Agencies"*). These ratings reflect only the views of the Rating Agencies. An explanation of the significance of such ratings may be obtained only from the Rating Agencies. There is no assurance that such ratings will continue for any period of time or that they will not be revised downward or withdrawn entirely by the Rating Agencies, if, in their judgment, circumstances so warrant. None of the Issuer, the Company, or the Remarketing Agent has undertaken any responsibility either to bring to the attention of the owners of the Bonds any proposed revision in, or withdrawal of, the ratings or to oppose any such proposed revision or withdrawal. Any such downward revision or withdrawal may have an adverse effect on the market price of the Bonds.

TAX EXEMPTION

Original Opinion. The opinion of Chapman and Cutler delivered on December 13, 1995 (the "*Original Opinion*"), stated that, subject to compliance by the Company and the Issuer 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, as amended (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 Project or the 1990A Project or any person considered to be related to such person (within the meaning of either Section 103(b)(13) of the 1954 Code or Section 147(a) of the Code), however, such interest on the Bonds would be treated as an item of tax preference in computing the federal alternative minimum tax for individuals and corporations under the Code. 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 certifications of the Company with respect to certain material facts solely within the Company's knowledge, relating to the Project (as defined in the Original Opinion), the 1990A Project (as defined in the Original Opinion), the Plant (as defined in the Original Opinion) and the application of the proceeds of the Bonds.

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 for federal income tax purposes retroactive to the date of issuance of the Bonds. Chapman and Cutler has made no independent investigation to confirm that such covenants have been complied with.

Supplemental Opinion. Chapman and Cutler 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 has not reviewed any factual or legal matters relating to its opinion dated December 13, 1995 subsequent to its issuance. 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.

Ownership of the Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, corporations subject to 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 the applicability of any such collateral consequences.

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 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.

The Company is an electricity company in the United States. The Company conducts its retail electric utility business as Pacific Power and Utah Power, and engages in power production and sales on a wholesale basis under the name PacifiCorp.

The Company's strategic business plan is to focus on its electricity businesses in the western United States. As part of its strategic business plan, the Company has sold most of its other United States and international businesses, and has previously terminated all of its business development activities outside of the United States. On February 4, 2002, the Company transferred all of the capital stock of PacifiCorp Group Holdings Company ("*Holdings*") to the Company's immediate corporate parent, PacifiCorp Holdings, Inc. For information concerning the proforma effect of the transfer of Holdings, see the Company's Quarterly Report on Form 10-Q for the quarter ended December 31, 2001.

The principal executive offices of the Company are located at 825 NE Multnomah, Portland, Oregon 97232; the telephone number is (503) 813-5000.

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 Securities and Exchange Commission (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. PacifiCorp's filings with the Commission are also available to the public at the website maintained by the Commission at http://www.sec.gov. Reports, proxy statements and other information concerning the Company can be inspected at: New York Stock Exchange, 20 Broad Street, New York, New York 10005.

The Company has not covenanted in connection with the reoffering of the Bonds to provide any information to any nationally recognized municipal securities information repository.

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 March 31, 2001, filed with the Commission on May 24, 2001.

2. Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2001, filed with the Commission on August 14, 2001.

3. Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2001, filed with the Commission on November 7, 2001.

4. Quarterly Report on Form 10-Q for the quarterly period ended December 31, 2001, filed with the Commission on January 30, 2002.

5. Current Report on Form 8-K, dated November 21, 2001.

6. Current Report on Form 8-K, dated December 10, 2001.

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

All documents filed by the Company pursuant to Section 13(a), 13(c), 14 or 15(d) of the Exchange Act subsequent to the filing on January 30, 2002 of the Quarterly Report on Form 10-Q and prior to the termination of the reoffering made by this Supplement to Official Statement shall be deemed to be incorporated by reference in this Supplement to Official Statement and to be a part hereof from the date of filing such documents (such documents and the document enumerated above, being hereinafter referred to as the *"Incorporated Documents"*), *provided, however*, that the documents enumerated above or the documents subsequently filed by the Company pursuant to Section 13, 14 or 15 of the Exchange Act in each year during which the offering made by this Supplement to Official Statement is in effect prior to 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 Supplement to Official Statement 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 Supplement to Official Statement or delivered herewith. The Company hereby undertakes to provide without charge to each person to whom a copy of this Supplement to Official Statement 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 Investor Relations, PacifiCorp, 825 N.E. Multnomah, Suite 2000, Portland, Oregon 97232, telephone number (503) 813-5000. The information relating to the Company contained in this Supplement to Official Statement does not purport to be comprehensive and should be read together with the information contained in the Incorporated Documents.

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APPENDIX B

BANK ONE, NA

The information contained and incorporated by reference in this Appendix B to the Official Statement has been obtained from Bank One, NA. The Issuer and the Underwriter make no representations as to the accuracy or completeness of such information.

THE BANK

Bank One, NA, whose main office is located in Chicago, Illinois (the *"Bank"*), is a wholly owned subsidiary of BANK ONE CORPORATION. The Bank provides a broad range of retail and wholesale banking products and services to its domestic and foreign customers. The principal focus of the Bank is the extension of credit and delivery of financial services and noncredit services to individuals, businesses and governmental units. The Bank had total deposits of $8.8 billion as of September 30, 2001.

All phases of the Bank's activities are highly competitive. The Bank competes actively with money market mutual funds, national and state banks, mutual savings banks, savings and loan associations, finance companies, credit unions and other financial institutions located throughout the United States. For international business, the Bank competes with other United States banks which have foreign installations and with other major banks and financial institutions located throughout the world. In addition, the Bank and its subsidiaries are subject to competition from a variety of financial and other institutions which provide a wide array of products and services.

The earnings of the Bank are affected by the policies of regulatory authorities, including the Board of Governors of the Federal Reserve System (the *"Federal Reserve"*). An important function of the Federal Reserve is to promote orderly economic growth by influencing interest rates and the supply of money and credit. Among the methods that have been used to implement this objective are open market operations in United States government securities, changes in the discount rate on member bank borrowings and changes in reserve requirements against bank deposits. These methods are used in varying combinations to influence overall growth and distribution of bank loans, investments and deposits, interest rates on loans and securities and rates paid for deposits. The monetary policies of the Federal Reserve strongly influence the behavior of interest rates and can have a significant effect on the operating results of the Bank. The effect on the future business and earnings of the Bank of the aforementioned measures and any other economic controls which may be imposed by executive, legislative and regulatory authorities from time to time cannot be predicted.

There are also various requirements and restrictions in the laws of the United States and the State of Illinois affecting the Bank and its operations, including the requirement to maintain reserves against deposits, restrictions on the nature and amount of loans which may be made by the Bank, restrictions relating to the investments and other activities of the Bank. The Bank, as a national bank, is subject to regulation by the Office of the Comptroller of the Currency (the

"Comptroller"), the Federal Reserve and the Federal Deposit Insurance Corporation. The operations of the Bank are also subject to various restrictions imposed by the laws and regulators of other countries in which the Bank conducts business.

Recently, significant legislation affecting national banks and bank holding companies has been enacted. The effect of such legislation, and of any future legislative and regulatory changes, on the business and earnings of the Bank cannot be predicted. Effective February 1, 2001, Bank One, Louisiana, National Association and Bank One, Texas, National Association, affiliates of the Bank, merged with and into the Bank.

The Bank files Consolidated Reports of Condition and Income (the *"Call Report"*) with the Comptroller on a quarterly basis. The Call Report contains various financial and statistical information on the Bank. Copies of the Call Report can be inspected and reproduced at the Comptroller's office at 490 L'Enfant Plaza, S.W., 6th Floor, Washington, D.C. 20219, and can be obtained by mail upon request and subject to availability from BANK ONE CORPORATION at the address set forth below or from the Manager, Statistical Branch, Data Processing, Comptroller of the Currency, Washington, D.C. 20219.

BANK ONE CORPORATION

BANK ONE CORPORATION (*"ONE"*), whose principal office is located in Chicago, Illinois, is a multi-bank holding company incorporated under the laws of the State of Delaware. ONE owns all of the outstanding capital stock of the Bank. ONE, which is a legal entity separate and distinct from the Bank and its other affiliates, also owns, directly or through one or more subsidiaries, the outstanding capital stock of other banking organizations.

Through its bank subsidiaries, ONE provides domestic retail banking, worldwide corporate and institutional banking, and trust and investment management services. ONE operates banking offices in Arizona, Colorado, Florida, Illinois, Indiana, Kentucky, Louisiana, Michigan, Ohio, Oklahoma, Texas, Utah, West Virginia and Wisconsin. ONE also owns nonbank subsidiaries that engage in businesses related to banking and finance, including credit card and merchant processing, consumer and education finance, mortgage lending and servicing, insurance, venture capital, investment and merchant banking, trust, brokerage, investment management, leasing, community development and data processing, and including Banc One Capital Markets, Inc. Bank One Capital Markets, Inc. and Bank One Trust Company, NA, affiliates of ONE, are serving as the Remarketing Agent and Trustee, respectively, in connection with the Bonds. As of December 31, 2000, ONE had consolidated assets of approximately $269.3 billion and stockholders' equity of approximately $18.635 billion. For the quarter ended September 30, 2001, ONE had consolidated assets of approximately $270.3 billion and stockholders' equity of approximately $20.38 billion.

ONE is subject to the informational requirements of the Securities Exchange Act of 1934, as amended, and in accordance therewith files reports and other information with the Securities and Exchange Commission (the *"Commission"*). Consolidated financial information for ONE and its subsidiaries for the year ended December 31, 2000, is set forth in ONE's Annual Report on Form 10-K filed with the Commission and consolidated financial information for the quarter

ended September 30, 2001 is set forth in ONE's Quarterly Report on Form 10-Q filed with the Commission. ONE also will prepare and file with the Commission other periodic reports, including Current Reports on Form 8-K.

Copies of reports filed with the Commission can be inspected and reproduced at the Public Reference Room of the Commission at 450 Fifth Street, N.W., Washington, D.C. 20549. Copies of such material can be obtained from the Public Reference Section of the Commission at the above address at prescribed rates. In addition, such reports and other material concerning ONE can be inspected at the New York Stock Exchange and the Chicago Stock Exchange. Upon request and subject to availability, ONE will provide to each person to whom this Remarketing Circular is delivered a copy of any of the documents referred to above except for the exhibits to such documents (unless such exhibits are specifically incorporated by reference into such documents). Requests should be sent to BANK ONE CORPORATION, 1 Bank One Plaza, Mail Code IL1-0460, Chicago, Illinois 60670, Attention: Investor Relations (312) 732-4812.

The information on ONE contained herein is being provided for informational purposes only. ONE is not a party to the Initial Credit Agreement and has no obligation thereunder or under the Letter of Credit, and has not guaranteed the obligations of the Bank under the Letter of Credit.

Delivery of this Official Statement shall not create any implication that there has been no change in the affairs or financial condition of the Bank or ONE since the date hereof, or that the information contained or referred to in this Official Statement is correct as of any time subsequent to its date.

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APPENDIX C

OFFICIAL STATEMENT DATED DECEMBER 13, 1995

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NEW ISSUE--BOOK-ENTRY ONLY

Subject to compliance by the Company and the Issuer with certain covenants, in the opinion of Chapman and Cutler, Bond Counsel, under present law interest on the Bonds is not includable 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 Facilities or any person considered to be related to such person (within the meaning of either Section 147(a) of the Internal Revenue Code of 1986, as amended, or Section 103(b)(13) of the Internal Revenue Code of 1954, but such interest is included as an item of tax preference in computing the alternative minimum tax for individuals and corporations. Bond Counsel is also of the opinion that under present law the State of Wyoming imposes no income taxes that would be applicable to interest on the Bonds. See "Tax Exemption" herein for a complete discussion.

$24,400,000
Sweetwater County, Wyoming
Environmental Improvement Revenue Bonds
(PacifiCorp Project)
Series 1995

Dated: Date of Delivery **Due: November 1, 2025**

The Bonds described in this Official Statement are limited obligations of the Issuer and, except to the extent payable from Bond proceeds and any other moneys pledged therefor, will be payable solely from and secured by a pledge of payments to be made under a Loan Agreement entered into by the Issuer with

PacifiCorp

The Bonds will initially bear interest at a Daily Interest Rate from their date of issue. Thereafter, the interest rate on the Bonds may be changed from time to time to Daily, Weekly, Flexible or Term Interest Rates, designated and determined as described herein. The Bonds are subject to purchase at the option of the Owners thereof and, under certain circumstances, are subject to mandatory purchase in the manner and at the times described herein. The Bonds are subject to optional and mandatory redemption prior to maturity as described herein.

The Bonds are issuable as fully registered Bonds without coupons and will be registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company ("DTC"), New York, New York. DTC initially will act as securities depository for the Bonds. Only beneficial interests in book-entry form are being offered. The Bonds are issuable during any Daily Interest Rate Period in denominations of $100,000 and any integral multiple thereof. So long as Cede & Co. is the registered owner of the Bonds, as nominee for DTC, the principal of and premium, if any, and interest on the Bonds will be paid by the Trustee directly to DTC, which will, in turn, remit such amounts to DTC participants for subsequent disbursement to the beneficial owners of the Bonds. See "The Bonds—Book-Entry System."

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 PacifiCorp by Stoel Rives, counsel to the Company, for Sweetwater County, Wyoming by Sherry Farrens, Civil Deputy County Attorney, and for the Underwriter by Ballard Spahr Andrews & Ingersoll. It is expected that delivery of the Bonds will be made through the facilities of DTC in New York, New York, on or about December 14, 1995.

Goldman, Sachs & Co.

December 13, 1995

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 Sweetwater County, Wyoming (the "Issuer"), PacifiCorp 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 or the Company since the date hereof. This Official Statement does not constitute an offer or solicitation in any jurisdiction in which such offer or solicitation is not authorized, or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation. The Issuer has not assumed and 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, will have approved the Bonds for sale.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVER-ALLOT 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.

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$24,400,000
Sweetwater County, Wyoming
Environmental Improvement Revenue Bonds
(PacifiCorp Project)
Series 1995

INTRODUCTORY STATEMENT

This Official Statement, including the Appendices hereto and the documents incorporated by reference herein, is provided to furnish certain information with respect to the offer by Sweetwater County, Wyoming (the "Issuer") of $24,400,000 Environmental Improvement Revenue Bonds (PacifiCorp Project) Series 1995 (the "Bonds").

The Bonds will be issued under a Trust Indenture dated as of November 1, 1995 (the "Indenture") between the Issuer and The First National Bank of Chicago, as trustee (the "Trustee"), and under resolutions of the governing body of the Issuer. Pursuant to a Loan Agreement between PacifiCorp (the "Company") and the Issuer (the "Loan Agreement"), the Issuer will lend the proceeds from the sale of the Bonds to the Company. The proceeds from the sale of the Bonds will be used, together with certain other moneys of the Company, as follows: (i) to finance a portion of the Company's 66 2/3% undivided interest in acquiring, constructing and installing certain solid waste disposal facilities at the Jim Bridger coal-fired, steam electric generating plant (the "Plant") located near Rock Springs, Wyoming; (ii) to refund all of the outstanding principal amount of Sweetwater County, Wyoming Environmental Improvement Revenue Bonds (PacifiCorp Project) Series 1990A (the "1990A Prior Bonds"); and (iii) to refund all of the outstanding principal amount of Sweetwater County, Wyoming Taxable Environmental Improvement Revenue Bonds (PacifiCorp Project) Series 1995-T (the "1995-T Prior Bonds"). The 1990A Prior Bonds and the 1995-T Prior Bonds are hereinafter collectively referred to as the "Prior Bonds."

The Bonds, together with the premium, if any, and interest thereon, will be limited obligations and not general obligations of the Issuer. Neither the Indenture, the Bonds nor the Loan Agreement constitutes a debt or gives rise to a general obligation or liability of the Issuer or constitutes an indebtedness under any constitutional or statutory debt limitation. The Bonds will not constitute or give rise to a pecuniary liability of the Issuer and will not constitute any charge against the Issuer's general credit or taxing powers; nor will the Bonds constitute an indebtedness of or a loan of credit of the Issuer. The Bonds shall be payable solely from the receipts and revenues to be received from the Company as payments under the Loan Agreement and from any other moneys pledged therefor. Such receipts and revenues and all of the Issuer's rights and interests under the Loan Agreement (except as noted under "The Indenture—Pledge and Security" below) will be pledged and assigned to the Trustee as security, equally and ratably, for the payment of the Bonds. The payments required to be made by the Company under the Loan Agreement will be sufficient to pay the principal of and premium, if any, and interest on the Bonds issued pursuant thereto. Under no circumstances will the Issuer have any obligation, responsibility or liability with respect to the Facilities (as defined below), the Loan Agreement, the Indenture, the Bonds or this Official Statement, except for the special limited obligation set forth in the Indenture and the Loan Agreement whereby the Bonds are payable solely from amounts derived from the Company. Nothing contained in the Indenture, the Bonds or the Loan Agreement, or in any other related documents, shall be construed to require the Issuer to operate, maintain or have any responsibility with respect to any of the Facilities. The Issuer has no liability in the event of wrongful disbursement by the Trustee or otherwise. No recourse shall be had against any past, present or future commissioner, officer, employee, official, or agent of the Issuer under the Indenture, the Bonds, the Loan Agreement or any related document. The Issuer has no responsibility to maintain the Tax-Exempt (as hereinafter

defined) status of the Bonds under federal or state law nor any responsibility for any other tax consequences related to the ownership or disposition of the Bonds.

Brief descriptions of the Issuer and the Facilities, and summaries of certain provisions of the Bonds, the Loan Agreement and the Indenture are included in this Official Statement, including the Appendices hereto. Information regarding the business, properties and financial condition of the Company is included in and incorporated by reference in Appendix A hereto. The proposed form of opinion of Bond Counsel is included in Appendix B hereto. The descriptions herein of the Loan Agreement and the Indenture 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.

THE ISSUER

The Issuer is a political subdivision duly organized and existing under the Constitution and laws of the State of Wyoming. Pursuant to the Sections 15-1-701 to 15-1-710, inclusive, of the Wyoming Statutes (1977), as amended (the "Act"), the Issuer is authorized to issue the Bonds, to enter into the Indenture and the Loan Agreement and to secure the Bonds by a pledge to the Trustee of the payments to be made by the Company under the Loan Agreement.

THE FACILITIES

A portion of the Bonds is being issued to finance the Company's 66 2/3% undivided interest in certain solid waste disposal facilities at the Plant. The 1990A Prior Bonds were issued to finance the Company's 66 2/3% undivided interest in certain pollution control and solid waste disposal facilities at the Plant, and the 1995-T Prior Bonds were issued to finance temporarily a portion of the Company's 66 2/3% undivided interest in certain solid waste disposal facilities at the Plant.

The solid waste disposal and pollution control facilities at the Plant are hereinafter referred to collectively as the "Facilities." The interest of the Company in the Facilities financed with a portion of the proceeds of the Bonds and the 1995-T Prior Bonds is hereinafter referred to as the "Project." The interest of the Company in the Facilities financed with the proceeds of the 1990A Prior Bonds is hereinafter referred to as the "Prior Project."

USE OF PROCEEDS

It is expected that $18,600,000 of the proceeds from the sale of the Bonds, together with funds of the Company, will be applied to the redemption of the 1990A Prior Bonds; that $2,185,851 of the proceeds from the sale of the Bonds, together with funds of the Company, will be applied to the redemption of the 1995-T Prior Bonds; and that the balance of the proceeds from the sale of the

Bonds will be deposited with the Trustee to pay for the following: $3,498,149 for a portion of the cost of the Project and $116,000 for issuance fees and expenses.

THE BONDS

The following is a summary of certain provisions of the Bonds. Reference is hereby made to the form of the Bonds in its entirety for the detailed provisions thereof. Initially capitalized terms used herein and not otherwise defined are used as defined in the Indenture.

General

The Bonds will be issued only as fully registered Bonds without coupons in the manner described below. The Bonds will be registered in the name of Cede & Co., a registered owner and nominee for DTC. Only beneficial interests in book-entry form are being offered. The Bonds will be dated as of their date of delivery and will mature on November 1, 2025. The Bonds may bear interest at Daily, Weekly, Flexible or Term Interest Rates designated and determined from time to time as described herein. The Initial Rate Period (as defined below) for the Bonds will be a Daily Interest Rate Period. The Bonds are subject to purchase at the option of the holders of the Bonds, and under certain circumstances are subject to mandatory purchase, in the manner and at the times described herein. The Bonds are subject to optional and mandatory redemption prior to maturity in the manner and at the times described herein.

Bonds may be transferred or exchanged for other Bonds in authorized denominations at the principal office of the Trustee as the registrar and paying agent (in such capacities, the "Registrar" and the "Paying Agent"). The Bonds will be issued in authorized denominations of $100,000 or any integral multiple of $100,000 when the Bonds bear interest at a Daily or Weekly Interest Rate; $100,000 or any integral multiple of $5,000 in excess of $100,000, when the Bonds bear interest at a Flexible Interest Rate; and $5,000 or any integral multiple thereof, when the Bonds bear interest at a Term Interest Rate (collectively, "Authorized Denominations"). Exchanges and transfers shall be made without charge to the Owners, except for any applicable tax or other governmental charge.

Goldman, Sachs & Co. has been appointed by the Company as Remarketing Agent with respect to the Bonds. The Company will enter into a Remarketing Agreement with the Remarketing Agent with respect to the Bonds.

Certain Definitions

"Business Day" means any day except a Saturday, Sunday or other day (a) on which commercial banks located in the cities in which the principal office of the Trustee, the principal office of the Company, the principal office of the Remarketing Agent or the principal office of the Paying Agent are located are required or authorized by law to remain closed or are closed, or (b) on which The New York Stock Exchange, Inc. is closed.

"Favorable Opinion of Bond Counsel" means an opinion of nationally recognized bond counsel addressed to the Issuer and the Trustee to the effect that the proposed action is not prohibited by the laws of the State of Wyoming and the Indenture and will not adversely affect the Tax-Exempt (as hereinafter defined) status of the Bonds.

"Interest Payment Date" means, (i) with respect to any Daily or Weekly Interest Rate Period, the first Business Day of each calendar month, (ii) with respect to any Term Interest Rate Period, the first day of the sixth month following the commencement of the Term Interest Rate Period and the first day of each sixth month thereafter, and the day following the last day of a Term Interest Rate Period, (iii) with respect to any Flexible Segment, the Business Day next succeeding the last day of such Flexible Segment, and (iv) with respect to any Rate Period, the Business Day next succeeding the last day thereof.

"Owner" means the registered owner of any Bond; provided, however, when used in the context of the Tax-Exempt status of the Bonds, the term "Owner" shall include each actual purchaser of any Bond ("Beneficial Owner").

"Rate Period" means any Daily Interest Rate Period, Weekly Interest Rate Period, Flexible Interest Rate Period or Term Interest Rate Period.

"Record Date" means (i) with respect to any Interest Payment Date in respect of any Daily Interest Rate Period, Weekly Interest Rate Period or Flexible Segment, the Business Day next preceding such Interest Payment Date, and (ii) with respect to any Interest Payment Date in respect of any Term Interest Rate Period, the fifteenth day of the month preceding such Interest Payment Date.

"Tax-Exempt" means, with respect to interest on any obligations of a state or local government, including the Bonds, that such interest is not includable in gross income of the owners of such obligations for federal income tax purposes, except for any interest on any such obligations for any period during which such obligations are owned by a person who is a "substantial user" of any facilities financed or refinanced with such obligations or a "related person" within the meaning of either Section 147(a) of the Internal Revenue Code of 1986, as amended (the "Code"), or Section 103(b)(13) of the Internal Revenue Code of 1954, as amended (the "1954 Code"), whether or not such interest is includable as an item of tax preference or otherwise includable directly or indirectly for purposes of calculating other tax liabilities, including any alternative minimum tax or environmental tax under the Code.

Payment of Principal and Interest

The principal of and premium, if any, on the Bonds shall be payable to the Owners upon surrender thereof at the principal office of the Paying Agent. Except when the Bonds are held in book-entry form (see "—Book Entry System"), interest shall be payable (i) by bank check or draft mailed by first-class mail on the Interest Payment Date to the Owners as of the Record Date or (ii) during any Rate Period other than a Term Interest Rate Period, in immediately available funds on the Interest Payment Date (by wire transfer or by deposit to the account of the Owner of any such Bond if such account is maintained with the Paying Agent), but in respect of any Owner of Bonds of an Issue in a Daily or Weekly Interest Rate Period, only to any Owner which owns Bonds of such Issue in an aggregate principal amount of at least $1,000,000 on the Record Date and which shall have provided wire transfer instructions to the Paying Agent prior to the close of business on such Record Date.

Interest on each Bond shall be payable on each Interest Payment Date for each such Bond for the period commencing on the immediately preceding Interest Payment Date (or if no interest has been paid thereon, commencing on the date of issuance thereof) to, but not including, such Interest Payment Date. Interest shall be computed, in the case of any Daily, Weekly, or Flexible Interest Rate Period, on the basis of a 365- or 366-day year, as applicable, for the number of days actually elapsed and, in the case of a Term Interest Rate Period, on the basis of a 360-day year consisting of twelve 30-day months.

Rate Periods

The term of the Bonds shall be divided into consecutive Rate Periods, during which such Bonds shall bear interest at a Daily Interest Rate, Weekly Interest Rate, Flexible Interest Rate or Term Interest Rate, as described below.

Daily Interest Rate Period

Determination of Daily Interest Rate. During each Daily Interest Rate Period, the Bonds shall bear interest at the Daily Interest Rate determined by the Remarketing Agent either on each Business Day for such Business Day or on the next preceding Business Day for the Business Day next succeeding such date of determination and as may be determined by the Remarketing Agent for any day that is not a Business Day on any such day during which there shall be active trading in Tax-Exempt obligations comparable to the Bonds for such day.

The Daily Interest Rate shall be the rate determined by the Remarketing Agent (based on an examination of Tax-Exempt obligations comparable to the Bonds known by the Remarketing Agent to have been priced or traded under then-prevailing market conditions) to be the lowest rate which would enable the Remarketing Agent to sell the Bonds on the effective date of such rate at a price (without regard to accrued interest) equal to 100% of the principal amount thereof. If the Remarketing Agent shall not have determined a Daily Interest Rate for any day by 10:00 a.m., New York time, the Daily Interest Rate for such day shall be the same as the Daily Interest Rate for the immediately preceding day. In no event shall the Daily Interest Rate exceed 18% per annum.

Adjustment to Daily Interest Rate Period. The interest rate borne by the Bonds shall be adjusted to a Daily Interest Rate upon receipt by the Issuer, the Trustee, the Paying Agent and the Remarketing Agent of a written notice from the Company. Such notice (1) shall specify the effective date of the adjustment to a Daily Interest Rate, which shall be (A) a Business Day not earlier than the twentieth day following the third Business Day after the date of receipt by the Trustee and Paying Agent of such notice (or such shorter period after the date of such receipt as is acceptable to the Trustee), (B) in the case of an adjustment from a Term Interest Rate Period, a day on which the Bonds could be redeemed at the option of the Company or the day immediately following the last day of the then-current Term Interest Rate Period, and (C) in the case of an adjustment from a Flexible Interest Rate Period, either the day immediately following the last day of the then-current Flexible Interest Rate Period or the day immediately following the last day of the last Flexible Segment for each Bond in the then-current Flexible Interest Rate Period, all as determined in accordance with clause (1) or (2), respectively, under "—Flexible Interest Rate Period—Adjustment from Flexible Interest Rates"; provided, however, that if prior to the Company's making such election, any Bonds shall have been called for redemption and such redemption shall not theretofore have been effected, the effective date of such Daily Interest Rate Period shall not precede such redemption date; and (2) if the adjustment is from a Term Interest Rate Period having a duration in excess of one year, shall be accompanied by a Favorable Opinion of Bond Counsel with respect to such adjustment.

Notice of Adjustment to Daily Interest Rate Period. The Trustee shall give notice by mail of an adjustment to a Daily Interest Rate Period to the Owners not less than 20 days prior to the effective date of such Daily Interest Rate Period. Such notice shall state (1) that the interest rate on such Bonds will be adjusted to a Daily Interest Rate (subject to the Company's ability to rescind its election as described below under "—Rescission of Election"), (2) the effective date of such Daily Interest Rate Period, (3) that such Bonds are subject to mandatory purchase on such effective date, (4) the procedures for such mandatory purchase, (5) the purchase price of such Bonds on the effective date (expressed as a percentage of the principal amount thereof), and (6) that the Owners of such Bonds do not have the right to retain their Bonds on such effective date.

Weekly Interest Rate Period

Determination of Weekly Interest Rate. During each Weekly Interest Rate Period, the Bonds shall bear interest at the Weekly Interest Rate determined by the Remarketing Agent no later than the first day of such Weekly Interest Rate Period and thereafter no later than Tuesday of each week during such Weekly Interest Rate Period, unless any such Tuesday shall not be a Business Day, in which event the Weekly Interest Rate shall be determined by the Remarketing Agent no later than the Business Day next preceding such Tuesday.

The Weekly Interest Rate shall be the rate determined by the Remarketing Agent (based on an examination of Tax-Exempt obligations comparable to the Bonds known by the Remarketing Agent to have been priced or traded under then prevailing market conditions) to be the lowest rate which would enable the Remarketing Agent to sell the Bonds on the effective date of such rate at a price (without regard to accrued interest) equal to 100% of the principal amount thereof. If the Remarketing Agent shall not have determined a Weekly Interest Rate for any period, the Weekly Interest Rate shall be the same as the Weekly Interest Rate for the immediately preceding week. The first Weekly Interest Rate determined for each Weekly Interest Rate Period shall apply to the period commencing on the first day of the Weekly Interest Rate Period and ending on the next succeeding Tuesday. Thereafter, each Weekly Interest Rate shall apply to the period commencing on each Wednesday and ending on the next succeeding Tuesday, unless such Weekly Interest Rate Period shall end on a day other than Tuesday, in which event the last Weekly Interest Rate for such Weekly Interest Rate Period shall apply to the period commencing on the Wednesday preceding the last day of such Weekly Interest Rate Period and ending on such last day. In no event shall the Weekly Interest Rate exceed 18% per annum.

Adjustment to Weekly Interest Rate Period. The interest rate borne by the Bonds shall be adjusted to a Weekly Interest Rate upon receipt by the Issuer, the Trustee, the Paying Agent and the Remarketing Agent of a written notice from the Company. Such notice (1) shall specify the effective date of such adjustment to a Weekly Interest Rate, which shall be (A) a Business Day not earlier than the twentieth day following the third Business Day after the date of receipt by the Trustee and Paying Agent of such notice (or such shorter period after the date of such receipt as is acceptable to the Trustee), (B) in the case of an adjustment from a Term Interest Rate Period, a day on which the Bonds could be redeemed at the option of the Company or the day immediately following the last day of the then-current Term Interest Rate Period, and (C) in the case of an adjustment from a Flexible Interest Rate Period, either the day immediately following the last day of the then-current Flexible Interest Rate Period or the day immediately following the last day of the last Flexible Segment for each Bond in the then-current Flexible Interest Rate Period, all as determined in accordance with clause (1) or (2), respectively, under "—Flexible Interest Rate Period—Adjustment from Flexible Interest Rates"; provided, however, that if prior to the Company's making such election, any Bonds shall have been called for redemption and such redemption shall not theretofore have been effected, the effective date of such Weekly Interest Rate Period shall not precede such redemption date; and (2) if the adjustment is from a Term Interest Rate Period having a duration in excess of one year, shall be accompanied by a Favorable Opinion of Bond Counsel with respect to such adjustment.

Notice of Adjustment to Weekly Interest Rate Period. The Trustee shall give notice by mail of an adjustment to a Weekly Interest Rate Period to the Owners not less than 20 days prior to the effective date of such Weekly Interest Rate Period. Such notice shall state (1) that the interest rate on such Bonds will be adjusted to a Weekly Interest Rate (subject to the Company's ability to rescind its election as described below under "—Rescission of Election"), (2) the effective date of such Weekly Interest Rate Period, (3) that such Bonds are subject to mandatory purchase on such effective date, (4) the procedures for such mandatory purchase, (5) the purchase price of such Bonds on the effective date (expressed as a percentage of the principal amount thereof), and (6) that the Owners of such Bonds do not have the right to retain their Bonds on such effective date.

Term Interest Rate Period

Determination of Term Interest Rate. During each Term Interest Rate Period, the Bonds shall bear interest at the Term Interest Rate determined by the Remarketing Agent on a Business Day selected by the Remarketing Agent, but not more than 30 days prior to and not later than the effective date of such Term Interest Rate Period.

The Term Interest Rate shall be the rate determined by the Remarketing Agent on such date, and communicated on such date to the Trustee, the Paying Agent and the Company, as being the lowest rate (based on an examination of Tax-Exempt obligations comparable to the Bonds known by the Remarketing Agent to have been priced or traded under then prevailing market conditions) which

would enable the Remarketing Agent to sell the Bonds on the effective date of such Term Interest Rate Period at a price (without regard to accrued interest) equal to 100% of the principal amount thereof. If, for any reason, a Term Interest Rate for any Term Interest Rate Period shall not be determined or effective, then (1) if the then-current Term Interest Rate Period is for one year or less, the Rate Period for such Bonds will automatically convert to a Daily Interest Rate Period and (2) if the then-current Term Interest Rate Period is for more than one year, the Rate Period for the Bonds shall automatically adjust to a Term Interest Rate Period of one year and one day; provided, however, that if the last day of any successive Term Interest Rate Period shall not be a day immediately preceding a Business Day, then such successive Term Interest Rate Period shall end on the first day immediately preceding the Business Day next succeeding such day or, if such Term Interest Rate Period would end after the day prior to the final maturity date of the Bonds, the next succeeding Rate Period shall be a Term Interest Rate Period ending on the day prior to the final maturity date of the Bonds; provided, further, that in the case of clause (2) above, if the Company delivers to the Trustee a Favorable Opinion of Bond Counsel prior to the end of the then-effective Term Interest Rate Period, the Rate Period for the Bonds will adjust to a Daily Interest Rate Period. If the Daily Interest Rate for the first day of any such Daily Interest Rate Period or a Daily Interest Period described in clause (1) above is not determined as described under "—Daily Interest Rate Period—Determination of Daily Interest Rate," the Daily Interest Rate for the first day of such Daily Interest Rate Period shall be 80% of the most recent One-Year Note Index theretofore published in The Bond Buyer (or, if The Bond Buyer is no longer published or no longer publishes the One-Year Note Index, the one-year note index contained in the publication determined by the Remarketing Agent as most comparable to The Bond Buyer). If a Term Interest Rate for any such Term Interest Rate Period described in clause (2) above is not determined as described in the second preceding sentence, the Term Interest Rate for such Term Interest Rate Period shall be 100% of the most recent One-Year Note Index theretofore published in The Bond Buyer (or, if The Bond Buyer is no longer published or no longer publishes the One-Year Note Index, the one-year note index contained in the publication determined by the Remarketing Agent as most comparable to The Bond Buyer). In no event shall any Term Interest Rate exceed 18% per annum.

Adjustment to or Continuation of Term Interest Rate Period. The interest rate borne by the Bonds shall be adjusted to or continued as a Term Interest Rate upon receipt by the Issuer, the Trustee, the Paying Agent and the Remarketing Agent of a written notice from the Company, which notice shall specify the duration of the Term Interest Rate Period during which the Bonds shall bear, or continue to bear, interest at a Term Interest Rate. Such notice may specify two or more consecutive Term Interest Rate Periods and, if it so specifies, shall specify the duration of each such Term Interest Rate Period as provided in this paragraph. Such notice shall specify the effective date of each Term Interest Rate Period, which shall be (1) a Business Day not earlier than the twentieth day following the third Business Day after the date of receipt by the Trustee and Paying Agent of such notice (or such shorter period after the date of such receipt as shall be acceptable to the Trustee), (2) in the case of an adjustment from or continuation of a Term Interest Rate Period, a day on which the Bonds could be redeemed at the option of the Company or the day immediately following the last day of the then-current Term Interest Rate Period, and (3) in the case of an adjustment from a Flexible Interest Rate Period, either the day immediately following the last day of the then-current Flexible Interest Rate Period or the day immediately following the last day of the last Flexible Segment for each Bond in the then-current Flexible Interest Rate Period, all as determined in accordance with clause (1) or (2), respectively, under "—Flexible Interest Rate Period—Adjustment from Flexible Interest Rates"; provided, however, that if prior to the Company's making such election, any Bonds shall have been called for redemption and such redemption shall not have been effected, the effective date of such Term Interest Rate Period shall not precede such redemption date. Such notice shall also specify (1) the last day of such Term Interest Rate Period (which shall be either the day preceding the maturity date of the Bonds or a day which both immediately precedes a Business Day and is at least one year after such effective date) and (2) unless such Term Interest Rate Period immediately succeeds a Term Interest Rate Period of the same duration and is subject to the same optional redemption rights, shall be accompanied by a Favorable Opinion of Bond Counsel with respect to such adjustment.

If, by 20 days prior to the end of the then-current Term Interest Rate Period, the Trustee has not received the Company's notice of an adjustment to a Daily Interest Rate Period, a Weekly Interest Rate Period, a Term Interest Rate Period or a Flexible Interest Rate Period, accompanied by a Favorable Opinion of Bond Counsel, then (1) in the event the then-current Term Interest Rate Period is for one year or less, the Rate Period for the Bonds shall automatically convert to a Daily Interest Rate Period and (2) in the event the current Term Interest Rate Period is for more than one year, the Rate Period for the Bonds shall automatically adjust to a Term Interest Rate Period of one year and one day; provided, however, that if the last day of any successive Term Interest Rate Period shall not be a day immediately preceding a Business Day, then such successive Term Interest Rate Period shall end on the first day immediately preceding the Business Day next succeeding such day or, if such Term Interest Rate Period would end after the day prior to the final maturity date of the Bonds, the next succeeding Rate Period shall be a Term Interest Rate Period ending on the day prior to the final maturity date of the Bonds; provided, further, that in the case of clause (2) above, if the Company delivers to the Trustee a Favorable Opinion of Bond Counsel prior to the end of the then-effective Term Interest Rate Period, the Rate Period for the Bonds will adjust to a Daily Interest Rate Period. If the Daily Interest Rate for the first day of any such Daily Interest Rate Period or a Daily Interest Rate Period described in clause (1) above is not determined as described under "—Daily Interest Rate Period—Determination of Daily Interest Rate," the Daily Interest Rate for the first day of such Daily Interest Rate Period will be 80% of the most recent One-Year Note Index theretofore published in The Bond Buyer (or, if The Bond Buyer is no longer published or no longer publishes the One-Year Note Index, the one-year note index contained in the publication determined by the Remarketing Agent as most comparable to The Bond Buyer). If a Term Interest Rate for any such Term Interest Rate Period described in clause (2) above is not determined as described in the second preceding sentence, the Term Interest Rate for such Term Interest Rate Period shall be 100% of the most recent One-Year Note Index theretofore published in The Bond Buyer (or, if The Bond Buyer is no longer published or no longer publishes the One-Year Note Index, the one-year note index contained in the publication determined by the Remarketing Agent as the most comparable to The Bond Buyer).

The notice of an adjustment to or continuation of a Term Interest Rate may specify that such Term Interest Rate Period shall be automatically renewed for successive Term Interest Rate Periods each having the same duration as the Term Interest Rate Period so specified; provided, however, that such election must be accompanied by a Favorable Opinion of Bond Counsel with respect to such continuing automatic renewals of such Term Interest Rate Period. If such election is made, no opinion of Bond Counsel shall be required in connection with the commencement of each successive Term Interest Rate Period determined in accordance with such election.

Notice of Adjustment to or Continuation of Term Interest Rate Period. The Trustee shall give notice by mail of an adjustment to or continuation of a Term Interest Rate Period to the Owners not less than 20 days prior to the effective date of such Term Interest Rate Period. Such notice shall state (1) that the interest rate on the Bonds will be adjusted to, or continue to be, a Term Interest Rate (subject to the Company's ability to rescind its election as described below under "—Rescission of Election"), (2) the effective date and the last date of such Term Interest Rate Period, (3) that the Term Interest Rate for such Term Interest Rate Period will be determined not later than the effective date thereof, (4) how such Term Interest Rate may be obtained from the Remarketing Agent, (5) the Interest Payment Dates after such effective date, (6) that during such Term Interest Rate Period, the holders of such Bonds will not have the right to tender their Bonds for purchase, (7) that, except when the new Term Interest Rate Period is preceded by a Term Interest Rate Period of the same duration, such Bonds are subject to mandatory purchase on such effective date, and (8) the redemption provisions that will apply to the Bonds during such Term Interest Rate Period.

Flexible Interest Rate Period

Determination of Flexible Segments and Flexible Interest Rates. During each Flexible Interest Rate Period, each Bond shall bear interest during each Flexible Segment for such Bond at the Flexible Interest Rate for such Bond. Each Flexible Segment for any Bond shall be a period ending on a day immediately preceding a Business Day, of not less than one nor more than 365 days determined by

the Remarketing Agent to be, in its judgment, the period which, together with all other Flexible Segments for all Bonds then outstanding, is likely to result in the lowest overall net interest expense on such Bonds. Any Bond purchased on behalf of the Company and remaining unsold by the Remarketing Agent as of the close of business on the effective date of the Flexible Segment for such Bond will have a Flexible Segment of one day or, if such Flexible Segment would not end on a day immediately preceding a Business Day, a Flexible Segment of more than one day ending on the day immediately preceding the next Business Day. No Flexible Segment shall extend beyond the final maturity date of the Bonds.

The Flexible Interest Rate for each Flexible Segment for each Bond shall be the rate determined by the Remarketing Agent (based on an examination of Tax-Exempt obligations comparable to the Bonds known by the Remarketing Agent to have been priced or traded under then prevailing market conditions) no later than the first day of such Flexible Segment (and in the case of a Flexible Segment of one day, no later than 12:30 p.m. New York time, on such date) to be the lowest rate which would enable the Remarketing Agent to sell the Bonds on the effective date of such rate at a price (without regard to accrued interest) equal to 100% of the principal amount thereof. If a Flexible Segment or a Flexible Interest Rate for a Flexible Segment is not determined or effective, the Flexible Segment for such Bond shall be a Flexible Segment of one day, and the interest rate for such Flexible Segment of one day shall be 80% of the most recent One-Year Note Index theretofore published in The Bond Buyer (or, if The Bond Buyer is no longer published or no longer publishes the One-Year Note Index, the one-year note index contained in the publication determined by the Remarketing Agent as most comparable to The Bond Buyer). In no event shall any Flexible Interest Rate exceed 18% per annum.

Adjustment to Flexible Interest Rate Period. The interest rate borne by the Bonds shall be adjusted to Flexible Interest Rates upon receipt by the Issuer, the Trustee, the Paying Agent and the Remarketing Agent of a written notice from the Company. Such notice (1) shall specify the effective date of the Flexible Interest Rate Period which shall be (A) a Business Day not earlier than the twentieth day following the third Business Day after the date of receipt by the Trustee and Paying Agent of such notice (or such shorter period after the date of such receipt as shall be acceptable to the Trustee) and (B) in the case of an adjustment from a Term Interest Rate Period, a day on which the Bonds could be redeemed at the option of the Company or the day immediately following the last day of the then-current Term Interest Rate Period; provided, however, that if prior to the Company's making such election any Bonds have been called for redemption and such redemption shall not theretofore have been effected, the effective date of the Flexible Interest Rate Period shall not precede such redemption date and (2) in the case of an adjustment from a Term Interest Rate Period having a duration in excess of one year, shall be accompanied by a Favorable Opinion of Bond Counsel with respect to such adjustment. During each Flexible Interest Rate Period commencing on the date so specified (provided that the Favorable Opinion of Bond Counsel described in clause (2) above, if required, is reaffirmed as of such date) and ending on the day immediately preceding the effective date of the next succeeding Rate Period, each Bond shall bear interest at a Flexible Interest Rate during each Flexible Segment for such Bond.

Notice of Adjustment to Flexible Interest Rate Period. The Trustee shall give notice by mail of an adjustment to a Flexible Interest Rate Period to the Owners not less than 20 days prior to the effective date of such Flexible Interest Rate Period. Such notice shall state (1) that the interest rate on the Bonds will be adjusted to Flexible Interest Rates (subject to the Company's ability to rescind its election as described below under "—Rescission of Election"), (2) the effective date of such Flexible Interest Rate Period, (3) that such Bonds are subject to mandatory purchase on the effective date of such Flexible Interest Rate Period, (4) the procedures for such mandatory purchase, and (5) that the Owners of such Bonds do not have the right to retain their Bonds on such effective date.

Adjustment from Flexible Interest Rates. At any time during a Flexible Interest Rate Period, the interest rate borne by the Bonds shall be adjusted from Flexible Interest Rates and the Bonds shall instead bear interest as otherwise permitted in the Indenture, upon receipt by the Issuer, the Trustee, the Paying Agent and the Remarketing Agent of written notice from the Company specifying the Rate Period to follow with respect to such Bonds and instructing the Remarketing Agent to:

(1) determine Flexible Segments of such duration that, as soon as possible, all Flexible Segments shall end on the same date, not earlier than the eleventh day following the third Business Day (or such shorter period acceptable to the Trustee) following the receipt by the Trustee and Paying Agent of notice from the Company, which date shall be the last day of the then-current Flexible Interest Rate Period, and, upon the establishment of such Flexible Segments, the day next succeeding the last day of all such Flexible Segments shall be the effective date of the Rate Period elected by the Company; or

(2) determine Flexible Segments of such duration that will, in the judgment of the Remarketing Agent, best promote an orderly transition to the next succeeding Rate Period beginning not earlier than the eleventh day following the third Business Day (or such shorter period acceptable to the Trustee) after the receipt by the Trustee and Paying Agent of such notice; provided, however, that if such next succeeding Rate Period is a Term Interest Rate Period, that such transition be completed before the end of such Term Interest Rate Period so that the Term Interest Rate Period for all of the Bonds shall end on the same date.

If the Company selects alternative (2) above, the day next succeeding the last day of the Flexible Segment for each Bond of an Issue shall be with respect to such Bond the effective date of the Rate Period elected by the Company. An adjustment from a Flexible Interest Rate Period described in this paragraph may result in some of the Bonds bearing interest at a Daily Interest Rate, Weekly Interest Rate or Term Interest Rate while other Bonds continue to bear interest at Flexible Interest Rates until all Bonds are adjusted from the Flexible Interest Period.

Determination Conclusive

The determination of the various interest rates and Flexible Segments referred to above shall be conclusive and binding upon the Remarketing Agent, the Trustee, the Paying Agent, the Issuer, the Company and the Owners of the Bonds.

Rescission of Election

The Company may rescind any election by it to adjust to or, in the case of a Term Interest Rate Period, continue a Rate Period prior to the effective date of such adjustment or continuation by giving written notice of rescission to the Issuer, the Trustee, the Paying Agent and the Remarketing Agent prior to such effective date. At the time the Company gives notice of the rescission, it may also elect in such notice to continue the Rate Period then in effect; provided, however, that if the Rate Period then in effect is a Term Interest Rate Period, the subsequent Term Interest Rate Period shall not be of a different duration than the Term Interest Rate Period then in effect unless the Company provides to the Trustee a Favorable Opinion of Bond Counsel prior to the expiration of the then-current Term Interest Rate Period. If the Trustee receives notice of such rescission prior to the time the Trustee has given notice to the Owners of the change in or continuation of Rate Periods, then such notice of change in or continuation of Rate Periods shall be of no force and effect and shall not be given to the Owners. If the Trustee receives notice of such rescission after the Trustee has given notice to the Owners of (i) an adjustment from any Rate Period other than a Term Interest Rate Period in excess of one year or (ii) an attempted adjustment from one Rate Period (other than a Term Interest Rate Period in excess of one year) to another Rate Period that does not become effective for any other reason, and if the Company does not elect to continue the Rate Period then in effect, then the Rate Period for the Bonds shall automatically adjust to or continue in a Daily Interest Rate Period and the Trustee shall immediately give notice thereof to the Owners of the Bonds. If the Trustee receives notice of such rescission after the Trustee has given notice to the Owners of an adjustment from a Term Interest Rate Period in excess of one year to another Rate Period (including a Term Interest Rate Period of a different duration), or if an attempted adjustment from a Term Interest Rate Period in excess of one year to another Rate Period (including a Term Interest Rate Period of a different duration) does not become effective for any reason and if the Company does not elect to continue the Term Interest Rate Period then in effect, then the Rate Period for the Bonds shall

continue to be a Term Interest Rate Period of the same duration as the immediately preceding Term Interest Rate Period, subject to the second proviso contained in the paragraph above under "—Term Interest Rate Period—Determination of Term Interest Rate"; provided that if the Company delivers to the Trustee a Favorable Opinion of Bond Counsel prior to the end of the then effective Term Interest Rate Period, the Rate Period for the Bonds shall be as directed by the Company in writing. If a Daily Interest Rate for the first day of any Daily Interest Rate Period to which a Rate Period is adjusted in accordance with this paragraph is not determined as described in "—Daily Interest Rate Period—Determination of Daily Interest Rate," the Daily Interest Rate for the first day of such Daily Interest Rate Period shall be 80% of the most recent One-Year Note Index theretofore published in The Bond Buyer (or, if The Bond Buyer is no longer published or no longer publishes the One-Year Note Index, the one-year note index contained in the publication determined by the Remarketing Agent as most comparable to The Bond Buyer). The Trustee shall immediately give written notice of each such automatic adjustment to a Rate Period as described in this paragraph to the Owners.

Notwithstanding the rescission by the Company of any notice to adjust or continue a Rate Period, if notice has been given to Owners of such adjustment or continuation, the Bonds shall be subject to mandatory purchase as specified in such notice.

Optional Purchase

Daily Interest Rate Period. During any Daily Interest Rate Period, any Bond (or portions thereof in Authorized Denominations) shall be purchased at the option 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 Trustee at the Delivery Office of the Trustee, not later than 11:00 a.m., New York time, on such Business Day, of an irrevocable written or telephonic notice, which states the principal amount and certificate number (if the Bonds are not then held in book-entry form) of such Bond to be purchased and the date of such purchase; and

(b) except when the Bond is held in book-entry form, delivery of such Bond, accompanied by an instrument of transfer (which may be the form printed on the Bond) executed in blank by its Owner, with such signature guaranteed by a member or participant in a "signature guarantee program" as provided in the form of assignment attached to such Bond to the Delivery Office of the Trustee at or prior to 1:00 p.m., New York time, on such purchase date.

Weekly Interest Rate Period. During any Weekly Interest Rate Period, any Bond (or portions thereof in Authorized Denominations) shall be purchased at the option of the owner thereof on any Wednesday, or if such Wednesday is not a Business Day, the next succeeding 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 Trustee at the Delivery Office of the Trustee of an irrevocable written notice or telephonic notice (promptly confirmed in writing) by 5:00 p.m., New York time, on any Business Day, which states the principal amount and certificate number (if the Bonds are not then held in book-entry form) of such Bond to be purchased and the date on which such Bond is to be purchased, which date shall not be prior to the seventh day next succeeding the date of the delivery of such notice to the Trustee; and

(b) except when the Bond is held in book-entry form, delivery of such Bond, accompanied by an instrument of transfer (which may be the form printed on the Bond) executed in blank by its Owner, with such signature guaranteed by a member or participant in a "signature guarantee program" as provided in the form of assignment attached to such Bond to the Delivery Office of the Trustee at or prior to 1:00 p.m., New York time, on the purchase date specified in such notice.

Term Interest Rate Period. Any Bond (or portions thereof in Authorized Denominations) shall be purchased at the option of the owner thereof on the first day of any Term Interest Rate Period that follows a Term Interest Rate Period of equal duration, at a purchase price equal to (1) if the Bond is purchased on or prior to the Record Date, 100% of the principal amount thereof plus accrued interest from the Interest Payment Date next preceding the date of purchase to the date of purchase (unless the date of purchase shall be an Interest Payment Date in which case the purchase price shall be equal to the principal amount thereof) or (2) if the Bond is purchased after the Record Date, 100% of the principal amount thereof, upon:

(a) delivery to the Trustee at the Delivery Office of the Trustee on any Business Day not less than 15 days before the purchase date of an irrevocable notice in writing by 5:00 p.m., New York time, which states the principal amount and certificate number (if the Bonds are not then held in book-entry form) of such Bond to be so tendered for purchase; and

(b) except when the Bond is held in book-entry form, delivery of such Bond, accompanied by an instrument of transfer (which may be the form printed on the Bond) executed in blank by its Owner, with such signature guaranteed by a member or participant in a "signature guarantee program" as provided in the form of assignment attached to such Bond to the Delivery Office of the Trustee at or prior to 1:00 p.m., New York time, on the date of such purchase.

FOR SO LONG AS THE BONDS ARE HELD IN BOOK-ENTRY FORM, THE BENEFICIAL OWNER OF THE BONDS THROUGH ITS DIRECT PARTICIPANT (AS HEREINAFTER DEFINED) SHALL GIVE NOTICE TO THE TRUSTEE TO ELECT TO HAVE SUCH BONDS PURCHASED, AND SHALL EFFECT DELIVERY OF SUCH BONDS BY CAUSING SUCH DIRECT PARTICIPANT TO TRANSFER ITS INTEREST IN THE BONDS EQUAL TO SUCH BENEFICIAL OWNER'S INTEREST ON THE RECORDS OF DTC TO THE TRUSTEE'S PARTICIPANT ACCOUNT WITH DTC. THE REQUIREMENT FOR PHYSICAL DELIVERY OF THE BONDS IN CONNECTION WITH ANY PURCHASE PURSUANT TO THE PROVISIONS DESCRIBED ABOVE SHALL BE DEEMED SATISFIED WHEN THE OWNERSHIP RIGHTS IN THE BONDS ARE TRANSFERRED BY DTC PARTICIPANTS ON THE RECORDS OF DTC. SEE "—Book-Entry System."

Mandatory Purchase

The Bonds are subject to mandatory purchase at a purchase price equal to 100% of the principal amount thereof, plus accrued interest to the purchase date described below, upon the occurrence of any of the events stated below:

(a) as to any Bond, on the effective date of any change in a Rate Period, other than the effective date of a Term Interest Rate Period which was preceded by a Term Interest Rate Period of the same duration; or

(b) as to each Bond in a Flexible Interest Rate Period, on the day next succeeding the last day of any Flexible Segment with respect to such Bond.

When Bonds are subject to redemption pursuant to paragraph (c) below under "—Optional Redemption of Bonds," the Bonds are also subject to mandatory purchase on a day that the Bonds would be subject to redemption, at a purchase price equal to 100% of the principal amount thereof plus an amount equal to any premium which would have been payable on such redemption date had the Bonds been redeemed if the Company gives notice to the Trustee on the day prior to the redemption date that it elects to have the Bonds purchased in lieu of redemption. If the Bonds are purchased on or prior to the Record Date, the purchase price shall include accrued interest from the Interest Payment Date next preceding the date of purchase to the date of purchase (unless the date of purchase shall be an Interest Payment Date, in which case the purchase price shall be equal to the

amount specified in the preceding sentence). If the Bonds are purchased after the Record Date, the purchase price shall not include accrued interest.

FOR SO LONG AS THE BONDS ARE HELD IN BOOK-ENTRY FORM, NOTICES OF MANDATORY PURCHASE OF BONDS SHALL BE GIVEN BY THE TRUSTEE TO DTC ONLY, AND NEITHER THE ISSUER, THE TRUSTEE, THE COMPANY, THE UNDERWRITER NOR THE REMARKETING AGENT SHALL HAVE ANY RESPONSIBILITY FOR THE DELIVERY OF ANY SUCH NOTICES BY DTC TO ANY DIRECT PARTICIPANTS OF DTC, BY ANY DIRECT PARTICIPANTS TO ANY INDIRECT PARTICIPANTS OF DTC OR BY ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS TO BENEFICIAL OWNERS OF THE BONDS. FOR SO LONG AS THE BONDS ARE HELD IN BOOK-ENTRY FORM, THE REQUIREMENT FOR PHYSICAL DELIVERY OF THE BONDS IN CONNECTION WITH ANY PURCHASE PURSUANT TO THE PROVISIONS DESCRIBED ABOVE SHALL BE DEEMED SATISFIED WHEN THE OWNERSHIP RIGHTS IN THE BONDS ARE TRANSFERRED BY DIRECT PARTICIPANTS ON THE RECORDS OF DTC. SEE "—Book-Entry System."

Purchase of Bonds

On the date on which Bonds are delivered to the Trustee for purchase as specified above under "—Optional Purchase" or "—Mandatory Purchase," the Trustee shall pay the purchase price of such Bonds 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) proceeds from the remarketing and sale of such Bonds;

(b) moneys furnished by the Trustee upon defeasance of such Bonds, such moneys to be applied only to the purchase of Bonds which are deemed to be defeased; and

(c) any other moneys furnished by the Company to the Trustee 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 (a) and (b) above, in such order of priority.

Remarketing of Bonds

The Remarketing Agent shall offer for sale and use its best efforts to remarket any Bond subject to purchase pursuant to the optional or mandatory purchase provisions described above, any such remarketing to be made at a price equal to 100% of the principal amount thereof plus accrued interest, if any, to the purchase date. The Company may direct the Remarketing Agent from time to time to cease and to resume sales efforts with respect to some or all of the Bonds.

Optional Redemption of Bonds

The Bonds may be redeemed at the option of the Company, in whole, or in part by lot, prior to their maturity as follows:

(a) On any Business Day during a Daily Interest Rate Period or Weekly Interest Rate Period, the Bonds may be redeemed at a redemption price equal to 100% of the principal amount thereof plus accrued interest, if any, to the date of redemption.

(b) During any Flexible Interest Rate Period, each Bond may be redeemed on the day next succeeding the last day of each Flexible Segment for such Bond at a redemption price equal to 100% of its principal amount.

(c) During any Term Interest Rate Period and on the day next succeeding the last day of each Term Interest Rate Period, the Bonds may be redeemed during the periods specified below, in

whole or in part at any time, at the redemption prices set forth below plus accrued interest, if any, to the redemption date:

Length of Term Interest Rate Period	Redemption Dates and Prices
Greater than 13 years	At any time on or after the 10th anniversary of the effective date of the Term Interest Rate Period at 102% declining 1% annually to 100%
Greater than 10 and less	At any time on or after the 5th anniversary of the effective date than or equal to 13 years of the Term Interest Rate Period at 102% declining 1% annually to 100%
Greater than 7 and less	At any time on or after the 3rd anniversary of the effective date than or equal to 10 years of the Term Interest Rate Period at 102% declining 1% annually to 100%
Greater than 4 and less	At any time on or after the 2nd anniversary of the effective date than or equal to 7 years of the Term Interest Rate Period at 101% declining 1/2% annually to 100%
Greater than 2 and less	At any time on or after the 2nd anniversary of the effective date than or equal to 4 years of the Term Interest Rate Period at 101% declining 1/2% each six months thereafter to 100%
Greater than 1 and less	At any time on or after the 1st anniversary of the effective date than or equal to 2 years of the Term Interest Rate Period at 100-1/2% declining 1/2% six months thereafter to 100%
Less than or equal to 1 year	Not redeemable

With respect to any Term Interest Rate Period, the Company may specify in the notice described above in the third paragraph under "—Term Interest Rate Period—Adjustment to or Continuation of Term Interest Rate Period" redemption provisions, prices and periods other than those set forth above; provided, however, that such notice shall be accompanied by a Favorable Opinion of Bond Counsel.

Extraordinary Optional Redemption of Bonds

At any time, the Bonds shall be subject to redemption at the option of the Company in whole or in part (and if in part, by lot), at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the redemption date, upon receipt by the Trustee of a written notice from the Company stating that any of the following events has occurred and that the Company therefore intends to exercise its option to prepay the payments due under the Loan Agreement in whole or in part and thereby effect the redemption of the Bonds in whole or in part to the extent of such prepayments:

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

(ii) the Company shall have determined that the continued operation of the Project and the Prior 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 and the Prior Project, or other liabilities or burdens with respect to the Project and the Prior 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 and the Prior Project; or

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

(iv) the operation of the Project and the Prior Project or the Plant 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 at 100% of the principal amount thereof plus accrued interest, if any, to the date of redemption in whole within 180 days following a "Determination of Taxability" as defined below; provided that, if in the opinion of Bond Counsel delivered to the Trustee, the redemption of a specified portion of the Bonds outstanding would have the result that interest payable on the Bonds remaining outstanding after such redemption would remain Tax-Exempt, then the Bonds shall be redeemed in part by lot (in Authorized Denominations) in such amount as Bond Counsel in such opinion shall have determined is necessary to accomplish that result. 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 includable in the gross income of an owner of the Bonds for federal income tax purposes under the Code (other than an owner who is a "substantial user" or "related person" within the meaning of either Section 147(a) of the Code or 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 Loan 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 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 Loan 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 Loan 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 Loan Agreement, which failure results in a Determination of Taxability.

Procedure for and Notice of Redemption

If less than all of the Bonds are called for redemption, the particular Bonds or portions thereof to be redeemed shall be selected by the Trustee, by lot. 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 Authorized Denomination. 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. Subject to the procedures described below under "—Book-Entry System" for Bonds held in book-entry form, upon presentation and surrender of such Bonds at the place or places of payment, such Bonds shall be paid. Notice of redemption shall be given by mail as provided in the Indenture, at least 30 days and not more than 60 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 Bonds in respect of which no such failure has occurred.

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 may state that such redemption is 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 redemption shall not be made and the Trustee shall give notice, in the manner in which the notice of redemption was given, that such redemption will not take place.

Book-Entry System

The following information in this section concerning DTC and DTC's book-entry system has been obtained from sources (including DTC) that the Company believes to be reliable, but none of the Company, the Issuer or the Underwriter takes any responsibility for the accuracy of such information.

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully registered bonds registered in the name of Cede & Co., as nominee for DTC. One fully registered Bond certificate will be issued in the aggregate principal amount of the Bonds and will be deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended. DTC holds securities that its participants ("Participants") deposit with DTC. DTC also facilitates the settlement among Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in Participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants (the "Direct Participants") include securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is owned by a number of its Direct Participants and by the New York Stock Exchange, Inc., the American Stock Exchange, Inc., and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as securities brokers and dealers, banks, and trust companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The Rules applicable to DTC and its Participants are on file with the Securities and Exchange Commission.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each Beneficial Owner is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. The deposit of Bonds with DTC and their registration in the name of Cede & Co. effect no change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

As long as the book-entry system is used for the Bonds, redemption notices shall be sent to Cede & Co. If less than all of the Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such Issue to be redeemed.

Neither DTC nor Cede & Co. will consent or vote with respect to the Bonds. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

As long as the book-entry system is used for the Bonds, principal or purchase price of and premium, if any, and interest payments on, the Bonds will be made to DTC. DTC's practice is to credit Direct Participants' accounts on the applicable payment date in accordance with their respective holdings shown on DTC's records unless DTC has reason to believe that it will not receive payment on such date. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Company, the Paying Agent, the Trustee, the Underwriter, the Remarketing Agent or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, purchase price, premium and interest with respect to the Bonds to DTC is the responsibility of the Issuer or the Paying Agent, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

A Beneficial Owner, through a Direct Participant acting on behalf of such Beneficial Owner or an Indirect Participant acting on behalf of such Beneficial Owner, shall give notice to the Trustee of its election to have Bonds tendered for purchase, and shall effect delivery of such Bonds by causing the Direct Participant to transfer on DTC's records the Direct Participant's interest in the Bonds to the Trustee. The requirement for physical delivery of Bonds in connection with an optional or mandatory purchase will be deemed satisfied when the ownership rights in such Bonds are transferred by Direct Participants to the account of the Trustee on DTC's records.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the Issuer or the Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, Bond certificates are required to be printed and delivered. The Company may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered.

None of the Issuer, the Company, the Underwriter, the Remarketing Agent, the Trustee nor the Paying Agent will have any responsibility or obligation to any securities depository, any Participants in the Book-Entry System or the Beneficial Owners with respect to (i) the accuracy of any records maintained by the securities depository or any Participant; (ii) the payment by the securities depository or by any Participant of any amount due to any Beneficial Owner in respect of the principal amount or redemption of, or interest on, any Bonds; (iii) the delivery of any notice by the securities depository or any Participant; (iv) the selection of the Beneficial Owners to receive payment in the event of any partial redemption of the Bonds; or (v) any other action taken by the securities depository or any Participant.

THE LOAN AGREEMENT

The following is a summary of certain provisions of the Loan Agreement. Reference is hereby made to the Loan Agreement in its entirety for the detailed provisions thereof.

Issuance of the Bonds

The Issuer is issuing the Bonds for the purposes of loaning the proceeds thereof to the Company to finance a portion of the Company's cost of the Project and of refunding the Prior Bonds. It is expected that $18,600,000 of the proceeds from the sale of the Bonds will be deposited with the trustee for the 1990A Prior Bonds and invested in permitted investments to provide for the payment of the 1990A Prior Bonds upon the redemption thereof, that $2,185,851 of the proceeds from the sale of the Bonds, together with funds of the Company, will be applied to the redemption of the 1995-T Prior Bonds and that $3,614,149 of the proceeds from the sale of the Bonds will be paid to the Trustee for deposit into a Construction Fund established pursuant to the Indenture.

Loan Payments

As and for repayment of the loan made to the Company by the Issuer, 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 (the "Loan Payments"); provided, however, that the obligation of the Company to make any such Loan Payment will be reduced by the amount of any moneys held by the Trustee under the Indenture and available for such payment.

In the event that the Company fails to make timely payments to the Trustee under the Loan Agreement, the payment so in default will continue as an obligation of the Company until the amount in default shall have been fully paid, and the Company will pay interest on any overdue amount with respect to the principal of such Bonds and, to the extent permitted by law, on any overdue amount with respect to premium, if any, and interest on such Bonds, at the interest rate borne by such Bonds until paid.

The payments to be made by the Company pursuant to the Loan Agreement will be pledged under the Indenture by the Issuer to the Trustee, and the Company is to make all payments thereunder and thereon directly to the Trustee.

Payments of Purchase Price

The Company will pay or cause to be paid to the Trustee amounts equal to the amounts to be paid by the Trustee pursuant to the Indenture for the purchase of outstanding Bonds thereunder (see "The Bonds—Optional Purchase" and "—Mandatory Purchase"), such amounts to be paid to the Trustee as the purchase price for the Bonds tendered for purchase pursuant to the Indenture, on the dates such payments are to be made; provided, however, that the obligation of the Company to make any such payment under the Loan Agreement shall be reduced by the amount of any moneys held by the Trustee under the Indenture and available for such payment.

Obligation Absolute

The Company's obligation to make payments under the Loan Agreement will be absolute, irrevocable and unconditional and will not be subject to cancellation, termination or abatement, or to any defense other than payment, or to any right of setoff, counterclaim or recoupment arising out of any breach under the Loan Agreement or the Indenture or otherwise by the Company, the Trustee, the Remarketing Agent or any other party or out of any obligation or liability at any time owing to the Company by any such party.

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, the Paying Agent, Moody's Investors Service, Inc. ("Moody's") and Standard & Poor's Ratings Group ("S&P") directly to such entities. The Company shall also pay all expenses of the prior trustees in connection with the refunding of the Prior Bonds.

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 has not taken, and will not take, or permit to be taken on its behalf, any action which would adversely affect the Tax-Exempt status of the Bonds 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 Bonds to be Tax-Exempt. See "Tax Exemption."

Other Covenants of the Company

Maintenance of Existence; Conditions Under Which Exceptions Permitted. The Company shall maintain in good standing its corporate existence as a corporation organized under the laws of one of the states of the United States or the District of Columbia and will remain duly qualified to do business in the State of Wyoming, will not dissolve or otherwise dispose of all or substantially all of its assets and will not consolidate with or merge into another corporation; provided, however, that the Company may, without violating the foregoing, undertake from time to time any one or more of the following: (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 Wyoming as a foreign corporation or incorporated and existing under the laws of the State of Wyoming, which as a result of the transaction shall have assumed (either by operation of law or in writing) all of the obligations of the Company under the Loan 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 Loan Agreement and such 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 Loan Agreement.

Assignment. The Company's interest in the Loan 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) adversely affect the Tax-Exempt status of the Bonds or (b) relieve (other than as described in the preceding paragraph) the Company from primary liability for its obligations to make the Loan Payments or to make payments to the Trustee with respect to payment of the purchase price of the Bonds or for any other of its obligations under the Loan Agreement; and subject further to the condition that the Company shall have delivered to the Trustee an opinion of counsel to the Company that such assignment complies with the provisions described in this paragraph and an opinion of Bond Counsel to the effect that the proposed assignment will not impair the validity of the Bonds under the Act or adversely affect the Tax-Exempt status of the Bonds. The Company shall, within 30 days after the delivery thereof, furnish to the Issuer and the Trustee a true and complete copy of the agreements or other documents effectuating any such assignment.

Maintenance and Repair; Taxes, Etc. The Company shall maintain the Project and the Prior Project in good repair, keep the same insured in accordance with standard industry practice and pay all costs thereof. The Company shall pay or cause to be paid all taxes, special assessments and governmental, utility and other charges with respect to the Project and the Prior Project.

The Company may at its own expense cause the Facilities to be remodeled or cause such substitutions, modifications and improvements to be made to the Facilities from time to time as the Company, in its discretion, may deem to be desirable for its uses and purposes, which remodeling, substitutions, modifications and improvements shall be included under the terms of the Loan Agreement as part of the Facilities; provided, however, that the Company shall not exercise any such right, power, election or option if the proposed remodeling, substitution, modification or improvement would adversely affect the Tax-Exempt status of the Bonds.

Anything in the Loan Agreement to the contrary notwithstanding, the Company shall have the right at any time to cause the operation of the Facilities to be terminated if the Company shall have determined that the continued operation of the Project, the Prior Project or the Facilities is uneconomical for any reason.

Defaults

Each of the following events will constitute an "Event of Default" under the Loan 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 amount required to be paid under the Loan Agreement or to observe and perform any other covenant, condition or agreement on the Company's part to be observed or performed under the Loan 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 Issuer and the Trustee may agree to in writing) after written notice given to the Company by the Trustee or to the Company and the Trustee 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 Loan 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 specified in the Loan Agreement, 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 Loan Agreement (other than certain obligations specified in the Loan Agreement, including its obligations to make when due Loan Payments, payments to the Trustee for the purchase of Bonds, to pay certain expenses and taxes, to indemnify the Issuer, the Trustee and others against certain liabilities, to discharge liens and to maintain its existence), the Company shall not be deemed in default by reason of not carrying out such agreements or performing such obligations 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 Loan Agreement and a rescission and annulment of the consequences thereof. See "The Indenture—Defaults."

Upon the occurrence and continuance of any Event of Default under the Loan 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 seek injunctive relief or specific performance of any obligation, agreement or covenant of the Company under the Loan Agreement.

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

Amendments

The Loan Agreement may be amended by the Issuer and the Company subject to the limitations contained in the Indenture. See "The Indenture—Amendment of the Loan Agreement."

THE INDENTURE

The following is a summary of certain provisions of the Indenture. Reference is hereby made to the Indenture in its entirety for the detailed provisions thereof.

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 Loan 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 if the Company has failed to make any payment which results in an Event of Default under the Loan Agreement.

Construction Fund

A portion of the net proceeds from the sale of the Bonds will be deposited in a Construction Fund established with the Trustee pursuant to the Indenture. Payments will be made from the Construction Fund upon requisition by the Company to pay costs incurred in connection with the acquisition, construction and installation of the Project. See "Use of Proceeds" above.

Bond Fund

There is created under the Indenture a Bond Fund to be held by the Trustee and therein established a Principal Account and an Interest Account. Payments made by the Company under the Loan Agreement in respect of the principal of, premium, if any, and interest on, the Bonds 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 Exemption Certificate and Agreement among the Trustee, the Issuer and the Company (the "Tax Certificate"), 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 as the same shall become due and payable at maturity, upon redemption or upon acceleration of maturity, subject to the prior claim of the Trustee, to the extent described above in "—Pledge and Security."

Investment of Funds

Subject to the provisions of the Tax Certificate, moneys in the Bond Fund and the Construction Fund will, at the direction of the Company, be invested in securities or obligations specified in the Indenture. Gains 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 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 for a period of one day after such interest has become due and payable;

(c) a failure to pay amounts due in respect of the purchase price of Bonds as provided under the captions "The Bonds—Optional Purchase" and "—Mandatory Purchase";

(d) 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 has been 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

(e) an "Event of Default" under the Loan Agreement.

Remedies

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 (e) of the preceding paragraph resulting from an "Event of Default" under the Loan Agreement as described under clause (a) or (c) of "The Loan Agreement—Defaults" herein, then the Trustee may (and upon the written request of the Owners of not less than 25% in principal amount of the Bonds then outstanding shall), by written notice by first-class mail to the Issuer and the Company, declare the Bonds to be immediately due and payable, whereupon the Bonds shall, without further action, become immediately due and payable.

The provisions described in the preceding paragraph are subject to the condition that if, 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, any unpaid purchase price 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; provided, however, that no such waiver, rescission and annulment shall extend to or affect any other Event of Default or subsequent Event of Default or impair any right, power or remedy consequent thereon.

Upon the occurrence and continuance of any Event of Default under the Indenture, the Trustee may, and upon the written direction of the Owners of not less than 25% in principal amount of the Bonds outstanding and receipt of indemnity to its satisfaction (except against gross negligence or willful misconduct) shall, pursue any available remedy to enforce the rights of the Owners of the Bonds and require the Company or the Issuer to carry out any 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 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 available to the Trustee under the Indenture or exercising any trust or power conferred on the Trustee upon furnishing satisfactory indemnity to the Trustee (except against gross negligence or willful misconduct) 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 any suit, action or proceeding in equity or at law for the execution of 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 (except against gross negligence or willful misconduct) 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 any Owner to receive payment of the principal of, premium, if any, and interest on the Owner's 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 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 such 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 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 18% per annum unless the interest rate borne by all of such Bonds is not subject to adjustment prior to the maturity or redemption thereof, in which case the amount of interest shall be calculated at the rate borne by such Bonds) on such Bonds or portions thereof on and prior to the redemption date or maturity date thereof, as the case may be;

(c) in the event such Bonds or portions thereof do not mature and are not to be redeemed within the next succeeding 60 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 such Bonds or portions thereof that the deposit required by clause (b) above has been made with the Trustee and that such 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 premium, if any, and interest on such Bonds or portions thereof; and

(d) the Trustee shall have received a Favorable Opinion of Bond Counsel with respect to such deposit.

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, premium, if any, and interest on such 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 direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed as to full and timely payment by, the United States of America, which are not subject to redemption or prepayment prior to stated maturity ("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.

In the event the requirements of the next to the last sentence of the next succeeding paragraph can be satisfied, the preceding two 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 or 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) moneys sufficient to make such payment and/or (2) Government Obligations 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, and a Favorable Opinion of Bond Counsel with respect to such deposit 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 captions "The Bonds—Optional Purchase" and "—Mandatory Purchase" and (y) the Company waives, to the satisfaction of the Trustee, its right to convert the interest rate borne by such Bond.

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 such 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 such 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 such Bonds, plus interest thereon to the due date thereof; or (b) the maturity of such Bonds.

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) replacement of mutilated, lost, destroyed or stolen Bonds 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.

Removal of Trustee

The Trustee may be removed at any time by filing with the Trustee so removed, and with the Issuer, the Company, the Registrar and the Remarketing Agent, 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 the Issuer and the Trustee by supplemental indenture without the consent of 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 contained in the Indenture or of the Company contained in any document, other covenants or agreements thereafter to be observed, or to assign or pledge additional security for any of the Bonds, or to surrender any right or power reserved or conferred upon the Issuer or the Company which, in the judgment of the Trustee, is not materially adverse to the 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 requirements of the Trust Indenture Act of 1939, as amended; (e) to modify, alter, amend or supplement the Indenture or any supplemental indenture in any other respect which in the judgment of the Trustee is not materially adverse to the Owners of the Bonds; (f) to implement a conversion of the interest rate on the Bonds; (g) to provide for a letter of credit, standby bond purchase agreement, bond insurance policy or any other instrument or device to provide security or liquidity support for the Bonds; (h) to provide for a depository to accept tendered Bonds in lieu of the Trustee; (i) to modify or eliminate the book-entry registration system for any of the Bonds; (j) 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 adversely affect the Tax-Exempt status of the Bonds; (k) to secure or maintain ratings for the Bonds from Moody's and/or S&P in both the highest short-term or commercial paper debt Rating Category (as defined in the Indenture) and also in either of the two highest long-term debt Rating Categories; (l) to provide demand purchase obligations to cause the Bonds to be authorized purchases for investment companies; (m) to provide for the appointment of a successor Trustee, Registrar or Paying Agent; (n) to provide the procedures required to permit any Owner to separate the right to receive interest on the Bonds from the right to receive principal thereof and to sell or dispose of such right as contemplated by Section 1286 of the Code; (o) to provide for any additional procedures, covenants or agreements necessary to maintain the Tax-Exempt status of the Bonds; and (p) to modify, alter, amend or supplement the Indenture in any other respect (which in the judgment of the Trustee is not materially adverse to the Owners), if the effective date of such supplemental indenture or amendment is a date on which all of the Bonds affected thereby are subject to mandatory purchase and are so purchased.

Before the Issuer and the Trustee shall enter into any supplemental indenture as described above, there shall have been delivered to the Trustee and the Company an opinion of Bond Counsel stating that such supplemental indenture is authorized or permitted by the Indenture and will, upon the execution and delivery thereof, be valid and binding upon the Issuer in accordance with its terms, and will not impair the validity of the Bonds under the Act or adversely affect the Tax-Exempt status of the Bonds.

The Trustee shall provide written notice of any supplemental indenture to Moody's, S&P and the Owners of all Bonds then outstanding at least 30 days prior to the effective date of such

supplemental indenture. Such notice shall state the effective date of such supplemental indenture, shall briefly describe the nature of such supplemental indenture and shall state that a copy thereof is on file at the principal office of the Trustee for inspection by the parties mentioned in the preceding sentence.

Except for supplemental indentures entered into for the purposes described in the third preceding paragraph, the Indenture will not be modified, altered, amended supplemented or rescinded 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, or 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 Loan Agreement ranking prior to or on a parity with the claim, 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 Loan Agreement. No such amendment of the Indenture shall be effective without the prior written consent of the Company.

Amendment of the Loan Agreement

Without the consent of or notice to the Owners of the Bonds, the Issuer and the Company may modify, alter, amend or supplement the Loan Agreement, and the Trustee may consent thereto, as may be required (a) by the provisions of the Loan 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 in the judgment of the Trustee is not materially adverse to the Owners of the Bonds; (d) to secure or maintain ratings for the Bonds from Moody's and/or S&P in both the highest short-term or commercial paper debt Rating Category and also in either of the two highest long-term debt Rating Categories; (e) to add to the covenants and agreements of the Issuer contained in the Loan Agreement or of the Company contained in any document, other covenants or agreements thereafter to be observed, or to assign or pledge additional security for any of the Bonds, or to surrender any right or power reserved or conferred upon the Issuer or the Company, which shall not materially adversely affect the interest of the Owners of the Bonds; (f) to provide demand purchase obligations to cause the Bonds to be authorized purchases for investment companies; (g) to provide the procedures required to permit any Owner to separate the right to receive interest on the Bonds from the right to receive principal thereof and to sell or dispose of such right as contemplated by Section 1286 of the Code; (h) to provide for any additional procedures, covenants or agreements necessary to maintain the Tax-Exempt status of interest on the Bonds; (i) to implement a conversion of the interest rate in the Bonds; (j) to provide for a letter of credit, standby bond purchase agreement, bond insurance policy or any other instrument or device to provide security or liquidity support for the Bonds; and (k) to modify, alter, amend or supplement the Loan Agreement in any other respect (which in the judgment of the Trustee is not materially adverse to the Owners), including amendments which would otherwise be described herein, if the effective date of such supplement or amendment is a date on which all of the Bonds affected thereby are subject to mandatory purchase and are so purchased.

The Issuer and the Trustee will not consent to any other amendment, change or modification of the Loan 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 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.

Before the Issuer shall enter into, and the Trustee shall consent to, any modification, alteration, amendment or supplement to the Loan Agreement as described in the two immediately preceding paragraphs, there shall have been delivered to the Issuer and the Trustee an opinion of Bond Counsel

stating that such modification, alteration, amendment or supplement is authorized or permitted by the Loan Agreement or the Indenture and the Act, complies with their respective terms, will, upon the execution and delivery thereof, be valid and binding upon the Issuer in accordance with its terms and will not adversely affect the Tax-Exempt status of the Bonds.

LITIGATION

There is no pending or, to the knowledge of the Issuer, threatened litigation against the Issuer that in any way questions or materially affects the Bonds, the validity or enforceability of the Loan Agreement or the Indenture or any proceedings or transactions relating to the issuance, sale or delivery of the Bonds or that may materially adversely affect the redemption of the Prior Bonds.

UNDERWRITING

Pursuant to and subject to the conditions set forth in the Bond Purchase Agreement, Goldman, Sachs & Co., as Underwriter, has agreed to purchase the Bonds from the Issuer 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 a fee of $100,000 in connection with such purchase, and to reimburse the Underwriter for its reasonable expenses. The Company has also agreed to indemnify the Underwriter against certain liabilities, including liabilities under the federal securities laws. The Underwriter may offer and sell the Bonds to certain dealers and others at prices lower than the initial offering price stated on the cover page hereof. After the initial public offering, the public offering prices may be changed from time to time by the Underwriter.

In the ordinary course of its business, the Underwriter has engaged, and will in the future engage, in commercial and investment banking activities with the Company and certain of its affiliates.

TAX EXEMPTION

The Code and the 1954 Code, as applicable, 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 excludable from gross income for federal income tax purposes. Failure to comply with certain of such covenants could cause interest on all of the Bonds to become includable in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds.

Subject to compliance by the Company and the Issuer with the above-referenced covenants, under present law, in the opinion of Bond Counsel, interest on the Bonds is not includable 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 any of the Facilities or any person considered to be related to such person (within the meaning of either Section 147(a) of the Code or Section 103(b)(13) of the 1954 Code). The interest on the Bonds is included, however, as an item of tax preference in computing the federal alternative minimum tax for individuals and corporations.

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

An additional tax (the "environmental tax") is imposed on a corporation at a rate of 0.12 percent on the excess over $2,000,000 of such corporation's "modified alternative minimum taxable income," which would include a portion of the interest of the Bonds.

Under the provisions of Section 884 of the Code, a branch profits tax is levied on the "effectively converted earnings and profits" of certain foreign corporations, which include tax-exempt interest such as interest on the 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 the Bonds should consult their tax advisors as to applicability of any such collateral consequences.

If a Bond is purchased at any time for a price that is less than the Bond's stated redemption price at maturity, the purchaser will be treated as having purchased a Bond with market discount subject to the market discount rules of the Code (unless a statutory de minimis rule applies). Accrued market discount is treated as taxable ordinary income and is recognized when a Bond is disposed of (to the extent such accrued discount does not exceed gain realized) or, at the purchaser's election, as it accrues. The applicability of the market discount rules may adversely affect the liquidity or secondary market price of such Bond. Purchasers should consult their own tax advisors regarding the potential implications of market discount with respect to the Bonds.

In the opinion of Bond Counsel, under present Wyoming law, the State of Wyoming imposes no income taxes which would be applicable to the Bonds. Bond Counsel expresses no opinion with respect to any other taxes imposed by the State of Wyoming or any political subdivision thereof. Ownership of the Bonds may result in other Wyoming tax consequences to certain taxpayers, and Bond Counsel expresses no opinion regarding any such collateral consequences arising with respect to the 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 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, as counsel for the Company, and for the Underwriter by Ballard Spahr Andrews & Ingersoll. Certain legal matters will be passed upon for the Issuer by Sherry Farrens, Civil Deputy County Attorney.

Chapman and Cutler has represented other parties in matters involving subsidiaries of the Company where the legal fees of Chapman and Cutler have been paid by such subsidiaries and served as bond counsel for the Prior Bonds.

MISCELLANEOUS

The attached Appendices (including the documents incorporated by reference therein) are an integral part of this Official Statement and must be read together with all of the balance of this Official Statement.

The Issuer has not assumed and will not assume any responsibility for the accuracy or completeness of any information contained herein (other than the material pertinent to the Issuer under "The Issuer" or "Litigation" above) or in the Appendices hereto, all of which was furnished by others.

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APPENDIX A

THE COMPANY

The Company is an electric utility that conducts a retail electric utility business through 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. The Company is the indirect owner, through PacifiCorp Holdings, Inc. (a wholly-owned subsidiary), of 100% of each of Pacific Telecom, Inc. ("Pacific Telecom"), Pacific Generation Company ("PGC") and PacifiCorp Financial Services, Inc. ("PFS").

The Company furnishes electric service in portions of seven western states: California, Idaho, Montana, Oregon, Utah, Washington and Wyoming. Pacific Telecom, through its subsidiaries, provides local telephone service and access to the long distance network in Alaska, seven other western states and three midwestern states, provides cellular mobile telephone services, and is engaged in sales of capacity in and operation of a submarine fiber optic cable between the United States and Japan. PGC is engaged in the independent power production and cogeneration business. PFS plans to continue to sell substantial portions of its loan, leasing and real estate investments.

The principal executive offices of the Company are located at 700 NE Multnomah, Suite 1600, Portland, Oregon 97232; the telephone number is (503) 731-2000.

RECENT DEVELOPMENTS

On December 12, 1995, the Company's wholly-owned subsidiaries, PacifiCorp Holdings, Inc. and PacifiCorp Australia Holdings Pty Ltd., consummated the purchase of Powercor, an electric utility in southeast Australia, for approximately US $1.6 billion.

Powercor is an electric distribution business serving 570,000 customers in suburban Melbourne and the western and central regions of the State of Victoria. Powercor, with assets of $855 million, reported earnings of $50 million on revenues of $561 million in the year ended June 30, 1995. Powercor is one of five distribution companies being sold by the Government of the State of Victoria this year in the first stage of privatizing distribution and generation utilities.

The transaction was initially financed with borrowings in the U.S. by PacifiCorp Holdings, Inc., borrowings in Australia by PacifiCorp Australia LLC, the parent company of PacifiCorp Australia Holdings Pty Ltd., and an equity contribution from the Company which was initially funded with short-term borrowings.

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 Securities and Exchange Commission (the "Commission"). Such reports and other information (including proxy and information statements) filed by the Company may be inspected and copied at public reference facilities maintained by the Commission at 450 Fifth Street, N.W., Room 1024, Washington, D.C. 20549 and at the following Regional Offices of the Commission: Chicago Regional Office, 500 West Madison Street, 14th Floor, Chicago, Illinois 60661, and New York Regional Office, 7 World Trade Center, 13th Floor, New York, New York 10046. Copies of such material can be obtained from the Public Reference Section of the Commission at 450 Fifth Street, N.W., Washington, D.C. 20549, upon payment of prescribed rates. The Common Stock of the Company is listed on the New York and Pacific Stock Exchanges. Reports, proxy statements, and other information concerning the Company can also be inspected at their respective offices at: New York Stock Exchange, 20 Broad Street, New York, New York 10005, and Pacific Stock Exchange, 301 Pine Street, San Francisco, California 94104.

The Company has not covenanted in connection with the initial offering of the Bonds to provide any information to any nationally recognized municipal securities information repository.

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

The following documents filed by the Company with the Commission are incorporated in this Official Statement by reference:

(a) Annual Report on Form 10-K for the year ended December 31, 1994 (as amended by Forms 10-K/A dated April 28 and June 22, 1995);

(b) Quarterly Reports on Form 10-Q for the quarters ended March 31, June 30 and September 30, 1995; and

(c) Current Reports on Form 8-K dated March 9, March 31, April 11, July 14, September 27, October 26 and November 15, 1995.

All documents filed by the Company pursuant to Section 13(a), 13(c), 14 or 15(d) of the Exchange Act 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 Official Statement 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 "Incorporated Documents"; provided, however, that the documents enumerated above or subsequently filed by the Company pursuant to Section 13 or 14 of the Exchange Act in each year during which the offering made by this Official Statement is in effect prior to 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 Official Statement 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 Official Statement or delivered herewith. The Company hereby undertakes to provide without charge to each person to whom a copy of this Official Statement 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 Richard T. O'Brien, Senior Vice President and Chief Financial Officer, PacifiCorp, 700 N.E. Multnomah, Suite 700, Portland, Oregon 97232-4107, telephone number (503) 731-2000. The information relating to the Company contained in this Official Statement does not purport to be comprehensive and should be read together with the information contained in the Incorporated Documents.

SELECTED FINANCIAL INFORMATION
(Dollar amounts in millions, except per share amounts)

The following selected financial information for each of the three years in the period ended December 31, 1994 and the nine months ended September 30, 1994 and 1995 has been derived from the consolidated financial statements of the Company for the respective periods. The consolidated financial statements for the three-year period ended December 31, 1994 have been audited by Deloitte & Touche LLP, independent auditors, and the reports of Deloitte & Touche LLP 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 Incorporated Documents.

	Twelve Months Ended December 31,			Nine Months Ended September 30,	
	1992	1993	1994	1994	1995
Income Statement Data:					
Revenues	$3,236	$3,405	$3,507	$2,616	$2,512
Income from Operations (1)	704	969	1,022	742	766
Income from Continuing Operations	150	423	468	342	377
Discontinued Operations (2)	(491)	52	--	--	--
Cumulative Effect on Prior Years of a Change in Accounting for Income Taxes	--	4	--	--	--
Net Income (Loss)	(341)	479	468	342	377
Preferred Stock Dividend Requirements	37	39	40	30	30
Earnings (Loss) on Common Stock	(378)	440	428	312	347
Earnings (Loss) per Common Share:					
Continuing Operations	.42	1.40	1.51	1.10	1.22
Discontinued Operations	(1.84)	.19	--	--	--
Cumulative Effect on Prior Years of a Change in Accounting for Income Taxes	--	.01	--	--	--

	September 30, 1995			
	Actual		As Adjusted(3)	
	Amount	%	Amount	%
Capital Structure:			(Unaudited)	
Debt and Capital Lease Obligations	$4,270	50%	$5,886	58%
Junior Subordinated Debt	120	1	176	2
Total Debt and Capital Lease Obligations	4,390	51	6,062	60
Preferred Stock	367	4	311	3
Preferred Stock Subject to Mandatory Redemption	219	3	219	2
Common Equity	3,587	42	3,587	35
Total	$8,563	100%	$10,179	100%

(1) Income before income taxes, interest, other nonoperating items, discontinued operations and cumulative effect of a change in an accounting principle. Certain amounts from prior years have been reclassified to conform with the 1995 method of presentation. These reclassifications had no effect on previously reported consolidated net income.

(2) Discontinued operations represents the Company's interests in NERCO, Inc. and an international communications subsidiary of Pacific Telecom.

(3) Adjusted to give effect to (a) the December 12, 1995 acquisition of Powercor, an electric utility in southeast Australia, which resulted in the issuance of $1,614 million of debt, $911 million of which is long-term debt and the balance of which is short-term, and (b) the issuance of approximately $56 million in aggregate principal amount of 8.55% Junior Subordinated Deferrable Interest Debentures, Series B due 2025 in exchange for 2,233,037 shares of $1.98 No Par Serial Preferred Stock, Series 1992 of PacifiCorp.

RATIOS OF EARNINGS TO FIXED CHARGES

The ratios of earnings to fixed charges of the Company for the years ended December 31, 1990 through 1994 and for the nine months ended September 30, 1995, calculated as required by the Commission, are 2.3x, 2.4x, 1.6x, 2.5x, 3.0x and 2.9x, respectively. Excluding the effect of special

charges, the ratio was 1.9x for the year 1992. For the purpose of computing such ratios, "earnings" represent the aggregate of (a) income from continuing operations, (b) taxes based on income from continuing operations, (c) minority interest in the income of majority-owned subsidiaries that have fixed charges, (d) fixed charges and (e) undistributed income of less than 50% owned affiliates without loan guarantees. "Fixed charges" represent consolidated interest charges, an estimated amount representing the interest factor in rents and preferred stock dividend requirements of majority-owned subsidiaries.

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

PROPOSED FORM OF OPINION OF BOND COUNSEL

[LETTERHEAD OF CHAPMAN AND CUTLER]

[TO BE DATED CLOSING DATE]

Re: $24,400,000 Sweetwater County, Wyoming,
Environmental Improvement Revenue Bonds
(PacifiCorp Project) Series 1995

We hereby certify that we have examined certified copy of the proceedings of record of the Board of County Commissioners of Sweetwater County, Wyoming (the *"Issuer"*), a political subdivision of the State of Wyoming, preliminary to the issuance by the Issuer of its Environmental Improvement Revenue Bonds (PacifiCorp Project) Series 1995, in the aggregate principal amount of $24,400,000 (the *"Bonds"*). The Bonds are being issued pursuant to the provisions of Sections 15-1-701 to 15-1-710, inclusive, Wyoming Statutes (1977), as amended and supplemented (the *"Act"*), for the purpose of (a) financing a portion of the cost of an undivided interest (the *"Project"*) of PacifiCorp, an Oregon corporation (the *"Company"*), in certain solid waste disposal facilities at the Jim Bridger coal-fired steam electric generating plant (the *"Plant"*) in Sweetwater County, Wyoming, (b) refunding a portion of the Issuer's $3,000,000 outstanding Taxable Environmental Improvement Revenue Bonds (PacifiCorp Project) Series 1995-T (the *"1995T Bonds"*) that were issued for the purpose of temporarily financing a portion of the cost of the Project, and (c) refunding the Issuer's $18,600,000 outstanding Environmental Improvement Revenue Bonds (PacifiCorp Project) Series 1990A (the *"1990A Bonds"*) that were issued for the purpose of financing a portion of the cost of the Company's undivided interest (the *"1990A Project"*) in certain pollution control and solid waste disposal facilities at the Plant. A portion of the proceeds of the Bonds, together with other moneys to be provided by the Company, are to be deposited with the trustee for the 1990A Bonds to provide for the payment of the 1990A Bonds and with the trustee for the 1995T Bonds to provide for the payment of the 1995T Bonds. The balance of the proceeds of the Bonds are to be deposited with the trustee for the Bonds to pay certain costs of the Project and a portion of the costs of issuing the Bonds.

The Bonds mature on November 1, 2025, bear interest from time to time computed as set forth in each of the Bonds and are subject to purchase and 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 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 such issue of Bonds under the laws of the State of Wyoming now in force.

Pursuant to a Loan Agreement, dated as of November 1, 1995 (the *"Loan Agreement"*), 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 financing a portion of the cost of the Project and of refunding the 1990A Bonds and the 1995T 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 November 1, 1995 (the *"Indenture"*), 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 determination of the interest rate to be borne by the Bonds from time to time, which interest rate may be a Daily Interest Rate, a Weekly Interest Rate, a Flexible Interest Rate or a Term Interest Rate (each as defined in the Indenture), and for the conversion of the interest rate determination method under certain conditions. The Indenture provides that the Bonds will initially bear interest at a Daily Interest Rate until conversion to a different interest rate determination method. 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.

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 and all moneys and investments held by the Trustee under the Indenture or otherwise available to the Trustee for the payment thereof.

It is our opinion that, subject to compliance by the Company and the Issuer 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, as amended (the *"Code"*), 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 the 1990A Project or any person considered to be related to such person (within the meaning of either Section 103(b)(13) of the 1954 Code or Section 147(a) of the Code); however, such interest on the Bonds is included as an item of tax preference in computing the federal alternative minimum tax for individuals and corporations under the Code. Failure to comply with certain of such covenants could cause the interest on the Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds. Ownership of the Bonds may result in other federal tax consequences to certain taxpayers, and we express no opinion regarding any such collateral consequences arising with respect to the Bonds. In rendering this opinion, we have relied upon certifications of the Company with respect to certain material facts solely within the Company's knowledge relating to the Project, the 1990A Project, the Plant and the application of the proceeds of the Bonds.

In our opinion, under present Wyoming law, the State of Wyoming imposes no income taxes that would be applicable to interest on the Bonds. No opinion is expressed with respect to any other taxes imposed by the State of Wyoming or any political subdivision thereof. Ownership of the Bonds may result in other Wyoming tax consequences to certain taxpayers; we express no opinion regarding any such collateral consequences arising with respect to the Bonds.

We express no opinion as to the title to, the description of, or the existence of any liens, charges or encumbrances on the Project, the 1990A Project or the Plant.

Respectfully submitted,

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APPENDIX D

FORM OF LETTER OF CREDIT

Irrevocable Letter of
Credit No. SB01740

May 17, 2012

The Bank of New York Mellon Trust Company, N.A.
2 North Lasalle Street, Suite 1020
Chicago, Illinois 60602
As Successor Trustee
under the Trust Indenture Referred to below
Attention: Corporate Trust Department

Ladies and Gentlemen:

At the request and for the account of PacifiCorp (the "Company"), we (the "Bank") establish in your favor as successor Trustee under the Trust Indenture dated as of November 1, 1995, between The First National Bank of Chicago, as trustee and Sweetwater County, Wyoming (the "Issuer"), as amended and supplemented by the First Supplemental Trust Indenture dated as of February 1, 2002, between Bank One Trust Company, N.A., as successor trustee and the Issuer (as so amended and supplemented, the "Indenture"), pursuant to which there have been issued U.S. $24,400,000 in aggregate principal amount of the Issuer's Environmental Improvement Revenue Bonds (PacifiCorp Project) Series 1995 (the "Bonds") and currently outstanding in the aggregate principal amount of U.S. $24,400,000, this irrevocable letter of credit (this "Letter of Credit") in the aggregate amount of U.S. $24,801,096 (as from time to time reduced and reinstated as provided in this Letter of Credit, the "Letter of Credit Amount"). This Letter of Credit Amount shall be available for drawing by you as set forth below in amounts (a) not to exceed U.S. $24,400,000 (as from time to time reduced and reinstated as provided in this Letter of Credit, the "Principal Component") with respect to unpaid principal of the Bonds or the portion of the purchase price of the Bonds corresponding to unpaid principal of the Bonds and (b) not to exceed U.S. $401,096 (as from time to time reduced and reinstated as provided in this Letter of Credit, the "Interest Component") with respect to up to 50 days (such number of days being referred to as the "Interest Coverage Period") of accrued interest on the Bonds Outstanding (as defined in the Indenture) or the portion of the purchase price of the Bonds corresponding to accrued interest on the Bonds Outstanding, calculated at the maximum rate of 12% per annum and on the basis of a year of 365 days (such rate being referred to as the "Interest Coverage Rate"). This Letter of Credit is only available to be drawn upon with respect to Bonds bearing interest at a rate other than a term interest rate pursuant to the Indenture. All drawings under this Letter of Credit will be paid with our own funds (in U.S. Dollars in immediately available funds) without any requirement that you, the holders of the Bonds or we make any prior claims against the Company.

This Letter of Credit shall expire at 3:00 p.m. local time in New York, New York, on the date (the "Expiration Date") which is the earliest of: (i) May 17, 2013, or if not a Business Day, the next succeeding Business Day (such date, as it may be extended as provided in the next sentence, the "Scheduled Expiration Date"), (ii) the date of payment of a Final Payment Drawing (as defined below) and (iii) the date when you surrender this Letter of Credit to the Bank for cancellation accompanied by a certificate substantially in the form of Annex J to this Letter of Credit. The Scheduled Expiration Date shall be automatically extended one single time to June 20, 2013 unless at least thirty (30) days prior to the then-current Scheduled Expiration Date, the beneficiary has received written notification from us by courier or certified mail, that we elect not to extend this Letter of Credit for any such additional period. Notwithstanding the foregoing, in no event shall the expiration date be automatically extended beyond June 20, 2013, the "Final Expiration Date". You agree to surrender this Letter of Credit to the Bank, and not to make any Drawing (as defined below), after the earliest to occur of (a) 3:00 p.m. local time in New York, New York, on the Expiration Date, (b) there are no Bonds Outstanding, (c) the first Business Day (as defined below) after the conversion of the interest rate on the Bonds to a term interest rate pursuant to the Indenture and (d) a Substitute Letter of Credit or Alternate Credit Facility (each as defined in the Indenture), as the case may be, has been delivered to you (each, a "Surrender Event").

In addition to the foregoing automatic extension provision, we may extend the Scheduled Expiration Date from time to time at the request of the Company by delivering to you an amendment to this Letter of Credit in the form of Annex I designating the date to which the Scheduled Expiration Date is being extended. Each such extension of the Scheduled 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 Scheduled Expiration Date shall be deemed to be references to the date designated as such in such notice. Any date to which the Scheduled Expiration Date has been extended as herein provided may be extended in a like manner.

Subject to the provisions of this Letter of Credit, demands for payment under this Letter of Credit may be made by you from time to time prior to 3:00 p.m. local time in New York, New York, on the Expiration Date by presentation of your certificate in the form of:

Annex B (an "Interest Certificate") in the case of a drawing for interest on the Bonds due on any day on which the Trustee is entitled, under the Indenture, to make a drawing upon this Letter of Credit for interest only (an "Interest Drawing"),

Annex C (a "Redemption Certificate") in the case of a drawing for principal (but not premium) of, and accrued interest, if any, on the Bonds due under Sections 4.02 or 4.03 (if less than all of the Outstanding Bonds are being redeemed) of the Indenture (a "Redemption Drawing"),

Annex D (a "Liquidity Certificate") in the case of a drawing for the purchase price of Bonds delivered or deemed to be delivered under Sections 3.01 or 3.02 of the Indenture (a "Liquidity Drawing") or

Annex E (a "Final Payment Certificate") in the case of a drawing for principal of, and accrued interest, if any, on the Bonds due under Sections 4.02 or 4.03 (if all of the Outstanding Bonds are being redeemed) of the Indenture or for acceleration of the Bonds under Section 9.02(a) of the Indenture (a "Final Payment Drawing"),

together in each case with your drafts in the form of Annex A drawn on Barclays Bank PLC, New York Branch, 200 Park Avenue, New York, New York 10166, Attention: Dawn Townsend/Letter of Credit Department, Telephone Number (201) 499-2081, Facsimile Number (212) 412-5011 (or at such other address in New York, New York, as the Bank may designate in a written notice delivered to you) prior to 3:00 p.m. New York time on any Business Day (each such demand and presentation, a "Drawing"). Payment against strictly conforming documents presented under this Letter of Credit shall be made by the Bank on or before 1:00 p.m. New York time on the next Business Day after presentation; provided, however, that, in the case of a Liquidity Drawing, payment against conforming documents presented under this Letter of Credit shall be made by the Bank at or before 2:30 p.m. New York time on any Business Day on which the Bank shall have been presented with strictly conforming documents by 11:00 a.m. New York time on such day. "Business Day" means a day on which banks located in the city in which the Principal Office of the Bank (as defined below) 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 or are not closed and on which The New York Stock Exchange and the principal office of the remarketing agent for the Bonds are not closed. For purposes of the Indenture, the "Principal Office of the Bank" shall mean the office located at the address specified in this paragraph.

Each Drawing honored by the Bank under this Letter of Credit shall immediately reduce the Principal Component and/or the Interest Component, as the case may be, by the amount of such payment, and the Letter of Credit Amount shall also be correspondingly reduced. In addition, in the case of a Redemption Drawing, Liquidity Drawing or Final Payment Drawing, the Interest Component of the Letter of Credit shall further be reduced so that the total reduction of the Interest Component (as set forth on the applicable certificate for such Drawing) equals an amount that would accrue on the principal portion of the amount being drawn in such Redemption Drawing, Liquidity Drawing or Final Payment Drawing during the Interest Coverage Period at an interest rate equal to the Interest Coverage Rate, calculated on the basis of a year of 365 days. Upon such honor, our obligations in respect of such Drawing shall be discharged, and we shall have no further obligation in respect of such Drawing. The Principal Component and the Interest Component (and correspondingly the Letter of Credit Amount) so reduced shall be reinstated as follows:

(a) in the case of a reduction resulting from payment against an Interest Drawing, the Interest Component shall be reinstated automatically as of the Bank's close of business in New York, New York, on the 9th Business Day following the date of such payment to an amount equal to interest on the Outstanding Bonds (other than Bonds purchased from time to time with moneys drawn under this Letter of Credit for the purchase or redemption of Bonds delivered or deemed to be delivered to the Remarketing Agent or the Trustee pursuant to Sections 3.01 or 3.02 of the Indenture ("Pledged Bonds"), whether or not constituting "Pledged Bonds" within the meaning of the Indenture, or any Bonds registered in the name of the Company), for the Interest Coverage Period calculated at the Interest Coverage Rate on the basis of a year of 365 days, unless you shall have received notice from the Bank as contemplated by Section 9.01(g) of the Indenture; and

(b) in the case of a reduction resulting from payment against a Liquidity Drawing, the Principal Component and, if applicable, the Interest Component shall be reinstated

automatically as and to the extent that the Bank shall have received from you notice of the reimbursement of such payment in immediately available funds pursuant to your certificate in the form of Annex F (a "Reimbursement Certificate"); in such case, the Principal Component shall be reinstated in an amount equal to the portion of such payment attributable to reimbursement of the portion of such Liquidity Drawing representing principal of the Bonds and the Interest Component shall be reinstated to an amount equal to interest for the Interest Coverage Period on the Outstanding Bonds (other than Pledged Bonds or Bonds registered in the name of the Company) calculated at the Interest Coverage Rate based on a year of 365 days, as set forth in such certificate;

provided, however, that in no event shall any reinstatement of the Principal Component or Interest Component result in the Principal Component or Interest Component being in excess of the amount thereof as in effect immediately prior to the applicable Interest Drawing or Liquidity Drawing.

The Letter of Credit Amount shall be permanently reduced upon the Bank's receipt of your certificate in the form of Annex G (a "Reduction Certificate") by the amount stated in such certificate and no portion of the amount of any such reduction shall be reinstated.

Partial drawings are permitted under this Letter of Credit. The failure to make a drawing for any payment of principal of, or interest on, the Bonds required by the Indenture shall not, in and of itself, result in this Letter of Credit ceasing to be available for future such Drawings.

This Letter of Credit shall not be available to be drawn upon for payments of principal or purchase price of any Pledged Bonds or Bonds registered in the name of the Company, or for interest on any Bonds which as of the Record Date (as defined in the Indenture) for the relevant Interest Period (as defined in the Indenture), in the case of an Interest Drawing, or as of the date (other than an Interest Payment Date) fixed for the redemption of such Bonds pursuant to Section 4.02 or 4.03 of the Indenture were Pledged Bonds or were registered in the name of the Company.

All documents presented to the Bank in connection with any Drawing, and all other communications and notices to the Bank with respect to this Letter of Credit, shall be in writing, dated the date of presentation, and delivered to the Bank at the address set forth in the fourth paragraph of this Letter of Credit and shall specifically refer to the Bank by name and to this Letter of Credit by the irrevocable letter of credit number set forth in the first page of this Letter of Credit. Any such documents, communications and notices may be made by facsimile confirmed immediately by telephone, together with a statement that the originals of such documents, communications and notices shall immediately be mailed or delivered to the Bank.

No person other than you as Trustee or a successor Trustee under the Indenture may make any demand for payment under this Letter of Credit. Anything to the contrary in Article 38 of the Uniform Customs (as defined below) notwithstanding, this Letter of Credit is transferable in its entirety only to any transferee who has succeeded you as Trustee under the Indenture and may be successively transferred to any subsequent successor Trustee, in each case upon presentation to the Bank of the original of this Letter of Credit accompanied by a certificate in the form of Annex H (a "Transfer Certificate").

This Letter of Credit sets forth in full the Bank's undertaking and such undertaking shall not in any way be modified, amended, amplified or limited by any document, instrument or agreement (including, without limitation, the Indenture and the Bonds, but excluding the Uniform Customs and the annexes attached hereto) referred to in this Letter of Credit or in any certificate presented by you under this Letter of Credit.

This Letter of Credit is subject to the Uniform Customs and Practice for Documentary Credits, 2007 Revision, International Chamber of Commerce Publication No. 600 (the "Uniform Customs"), which is incorporated in this Letter of Credit, except for Article 31 thereof. Furthermore, as provided in Article 36 of the Uniform Customs, we assume no liability or responsibility for consequences arising out of the interruption of our business by Acts of God, riots, civil commotions, insurrections, wars or any other causes beyond our control, or strikes or lockouts. For purposes of Article 6(a) of the Uniform Customs, the place of presentation for payment, acceptance and negotiation shall be the Bank's office set forth above. As to matters not covered by the Uniform Customs, this Letter of Credit shall be governed by the internal laws of the State of New York without giving effect to its conflicts of laws principles.

WE, AND BY MAKING A PRESENTATION OF DOCUMENTS FOR A DRAWING UNDER THIS LETTER OF CREDIT, YOU, HEREBY WAIVE OUR AND YOUR RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION ARISING UNDER OR RELATED TO THIS LETTER OF CREDIT, AND ACKNOWLEDGE THAT THIS WAIVER IS A MATERIAL INDUCEMENT TO OUR ISSUANCE AND YOUR ACCEPTANCE OF THIS LETTER OF CREDIT THAT EACH OF WE AND YOU HAS RELIED ON THE WAIVER IN ISSUING AND ACCEPTING THIS LETTER OF CREDIT AND THAT EACH OF WE AND YOU WILL CONTINUE TO RELY ON THE WAIVER IN THEIR RELATED FUTURE DEALINGS.

EACH OF WE, AND BY MAKING A PRESENTATION OF DOCUMENTS FOR A DRAWING UNDER THIS LETTER OF CREDIT, YOU, HEREBY CONSENTS TO THE JURISDICTION OF ANY STATE OR FEDERAL COURT LOCATED WITHIN THE COUNTY OF NEW YORK, STATE OF NEW YORK IN ANY ACTION OR PROCEEDING ARISING UNDER OR RELATED TO THIS LETTER OF CREDIT AND IRREVOCABLY AGREES THAT, ALL ACTIONS OR PROCEEDINGS ARISING OUT OF OR RELATING TO THIS LETTER OF CREDIT SHALL BE LITIGATED IN SUCH COURTS. EACH OF WE, AND BY MAKING A PRESENTATION OF DOCUMENTS FOR A DRAWING UNDER THIS LETTER OF CREDIT, YOU, EXPRESSLY SUBMITS AND CONSENTS TO THE JURISDICTION OF THE AFORESAID COURTS AND WAIVES ANY DEFENSE OF FORUM NON CONVENIENS.

Very truly yours,

BARCLAYS BANK PLC,
NEW YORK BRANCH

By:_____
(Authorized Signatory)

ANNEX A

FORM OF DRAFT

[Date]

Pay to the order of _____ the amount of _____ drawn on Barclays Bank PLC, New York Branch, as issuer of its Irrevocable Letter of Credit No. SB01740 dated May 17, 2012.

[The executed original of this draft will be mailed or delivered to you immediately.]*

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

By:_____
Title: _____

* To be inserted if certificate is being sent by facsimile

ANNEX B

INTEREST CERTIFICATE

The undersigned Trustee (the "Trustee") certifies as follows to Barclays Bank PLC, New York Branch as issuer of the referenced letter of credit (the "Letter of Credit"):

1. All terms defined in the Letter of Credit are used in this certificate with the same meanings.

2. The Trustee is the Trustee under the Indenture and is entitled to present this certificate. No Surrender Event has occurred.

3. Pursuant to Section 6.04(a) of the Indenture the Trustee has concurrently presented its draft drawn on you in the amount of U.S. $_____. The amount of such draft represents accrued interest on the Bonds due on an Interest Payment Date under Section 6.04(a) of the Indenture for _____ days. Such amount does not include any amount in respect of Bonds which as of the Record Date (as defined in the Indenture) for such Interest Payment Date were Pledged Bonds or Bonds registered in the name of the Company, was computed in accordance with the terms and conditions of the Indenture and does not exceed the amount available to be drawn under the Letter of Credit in respect of interest on the Bonds.

4. The Trustee shall apply the proceeds of this Drawing in accordance with the terms of the Indenture.

5. The Trustee shall not apply the proceeds of this Drawing in any way except as provided in the Indenture.

6. The Trustee shall not commingle the proceeds of this Drawing with any other funds held by the Trustee other than the proceeds of any other Drawings.

7. Payment of the accompanying draft should be made by wire transfer to our account no. _____ at _____, ABA No. _____.

8. The amount of the draft accompanying this certificate, together with each other draft which, as of the date hereof, has not been honored (or rejected), does not exceed the Letter of Credit Amount as in effect on the date hereof or the Interest Component as in effect on the date hereof.

[The executed original of this certificate will be mailed or delivered to you immediately.]*

Dated: _____

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.

By: _____

Title: _____

* To be inserted if certificate is being sent by facsimile.

ANNEX C

REDEMPTION CERTIFICATE

The undersigned Trustee (the "Trustee") certifies as follows to Barclays Bank PLC, New York Branch, as issuer of the referenced letter of credit (the "Letter of Credit"):

1. All terms defined in the Letter of Credit are used in this certificate with the same meanings.

2. The Trustee is the Trustee under the Indenture and is entitled to present this certificate. No Surrender Event has occurred.

3. Pursuant to Section 6.04(a) of the Indenture, the Trustee has concurrently presented its draft drawn on you in the amount of U.S. $_____. The amount of such draft represents payments of principal (but not premium) in the amount of U.S. $_____ (the "Principal Portion"), which will be due with respect to the Bonds on _____ under Section 4.02 or 4.03 (if less than all of the Outstanding Bonds are being redeemed) of the Indenture, plus accrued interest, if any, in the amount of U.S. $_____ (the "Interest Portion"), which will be due with respect to such Bonds on such date under such Sections. Such amount does not exceed the amount of principal of, and interest, if any, which will be due on the Bonds (other than Pledged Bonds or Bonds registered in the name of the Company) on such date under such Sections in accordance with the terms and conditions of the Indenture and does not exceed the amount available to be drawn under the Letter of Credit in respect of principal of, and accrued interest on, the Bonds.

4. The Trustee acknowledges that the Principal Component of the Letter of Credit shall be reduced by an amount equal to the Principal Portion and the Interest Component of the Letter of Credit shall be reduced by an amount equal to the sum of (a) the Interest Portion, plus (b) U.S. $_____, which is equal to the amount of interest that would accrue on the Principal Portion during the Interest Coverage Period at an interest rate equal to the Interest Coverage Rate calculated on the basis of a year of 365 days.

5. The Trustee shall apply the proceeds of this Drawing in accordance with the terms of the Indenture.

6. The Trustee shall not apply the proceeds of this Drawing in any way except as provided in the Indenture.

7. The Trustee shall not commingle the proceeds of this Drawing with any other funds held by the Trustee other than the proceeds of any other Drawings.

8. Payment of the accompanying draft should be made by wire transfer to our account no. _____ at _____, ABA No. _____.

9. The amount of the draft accompanying this certificate, together with each other draft which, as of the date hereof, has not been honored (or rejected), does not exceed (i) in total, the Letter of Credit Amount as in effect on the date hereof, (ii) as to the Principal Portion, the Principal Component as in effect on the date hereof, or (iii) as to the Interest Portion, the Interest Component as in effect on the date hereof.

[The executed original of this certificate will be mailed or delivered to you immediately.]*

Dated: _____

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A.

By: _____
Title: _____

* To be inserted if certificate is being sent by facsimile.

ANNEX D

LIQUIDITY CERTIFICATE

The undersigned Trustee (the "Trustee") certifies as follows to Barclays Bank PLC, New York Branch, as issuer of the referenced letter of credit (the "Letter of Credit"):

1. All terms defined in the Letter of Credit are used in this certificate with the same meanings.

2. The Trustee is the Trustee under the Indenture and is entitled to present this certificate. No Surrender Event has occurred.

3. Pursuant to Section 6.04(a) of the Indenture, the Trustee has concurrently presented herewith its draft drawn on you in the amount of U.S. $_____. The amount of such draft represents the principal portion in the amount of U.S. $_____ (the "Principal Portion") and the accrued interest portion in the amount of U.S. $_____ (the "Interest Portion") of the purchase price of Bonds delivered or deemed to be delivered to the Remarketing Agent (as defined in the Indenture) or the Trustee pursuant to Section 3.01 or 3.02 of the Indenture, less the proceeds of the sale of such Bonds by the Remarketing Agent pursuant to Section 3.04 of the Indenture. Such amount does not include any amount in respect of Pledged Bonds or any Bonds registered in the name of the Company, was computed in accordance with the terms and conditions of the Indenture (including, without limitation, Sections 3.03 thereof) and does not exceed the amount available to be drawn under the Letter of Credit in respect of principal of, and interest on, the Bonds.

4. The Trustee shall apply the proceeds of this Drawing in accordance with the terms of the Indenture.

5. The Trustee shall not apply the proceeds of this Drawing in any way except as provided in the Indenture.

6. The Trustee shall not commingle the proceeds of this Drawing with any other funds held by the Trustee other than the proceeds of any other Drawings.

7. The Trustee acknowledges that the Principal Component of the Letter of Credit shall be reduced by an amount equal to the Principal Portion and the Interest Component of the Letter of Credit shall be reduced by an amount equal to the sum of (a) the Interest Portion, plus (b) U.S. $_____, which is equal to the amount of interest that would accrue on the Principal Portion during the Interest Coverage Period at

an interest rate equal to the Interest Coverage Rate calculated on the basis of a year of 365 days.

8. The amount of the draft accompanying this certificate, together with each other draft which, as of the date hereof, has not been honored (or rejected), does not exceed (i) in total, the Letter of Credit Amount as in effect on the date hereof, (ii) as to the Principal Portion, the Principal Component as in effect on the date hereof, or (iii) as to the Interest Portion, the Interest Component as in effect on the date hereof.

9. Payment of the accompanying draft should be made by wire transfer to our account no. _____ at _____, ABA No. _____.

10. Upon payment of this Drawing, the Trustee shall deliver Bonds in the principal amount of the Bonds being purchased with this Drawing to the Bank or at the direction of the Bank pursuant to the Pledge Agreement, dated as of May 17, 2012, between the Company and the Bank.

[The executed original of this certificate will be mailed or delivered to you immediately.]*

Dated: _____

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A.

By:_____
Title: _____

* To be inserted if certificate is being sent by facsimile.

ANNEX E

FINAL PAYMENT CERTIFICATE

The undersigned Trustee (the "Trustee") certifies as follows to Barclays Bank PLC, New York Branch, as issuer of the referenced letter of credit (the "Letter of Credit"):

1. All terms defined in the Letter of Credit are used in this certificate with the same meanings.

2. The Trustee is the Trustee under the Indenture and is entitled to present this certificate. No Surrender Event has occurred.

3. Pursuant to Section 6.04(a) of the Indenture, the Trustee has concurrently presented its draft drawn on you in the amount of U.S. $_____. The amount of such draft represents unpaid principal in the amount of U.S. $_____ (the "Principal Portion") and _____ days' accrued interest in the amount of U.S. $_____ (the "Interest Portion"), which will be due upon redemption under Section 4.02 or 4.03 (if all Outstanding Bonds are being redeemed) of the Indenture or which is now or which will be due upon acceleration of the Bonds under Section 9.02(a) of the Indenture. Such amount does not include any amount in respect of Pledged Bonds or any Bonds registered in the name of the Company, was computed in accordance with the terms and conditions of the Indenture and does not exceed the amount available to be drawn under the Letter of Credit in respect of principal of, and interest on, the Bonds.

4. The Trustee shall apply the proceeds of this Drawing in accordance with the terms of the Indenture.

5. The Trustee shall not apply the proceeds of this Drawing in any way except as provided in the Indenture.

6. The Trustee shall not commingle the proceeds of this Drawing with any other funds held by the Trustee other than the proceeds of any other Drawings.

7. We hereby surrender the attached original Letter of Credit to you.

8. Payment of the accompanying draft should be made by wire transfer to our account no. _____ at _____, ABA No. _____.

9. The amount of the draft accompanying this certificate, together with each other draft which, as of the date hereof, has not been honored (or rejected), does not

exceed (i) in total, the Letter of Credit Amount as in effect on the date hereof, (ii) as to the Principal Portion, the Principal Component as in effect on the date hereof, or (iii) as to the Interest Portion, the Interest Component as in effect on the date hereof.

[The executed original of this certificate will be mailed or delivered to you immediately.]*

Dated: _____

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A.

By: _____
Title: _____

* To be inserted if certificate is being sent by facsimile.

ANNEX F

REIMBURSEMENT CERTIFICATE

The undersigned Trustee (the "Trustee") certifies as follows to Barclays Bank PLC, New York Branch, as issuer of the referenced letter of credit (the "Letter of Credit'):

1. All terms defined in the Letter of Credit are used in this certificate with the same meanings.

2. The Trustee is the Trustee under the Indenture and is entitled to present this certificate. No Surrender Event has occurred.

3. The Trustee has today at the request and on behalf of the Company paid to you by wire transfer of immediately available funds the amount of U.S. $_____ relating to reimbursement to you of U.S. $_____ of unpaid principal (the "Principal Portion") and U.S. $_____ of accrued interest (the "Interest Portion") on the Bonds in connection with the Drawing(s) honored pursuant to the Trustee's draft(s) dated _____ in the aggregate amount of U.S. $_____.

4. The Principal Component of the Letter of Credit shall be reinstated by an amount equal to the Principal Portion and the Interest Component of the Letter of Credit shall be reinstated to an amount equal to the amount of interest that would accrue on the Outstanding Bonds (as such term is defined in the Indenture), other than Pledged Bonds, during the Interest Coverage Period at an interest rate equal to the Interest Coverage Rate calculated on the basis of a year of 365 days; provided, however, that in no event shall any reinstatement of the Principal Component or Interest Component result in the Principal Component or Interest Component being in excess of the amount thereof as in effect immediately prior to the applicable Interest Drawing or Liquidity Drawing.

5. The Trustee requests confirmation from you by facsimile of your receipt of this Reimbursement Certificate to the Trustees facsimile number ( ) ___-_____.

[The executed original of this certificate will be mailed or delivered to you immediately.]*

Dated: _____

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A.

By: _____
Title: _____

* To be inserted if certificate is being sent by facsimile.

ANNEX G

REDUCTION CERTIFICATE

The undersigned Trustee (the "Trustee") certifies as follows to Barclays Bank PLC, New York Branch (the "Bank"), as issuer of the referenced letter of credit (the "Letter of Credit"):

1. All terms defined in the Letter of Credit are used in this certificate with the same meanings.

2. The Trustee is the Trustee under the Indenture and is entitled to present this certificate. No Surrender Event has occurred.

3. The Trustee notifies you that on or prior to the date of this certificate Bonds (as to which no prior Reduction Certificate has been delivered to you) in a principal amount of U.S. $_____ became no longer Outstanding pursuant to the Indenture. The amount of the Letter of Credit has not been previously reduced on account of such reduction of the principal amount of Bonds Outstanding.

4. The Trustee acknowledges that the Letter of Credit Amount shall be reduced in accordance with the terms of the Letter of Credit in the amount of U.S. $_____ representing a reduction in the Principal Component equal to the sum of the aggregate principal amount of Bonds referred to in the preceding paragraph and a reduction in the Interest Component equal to an amount of interest for the Interest Coverage Period on such principal calculated at the Interest Coverage Rate based on a year of 365 days (U.S. $_____). No amount so reduced shall be reinstated.

[The executed original of this certificate will be mailed or delivered to you immediately.]*

Dated: _____

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A.

By:_____
Title: _____

* To be inserted if certificate is being sent by facsimile.

Barclays Bank PLC, New York Branch
Irrevocable Letter of Credit
No. SB01740

ANNEX H

INSTRUCTION TO TRANSFER

The undersigned beneficiary of the above-referenced letter of credit (the "Letter of Credit"), irrevocably instructs Barclays Bank PLC, New York Branch as issuer of the Letter of Credit, as follows:

1. For value received, the undersigned beneficiary irrevocably transfers to:

[Name of Transferee]
[Address]

all rights of the undersigned beneficiary under the Letter of Credit. The transferee has succeeded the undersigned as Trustee under the Indenture (as defined in the Letter of Credit).

2. By this transfer, all rights of the undersigned beneficiary in the Letter of Credit are transferred to the transferee, and the transferee shall from the date of this Instruction have the sole rights as beneficiary of the Letter of Credit; provided, however, that no rights shall be deemed to have been transferred to the transferee until such transfer complies with the requirements of the Letter of Credit pertaining to transfers. The undersigned transferor confirms that the transferor no longer has any rights under or interest in the Letter of Credit. All amendments are to be advised directly to the transferee without the necessity of any consent of or notice to the undersigned transferor.

3. The original Letter of Credit is returned with this Instruction and in accordance with the Letter of Credit the undersigned asks that this transfer be effective and that you transfer the same to the transferee or that, if so requested by the transferee, you issue a new irrevocable letter of credit in favor of the transferee with provisions consistent with the Letter of Credit.

[The executed original of this certificate will be mailed or delivered to you immediately.]*

Dated: _____

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A.

By: _____
Title: _____

* To be inserted if certificate is being sent by facsimile.

Acknowledged:

[NAME OF TRANSFEREE], as transferee

By: _____
Title: _____

Barclays Bank PLC, New York Branch
Irrevocable Letter of Credit
No. SB01740

ANNEX I

EXTENSION CERTIFICATE

_____, 20___

Ladies and Gentlemen:

Reference is made to Irrevocable Letter of Credit No. SB01740 (the "Letter of Credit", the terms defined therein and not otherwise defined herein being used herein as therein defined) issued by Barclays Bank PLC, New York Branch in your favor as beneficiary. We hereby extend the Scheduled Expiration Date of the Letter of Credit to _____, 20__.

Other than as set forth above, all rights of the beneficiary to draw under the Letter of Credit shall remain as set forth in the Letter of Credit.

This certificate forms an integral part of the original Letter of Credit and must be attached thereto.

Very truly yours,

BARCLAYS BANK PLC,
NEW YORK BRANCH

By:_____
(Authorized Signatory)

Acknowledged:

THE BANK OF NEW YORK
MELLON TRUST COMPANY,
N.A.

By:_____
Title:_____

ANNEX J

SURRENDER CERTIFICATE

The undersigned Trustee (the "Trustee") certifies as follows to Barclays Bank PLC, New York Branch, as issuer of the referenced letter of credit (the "Letter of Credit"):

1. All terms defined in the Letter of Credit are used in this certificate with the same meanings.

2. The Trustee is the Trustee under the Indenture and is entitled to present this certificate.

3. We hereby surrender the attached original Letter of Credit to you.

4. The Letter of Credit is hereby surrendered in accordance with its terms by virtue of the following (check one):

[ ] (a) 3:00 p.m. local time in New York, New York, on the Expiration Date;

[ ] (b) there are no Bonds Outstanding (as defined in the Indenture);

[ ] (c) the first Business Day (as defined below) after the conversion of the interest rate on the Bonds to a term interest rate pursuant to the Indenture; or

[ ] (d) a Substitute Letter of Credit or Alternate Credit Facility (each as defined in the Indenture), as the case may be, has been delivered to you.

5. No payment is demanded of you in connection with this surrender of the Letter of Credit.

[The executed original of this certificate will be mailed or delivered to you immediately.]*

Dated: _____

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A.

By: _____
Title: _____

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APPENDIX E

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

Sweetwater County, Wyoming
County Courthouse
80 West Flaming Gorge Way
Green River, Wyoming 82935

Barclays Bank PLC, New York Branch
200 Park Avenue
New York, New York 10166

Re: $24,400,000
Sweetwater County, Wyoming
Environmental Improvement Revenue Bonds
(PacifiCorp Project) Series 1995 (the *"Bonds"*)

Ladies and Gentlemen:

This opinion is being furnished in accordance with Section 4.08(b) of that certain Loan Agreement, dated as of November 1, 1995, as amended (the *"Loan Agreement"*), between Sweetwater County, Wyoming (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 Barclays Bank PLC, New York Branch (the *"Prior Letter of Credit"*). On the date hereof, the Company desires to deliver a Letter of Credit (the *"Letter of Credit"*) to be issued by Barclays Bank PLC, New York Branch (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 November 1, 1995, as amended and supplemented (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 will not impair 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 (a) the execution and delivery of the First Supplemental Trust Indenture, dated as of February 1, 2002, and the First Supplemental Loan Agreement, dated as of February 1, 2002, described in our opinion dated February 20, 2002, (b) the delivery of an Irrevocable Letter of Credit, described in our opinion dated as of February 20, 2002, (c) the delivery of the Prior Letter of Credit, described in our opinion dated September 15, 2004, (d) the delivery of the amendment to the Prior Letter of Credit, described in our opinion dated November 30, 2005 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,

RATINGS: SEE "RATINGS" HEREIN.

REOFFERING-NOT A NEW ISSUE

SUPPLEMENT, DATED MAY 14, 2012
TO OFFICIAL STATEMENT, DATED JULY 24, 1990

The opinion of Chapman and Cutler delivered on July 25, 1990, stated that, subject to compliance by the Company and the Issuer with certain covenants, under then existing law (a) 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 Facilities 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 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 such interest will be exempt from certain Wyoming taxes. 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 Replacement Letter of Credit, the delivery of the Replacement 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.

$70,000,000*
SWEETWATER COUNTY, WYOMING
POLLUTION CONTROL REVENUE REFUNDING BONDS
(PacifiCorp Project)
Series 1990A

PURCHASE DATE: May 16, 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 the Loan Agreement between the Issuer and

PACIFICORP

Effective on May 16, 2012, the Bonds will be supported by an irrevocable direct-pay Letter of Credit (the *"Replacement Letter of Credit"*) issued, with respect to the Bonds by the New York Branch of

BARCLAYS BANK PLC

Under the Replacement Letter of Credit, which expires May 16, 2013, subject to a one time automatic extension to June 20, 2013, unless earlier terminated or extended, the Trustee will be entitled to draw up to (a) an amount sufficient to pay (i) the outstanding unpaid principal amount of the Bonds or (ii) the portion of the purchase price of the Bonds corresponding to such outstanding unpaid principal amount and (b) an amount sufficient to pay (i) up to 65 days' accrued interest on the Bonds calculated at the maximum rate of 12% per annum and on the basis of a year of 365 days, or (ii) the portion of the purchase of the Bonds corresponding to such accrued interest. The Replacement Letter of Credit will only be available to be drawn while the Bonds bear interest at a rate other than a Term Interest Rate (as defined in the Indenture).

The Bonds are issuable as fully registered Bonds without coupons, initially in the denomination of $100,000 and integral multiples of $100,000 in excess thereof. Interest on the Bonds while the Bonds bear interest at a Weekly Rate will be payable monthly on each Interest Payment Date. As of the date hereof, the Bonds bear interest at a Weekly 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 Barclays Bank PLC, 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%

CITIGROUP
Remarketing Agent

* The Bonds were issued in the aggregate principal amount of $70,000,000, all of which remain outstanding. This Supplement relates to the remarketing, in a secondary market transaction, of $53,900,000 of the Bonds delivered for mandatory purchase by the owners thereof for purchase on May 16, 2012. Owners of the remaining $16,100,000 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 of the Bonds, and, if given or made, such information or representations must not be relied upon as having been authorized by the Issuer, PacifiCorp, Barclays Bank PLC, New York Branch (*"Barclays"*), or Citigroup Global Markets Inc., as 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, Barclays 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 Barclays, as to the accuracy, completeness or adequacy of the information contained in this Supplement to Official Statement, except with respect to APPENDIX B hereto. 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.

The Remarketing Agent has provided the following sentence for inclusion in this Supplement to Official Statement. The Remarketing Agent has reviewed the information in the Supplement to Official Statement in accordance with, and as part of, their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of the transaction, but the Remarketing Agent does not guarantee the accuracy or completeness of such information.

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SUPPLEMENT TO OFFICIAL STATEMENT

$70,000,000
SWEETWATER COUNTY, WYOMING
POLLUTION CONTROL REVENUE REFUNDING BONDS
(PacifiCorp Project)
Series 1990A

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 JULY 24, 1990, 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 (the *"Supplement"*) is provided to furnish certain information with respect to the Pollution Control Revenue Refunding Bonds (PacifiCorp Project), Series 1990A (the *"Bonds"*), of Sweetwater County, Wyoming (the *"Issuer")*, currently outstanding in the aggregate principal amount of $70,000,000.

The Bonds were issued pursuant to a Trust Indenture, dated as of July 1, 1990 (the *"Indenture"*), between the Issuer and The Bank of New York Mellon Trust Company, N.A. (as successor in interest to The First National Bank of Chicago), as successor trustee (the *"Trustee"*), and under resolutions of the governing body of the Issuer. The proceeds from the sale of the Bonds were loaned to PacifiCorp (the *"Company"*) pursuant to the terms of a Loan Agreement for the Bonds, dated as of July 1, 1990 (the *"Agreement"*) and used, together with certain other moneys of the Company, for the purposes set forth in the 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 Barclays Bank PLC, New York Branch (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 Barclays Bank PLC, a bank organized under the laws of England, acting through its New York Branch (the *"Bank"* or *"Barclays"*). The Letter of Credit will be delivered to the Trustee on May 16, 2012 (the *"Effective Date"*) and, after such date, the Bonds will not have the benefit of the Prior Letter of Credit. With respect to the Bonds, the Trustee will be entitled to draw under the Letter of Credit up to (a) an amount sufficient to pay (i) the outstanding unpaid principal amount of the Bonds or (ii) the portion of the purchase price of the Bonds corresponding to such outstanding unpaid principal amount, plus (b) an amount sufficient to pay (i) up to 65 days' accrued interest on the Bonds (calculated at the maximum rate of 12% per annum and on the basis of a year of 365 days) or (ii) the portion of the purchase price of the Bonds corresponding to such accrued interest. The Letter of Credit will only be available to be drawn while the Bonds bear interest at a rate other than a Term Interest Rate (as defined in the Indenture).

After the date of delivery of the Letter of Credit, the Company is permitted under the Agreement and the Indenture to provide a substitute letter of credit (the *"Substitute Letter of Credit"*), which is issued by the same Bank that issued the then existing Letter of Credit and which is identical to such Letter of Credit except for (i) an increase or decrease in the Interest Coverage Rate (as defined in the Agreement), (ii) an increase or decrease in the Interest Coverage Period (as defined in the Agreement) 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 Agreement and Indenture 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. See "THE LETTER OF CREDIT" and the Official Statement under the caption "THE BONDS — Purchase of Bonds."

Prior to the delivery of the Letter of Credit, the Bonds were bearing interest at a Weekly Interest Rate. Following the delivery of the Letter of Credit, the Bonds will continue to bear interest at a Weekly Rate; subject to the right of the Company to cause the interest rate on the Bonds to be converted to other interest rate determination methods as described in the Official Statement.

Brief descriptions of the Bank and summaries of certain provisions of the Reimbursement Agreement (as defined below) are included in this Supplement, including the Appendices hereto, which includes, as APPENDIX C, the Original Official Statement. Information regarding the business, properties and financial condition of the Company is included in and incorporated by reference in APPENDIX A attached hereto. A brief description of Barclays Bank PLC is included in APPENDIX B attached hereto. The descriptions herein, including in APPENDIX C, of the Indenture, the Loan Agreement, the Letter of Credit and the Reimbursement Agreement are qualified in their entirety by reference to such 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 letter of credit described in the original Official Statement is no longer in effect and the information contained in the original Official Statement with respect thereto should be disregarded.

THE LETTER OF CREDIT

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

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 sufficient to pay (i) the outstanding unpaid principal amount of the Bonds or (ii) the portion of the purchase price of the Bonds corresponding to such outstanding unpaid principal amount, plus (b) an amount sufficient to pay (i) up to 65 days' accrued interest on the Bonds (calculated at the maximum rate of 12% per annum and on the basis of a year of 365 days) or (ii) the portion of the purchase price of the Bonds corresponding to such accrued interest. The Letter of Credit will only be available to be drawn while the Bonds bear interest at a rate other than a Term Interest Rate. The Letter of Credit will be substantially in the form attached hereto as APPENDIX D.

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 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 only 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 after such drawing unless the Bank shall have notified the Trustee within nine Business Days after such drawing of an Event of Default, as defined in that certain Reimbursement Agreement dated May 16, 2012 (the *"Reimbursement Agreement"*), between the Company and Barclays, pursuant to which the Letter of Credit will be issued.

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 65 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 on the earliest of: (i) May 16, 2013 (such date, as it may be extended as provided in the next sentence, the *"Scheduled Expiration Date"*), (ii) the date of a final drawing under the Letter of Credit and (iii) the date the Trustee surrenders the Letter of Credit to the Bank for cancellation. The Scheduled Expiration Date shall be automatically extended one single time to June 20, 2013 unless at least 30 days prior to the Scheduled Expiration Date, the Company has received written notification from the Bank that the Bank has elected not to extend the Letter of Credit for such additional period. The Trustee agrees to surrender the Letter of Credit to the Bank, and not to make any drawing, after the earliest to occur of (i) 3:00 p.m. local time in New York, New York, 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 Term Interest Rate, or (iv) a Substitute Letter of Credit or Alternate Credit Facility, as the case may be, has been delivered to the Trustee.

Additional provisions relating to the Letter of Credit, Substitute Letter of Credit and Alternate Credit Facility are described in the Official Statement under the caption "THE LETTER OF CREDIT."

CREDIT AGREEMENT

General. The Company is party to the Credit Agreement. In addition, the Company has executed and delivered the Reimbursement Agreement requesting that Barclays issue an irrevocable direct pay 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 Barclays; 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 Barclays 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 Barclays 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 Supplement 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

Citigroup Global Markets 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 Supplement. 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 Account. 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 account. The Remarketing Agent is permitted, but not obligated, to purchase tendered Bonds for its own account 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.

TAX EXEMPTION

The opinion of Chapman and Cutler delivered on July 25, 1990, stated that, subject to compliance by the Company and the Issuer 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, as amended, 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 (because the Refunded 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. As indicated in such opinion, 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 (*"Bond Counsel"*) has made no independent investigation to confirm that such covenants have been complied with.

Bond Counsel will deliver an opinion in connection with delivery of the Letter of Credit to the effect that the delivery of the Letter of Credit (i) is authorized under and complies with the terms of the Agreement 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, Bond Counsel has not reviewed any factual or legal matters relating to its opinion dated July 25, 1990 subsequent to its issuance other than with respect to the Company in connection with (a) the delivery of an Irrevocable Letter of Credit, described in its opinion dated as of July 19, 2000, (b) delivery of the Prior Letter of Credit, described in its opinion dated September 15, 2004, (c) delivery of the amendment to the Prior Letter of Credit, described in its opinion dated November 30, 2005 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.

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.

RATINGS

Based upon the issuance of the Letter of Credit by Barclays, it is expected that Moody's Investors Service (*"Moody's"*) will assign municipal bond ratings of "Aa3/VMIG 1" to the Bonds (Moody's is referred to herein as the *"Rating Agency"*). These ratings reflect only the views of the Rating Agency. An explanation of the significance of such ratings may be obtained only from the Rating Agency. There is no assurance that such ratings will continue for any period of time or that they will not be revised downward or withdrawn entirely by the Rating Agency, if, in its judgment, circumstances so warrant. None of the Issuer, the Company, or the Remarketing Agent has undertaken any responsibility either to bring to the attention of the owners of the Bonds any proposed revision in, or withdrawal of, the ratings or to oppose any such proposed revision or withdrawal. Any such downward revision or withdrawal may have an adverse effect on the market price of the Bonds.

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 1.8 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. Quarterly Report on Form 10-Q for the quarter ended March 31, 2012.

3. Current Report on Form 8-K, dated March 23, 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 Supplement to Official Statement (the *"Supplement"*) shall be deemed to be incorporated by reference in this Supplement 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 Supplement 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 Supplement 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 Supplement or delivered herewith. The Company hereby undertakes to provide without charge to each person to whom a copy of this Supplement 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 Supplement does not purport to be comprehensive and should be read together with the information contained in the Incorporated Documents.

APPENDIX B

BARCLAYS BANK PLC

The following information concerning Barclays Bank PLC ("Barclays") has been provided by representatives of Barclays and has not been independently confirmed or verified by Citigroup Capital Markets Inc., as remarketing agent, the Company or the Issuer. No representation is made herein as to the accuracy or adequacy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof or thereof, or that the information contained or incorporated herein by reference is correct as of any time subsequent to its date.

Barclays is a public limited company registered in England and Wales under number 1026167. The liability of the members of Barclays is limited. It has its registered head office at 1 Churchill Place, London, E14 5HP, United Kingdom (telephone number +44 (0)20 7116 1000). Barclays was incorporated on 7 August 1925 under the Colonial Bank Act 1925 and on 4 October 1971 was registered as a company limited by shares under the Companies Acts 1948 to 1967. Pursuant to The Barclays Bank Act 1984, on 1 January 1985, Barclays Bank was re-registered as a public limited company and its name was changed from "Barclays Bank International Limited" to "Barclays Bank PLC".

Barclays and its subsidiary undertakings (taken together, the *"Group"*) is a major global financial services provider engaged in retail and commercial banking, credit cards, investment banking, wealth management and investment management services. The whole of the issued ordinary share capital of Barclays is beneficially owned by Barclays PLC, which is the ultimate holding company of the Group.

The short term unsecured obligations of Barclays are rated A-1 by Standard & Poor's Credit Market Services Europe Limited, P-1 by Moody's Investors Service Ltd. and F1 by Fitch Ratings Limited and the long-term obligations of Barclays are rated A+ by Standard & Poor's Credit Market Services Europe Limited, Aa3 by Moody's Investors Service Ltd. and A by Fitch Ratings Limited.

Based on the Group's audited financial information for the year ended 31 December 2011, the Group had total assets of £1,563,402 million (2010: £1,490,038 million), total net loans and advances[1] of £478,726 million (2010: £465,741 million), total deposits[2] of £457,161 million (2010: £423,777 million), and total shareholders' equity of £65,170 million (2010: £62,641 million) (including non-controlling interests of £3,092 million (2010: £3,467 million)). The profit before tax from continuing operations of the Group for the year ended 31 December 2011 was £5,974 million (2010: £6,079 million) after credit impairment charges and other provisions of £3,802 million (2010: £5,672 million). The financial information in this paragraph is extracted from the audited consolidated financial statements of Barclays for the year ended 31 December 2011.

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1 Total net loans and advances include balances relating to both bank and customer accounts.

2 Total deposits include deposits from bank and customer accounts.

The delivery of the information concerning Barclays and the Group herein shall not create any implication that there has been no change in the affairs of Barclays and the Group since the date hereof, or that the information contained or referred to herein is correct as of any time subsequent to its date.

Barclays is responsible only for the information contained in this section of the Supplement to Official Statement and did not participate in the preparation of, or in any way verify the information contained in, any other part of the Supplement to Official Statement. Accordingly, Barclays assumes no responsibility for and makes no representation or warranty as to the accuracy or completeness of information contained in any other part of the Supplement to Official Statement.

The information contained in this Appendix relates to and has been obtained from Barclays. The delivery of the Official Statement shall not create any implication that there has been no change in the affairs of Barclays Bank PLC 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 DECEMBER JULY 24, 1990

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REFUNDING 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 (i) 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 Facilities 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 Wyoming taxes as more fully discussed under the heading "TAX EXEMPTION" herein.

$70,000,000
Sweetwater County, Wyoming
Pollution Control Revenue Refunding Bonds
(PacifiCorp Project)
Series 1990A

Dated: Date of Delivery ***Price: 100%*** ***Due: July 1, 2015***

The Bonds are issuable solely as fully registered Bonds without coupons, initially in denominations of $100,000 each or integral multiples thereof. Initially, the Bonds will bear interest from the date of actual authentication and delivery thereof at a Weekly Interest Rate established pursuant to the terms of the Trust Indenture (the "Indenture") dated as of July 1, 1990 between Sweetwater County, Wyoming (the "Issuer"), and The First National Bank of Chicago, as trustee (the "Trustee"). Thereafter, to but not including a Conversion Date (as defined herein), the Bonds shall bear interest at a Weekly Interest Rate. The Bonds are subject to conversion to interest rates other than a Weekly Interest Rate as more fully described herein. For so long as the Bonds bear interest at a Weekly Interest Rate, the interest on the Bonds shall be payable on the first Business Day of each month (together with certain other dates hereinafter described, an "Interest Payment Date") commencing September 4, 1990, calculated on the basis of a year of 365 or 366 days, as applicable, for the actual number of days elapsed by check mailed to the persons in whose names such Bonds are registered at the close of business on the Record Date (hereinafter defined). Interest may, at the option of any Owner of Bonds of 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.

The proceeds from the sale of the Bonds will be loaned to

PacifiCorp

(the "Company") pursuant to the terms of a Loan Agreement dated as of July 1, 1990 (the "Agreement") and used to refund, in advance of stated maturity, the Issuer's $70,000,000 Floating Rate Monthly Demand Pollution Control Revenue Bonds (Pacific Power & Light Company Project) Series 1983B (the "Series 1983B Bonds"). The proceeds of the Series 1983B Bonds were loaned to the Company to pay a portion of the costs of certain air and water pollution control facilities (the "Facilities") at the Jim Bridger Plant, a coal-fired generating plant (the "Plant") jointly owned by the Company and Idaho Power Company. The Plant is located in Sweetwater County, Wyoming.

The Bonds are limited and not general obligations of the Issuer payable solely from the revenues and amounts derived under the Agreement and pledged under the Indenture consisting of all amounts payable from time to time by the Company in respect of the indebtedness under the Agreement and from any other moneys available to the Issuer for such purpose, including 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 through July 25, 1995 (unless earlier terminated or extended) to draw up to an amount sufficient to pay the principal of and, initially, up to 65 days' accrued interest on the Bonds 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.

The Bonds are subject to optional and mandatory redemption as provided in the Indenture and as described herein. While the Bonds bear interest at a Weekly Interest Rate, the Bonds are subject to purchase on demand of an Owner on any Business Day on seven days' notice as described herein. While a Bond bears interest at rates other than a Weekly Interest Rate, the Bonds are subject to purchase as described herein.

The Bonds are offered when, as and if issued by the Issuer and accepted by the Underwriter, subject to delivery of an approving opinion 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 delivery of the Bonds will be made on or about July 25, 1990 in New York, New York against payment for the Bonds.

DEAN WITTER REYNOLDS INC.

Dated: July 24, 1990

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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.

$70,000,000

Sweetwater County, Wyoming
Pollution Control Revenue Refunding Bonds
(PacifiCorp Project)
Series 1990A

INTRODUCTORY STATEMENT

This Official Statement is provided to furnish certain information with respect to the offer by Sweetwater County, Wyoming (the "Issuer") of $70,000,000 aggregate principal amount of Pollution Control Revenue Refunding Bonds (PacifiCorp Project), Series 1990A (the "Bonds").

The Bonds are being issued pursuant to a Trust Indenture dated as of July 1, 1990 (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 (formerly Pacific Power & Light Company) (the "Company") pursuant to the terms of a Loan Agreement dated as of July 1, 1990 (the "Agreement") and used to refund, in advance of stated maturity, the Issuer's $70,000,000 Floating Rate Monthly Demand Pollution Control Revenue Bonds (Pacific Power & Light Company Project) Series 1983B (the "Series 1983B Bonds"). The proceeds of the Series 1983B Bonds were loaned to the Company to pay a portion of the costs of acquiring, constructing and installing certain air and water pollution control facilities (the "Facilities") at the Jim Bridger Plant, a coal-fired electric generating plant (the "Plant") jointly owned by the Company and Idaho Power Company. The Plant is located in Sweetwater County, Wyoming.

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 offices of Dean Witter Reynolds Inc. in New York, New York.

SECURITY FOR THE BONDS

The Bonds will be limited and not general obligations of the Issuer as described below under the caption "Limited Obligations." 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 under the Letter of Credit through July 25, 1995 (unless earlier terminated or extended) to draw up to an amount sufficient to pay the principal of and, initially, up to 65 days'

accrued interest on the Bonds 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 (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 Agreement and Indenture to provide for the delivery of an alternate credit facility, including a letter of credit issued by 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 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 "REDEMPTION OF BONDS."

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 nor 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 pledged under the Indenture 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.

THE ISSUER

The Issuer is a political subdivision, 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 "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 under the caption "SECURITY FOR THE BONDS — Limited Obligations."

THE FACILITIES

The Facilities financed in part with proceeds of the Series 1983B Bonds are air and water pollution control facilities at the Plant, principally including equipment and other property used for flue gas desulphurization, particulate control, and waste water treatment.

USE OF PROCEEDS

It is anticipated that the proceeds from the sale of the Bonds, together with funds of the Company, will be applied to the redemption of $70,000,000 principal amount of the Series 1983B Bonds at 100% of the principal amount of such bonds. An underwriting fee and the cost of issuance of the Bonds will be paid by the Company and not 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 defined below under the caption "THE BONDS — Certain Definitions."

General

The Bonds will be dated as of July 1, 1990 and will mature as set forth on the cover page hereof. The Bonds will initially bear interest at a Weekly Interest Rate as described below. Bonds authenticated prior to the first Interest Payment Date shall bear interest from the date of the first authentication and delivery of Bonds (the "Date of Delivery"). 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, 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; provided that if, as shown by the records of the Registrar 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 Delivery. 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.

Dean Witter Reynolds Inc. 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 Dean Witter Reynolds 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 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 (or the Obligor on an Alternate Credit Facility, as the case may be), the Registrar and the Trustee.

Interest on the Bonds

Weekly Interest Rate. The Bonds shall bear interest commencing on the Date of Delivery to and including July 31, 1990, at a Weekly Interest Rate not exceeding 12% per annum determined at or prior to the Date of Delivery. Commencing August 1, 1990, the Bonds shall bear interest at the Weekly Interest Rate unless and until the method of determining interest on the Bonds is converted to another method as described below under the caption "CONVERSION OF RATE." . The Weekly Interest Rate shall be determined by the Remarketing Agent by 9:00 a.m., New York, New York time, on Wednesday of each week (or if such Wednesday is not a Business Day, on the first Business Day after such Wednesday) to be the interest rate which, on that day, in the judgment of the Remarketing Agent, would be the minimum interest rate necessary to remarket the Bonds at 100% of 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 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, and (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 rate determined by the Trustee as being equal to 70% of the interest rate for 30-day taxable commercial paper (prime paper placed through dealers) announced by the Federal Reserve Bank of New York on the day on which the Remarketing Agent was to have set the Weekly Interest Rate.

Payment and Accrual of Interest. The Bonds shall bear interest from and including the Date of Delivery 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 65 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 Flexible Rate, a Daily Interest Rate, a Weekly Interest Rate or a Monthly 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

The following consists of definitions of selected terms used in this Official Statement, including Appendix C hereto.

"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 (ii) $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.

"Conversion Date" means a date on which the method by which interest on the Bonds is determined is converted to another method, including a change in the duration of the Term Period.

"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, the last day of the calendar month, (iii) during

which interest on the Bonds accrues at a Weekly Interest Rate or a Monthly Interest Rate, the day next preceding the first Business Day of the next succeeding calendar month, except that the first Interest Accrual Date shall be September 3, 1990, and (iv) 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) during such time as the Bonds bear a Daily Interest Rate, the first Business Day after the Interest Accrual Date, (b) during such time as the Bonds bear interest determined by any method other than the Daily Interest Rate, the day next succeeding the Interest Accrual Date and (c) any Conversion Date. The first Interest Payment Date shall be September 4, 1990.

"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, except that the first Interest Period means the period commencing and including the date of the first authentication and delivery of the Bonds to and including September 3, 1990.

"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 the Bonds bear interest at a Weekly Interest Rate, the Business Day next preceding the first Business Day of the next succeeding calendar month, except that the first Record Date shall be August 31, 1990; (b) when a Bond bears interest at a Flexible Rate, the first day of a Flexible Period for such Bond; (c) when the Bonds bear interest at a Daily Interest Rate, the Interest Accrual Date; (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 interest at a Term Interest Rate, the fifteenth day of the calendar month next preceding any Interest Payment Date.

Determination Binding. The determination of any interest rate by the Remarketing Agent or the Trustee 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 and the Owners of the Bonds.

Conversion to Alternative Rates. At the written direction of the Company, the method of determining interest payable on the Bonds may be converted from a Weekly Interest Rate to another Floating Interest Rate (a Flexible Rate, a Daily 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." Certain terms applicable to the Bonds at such time as the Bonds are not bearing interest at a Weekly Interest Rate are described in Appendix C hereto.

Notice 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, the interest coverage period and the interest coverage rate applicable to 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 Investors Service, Inc. ("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,

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.

Remarketing of Bonds

While the Bonds bear interest at a Weekly Interest Rate, the Remarketing Agent shall offer for sale and use its best efforts to remarket any Bond to be purchased on a date stated in the written notice from the Owner of such Bond, in accordance with the provisions under the caption "PURCHASE OF BONDS." Any such remarketing will be made at a price equal to 100% of the principal amount thereof plus accrued interest. While Bonds bear a Flexible Rate, a Daily 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 Appendix C to 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 is outstanding, there shall be no purchases or sales of Bonds as described below, 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 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.

REDEMPTION OF BONDS

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 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 at any time by the Issuer, in whole or in part (and if in part in an Authorized Denomination), at the written direction of the Company, upon 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	10 Years	103%	1/2%	14th Year
12 Years	18 Years	8 Years	103	1/2	12th Year
9 Years	12 Years	6 Years	102	1/2	9th 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	3rd 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	3 Months	100 1/8	1/8	6th Month

If the Term 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, as the case may be, 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.

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 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 Plant is impracticable, uneconomical or undesirable for any reason; or

(ii) the Company shall have determined that the continued operation of the Facilities 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 Plant shall have been condemned or taken by eminent domain; or

(iv) the operation of the Facilities or the Plant 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 Facilities 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, as amended (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.

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.

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 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 fewer than five days next preceding the Business Day next preceding the termination date of the Letter of Credit or 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 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 "PURCHASE OF 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 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 "REDEMPTION OF 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 "PURCHASE OF 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, as the case may be, 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 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.

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.

PURCHASE OF BONDS

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 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: (i) delivery to the principal office of the Remarketing Agent of a written 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) which states the aggregate principal amount of the Bond to be delivered and the Business Day (which shall be a day not less than seven days after the notice is delivered) on which the Bond is 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 Business Day; 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. An Owner who gives the notice set forth in clause (i) above may repurchase the Bonds so tendered with such notice on such

Business Day 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 While Bonds Bear Alternative Rates

While a Bond bears a Daily Interest Rate or a Monthly Interest Rate, such Bond will be purchased on the demand of the Owner thereof, as described in Appendix C hereto. While a Bond bears a Flexible Rate or a Term Interest Rate, such Bond will be purchased 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 "PURCHASE OF BONDS — Purchase While Bonds Bear Weekly Interest Rate" 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 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 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.

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 "REDEMPTION OF BONDS — Redemption Upon Expiration or Termination of Letter of Credit or Alternate Credit Facility," "REDEMPTION OF BONDS — Redemption Upon Conversion" and "REDEMPTION OF 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 "REDEMPTION OF BONDS — Optional Redemption of Bonds." Moneys for the payment of the purchase price shall be derived in the order of priority and subject to the proviso indicated above under the caption "PURCHASE OF BONDS — Funds for Purchase of Bonds"; provided 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.

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, to a Term Interest Rate with a Term Period of different duration than the then current Term Period or to 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 thereof (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 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 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.

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 July 1, 1990 between the Company and the Bank pursuant to which the Letter of Credit is issued (the "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.

Letter of Credit

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 65 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 prior to such time 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 65 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) July 25, 1995, 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 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;

(ii) so long as the interest rate borne by the Bonds is a Flexible Rate, reduces the Interest Coverage Period to a period shorter than 294 days (during such time as Flexible Periods can be from one to 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);

(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".

THE LOAN AGREEMENT

The following is a brief description of the Agreement. Reference is made to the Agreement for the detailed provisions thereof.

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, and interest on the Bonds if and when due. The initial Letter of Credit does not provide for drawings in respect of amounts of 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 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 and Moody's 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, has not taken, 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 Wyoming as a foreign corporation or incorporated and existing under the laws of the State of Wyoming, 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 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

The following is a brief description of the Indenture. Certain other provisions are summarized elsewhere in this Official Statement. Reference is made to the Indenture for the detailed provisions thereof.

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 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 the tax exemption 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 Bond Fund

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 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 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 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 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, 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.

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 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; and

(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, if it applies to less than all of the Bonds then Outstanding, 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 shall have received an opinion of an independent public accountant of nationally recognized standing, selected by the Company, to the effect that the requirements set forth in clause (c) above have been satisfied (an "Accountant's Opinion");

(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, 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 ("Bankruptcy Counsel's Opinion").

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 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, a Bond Counsel's Opinion and a Bankruptcy Counsel's Opinion shall have been delivered to 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. 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 "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

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 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

Under a bond purchase agreement to be entered into between the Issuer and Dean Witter Reynolds Inc. (the "Underwriter") the Bonds shall be purchased at 100% of the principal amount thereof for reoffering by the Underwriter. The bond purchase agreement provides that the Underwriter shall purchase all of the Bonds if any are purchased. The obligation of the Underwriter to accept delivery of the Bonds is subject to various conditions contained in the bond purchase agreement. The Underwriter will be paid a fee of $262,500 for services rendered in connection with the initial offering of the Bonds.

The Underwriter intends to offer the Bonds to the public initially at the offering price set forth on the cover page of this Official Statement, which may subsequently change without any requirement of prior notice.

LITIGATION

There is not now pending or, to the knowledge of the Issuer, threatened, any litigation restraining or enjoining the issuance or delivery of the Bonds or questioning or affecting the validity of the Bonds or the proceedings or authority under which they are to be issued. There is no litigation pending or, to the Issuer's knowledge, threatened, which in any manner questions the right of the Issuer to enter into the Indenture or the Agreement or to secure the Bonds in the manner provided in the Indenture and the Act.

RATING

Moody's has assigned the Bonds a rating of "Aaa/VMIG-1". Such rating reflects only the views of such organization at the time such rating was issued and an explanation of the significance of such rating may be obtained from the rating agency. There is no assurance that such rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by such rating agency if, in its judgment, circumstances so warrant. Any such downward revision or withdrawal of such rating can be expected to have an adverse effect on the market price of the Bonds.

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 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 (because the Series 1983B 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 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 the Bonds.

In rendering its opinion, Bond Counsel will rely upon a certificate of the Company relating to the Facilities and the application of the proceeds of the Bonds and the proceeds of the Series 1983B Bonds with respect to certain material facts solely 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. In addition, because the first interest payment date for the Bonds (September 4, 1990) is slightly longer than one month, the periodic interval between subsequent interest payment dates while the Bonds bear interest at the Weekly Interest Rate, it is uncertain whether the Bonds would be treated as issued with original issue discount under proposed Treasury Regulation § 1.1273-1 (published in the Federal Register on April 6, 1986). Original issue discount, if any, with respect to the Bonds is excludable from gross income and not treated as an item of tax preference for alternative minimum tax purposes in the same manner as the interest on the Bonds. The time of receipt of such interest by an Owner of any Bond and the corresponding adjustment of such Owner's basis in the Bonds, however, could be affected if the Bonds were treated as issued with original issue discount. 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 present Wyoming law, the State of Wyoming imposes no income taxes which would be applicable to interest on the 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 Winthrop, Stimson, Putnam & Roberts, as Counsel to the Underwriter. The validity of the Letter of Credit will be passed upon for the Bank by its counsel, Milbank, Tweed, Hadley & McCloy and Dr. René Schwarzmann.

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 the Issuer. The Issuer, however, has not reviewed and is not responsible for any information set forth herein except that information under the headings "THE ISSUER" and "LITIGATION".

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APPENDIX A

PACIFICORP

PacifiCorp, an Oregon corporation ("PacifiCorp"), is a diversified electric utility that conducts its electric utility business as Pacific Power & Light Company ("Pacific Power") and Utah Power and Light Company ("Utah Power"). PacifiCorp 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 diversified mining and resource development 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 engaged in the exploration for and development of precious metals, gas and oil. Pacific Telecom, through its subsidiaries, provides local telephone and access services in Alaska, seven other western states and Wisconsin, long distance voice and data services in Alaska and other special domestic and international communications services and is engaged in the construction of an undersea fiber optic cable between the United States and Japan. PacifiCorp Financial Services is a diversified business offering specialized financial services, including business development financing, aviation financing, tax advantaged investments and computer leasing.

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.

RECENT DEVELOPMENTS

On May 17, 1990, PacifiCorp offered to acquire by merger Pinnacle West Capital Corporation ("Pinnacle West") in a transaction in which all holders of Pinnacle West common stock would receive $21 in cash per share (or an aggregate of approximately $1.8 billion) and in which Arizona Public Service Company ("APS") would be merged or liquidated into PacifiCorp. This offer was rejected on May 22, 1990. PacifiCorp has expressed continuing interest in effecting a business combination with Pinnacle West or APS. For information regarding developments in this matter, if any, see the documents incorporated by reference in this Appendix A to the Official Statement. See "INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE."

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, 1989 (as amended by Form 8 dated April 27, 1990).

(b) Quarterly Report on Form 10-Q for the quarter ended March 31, 1990.

(c) Current Reports on Form 8-K dated January 9 and February 15, 1990.

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 five years in the period ended December 31, 1989 has been derived from the consolidated financial statements of the Company (and PacifiCorp, a Maine corporation, and Utah Power & Light Company, a Utah corporation, for the period prior to the merger) for the respective years in that five-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 Company's Annual Report on Form 10-K for the year ended December 31, 1989, also incorporated herein by reference.

SELECTED FINANCIAL INFORMATION
(Dollars in Millions)

	Year Ended December 31,				
Income Statement Data	1989	1988	1987	1986	1985
Revenues	$3,717.4	$3,519.3	$3,277.0	$3,117.7	$3,041.3
Expenses(a)	2,680.1	2,473.1	2,245.8	2,185.7	2,074.3
Income from Operations	1,037.3	1,046.2	1,031.2	932.0	967.0
Interest Expense, Income Taxes and Other	571.7	599.5	620.1	578.6	566.0
Net Income	$ 465.6	$ 446.7	$ 411.1	$ 353.4	$ 401.0
Capitalization					
Common Equity	$3,007	$2,936	$2,901	$2,724	$2,582
Preferred Stock	242	246	249	284	389
Redeemable Preferred Stock	50	56	56	67	67
Long Term Debt and Capital Lease Obligations	3,539	3,441	3,395	3,399	3,264
PacifiCorp Financial Services Long Term Debt	856	906	551	239	128
Total	$7,694	$7,585	$7,152	$6,713	$6,430

(a) 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 $4.8 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,		
	1987	1988	1989
	(million of dollars)		
Operating Income	$ 725	$ 743	$ 899
Net Income	346	373	451
Total Assets	67,561	71,431	74,130
Liquid Assets(b)	24,109	23,327	19,184
Loans(c)	30,372	37,526	44,414
Total Deposits and Due to Banks	41,325	63,047	65,250
Total Capital and Reserves	4,164	4,534	4,766

(a) The figures originally expressed in Swiss francs, have been converted into U.S. dollars at the rate of $0.63 for 1 Swiss franc prevailing at December 31, 1989. The conversion rate prevailing on May 23, 1990 was $0.71 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 Flexible Rate, a Daily Interest Rate, a Monthly Interest Rate, or a Term 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

Flexible Rates. On the date interest starts to accrue on the Bonds at a Flexible Rate and on each Flexible Date thereafter, except any Flexible Date that is a Conversion Date, the Remarketing Agent shall determine for each Flexible Period allowable under the Flexible Date Parameters 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. Each Bond shall bear interest during the Flexible Period selected for such Bond at the rate per annum equal to the interest rate determined as provided above for such Flexible Period or, in the event such Bond is not remarketed, at the rate per annum equal to the interest rate for the shortest allowable Flexible Period under the Flexible Date Parameters. If for any reason a Flexible 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 Flexible Period, the Flexible Rate for such Flexible Period shall equal the Flexible Rate determined by the Trustee as being equal to the earliest 30-day, 60-day or 90-day tax-exempt commercial paper rate published each day by Munifacts Wire System, Inc. (or its replacement), and representing, as of the date of determination, the average of 30-day (if such Flexible Period is from 1 to 30 days in length), 60-day (if such Flexible Period is from 31 to 60 days in length), or 90-day (if such Flexible Period is from 61 to 180 days in length), as the case may be, yield evaluations at par of securities, the interest on which is excludable from gross income for purposes of federal income taxation, of issuers of commercial paper rated by Moody's or S&P in its highest commercial paper Rating Category. If Munifacts Wire System, Inc. (or its replacement) does not publish a 30-day, 60-day or 90-day tax-exempt commercial paper rate, as the case may be, on the day on which a Flexible Rate is to be set, the Flexible Rate of such Bond for such period shall be the applicable percentage of the interest rate (the "Flexible Base Rate") for 30-day, 60-day, or 90-day, as the case may be, taxable commercial paper (prime paper placed through dealers) announced by the Federal Reserve Bank of New York on the first Business Day of such Flexible Rate Period as determined on the basis of the table set forth below:

Term of Next Succeeding Flexible Rate Period	Applicable Percentage of Flexible Base Rate
1-30 days	70%
31-60 days	73%
61-180 days	76%

"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 to a particular year, 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. "Flexible Date Parameters" means the parameters stated in Exhibit E to the Indenture regarding allowable Flexible Periods.

The Trustee shall cause to be noted on each Bond bearing interest at a Flexible Rate the Flexible Rate and the Flexible Date for such Bond at the time it is registered.

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 (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 Daily Interest Rate determined by the Trustee as being equal to the average of 30-day yield evaluations at par of securities, the interest on which is excludable from gross income for purposes of federal income taxation, of issuers of commercial paper rated by Moody's or S&P in its highest commercial paper Rating Category. Initially, that rate will be the earliest rate published each day by Munifacts Wire System, Inc. The Issuer will, at the request of the Company, designate to the Trustee and the Remarketing Agent a replacement publisher. If Munifacts Wire System, Inc. or such replacement publisher does not publish such a commercial paper rate on a day on which a Daily Interest Rate is to be set, the Remarketing Agent will set the Daily Interest Rate at 70% of the interest rate for 30-day taxable commercial paper (prime paper placed through dealers) announced on such day by the Federal Reserve Bank of New York.

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. The Remarketing Agent shall immediately give telephonic notice to the Trustee and the Bank (or the Obligor on the Alternate Credit Facility, as the case may be), promptly confirmed in writing, of the Monthly Interest Rate. 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 Monthly Interest Rate determined by the Trustee as being equal to 75% of the interest rate for 30-day taxable commercial paper (prime paper placed through dealers) announced for the first day of each calendar month by the Federal Reserve Bank of New York.

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 as follows. On the Business Day next preceding the first day of a Term Period, the Remarketing Agent shall determine the Term 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 Term Period at 100% of the principal amount thereof. The Remarketing Agent shall immediately give telephonic notice to the Trustee and the Bank (or the Obligor on the Alternate Credit Facility, as the case may be), promptly confirmed in writing, of the Term Interest Rate. If for any reason a Term 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 Term Period, the Term Interest Rate for such Term Period shall equal the Term Interest Rate determined by the Trustee as being equal to 81% (if such Term Period is 7 years or less), 87% (if such Term Period is more than 7 years and less than 15 years) or 90% (if such Term Period is 15 years or more), as the case may be, of the then current yield on United States Treasury obligations which have remaining terms equal approximately to the Term Period of the Bonds as of the date such Term Interest Rate is determined and which obligations are publicly traded at a price closest to the principal amount thereof.

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.

Purchase Provisions

Purchase While Bonds Bear Flexible Rate. 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 (which shall be within the Flexible 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 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 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 Flexible Date.

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 principal office of the Remarketing Agent (and at the option of an Owner which is an Investment Company, with a copy to the Trustee at its New York delivery 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 Section, 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 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:

(a) 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 (i) delivery to the principal office of the Remarketing Agent of a written 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) which states the aggregate principal amount of the Bond and the Business Day (which shall be a day not less than seven days after the notice is delivered) on which the Bond is 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 Business Day; 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. An Owner who gives the notice set forth in clause (i) above may repurchase the Bonds so tendered with such notice on such Business Day 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) On any Interest Payment Date at a purchase price equal to 100% of 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 New York delivery 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 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 at the same time as the delivery of 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 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 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 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 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.

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APPENDIX D

Upon 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

100 Peachtree Street, N.W.
Atlanta, Georgia 30303
(404) 420-1420

111 West Monroe Street
Chicago, Illinois 60603
(312) 845-3000

Re: $70,000,000 Pollution Control Revenue Refunding Bonds (PacifiCorp Project) Series 1990A of Sweetwater County, Wyoming

We hereby certify that we have examined certified copy of the proceedings of record of the Board of County Commissioners of Sweetwater County, Wyoming (the "Issuer"), a political subdivision of the State of Wyoming, created by and existing under the laws of the State of Wyoming, preliminary to the issuance by the Issuer of its Pollution Control Revenue Refunding Bonds (PacifiCorp Project) Series 1990A, in the aggregate principal amount of $70,000,000 (the "Bonds"). The Bonds are being issued pursuant to the provisions of Sections 15-1-701 to 15-1-710, inclusive, Wyoming Statutes (1977), as amended and supplemented (the "Act"), for the purpose of refunding the Issuer's $70,000,000 Floating Rate Monthly Demand Pollution Control Revenue Bonds (Pacific Power & Light Company Project) Series 1983B (the "Refunded Bonds") which were issued for the purpose of financing a portion of an undivided interest (the "Project") of PacifiCorp, an Oregon corporation and formerly Pacific Power & Light Company (the "Company"), in certain air and water pollution control facilities (the "Pollution Control Facilities") at the Jim Bridger coal-fired steam electric generating plant (the "Plant") in Sweetwater County, Wyoming. The proceeds of the Bonds 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 Wyoming now in force.

Pursuant to a Loan Agreement, dated as of July 1, 1990 (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 to effect the refunding of 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 July 1, 1990 (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 a Flexible Rate (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 a Term Interest Rate under certain conditions. The Indenture provides that the Bonds bear interest at a Weekly Interest Rate until the interest rate borne by the Bonds is converted to a different Floating Interest Rate or 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 65 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 July 25, 1995, 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 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 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. Original issue discount, if any, on the Bonds is treated as interest for purposes of the foregoing opinions. 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 Plant, the Pollution Control Facilities 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 present Wyoming law, the State of Wyoming imposes no income taxes which would be applicable to interest on the Bonds.

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. René Schwarzmann.

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 Wyoming 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.

Thomas T. Zollinger, County and Prosecuting Attorney of 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, the Pollution Control Facilities or the Plant.

CHAPMAN AND CUTLER

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APPENDIX D

FORM OF LETTER OF CREDIT

Irrevocable Letter of
Credit No. SB01739

May 16, 2012

The Bank of New York Mellon Trust Company, N.A.
2 North Lasalle Street, Suite 1020
Chicago, Illinois 60602
As Successor Trustee
under the Trust Indenture Referred to below
Attention: Corporate Trust Department

Ladies and Gentlemen:

At the request and for the account of PacifiCorp (the "Company"), we (the "Bank") establish in your favor as successor Trustee under the Trust Indenture dated as of July 1, 1990 (the "Indenture") between The First National Bank of Chicago, as trustee and Sweetwater County, Wyoming (the "Issuer"), pursuant to which there have been issued U.S. $70,000,000 in aggregate principal amount of the Issuer's Pollution Control Revenue Refunding Bonds (PacifiCorp Project) Series 1990A (the "Bonds") and currently outstanding in the aggregate principal amount of U.S. $70,000,000, this irrevocable letter of credit (this "Letter of Credit") in the aggregate amount of U.S. $71,495,891 (as from time to time reduced and reinstated as provided in this Letter of Credit, the "Letter of Credit Amount"). This Letter of Credit Amount shall be available for drawing by you as set forth below in amounts (a) not to exceed U.S. $70,000,000 (as from time to time reduced and reinstated as provided in this Letter of Credit, the "Principal Component") with respect to unpaid principal of the Bonds or the portion of the purchase price of the Bonds corresponding to unpaid principal of the Bonds and (b) not to exceed U.S. $1,495,891 (as from time to time reduced and reinstated as provided in this Letter of Credit, the "Interest Component") with respect to up to 65 days (such number of days being referred to as the "Interest Coverage Period") of accrued interest on the Bonds Outstanding (as defined in the Indenture) or the portion of the purchase price of the Bonds corresponding to accrued interest on the Bonds Outstanding, calculated at the maximum rate of 12% per annum and on the basis of a year of 365 days (such rate being referred to as the "Interest Coverage Rate"). This Letter of Credit is only available to be drawn upon with respect to Bonds bearing interest at a rate other than a term interest rate pursuant to the Indenture. All drawings under this Letter of Credit will be paid with our own funds (in U.S. Dollars in immediately available funds) without any requirement that you, the holders of the Bonds or we make any prior claims against the Company.

This Letter of Credit shall expire at 3:00 p.m. local time in New York, New York, on the date (the "Expiration Date") which is the earliest of: (i) May 16, 2013, or if not a Business Day,

the next succeeding Business Day (such date, as it may be extended as provided in the next sentence, the "Scheduled Expiration Date"), (ii) the date of payment of a Final Payment Drawing (as defined below) and (iii) the date when you surrender this Letter of Credit to the Bank for cancellation accompanied by a certificate substantially in the form of Annex J to this Letter of Credit. The Scheduled Expiration Date shall be automatically extended one single time to June 20, 2013 unless at least thirty (30) days prior to the then-current Scheduled Expiration Date, the beneficiary has received written notification from us by courier or certified mail, that we elect not to extend this Letter of Credit for any such additional period. Notwithstanding the foregoing, in no event shall the expiration date be automatically extended beyond June 20, 2013, the "Final Expiration Date". You agree to surrender this Letter of Credit to the Bank, and not to make any Drawing (as defined below), after the earliest to occur of (a) 3:00 p.m. local time in New York, New York, on the Expiration Date, (b) there are no Bonds Outstanding, (c) the first Business Day (as defined below) after the conversion of the interest rate on the Bonds to a term interest rate pursuant to the Indenture and (d) a Substitute Letter of Credit or Alternate Credit Facility (each as defined in the Indenture), as the case may be, has been delivered to you (each, a "Surrender Event").

In addition to the foregoing automatic extension provision, we may extend the Scheduled Expiration Date from time to time at the request of the Company by delivering to you an amendment to this Letter of Credit in the form of Annex I designating the date to which the Scheduled Expiration Date is being extended. Each such extension of the Scheduled 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 Scheduled Expiration Date shall be deemed to be references to the date designated as such in such notice. Any date to which the Scheduled Expiration Date has been extended as herein provided may be extended in a like manner.

Subject to the provisions of this Letter of Credit, demands for payment under this Letter of Credit may be made by you from time to time prior to 3:00 p.m. local time in New York, New York, on the Expiration Date by presentation of your certificate in the form of:

Annex B (an "Interest Certificate") in the case of a drawing for interest on the Bonds due on any day on which the Trustee is entitled, under the Indenture, to make a drawing upon this Letter of Credit for interest only (an "Interest Drawing"),

Annex C (a "Redemption Certificate") in the case of a drawing for principal (but not premium) of, and accrued interest, if any, on the Bonds due under Sections 3.10, 3.11 or 3.12 (if less than all of the Outstanding Bonds are being redeemed) of the Indenture (a "Redemption Drawing"),

Annex D (a "Liquidity Certificate") in the case of a drawing for the purchase price of Bonds delivered or deemed to be delivered under Sections 3.01, 3.02, 3.03 or 3.04 of the Indenture, or to be purchased in lieu of redemption pursuant to Section 3.14(a) of the Indenture (a "Liquidity Drawing") or

Annex E (a "Final Payment Certificate") in the case of a drawing for principal of, and accrued interest, if any, on the Bonds due under Sections 3.10, 3.11 or 3.12 (if all of the Outstanding Bonds are being redeemed) of the Indenture or for acceleration of the Bonds under Section 9.02(a) of the Indenture (a "Final Payment Drawing"),

together in each case with your drafts in the form of Annex A drawn on Barclays Bank PLC, New York Branch, 200 Park Avenue, New York, New York 10166, Attention: Dawn Townsend/Letter of Credit Department, Telephone Number (201) 499-2081, Facsimile Number (212) 412-5011 (or at such other address in New York, New York, as the Bank may designate in a written notice delivered to you) prior to 3:00 p.m. New York time on any Business Day (each such demand and presentation, a "Drawing"). Payment against strictly conforming documents presented under this Letter of Credit shall be made by the Bank on or before 1:00 p.m. New York time on the next Business Day after presentation; provided, however, that, in the case of a Liquidity Drawing, payment against conforming documents presented under this Letter of Credit shall be made by the Bank at or before 2:30 p.m. New York time on any Business Day on which the Bank shall have been presented with strictly conforming documents by 11:00 a.m. New York time on such day. "Business Day" means a day on which banks located in the city in which the Principal Office of the Bank (as defined below) 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 or are not closed and on which The New York Stock Exchange and the principal office of the remarketing agent for the Bonds are not closed. For purposes of the Indenture, the "Principal Office of the Bank" shall mean the office located at the address specified in this paragraph.

Each Drawing honored by the Bank under this Letter of Credit shall immediately reduce the Principal Component and/or the Interest Component, as the case may be, by the amount of such payment, and the Letter of Credit Amount shall also be correspondingly reduced. In addition, in the case of a Redemption Drawing, Liquidity Drawing or Final Payment Drawing, the Interest Component of the Letter of Credit shall further be reduced so that the total reduction of the Interest Component (as set forth on the applicable certificate for such Drawing) equals an amount that would accrue on the principal portion of the amount being drawn in such Redemption Drawing, Liquidity Drawing or Final Payment Drawing during the Interest Coverage Period at an interest rate equal to the Interest Coverage Rate, calculated on the basis of a year of 365 days. Upon such honor, our obligations in respect of such Drawing shall be discharged, and we shall have no further obligation in respect of such Drawing. The Principal Component and the Interest Component (and correspondingly the Letter of Credit Amount) so reduced shall be reinstated as follows:

(a) in the case of a reduction resulting from payment against an Interest Drawing, the Interest Component shall be reinstated automatically as of the Bank's close of business in New York, New York, on the 9th Business Day following the date of such payment to an amount equal to interest on the Outstanding Bonds (other than Bonds purchased from time to time with moneys drawn under this Letter of Credit for the purchase or redemption of Bonds delivered or deemed to be delivered to the Remarketing Agent or the Trustee pursuant to Sections 3.01, 3.02, 3.03, 3.04 or 3.14(a) of the Indenture ("Pledged Bonds"), whether or not constituting "Pledged Bonds" within the meaning of the Indenture, or any Bonds registered in the name of the Company), for the Interest Coverage Period calculated at the Interest Coverage Rate on the basis of a year of 365 days, unless you shall have received notice from the Bank as contemplated by Section 9.01(e) of the Indenture; and

(b) in the case of a reduction resulting from payment against a Liquidity Drawing, the Principal Component and, if applicable, the Interest Component shall be reinstated

automatically as and to the extent that the Bank shall have received from you notice of the reimbursement of such payment in immediately available funds pursuant to your certificate in the form of Annex F (a "Reimbursement Certificate"); in such case, the Principal Component shall be reinstated in an amount equal to the portion of such payment attributable to reimbursement of the portion of such Liquidity Drawing representing principal of the Bonds and the Interest Component shall be reinstated to an amount equal to interest for the Interest Coverage Period on the Outstanding Bonds (other than Pledged Bonds or Bonds registered in the name of the Company) calculated at the Interest Coverage Rate based on a year of 365 days, as set forth in such certificate;

provided, however, that in no event shall any reinstatement of the Principal Component or Interest Component result in the Principal Component or Interest Component being in excess of the amount thereof as in effect immediately prior to the applicable Interest Drawing or Liquidity Drawing.

The Letter of Credit Amount shall be permanently reduced upon the Bank's receipt of your certificate in the form of Annex G (a "Reduction Certificate") by the amount stated in such certificate and no portion of the amount of any such reduction shall be reinstated.

Partial drawings are permitted under this Letter of Credit. The failure to make a drawing for any payment of principal of, or interest on, the Bonds required by the Indenture shall not, in and of itself, result in this Letter of Credit ceasing to be available for future such Drawings.

This Letter of Credit shall not be available to be drawn upon for payments of principal or purchase price of any Pledged Bonds or Bonds registered in the name of the Company, or for interest on any Bonds which as of the Record Date (as defined in the Indenture) for the relevant Interest Period (as defined in the Indenture), in the case of an Interest Drawing, or as of the date (other than an Interest Payment Date) fixed for the redemption of such Bonds pursuant to Section 3.10, 3.11 or 3.12 of the Indenture were Pledged Bonds or were registered in the name of the Company.

All documents presented to the Bank in connection with any Drawing, and all other communications and notices to the Bank with respect to this Letter of Credit, shall be in writing, dated the date of presentation, and delivered to the Bank at the address set forth in the fourth paragraph of this Letter of Credit and shall specifically refer to the Bank by name and to this Letter of Credit by the irrevocable letter of credit number set forth in the first page of this Letter of Credit. Any such documents, communications and notices may be made by facsimile confirmed immediately by telephone, together with a statement that the originals of such documents, communications and notices shall immediately be mailed or delivered to the Bank.

No person other than you as Trustee or a successor Trustee under the Indenture may make any demand for payment under this Letter of Credit. Anything to the contrary in Article 38 of the Uniform Customs (as defined below) notwithstanding, this Letter of Credit is transferable in its entirety only to any transferee who has succeeded you as Trustee under the Indenture and may be successively transferred to any subsequent successor Trustee, in each case upon presentation to the Bank of the original of this Letter of Credit accompanied by a certificate in the form of Annex H (a "Transfer Certificate").

This Letter of Credit sets forth in full the Bank's undertaking and such undertaking shall not in any way be modified, amended, amplified or limited by any document, instrument or agreement (including, without limitation, the Indenture and the Bonds, but excluding the Uniform Customs and the annexes attached hereto) referred to in this Letter of Credit or in any certificate presented by you under this Letter of Credit.

This Letter of Credit is subject to the Uniform Customs and Practice for Documentary Credits, 2007 Revision, International Chamber of Commerce Publication No. 600 (the "Uniform Customs"), which is incorporated in this Letter of Credit, except for Article 32 thereof. Furthermore, as provided in Article 36 of the Uniform Customs, we assume no liability or responsibility for consequences arising out of the interruption of our business by Acts of God, riots, civil commotions, insurrections, wars or any other causes beyond our control, or strikes or lockouts. For purposes of Article 6(a) of the Uniform Customs, the place of presentation for payment, acceptance and negotiation shall be the Bank's office set forth above. As to matters not covered by the Uniform Customs, this Letter of Credit shall be governed by the internal laws of the State of New York without giving effect to its conflicts of laws principles.

WE, AND BY MAKING A PRESENTATION OF DOCUMENTS FOR A DRAWING UNDER THIS LETTER OF CREDIT, YOU, HEREBY WAIVE OUR AND YOUR RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION ARISING UNDER OR RELATED TO THIS LETTER OF CREDIT, AND ACKNOWLEDGE THAT THIS WAIVER IS A MATERIAL INDUCEMENT TO OUR ISSUANCE AND YOUR ACCEPTANCE OF THIS LETTER OF CREDIT THAT EACH OF WE AND YOU HAS RELIED ON THE WAIVER IN ISSUING AND ACCEPTING THIS LETTER OF CREDIT AND THAT EACH OF WE AND YOU WILL CONTINUE TO RELY ON THE WAIVER IN THEIR RELATED FUTURE DEALINGS.

EACH OF WE, AND BY MAKING A PRESENTATION OF DOCUMENTS FOR A DRAWING UNDER THIS LETTER OF CREDIT, YOU, HEREBY CONSENTS TO THE JURISDICTION OF ANY STATE OR FEDERAL COURT LOCATED WITHIN THE COUNTY OF NEW YORK, STATE OF NEW YORK IN ANY ACTION OR PROCEEDING ARISING UNDER OR RELATED TO THIS LETTER OF CREDIT AND IRREVOCABLY AGREES THAT, ALL ACTIONS OR PROCEEDINGS ARISING OUT OF OR RELATING TO THIS LETTER OF CREDIT SHALL BE LITIGATED IN SUCH COURTS. EACH OF WE, AND BY MAKING A PRESENTATION OF DOCUMENTS FOR A DRAWING UNDER THIS LETTER OF CREDIT, YOU, EXPRESSLY SUBMITS AND CONSENTS TO THE JURISDICTION OF THE AFORESAID COURTS AND WAIVES ANY DEFENSE OF FORUM NON CONVENIENS.

Very truly yours,

BARCLAYS BANK PLC,
NEW YORK BRANCH

By:_____
(Authorized Signatory)

ANNEX A

FORM OF DRAFT

[Date]

Pay to the order of _____ the amount of _____ drawn on Barclays Bank PLC, New York Branch, as issuer of its Irrevocable Letter of Credit No. SB01739 dated May 16, 2012.

[The executed original of this draft will be mailed or delivered to you immediately.]*

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

By:_____
Title: _____

* To be inserted if certificate is being sent by facsimile

ANNEX B

INTEREST CERTIFICATE

The undersigned Trustee (the "Trustee") certifies as follows to Barclays Bank PLC, New York Branch as issuer of the referenced letter of credit (the "Letter of Credit"):

1. All terms defined in the Letter of Credit are used in this certificate with the same meanings.

2. The Trustee is the Trustee under the Indenture and is entitled to present this certificate. No Surrender Event has occurred.

3. Pursuant to Section [6.04(a)/6.04(e)] of the Indenture the Trustee has concurrently presented its draft drawn on you in the amount of U.S. $_____. The amount of such draft represents accrued interest on the Bonds [choose one: due on an Interest Payment Date under Section 6.04(a) of the Indenture for _____ days, reduced by moneys referred to in Section 6.03(d)(i) of the Indenture/required to be drawn under Section 6.04(e) of the Indenture.] Such amount does not include any amount in respect of Bonds which as of the Record Date (as defined in the Indenture) for such Interest Payment Date were Pledged Bonds or Bonds registered in the name of the Company,* was computed in accordance with the terms and conditions of the Indenture and does not exceed the amount available to be drawn under the Letter of Credit in respect of interest on the Bonds. No portion of such amount will be paid in respect of interest on Pledged Bonds or Bonds registered in the name of the Company.**

4. The Trustee shall apply the proceeds of this Drawing in accordance with the terms of the Indenture.

5. The Trustee shall not apply the proceeds of this Drawing in any way except as provided in the Indenture.

6. The Trustee shall not commingle the proceeds of this Drawing with any other funds held by the Trustee other than the proceeds of any other Drawings.

7. Payment of the accompanying draft should be made by wire transfer to our account no. _____ at _____, ABA No. _____.

8. The amount of the draft accompanying this certificate, together with each other draft which, as of the date hereof, has not been honored (or rejected), does not exceed the Letter of Credit Amount as in effect on the date hereof or the Interest Component as in effect on the date hereof.

[The executed original of this certificate will be mailed or delivered to you immediately.]***

Dated: _____

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.

By: _____

Title: _____

* To be inserted only in the case of a Drawing under Section 6.04(a) of the Indenture.

** To be inserted only in the case of a Drawing under Section 6.04(e) of the Indenture.

*** To be inserted if certificate is being sent by facsimile.

ANNEX C

REDEMPTION CERTIFICATE

The undersigned Trustee (the "Trustee") certifies as follows to Barclays Bank PLC, New York Branch, as issuer of the referenced letter of credit (the "Letter of Credit"):

1. All terms defined in the Letter of Credit are used in this certificate with the same meanings.

2. The Trustee is the Trustee under the Indenture and is entitled to present this certificate. No Surrender Event has occurred.

3. Pursuant to Section 6.04(a) of the Indenture, the Trustee has concurrently presented its draft drawn on you in the amount of U.S. $_____. The amount of such draft represents payments of principal (but not premium) in the amount of U.S. $_____ (the "Principal Portion"), which will be due with respect to the Bonds on _____ under Section 3.10, 3.11 or 3.12 (if less than all of the Outstanding Bonds are being redeemed) of the Indenture, plus accrued interest, if any, in the amount of U.S. $_____ (the "Interest Portion"), which will be due with respect to such Bonds on such date under such Sections, in either case net of moneys referred to in Section 6.03(c)(i) or 6.03(d)(i) of the Indenture, as applicable. Such amount does not exceed the amount of principal of, and interest, if any, which will be due on the Bonds (other than Pledged Bonds or Bonds registered in the name of the Company) on such date under such Sections in accordance with the terms and conditions of the Indenture and does not exceed the amount available to be drawn under the Letter of Credit in respect of principal of, and accrued interest on, the Bonds.

4. The Trustee acknowledges that the Principal Component of the Letter of Credit shall be reduced by an amount equal to the Principal Portion and the Interest Component of the Letter of Credit shall be reduced by an amount equal to the sum of (a) the Interest Portion, plus (b) U.S. $_____, which is equal to the amount of interest that would accrue on the Principal Portion during the Interest Coverage Period at an interest rate equal to the Interest Coverage Rate calculated on the basis of a year of 365 days.

5. The Trustee shall apply the proceeds of this Drawing in accordance with the terms of the Indenture.

6. The Trustee shall not apply the proceeds of this Drawing in any way except as provided in the Indenture.

7. The Trustee shall not commingle the proceeds of this Drawing with any other funds held by the Trustee other than the proceeds of any other Drawings.

8. Payment of the accompanying draft should be made by wire transfer to our account no. _____ at _____, ABA No. _____.

9. The amount of the draft accompanying this certificate, together with each other draft which, as of the date hereof, has not been honored (or rejected), does not exceed (i) in total, the Letter of Credit Amount as in effect on the date hereof, (ii) as to the Principal Portion, the Principal Component as in effect on the date hereof, or (iii) as to the Interest Portion, the Interest Component as in effect on the date hereof.

[The executed original of this certificate will be mailed or delivered to you immediately.]*

Dated: _____

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A.

By: _____
Title: _____

* To be inserted if certificate is being sent by facsimile.

ANNEX D

LIQUIDITY CERTIFICATE

The undersigned Trustee (the "Trustee") certifies as follows to Barclays Bank PLC, New York Branch, as issuer of the referenced letter of credit (the "Letter of Credit"):

1. All terms defined in the Letter of Credit are used in this certificate with the same meanings.

2. The Trustee is the Trustee under the Indenture and is entitled to present this certificate. No Surrender Event has occurred.

3. Pursuant to Section 6.04(a) of the Indenture, the Trustee has concurrently presented herewith its draft drawn on you in the amount of U.S. $_____. The amount of such draft represents the principal portion in the amount of U.S. $_____ (the "Principal Portion") and the accrued interest portion in the amount of U.S. $_____ (the "Interest Portion") of the purchase price of Bonds delivered or deemed to be delivered to the Remarketing Agent (as defined in the Indenture) or the Trustee pursuant to Section 3.01, 3.02, 3.03 or 3.04 of the Indenture, or to be purchased in lieu of redemption pursuant to Section 3.14(a) of the Indenture, less the proceeds of the sale of such Bonds by the Remarketing Agent pursuant to Section 3.07 of the Indenture and less any Available Moneys pursuant to Section 3.06(a)(i) of the Indenture. Such amount does not include any amount in respect of Pledged Bonds or any Bonds registered in the name of the Company, was computed in accordance with the terms and conditions of the Indenture (including, without limitation, Sections 3.06(a), 3.14(a) and 3.19(c) thereof) and does not exceed the amount available to be drawn under the Letter of Credit in respect of principal of, and interest on, the Bonds.

4. The Trustee shall apply the proceeds of this Drawing in accordance with the terms of the Indenture.

5. The Trustee shall not apply the proceeds of this Drawing in any way except as provided in the Indenture.

6. The Trustee shall not commingle the proceeds of this Drawing with any other funds held by the Trustee other than the proceeds of any other Drawings.

7. The Trustee acknowledges that the Principal Component of the Letter of Credit shall be reduced by an amount equal to the Principal Portion and the Interest Component of the Letter of Credit shall be reduced by an amount equal to the sum of

(a) the Interest Portion, plus (b) U.S. $_____, which is equal to the amount of interest that would accrue on the Principal Portion during the Interest Coverage Period at an interest rate equal to the Interest Coverage Rate calculated on the basis of a year of 365 days.

8. The amount of the draft accompanying this certificate, together with each other draft which, as of the date hereof, has not been honored (or rejected), does not exceed (i) in total, the Letter of Credit Amount as in effect on the date hereof, (ii) as to the Principal Portion, the Principal Component as in effect on the date hereof, or (iii) as to the Interest Portion, the Interest Component as in effect on the date hereof.

9. Payment of the accompanying draft should be made by wire transfer to our account no. _____ at _____, ABA No. _____.

10. Upon payment of this Drawing, the Trustee shall deliver Bonds in the principal amount of the Bonds being purchased with this Drawing to the Bank or at the direction of the Bank pursuant to the Pledge Agreement, dated as of May 16, 2012, between the Company and the Bank.

[The executed original of this certificate will be mailed or delivered to you immediately.]*

Dated: _____

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A.

By:_____
Title: _____

* To be inserted if certificate is being sent by facsimile.

ANNEX E

FINAL PAYMENT CERTIFICATE

The undersigned Trustee (the "Trustee") certifies as follows to Barclays Bank PLC, New York Branch, as issuer of the referenced letter of credit (the "Letter of Credit"):

1. All terms defined in the Letter of Credit are used in this certificate with the same meanings.

2. The Trustee is the Trustee under the Indenture and is entitled to present this certificate. No Surrender Event has occurred.

3. Pursuant to Section 6.04(a) of the Indenture, the Trustee has concurrently presented its draft drawn on you in the amount of U.S. $_____. The amount of such draft represents unpaid principal in the amount of U.S. $_____ (the "Principal Portion") and _____ days' accrued interest in the amount of U.S. $_____ (the "Interest Portion"), which will be due upon redemption under Section 3.10, 3.11 or 3.12 (if all Outstanding Bonds are being redeemed) of the Indenture or which is now or which will be due upon acceleration of the Bonds under Section 9.02(a) of the Indenture, in either case net of moneys referred to in Section 6.03(c)(i) or 6.03(d)(i) of the Indenture, as applicable. Such amount does not include any amount in respect of Pledged Bonds or any Bonds registered in the name of the Company, was computed in accordance with the terms and conditions of the Indenture and does not exceed the amount available to be drawn under the Letter of Credit in respect of principal of, and interest on, the Bonds.

4. The Trustee shall apply the proceeds of this Drawing in accordance with the terms of the Indenture.

5. The Trustee shall not apply the proceeds of this Drawing in any way except as provided in the Indenture.

6. The Trustee shall not commingle the proceeds of this Drawing with any other funds held by the Trustee other than the proceeds of any other Drawings.

7. We hereby surrender the attached original Letter of Credit to you.

8. Payment of the accompanying draft should be made by wire transfer to our account no. _____ at _____, ABA No. _____.

9. The amount of the draft accompanying this certificate, together with each other draft which, as of the date hereof, has not been honored (or rejected), does not exceed (i) in total, the Letter of Credit Amount as in effect on the date hereof, (ii) as to the Principal Portion, the Principal Component as in effect on the date hereof, or (iii) as to the Interest Portion, the Interest Component as in effect on the date hereof.

[The executed original of this certificate will be mailed or delivered to you immediately.]*

Dated: _____

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A.

By: _____
Title: _____

* To be inserted if certificate is being sent by facsimile.

ANNEX F

REIMBURSEMENT CERTIFICATE

The undersigned Trustee (the "Trustee") certifies as follows to Barclays Bank PLC, New York Branch, as issuer of the referenced letter of credit (the "Letter of Credit'):

1. All terms defined in the Letter of Credit are used in this certificate with the same meanings.

2. The Trustee is the Trustee under the Indenture and is entitled to present this certificate. No Surrender Event has occurred.

3. The Trustee has today at the request and on behalf of the Company paid to you by wire transfer of immediately available funds the amount of U.S. $_____ relating to reimbursement to you of U.S. $_____ of unpaid principal (the "Principal Portion") and U.S. $_____ of accrued interest (the "Interest Portion") on the Bonds in connection with the Drawing(s) honored pursuant to the Trustee's draft(s) dated _____ in the aggregate amount of U.S. $_____.

4. The Principal Component of the Letter of Credit shall be reinstated by an amount equal to the Principal Portion and the Interest Component of the Letter of Credit shall be reinstated to an amount equal to the amount of interest that would accrue on the Outstanding Bonds (as such term is defined in the Indenture), other than Pledged Bonds, during the Interest Coverage Period at an interest rate equal to the Interest Coverage Rate calculated on the basis of a year of 365 days; provided, however, that in no event shall any reinstatement of the Principal Component or Interest Component result in the Principal Component or Interest Component being in excess of the amount thereof as in effect immediately prior to the applicable Interest Drawing or Liquidity Drawing.

5. The Trustee requests confirmation from you by facsimile of your receipt of this Reimbursement Certificate to the Trustees facsimile number ( ) ___-_____.

[The executed original of this certificate will be mailed or delivered to you immediately.]*

Dated: _____

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A.

By: _____
Title: _____

* To be inserted if certificate is being sent by facsimile.

ANNEX G

REDUCTION CERTIFICATE

The undersigned Trustee (the "Trustee") certifies as follows to Barclays Bank PLC, New York Branch (the "Bank"), as issuer of the referenced letter of credit (the "Letter of Credit"):

1. All terms defined in the Letter of Credit are used in this certificate with the same meanings.

2. The Trustee is the Trustee under the Indenture and is entitled to present this certificate. No Surrender Event has occurred.

3. The Trustee notifies you that on or prior to the date of this certificate Bonds (as to which no prior Reduction Certificate has been delivered to you) in a principal amount of U.S. $_____ became no longer Outstanding pursuant to the Indenture. The amount of the Letter of Credit has not been previously reduced on account of such reduction of the principal amount of Bonds Outstanding.

4. The Trustee acknowledges that the Letter of Credit Amount shall be reduced in accordance with the terms of the Letter of Credit in the amount of U.S. $_____ representing a reduction in the Principal Component equal to the sum of the aggregate principal amount of Bonds referred to in the preceding paragraph and a reduction in the Interest Component equal to an amount of interest for the Interest Coverage Period on such principal calculated at the Interest Coverage Rate based on a year of 365 days (U.S. $_____). No amount so reduced shall be reinstated.

[The executed original of this certificate will be mailed or delivered to you immediately.]*

Dated: _____

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A.

By:_____
Title: _____

* To be inserted if certificate is being sent by facsimile.

ANNEX H

INSTRUCTION TO TRANSFER

The undersigned beneficiary of the above-referenced letter of credit (the "Letter of Credit"), irrevocably instructs Barclays Bank PLC, New York Branch as issuer of the Letter of Credit, as follows:

1. For value received, the undersigned beneficiary irrevocably transfers to:

[Name of Transferee]
[Address]

all rights of the undersigned beneficiary under the Letter of Credit. The transferee has succeeded the undersigned as Trustee under the Indenture (as defined in the Letter of Credit).

2. By this transfer, all rights of the undersigned beneficiary in the Letter of Credit are transferred to the transferee, and the transferee shall from the date of this Instruction have the sole rights as beneficiary of the Letter of Credit; provided, however, that no rights shall be deemed to have been transferred to the transferee until such transfer complies with the requirements of the Letter of Credit pertaining to transfers. The undersigned transferor confirms that the transferor no longer has any rights under or interest in the Letter of Credit. All amendments are to be advised directly to the transferee without the necessity of any consent of or notice to the undersigned transferor.

3. The original Letter of Credit is returned with this Instruction and in accordance with the Letter of Credit the undersigned asks that this transfer be effective and that you transfer the same to the transferee or that, if so requested by the transferee, you issue a new irrevocable letter of credit in favor of the transferee with provisions consistent with the Letter of Credit.

[The executed original of this certificate will be mailed or delivered to you immediately.]*

Dated: _____

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A.

By: _____
Title: _____

* To be inserted if certificate is being sent by facsimile.

Acknowledged:

[NAME OF TRANSFEREE], as transferee

By: _____
Title: _____

Barclays Bank PLC, New York Branch
Irrevocable Letter of Credit
No. SB01739

ANNEX I

EXTENSION CERTIFICATE

_____, 20___

Ladies and Gentlemen:

Reference is made to Irrevocable Letter of Credit No. SB01739 (the "Letter of Credit", the terms defined therein and not otherwise defined herein being used herein as therein defined) issued by Barclays Bank PLC, New York Branch in your favor as beneficiary. We hereby extend the Scheduled Expiration Date of the Letter of Credit to _____, 20__.

Other than as set forth above, all rights of the beneficiary to draw under the Letter of Credit shall remain as set forth in the Letter of Credit.

This certificate forms an integral part of the original Letter of Credit and must be attached thereto.

Very truly yours,

BARCLAYS BANK PLC,
NEW YORK BRANCH

By:_____
(Authorized Signatory)

Acknowledged:

THE BANK OF NEW YORK
MELLON TRUST COMPANY,
N.A.

By:_____
Title:_____

ANNEX J

SURRENDER CERTIFICATE

The undersigned Trustee (the "Trustee") certifies as follows to Barclays Bank PLC, New York Branch, as issuer of the referenced letter of credit (the "Letter of Credit"):

1. All terms defined in the Letter of Credit are used in this certificate with the same meanings.

2. The Trustee is the Trustee under the Indenture and is entitled to present this certificate.

3. We hereby surrender the attached original Letter of Credit to you.

4. The Letter of Credit is hereby surrendered in accordance with its terms by virtue of the following (check one):

[ ] (a) 3:00 p.m. local time in New York, New York, on the Expiration Date;

[ ] (b) there are no Bonds Outstanding (as defined in the Indenture);

[ ] (c) the first Business Day (as defined below) after the conversion of the interest rate on the Bonds to a term interest rate pursuant to the Indenture; or

[ ] (d) a Substitute Letter of Credit or Alternate Credit Facility (each as defined in the Indenture), as the case may be, has been delivered to you.

5. No payment is demanded of you in connection with this surrender of the Letter of Credit.

[The executed original of this certificate will be mailed or delivered to you immediately.]*

Dated: _____

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A.

By: _____
Title: _____

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APPENDIX E

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

Sweetwater County, Wyoming
County Courthouse
50 East Flaming Gorge Way
Green River, Wyoming 82935

Barclays Bank PLC, New York Branch
200 Park Avenue
New York, New York 10166

Re: $70,000,000
Sweetwater County, Wyoming
Pollution Control Revenue Refunding Bonds
(PacifiCorp Project) Series 1990A (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 July 1, 1990 (the *"Loan Agreement"*), between Sweetwater County Wyoming (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 Barclays Bank PLC, New York Branch (the *"Prior Letter of Credit"*). On the date hereof, the Company desires to deliver a Letter of Credit (the *"Letter of Credit"*) to be issued by Barclays Bank PLC, New York Branch (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 July 1, 1990 (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 will not impair 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 (a) the delivery of an Irrevocable Letter of Credit, described in our opinion dated as of July 19, 2000, (b) the delivery of the Prior Letter of Credit, described in our opinion dated September 15, 2004, (c) the delivery of the amendment to the Prior Letter of Credit, described in our opinion dated November 30, 2005 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,

REOFFERING-NOT NEW ISSUES

SUPPLEMENT, DATED MAY 14, 2012
TO OFFICIAL STATEMENT, DATED JANUARY 14, 1988

The opinions of Chapman and Cutler delivered on January 14, 1988, stated that, subject to compliance by the Company and the Issuer of each issue of Bonds with certain covenants, under then existing law (a) interest on each issue of 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 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 (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 an adjustment used in determining the alternative minimum tax for certain corporations. Such opinions of Bond Counsel were also to the effect that under then existing law such interest will be exempt from certain Wyoming taxes. Such opinions have not been updated as of the date hereof. In the opinions of Bond Counsel to be delivered in connection with the delivery of the Replacement Letters of Credit, the delivery of the Replacement Letters of Credit will not cause the interest on the related 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 CREDIT FACILITY
$102,700,000*
CUSTOMIZED PURCHASE POLLUTION CONTROL
REVENUE REFUNDING BONDS
(PacifiCorp Projects)

$41,200,000*	**$50,000,000***	**$11,500,000***
City of Gillette, Campbell County, Wyoming	**Sweetwater County, Wyoming**	**Sweetwater County, Wyoming**
Series 1988	**Series 1988A**	**Series 1988B**
Due: January 1, 2018	**Due: January 1, 2017**	**Due: January 1, 2014**

PURCHASE DATE: MAY 16, 2012

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

PACIFICORP

Effective on May 16, 2012, and until May 16, 2013, subject to a one time automatic extension to June 20, 2013, unless earlier terminated or extended, each issue of Bonds will be supported by a separate irrevocable direct-pay Letter of Credit (each, a *"Replacement Letter of Credit"*) each issued, with respect to the Bonds by the New York Branch of

BARCLAYS BANK PLC

Under each Replacement Letter of Credit, the Trustee will be entitled to draw up to (a) an amount sufficient to pay (i) the outstanding unpaid principal amount of the applicable Bonds or (ii) the portion of the purchase price of such Bonds corresponding to such unpaid principal amount plus (b) an amount sufficient to pay (i) in the case of the Sweetwater 1988A Bonds (as defined herein), up to 294 days' accrued interest on such Bonds, and in the case of the Gillette Bonds and the Sweetwater 1988B Bonds (each as defined herein), up to 65 days' accrued interest on such Bonds, in each case calculated at the maximum rate of 12% per annum and on the basis of a year of 365 days or (ii) the portion of the purchase price of the applicable Bonds corresponding to such accrued interest. The Replacement Letters of Credit will only be available to be drawn while the Bonds bear interest at a rate other than a Fixed Interest Rate (as defined in the Indenture).

The Bonds of each issue are currently supported by separate Letters of Credit issued by Barclays Bank PLC (each, an *"Existing Letter of Credit"*). On May 16, 2012, each Replacement Letter of Credit will be delivered to the Trustee in substitution for the applicable Existing Letter of Credit, and the Bonds will not have the benefit of the Existing Letters of Credit after such substitution.

The Bonds are issuable as fully registered Bonds without coupons, initially in the denomination of $100,000 and integral multiples of $100,000 in excess thereof. Interest on Bonds of each issue will be payable on the Interest Payment Date applicable to such issue of Bonds. As of the date hereof, the Sweetwater 1988A Bonds bear interest at a CP Rate, the Sweetwater 1988B Bonds bear interest at a Daily Rate and the Gillette Bonds bear interest at a Weekly Rate. The Depository Trust Company, New York, New York (*"DTC"*), will continue to act as a securities depository for the Bonds. The 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 the Bonds will not receive certificates representing their interests in the Bonds. Payments of principal of, and premium, if any, and interest on the 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 Replacement Letters of Credit and the financial strength of Barclays Bank PLC, 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 Replacement Letters 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

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* The Bonds were issued in the aggregate principal amount of $102,700,000, all of which remain outstanding. This Supplement relates to the remarketing, in a secondary market transaction, of $1,900,000 of the Gillette Bonds, $50,000,000 of the Sweetwater 1988ABonds and $9,000,000 of the Sweetwater 1988B Bonds delivered for mandatory purchase by the respective owners thereof for purchase on May 16, 2012. Owners of the remaining $39,300,000 aggregate principal amount of the Gillette Bonds, $-0- aggregate principal amount of the Sweetwater 1988A Bonds and $2,500,000 aggregate principal amount of the Sweetwater 1988B 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, Barclays Bank PLC, 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, Barclays, 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 Barclays, as to the accuracy, completeness or adequacy of the information contained in this Supplement to Official Statement, except with respect to APPENDIX B hereto. 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.

The Remarketing Agent has provided the following sentence for inclusion in this Supplement to Official Statement. The Remarketing Agent has reviewed the information in the Supplement to Official Statement in accordance with, and as part of, their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of the transaction, but the Remarketing Agent does not guarantee the accuracy or completeness of such information.

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$102,700,000
CUSTOMIZED PURCHASE POLLUTION CONTROL
REVENUE REFUNDING BONDS
(PacifiCorp Projects)

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 three separate issues of revenue refunding bonds (collectively, the *"Bonds"*) in the aggregate principal amount of $102,700,000, issued by the respective issuers (individually, the *"Issuer,"* and collectively, the *"Issuers"*), as follows:

(i) $41,200,000 aggregate principal amount of City of Gillette, Campbell County, Wyoming Customized Purchase Pollution Control Revenue Refunding Bonds (PacifiCorp Projects), Series 1988 (the *"Gillette Bonds"*);

(ii) $50,000,000 aggregate principal amount of Sweetwater County, Wyoming Customized Purchase Pollution Control Revenue Refunding Bonds (PacifiCorp Projects), Series 1988A (the *"Sweetwater 1988A Bonds"*); and

(iii) $11,500,000 aggregate principal amount of Sweetwater County, Wyoming Customized Purchase Pollution Control Revenue Refunding Bonds (PacifiCorp Project), Series 1988B (the *"Sweetwater 1988B Bonds"*).

Each issue of the Bonds was issued pursuant to a Trust Indenture, dated as of January 1, 1988 (individually, an *"Indenture,"* and collectively, the *"Indentures"*), between the respective 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 separate Loan Agreement for each issue of the Bonds, each dated as of January 1, 1988 (individually, an *"Agreement,"* and collectively, the *"Agreements"*), each between the respective 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 of each issue contain substantially the same terms and provisions as, but will be entirely separate from, the Bonds of any other issue. The Bonds of one issue will not be payable from or entitled to any revenues delivered to the Trustee in respect of Bonds of any other issue. 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 any other issue. Redemption of the Bonds of one issue may be made in the manner described in the Official Statement without redemption of any other issue, and a default in respect of the Bonds of one issue will not of itself constitute a default in respect of the Bonds of any other issue; however, the same occurrence may constitute a default with respect to the Bonds of all issues.

The Bonds of each issue, together with premium, if any, and interest thereon, are limited and not general, obligations of the applicable Issuer not constituting or giving rise to a pecuniary liability of the applicable 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 applicable Revenues (as defined in the applicable Indenture and which includes moneys drawn under the Letter of Credit) and other moneys pledged therefor under the applicable Indenture, and shall be a valid claim of the respective holders thereof only against the applicable Bond Fund (as defined in the applicable Indenture), Revenues and other moneys held by the Trustee as part of the applicable Trust Estate (as defined in the applicable Indenture). The Issuers shall not be obligated to pay the purchase price of any of the 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 contained in any Indenture, against any past, present or future officer or employee of any Issuer, or any incorporator, officer, director or member of any successor corporation, as such, either directly, or through any 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 each Indenture and the issuance of any of the Bonds.

The Company has exercised its right under the Agreement and the Indenture to terminate the three separate Letters of Credit, each dated September 15, 2004, as amended (individually, a *"Prior Letter of Credit"* and collectively, the *"Prior Letters of Credit"*) and issued by Barclays Bank PLC, New York Branch (the *"Prior Bank"*) with respect to each issue of Bonds, each of

which has supported payment of the principal, interest and purchase price of the applicable Bonds since the date Prior Letters of Credit were issued. Pursuant to the Indentures, the Company has elected to replace each Prior Letter of Credit with a separate Irrevocable Letter of Credit (individually, the *"Letter of Credit,"* and, collectively, the *"Letters of Credit"*) to be issued by Barclays Bank PLC, a bank organized under the laws of England, acting through its New York Branch (the *"Bank"* or *"Barclays"*). The three Letters of Credit will be delivered to the Trustee on May 16, 2012 (the *"Purchase Date"*) and, after such date, the Bonds will not have the benefit of the Prior Letters of Credit.

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 sufficient to pay (i) the outstanding unpaid principal amount of the applicable Bonds or (ii) the portion of the purchase price of such Bonds corresponding to such unpaid principal amount plus (b) an amount sufficient to pay (i) in the case of the Sweetwater 1988A Bonds, up to 294 days' accrued interest on such Bonds, and in the case of the Gillette Bonds and the Sweetwater 1988B Bonds, up to 65 days' accrued interest on such Bonds (in each case calculated at the maximum rate of 12% per annum and on the basis of a year of 365 days) or (ii) the portion of the purchase price of the applicable Bonds corresponding to such accrued interest. Each Letter of Credit will only be available to be drawn on with respect to related Bonds bearing interest at a rate other than a Fixed Interest Rate (as defined in the applicable Indenture).

After the date of delivery of the Letters of Credit, the Company is permitted under the Agreements and the Indentures to provide a substitute letter of credit (the *"Substitute Letter of Credit"*), which is issued by the same Bank that issued the then existing Letter of Credit and which is identical to such Letter of Credit except for (i) an increase or decrease in the Interest Coverage Rate (as defined in the Agreement), (ii) an increase or decrease in the Interest Coverage Period (as defined in the Agreement) 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. See "THE LETTERS OF CREDIT" and the Official Statement under the caption "THE BONDS — Purchase of Bonds."

Prior to the delivery of the Letters of Credit, the Sweetwater 1988A Bonds were bearing interest at a CP Rate, the Sweetwater 1988B Bonds were bearing interest at a Daily Interest Rate, the Gillette Bonds were bearing interest at a Weekly Interest Rate. Following the delivery of the Letters of Credit, the Sweetwater 1988A Bonds will continue to bear interest at a CP Rate, Sweetwater 1988B Bonds will continue to bear interest at a Daily Interest Rate and the Gillette Bonds will continue to bear interest at a Weekly Rate; each subject to the right of the Company to cause the interest rate on the Bonds of each issue to be converted to other interest rate determination methods as described in the Official Statement.

Reference is hereby made to the Bonds in their entirety for the detailed provisions thereof.

Brief descriptions of the Issuers, 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 Barclays is included as APPENDIX B 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 at the principal offices of the Remarketing Agent in New York, New York.

THE LETTERS OF CREDIT AND THE CREDIT AGREEMENT

The following is a brief summary of certain provisions of the Letters 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 Letters of Credit or the Credit Agreement and reference is made to each Letter of Credit or the Credit Agreement, as applicable, in its entirety.

THE LETTERS OF CREDIT

Each 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 sufficient to pay (i) the outstanding unpaid principal amount of the applicable Bonds or (ii) the portion of the purchase price of such Bonds corresponding to such unpaid principal amount plus (b) an amount sufficient to pay (i) in the case of the Sweetwater 1988A Bonds, up to 294 days' accrued interest on such Bonds, and in the case of the Gillette Bonds and the Sweetwater 1988B Bonds, up to 65 days' accrued interest on such Bonds (in each case calculated at the maximum rate of 12% per annum and on the basis of a year of 365 days) or (ii) the portion of the purchase price of the applicable Bonds corresponding to such accrued interest. The Letters of Credit will only be available to be drawn while the Bonds bear interest at a rate other than a Fixed Interest Rate. The Letters of Credit will be substantially in the forms attached hereto as APPENDIX D. The Letters of Credit will be issued pursuant to three separate Reimbursement Agreements, each dated May 16, 2012 (each, a *"Reimbursement Agreement"*), between the Company and Barclays, and the Credit Agreement (defined below).

The Bank's obligation under each 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 applicable 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 only on the applicable Bonds, the amount that may be drawn under the applicable Letter of Credit will be automatically reinstated to the extent of such drawing as of the close of business on the ninth Business Day after such drawing unless the Bank shall have notified the Trustee within nine Business Days after such drawing of an Event of Default (as defined) under the applicable Reimbursement Agreement.

Upon an acceleration of the maturity of Bonds due to an event of default under the applicable Indenture, the Trustee will be entitled to draw on the applicable Letter of Credit, if it is then in effect, to the extent of the aggregate principal amount of the Bonds outstanding, plus up to 50 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.

Each Letter of Credit shall expire on the earliest of: (i) May 16, 2013 (such date, as it may be extended as provided in the next sentence, the *"Scheduled Expiration Date"*), (ii) the date of a final drawing under the applicable Letter of Credit and (iii) the date the Trustee surrenders a Letter of Credit to the Bank for cancellation. The Scheduled Expiration Date shall be automatically extended one single time to June 20, 2013 unless at least 30 days prior to the Scheduled Expiration Date, the Company has received written notification from the Bank that the Bank has elected not to extend a Letter of Credit for such additional period. The Trustee agrees to surrender each Letter of Credit to the Bank, and not to make any drawing, after the earliest to occur of (i) 3:00 p.m. local time in New York, New York, on the applicable Expiration Date, (ii) there are no Bonds outstanding under the applicable Indenture, (iii) the first Business Day after the conversion of the interest rate on the applicable 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.

Additional provisions relating to the Letter of Credit, Substitute Letter of Credit and Alternate Credit Facility are described in the Official Statement under the caption "THE LETTER OF CREDIT."

CREDIT AGREEMENT

General. The Company is party to the Credit Agreement. In addition, the Company has executed and delivered the Reimbursement Agreements requesting that Barclays issue an irrevocable direct pay letter of credit for the Bonds and governing the issuance thereof. Each Letters of Credit is issued pursuant to the Credit Agreement and the applicable Reimbursement Agreement.

The Credit Agreement defines the relationship between the Company and the financial institutions party thereto, including Barclays; 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 Barclays 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 Barclays 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 Supplement 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 rates 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 Indentures and the Remarketing Agreement), all as further described in this Supplement. 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 Account. 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 account. The Remarketing Agent is permitted, but not obligated, to purchase tendered Bonds for its own account 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 each Indenture and Remarketing Agreement, for each issue of Bonds, 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 applicable 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.

TAX EXEMPTION

The opinions of Chapman and Cutler delivered on January 14, 1988 stated that, subject to compliance by the Company and the Issuer with certain covenants made to satisfy pertinent requirements of the Internal Revenue Code of 1986, 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 related project or facilities 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), 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. As indicated in such opinions, 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 (*"Bond Counsel"*) has made no independent investigation to confirm that such covenants have been complied with.

Bond Counsel will deliver an opinion for each series of the Bonds in connection with delivery of the Letters of Credit, in substantially the form attached hereto as APPENDIX E, to the effect that the delivery of the Letters of Credit (i) is authorized under and complies with the terms of the applicable Agreement and (ii) will not impair the validity under the Act of the applicable Bonds or will not cause the interest on the applicable 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, Bond Counsel has not reviewed any factual or legal matters relating to its opinions dated January 14, 1988 subsequent to its issuance other than with respect to the Company in connection with (a) with regard to the Sweetwater 1988A Bonds, the issuance and delivery of an Alternate Credit Facility, described in its opinion dated April 24, 2002, (b) with regard to the Sweetwater 1988B Bonds, (i) the conversion of the interest rate on such Bonds from a CP Rate to a Daily Interest Rate, described in its opinion dated January 26, 1996 and its opinion dated February 28, 1996, and (ii) the issuance and delivery of an Alternate Credit Facility, described in its opinion dated August 23, 2001, (c) with regard to the Gillette Bonds, the conversion of the interest rate on such Bonds from a CP Rate to a Weekly Interest Rate and the delivery of an Alternate Credit Facility, described in its opinion dated May 26, 1999 and its opinions dated June 7, 1999 and (d) with regard to each issue of Bonds, (i) the delivery of the Prior Letters of Credit, described in its three opinions each dated September 15, 2004, (ii) the delivery of the amendment to the Prior Letters of Credit, described in its three opinions each dated November 30, 2005 and (iii) the delivery of the Letters of Credit described herein. The opinions delivered in connection with delivery of the Letters of Credit are not to be interpreted as a reissuance of any of the original approving opinions as of the date of this Supplement to Official Statement.

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.

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 1.8 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. Quarterly Report on Form 10-Q for the quarter ended March 31, 2012.

3. Current Report on Form 8-K, dated March 23, 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 Supplement to Official Statement (the *"Supplement"*) shall be deemed to be incorporated by reference in this Supplement 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 Supplement 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 Supplement 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 Supplement or delivered herewith. The Company hereby undertakes to provide without charge to each person to whom a copy of this Supplement 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 Supplement does not purport to be comprehensive and should be read together with the information contained in the Incorporated Documents.

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APPENDIX B

BARCLAYS BANK PLC

The following information concerning Barclays Bank PLC ("Barclays") has been provided by representatives of Barclays 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.

Barclays is a public limited company registered in England and Wales under number 1026167. The liability of the members of Barclays is limited. It has its registered head office at 1 Churchill Place, London, E14 5HP, United Kingdom (telephone number +44 (0)20 7116 1000). Barclays was incorporated on 7 August 1925 under the Colonial Bank Act 1925 and on 4 October 1971 was registered as a company limited by shares under the Companies Acts 1948 to 1967. Pursuant to The Barclays Bank Act 1984, on 1 January 1985, Barclays Bank was re-registered as a public limited company and its name was changed from "Barclays Bank International Limited" to "Barclays Bank PLC".

Barclays and its subsidiary undertakings (taken together, the *"Group"*) is a major global financial services provider engaged in retail and commercial banking, credit cards, investment banking, wealth management and investment management services. The whole of the issued ordinary share capital of Barclays is beneficially owned by Barclays PLC, which is the ultimate holding company of the Group.

The short term unsecured obligations of Barclays are rated A-1 by Standard & Poor's Credit Market Services Europe Limited, P-1 by Moody's Investors Service Ltd. and F1 by Fitch Ratings Limited and the long-term obligations of Barclays are rated A+ by Standard & Poor's Credit Market Services Europe Limited, Aa3 by Moody's Investors Service Ltd. and A by Fitch Ratings Limited.

Based on the Group's audited financial information for the year ended 31 December 2011, the Group had total assets of £1,563,402 million (2010: £1,490,038 million), total net loans and advances[1] of £478,726 million (2010: £465,741 million), total deposits[2] of £457,161 million (2010: £423,777 million), and total shareholders' equity of £65,170 million (2010: £62,641 million) (including non-controlling interests of £3,092 million (2010: £3,467 million)). The profit before tax from continuing operations of the Group for the year ended 31 December 2011 was £5,974 million (2010: £6,079 million) after credit impairment charges and other provisions of £3,802 million (2010: £5,672 million). The financial information in this paragraph is extracted from the audited consolidated financial statements of Barclays for the year ended 31 December 2011.

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1 Total net loans and advances include balances relating to both bank and customer accounts.

2 Total deposits include deposits from bank and customer accounts.

The delivery of the information concerning Barclays and the Group herein shall not create any implication that there has been no change in the affairs of Barclays and the Group since the date hereof, or that the information contained or referred to herein is correct as of any time subsequent to its date.

Barclays is responsible only for the information contained in this section of the Official Statement and did not participate in the preparation of, or in any way verify the information contained in, any other part of the Official Statement. Accordingly, Barclays assumes no responsibility for and makes no representation or warranty as to the accuracy or completeness of information contained in any other part of the Official Statement.

The information contained in this Appendix relates to and has been obtained from Barclays. The delivery of the Official Statement shall not create any implication that there has been no change in the affairs of Barclays Bank PLC 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 no, be treated as an item of tax preference in computing the alternative minimum tax fqr 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 a, 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 egral/ral 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 a, the close of business on the record date, which is the fourth day preceding the CP Date for CP Periods shorter 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 a, feast $1,000,000, be transmitted by wire transfer to such Owner. Principal of and premium. if any. on all Bonds will be payable a, the office of The Firs: 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 8 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.**

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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.

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-l-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 ease 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 2'70 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 hear 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 eases, 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 ease 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 hear 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 he 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.

(e) 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	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 describedabove 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 pm. 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 ease 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 he 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 he), 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 ease may be) and the Trustee a true and complete eopy 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, 198'7 (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 ease 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 Ohligor 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 ease 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 ease 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 he 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 he 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 Ohligor 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, he 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 he, 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;@) 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 ease 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) 4646110.

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) AC 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 DM1O.O 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 583.3 billion, consolidated total deposits off 69.3 billion and consolidated ordinary shareholders' equity of f4.6 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 f251 million after a charge for debt provisions of f564 million. The charge for bad and doubtful debts mainly reflects sovereign debt provisions of f496 million. This brings the Group's total sovereign debt cover to f886 million, which is 29.5% of its f3 billion outstandings to 35 problem countries.

The Group currently employs approximately 96,666 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 Rats 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 Rats, 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 1O:OO 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 ease 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 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 [illegible] 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 AM 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 or 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

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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 Gillette, Campbell County, Wyoming
City Hall
201 East Fifth Street
Gillette, Wyoming 82716

Barclays Bank PLC, New York Branch
200 Park Avenue
New York, New York 10166

Re: $41,200,000
City of Gillette, Campbell County, Wyoming
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 City of Gillette, Campbell County, Wyoming (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 Barclays Bank PLC, New York Branch (the *"Prior Letter of Credit"*). On the date hereof, the Company desires to deliver a Letter of Credit (the *"Letter of Credit"*) to be issued by Barclays Bank PLC, New York Branch (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 will not impair 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 (a) the conversion of the interest rate on the Bonds from a CP Rate to a Weekly Interest Rate and the delivery of an Alternate Credit Facility, described in our opinion dated May 26, 1999 and our opinions dated June 7, 1999, (b) the delivery of the Prior Letter of Credit, described in our opinion dated September 15, 2004, (c) the delivery of the amendment to the Prior Letter of Credit, described in our opinion dated November 30, 2005 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,

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

Sweetwater County, Wyoming
County Courthouse
Green River, Wyoming 82935

Barclays Bank PLC, New York Branch
200 Park Avenue
New York, New York 10166

Re: $50,000,000
Sweetwater County, Wyoming
Customized Purchase Pollution Control Revenue Refunding Bonds
(PacifiCorp Project) Series 1988A (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 Sweetwater County, Wyoming (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 Barclays Bank PLC, New York Branch (the *"Prior Letter of Credit"*). On the date hereof, the Company desires to deliver a Letter of Credit (the *"Letter of Credit"*) to be issued by Barclays Bank PLC, New York Branch (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 will not impair 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 (a) the issuance and delivery of an Alternate Credit Facility, described in our opinion dated April 24, 2002, (b) the delivery of the Prior Letter of Credit, described in our opinion dated September 15, 2004, (c) the delivery of the amendment to the Prior Letter of Credit, described in our opinion dated November 30, 2005 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,

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

Sweetwater County, Wyoming
County Courthouse
Green River, Wyoming 82935

Barclays Bank PLC, New York Branch
200 Park Avenue
New York, New York 10166

Re: $11,500,000
Sweetwater County, Wyoming
Customized Purchase Pollution Control Revenue Refunding Bonds
(PacifiCorp Project) Series 1988B (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 Sweetwater County, Wyoming (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 Barclays Bank PLC, New York Branch (the *"Prior Letter of Credit"*). On the date hereof, the Company desires to deliver a Letter of Credit (the *"Letter of Credit"*) to be issued by Barclays Bank PLC, New York Branch (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 will not impair 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 (a) the conversion of the interest rate on the Bonds from a CP Rate to a Daily Interest Rate, described in our opinion dated January 26, 1996 and our opinion dated February 28, 1996, and (b) the issuance and delivery of an Alternate Credit Facility, described in our opinion dated August 23, 2001, (c) the delivery of the Prior Letter of Credit, described in our opinion dated September 15, 2004, (d) the delivery of the amendment to the Prior Letter of Credit, described in our opinion dated November 30, 2005 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

FORMS OF LETTERS OF CREDIT

LETTER OF CREDIT FOR THE GILLETTE BONDS

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Irrevocable Letter of
Credit No. SB01741

May 16, 2012

The Bank of New York Mellon Trust Company, N.A.
2 North Lasalle Street, Suite 1020
Chicago, Illinois 60602
As Successor Trustee
under the Trust Indenture Referred to below
Attention: Corporate Trust Department

Ladies and Gentlemen:

At the request and for the account of PacifiCorp (the "Company"), we (the "Bank") establish in your favor as successor Trustee under the Trust Indenture dated as of January 1, 1988 (the "Indenture") between The First National Bank of Chicago, as trustee and the City of Gillette, Campbell County, Wyoming (the "Issuer"), pursuant to which there have been issued U.S. $41,200,000 in aggregate principal amount of the Issuer's Customized Purchase Pollution Control Revenue Refunding Bonds (PacifiCorp Project) Series 1988 (the "Bonds") and currently outstanding in the aggregate principal amount of U.S. $41,200,000, this irrevocable letter of credit (this "Letter of Credit") in the aggregate amount of U.S. $42,080,439 (as from time to time reduced and reinstated as provided in this Letter of Credit, the "Letter of Credit Amount"). This Letter of Credit Amount shall be available for drawing by you as set forth below in amounts (a) not to exceed U.S. $41,200,000 (as from time to time reduced and reinstated as provided in this Letter of Credit, the "Principal Component") with respect to unpaid principal of the Bonds or the portion of the purchase price of the Bonds corresponding to unpaid principal of the Bonds and (b) not to exceed U.S. $880,439 (as from time to time reduced and reinstated as provided in this Letter of Credit, the "Interest Component") with respect to up to 65 days (such number of days being referred to as the "Interest Coverage Period") of accrued interest on the Bonds Outstanding (as defined in the Indenture) or the portion of the purchase price of the Bonds corresponding to accrued interest on the Bonds Outstanding, calculated at the maximum rate of 12% per annum and on the basis of a year of 365 days (such rate being referred to as the "Interest Coverage Rate"). This Letter of Credit is only available to be drawn upon with respect to Bonds bearing interest at a rate other than a fixed interest rate pursuant to the Indenture. All drawings under this Letter of Credit will be paid with our own funds (in U.S. Dollars in immediately available funds) without any requirement that you, the holders of the Bonds or we make any prior claims against the Company.

This Letter of Credit shall expire at 3:00 p.m. local time in New York, New York, on the date (the "Expiration Date") which is the earliest of: (i) May 16, 2013, or if not a Business Day,

the next succeeding Business Day (such date, as it may be extended as provided in the next sentence, the "Scheduled Expiration Date"), (ii) the date of payment of a Final Payment Drawing (as defined below) and (iii) the date when you surrender this Letter of Credit to the Bank for cancellation accompanied by a certificate substantially in the form of Annex J to this Letter of Credit. The Scheduled Expiration Date shall be automatically extended one single time to June 20, 2013 unless at least thirty (30) days prior to the then-current Scheduled Expiration Date, the beneficiary has received written notification from us by courier or certified mail, that we elect not to extend this Letter of Credit for any such additional period. Notwithstanding the foregoing, in no event shall the expiration date be automatically extended beyond June 20, 2013, the "Final Expiration Date". You agree to surrender this Letter of Credit to the Bank, and not to make any Drawing (as defined below), after the earliest to occur of (a) 3:00 p.m. local time in New York, New York, on the Expiration Date, (b) there are no Bonds Outstanding, (c) the first Business Day (as defined below) after the conversion of the interest rate on the Bonds to a fixed interest rate pursuant to the Indenture and (d) a Substitute Letter of Credit or Alternate Credit Facility (each as defined in the Indenture), as the case may be, has been delivered to you (each, a "Surrender Event").

In addition to the foregoing automatic extension provision, we may extend the Scheduled Expiration Date from time to time at the request of the Company by delivering to you an amendment to this Letter of Credit in the form of Annex I designating the date to which the Scheduled Expiration Date is being extended. Each such extension of the Scheduled 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 Scheduled Expiration Date shall be deemed to be references to the date designated as such in such notice. Any date to which the Scheduled Expiration Date has been extended as herein provided may be extended in a like manner.

Subject to the provisions of this Letter of Credit, demands for payment under this Letter of Credit may be made by you from time to time prior to 3:00 p.m. local time in New York, New York, on the Expiration Date by presentation of your certificate in the form of:

Annex B (an "Interest Certificate") in the case of a drawing for interest on the Bonds due on any day on which the Trustee is entitled, under the Indenture, to make a drawing upon this Letter of Credit for interest only (an "Interest Drawing"),

Annex C (a "Redemption Certificate") in the case of a drawing for principal (but not premium) of, and accrued interest, if any, on the Bonds due under Sections 3.10, 3.11 or 3.12 (if less than all of the Outstanding Bonds are being redeemed) of the Indenture (a "Redemption Drawing"),

Annex D (a "Liquidity Certificate") in the case of a drawing for the purchase price of Bonds delivered or deemed to be delivered under Sections 3.01, 3.02, 3.03, 3.04 or 3.05 of the Indenture, or to be purchased in lieu of redemption pursuant to Section 3.14(a) of the Indenture (a "Liquidity Drawing") or

Annex E (a "Final Payment Certificate") in the case of a drawing for principal of, and accrued interest, if any, on the Bonds due under Sections 3.10, 3.11 or 3.12 (if all of the Outstanding Bonds are being redeemed) of the Indenture or for acceleration of the Bonds under Section 9.02(a) of the Indenture (a "Final Payment Drawing"),

together in each case with your drafts in the form of Annex A drawn on Barclays Bank PLC, New York Branch, 200 Park Avenue, New York, New York 10166, Attention: Dawn Townsend/Letter of Credit Department, Telephone Number (201) 499-2081, Facsimile Number (212) 412-5011 (or at such other address in New York, New York, as the Bank may designate in a written notice delivered to you) prior to 3:00 p.m. New York time on any Business Day (each such demand and presentation, a "Drawing"). Payment against strictly conforming documents presented under this Letter of Credit shall be made by the Bank on or before 1:00 p.m. New York time on the next Business Day after presentation; provided, however, that, in the case of a Liquidity Drawing, payment against conforming documents presented under this Letter of Credit shall be made by the Bank at or before 2:30 p.m. New York time on any Business Day on which the Bank shall have been presented with strictly conforming documents by 11:00 a.m. New York time on such day. "Business Day" means a day on which banks located in the city in which the Principal Office of the Bank (as defined below) 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 or are not closed and on which The New York Stock Exchange and the principal office of the remarketing agent for the Bonds are not closed. For purposes of the Indenture, the "Principal Office of the Bank" shall mean the office located at the address specified in this paragraph.

Each Drawing honored by the Bank under this Letter of Credit shall immediately reduce the Principal Component and/or the Interest Component, as the case may be, by the amount of such payment, and the Letter of Credit Amount shall also be correspondingly reduced. In addition, in the case of a Redemption Drawing, Liquidity Drawing or Final Payment Drawing, the Interest Component of the Letter of Credit shall further be reduced so that the total reduction of the Interest Component (as set forth on the applicable certificate for such Drawing) equals an amount that would accrue on the principal portion of the amount being drawn in such Redemption Drawing, Liquidity Drawing or Final Payment Drawing during the Interest Coverage Period at an interest rate equal to the Interest Coverage Rate, calculated on the basis of a year of 365 days. Upon such honor, our obligations in respect of such Drawing shall be discharged, and we shall have no further obligation in respect of such Drawing. The Principal Component and the Interest Component (and correspondingly the Letter of Credit Amount) so reduced shall be reinstated as follows:

(a) in the case of a reduction resulting from payment against an Interest Drawing, the Interest Component shall be reinstated automatically as of the Bank's close of business in New York, New York, on the 9th Business Day following the date of such payment to an amount equal to interest on the Outstanding Bonds (other than Bonds purchased from time to time with moneys drawn under this Letter of Credit for the purchase or redemption of Bonds delivered or deemed to be delivered to the Remarketing Agent or the Trustee pursuant to Sections 3.01, 3.02, 3.03, 3.04, 3.05 or 3.14(a) of the Indenture ("Pledged Bonds"), whether or not constituting "Pledged Bonds" within the meaning of the Indenture, or any Bonds registered in the name of the Company), for the Interest Coverage Period calculated at the Interest Coverage Rate on the basis of a year of 365 days, unless you shall have received notice from the Bank as contemplated by Section 9.01(e) of the Indenture; and

(b) in the case of a reduction resulting from payment against a Liquidity Drawing, the Principal Component and, if applicable, the Interest Component shall be reinstated

automatically as and to the extent that the Bank shall have received from you notice of the reimbursement of such payment in immediately available funds pursuant to your certificate in the form of Annex F (a "Reimbursement Certificate"); in such case, the Principal Component shall be reinstated in an amount equal to the portion of such payment attributable to reimbursement of the portion of such Liquidity Drawing representing principal of the Bonds and the Interest Component shall be reinstated to an amount equal to interest for the Interest Coverage Period on the Outstanding Bonds (other than Pledged Bonds or Bonds registered in the name of the Company) calculated at the Interest Coverage Rate based on a year of 365 days, as set forth in such certificate;

provided, however, that in no event shall any reinstatement of the Principal Component or Interest Component result in the Principal Component or Interest Component being in excess of the amount thereof as in effect immediately prior to the applicable Interest Drawing or Liquidity Drawing.

The Letter of Credit Amount shall be permanently reduced upon the Bank's receipt of your certificate in the form of Annex G (a "Reduction Certificate") by the amount stated in such certificate and no portion of the amount of any such reduction shall be reinstated.

Partial drawings are permitted under this Letter of Credit. The failure to make a drawing for any payment of principal of, or interest on, the Bonds required by the Indenture shall not, in and of itself, result in this Letter of Credit ceasing to be available for future such Drawings.

This Letter of Credit shall not be available to be drawn upon for payments of principal or purchase price of any Pledged Bonds or Bonds registered in the name of the Company, or for interest on any Bonds which as of the Record Date (as defined in the Indenture) for the relevant Interest Period (as defined in the Indenture), in the case of an Interest Drawing, or as of the date (other than an Interest Payment Date) fixed for the redemption of such Bonds pursuant to Section 3.10, 3.11 or 3.12 of the Indenture were Pledged Bonds or were registered in the name of the Company.

All documents presented to the Bank in connection with any Drawing, and all other communications and notices to the Bank with respect to this Letter of Credit, shall be in writing, dated the date of presentation, and delivered to the Bank at the address set forth in the fourth paragraph of this Letter of Credit and shall specifically refer to the Bank by name and to this Letter of Credit by the irrevocable letter of credit number set forth in the first page of this Letter of Credit. Any such documents, communications and notices may be made by facsimile confirmed immediately by telephone, together with a statement that the originals of such documents, communications and notices shall immediately be mailed or delivered to the Bank.

No person other than you as Trustee or a successor Trustee under the Indenture may make any demand for payment under this Letter of Credit. Anything to the contrary in Article 38 of the Uniform Customs (as defined below) notwithstanding, this Letter of Credit is transferable in its entirety only to any transferee who has succeeded you as Trustee under the Indenture and may be successively transferred to any subsequent successor Trustee, in each case upon presentation to the Bank of the original of this Letter of Credit accompanied by a certificate in the form of Annex H (a "Transfer Certificate").

This Letter of Credit sets forth in full the Bank's undertaking and such undertaking shall not in any way be modified, amended, amplified or limited by any document, instrument or agreement (including, without limitation, the Indenture and the Bonds, but excluding the Uniform Customs and the annexes attached hereto) referred to in this Letter of Credit or in any certificate presented by you under this Letter of Credit.

This Letter of Credit is subject to the Uniform Customs and Practice for Documentary Credits, 2007 Revision, International Chamber of Commerce Publication No. 600 (the "Uniform Customs"), which is incorporated in this Letter of Credit, except for Article 32 thereof. Furthermore, as provided in Article 36 of the Uniform Customs, we assume no liability or responsibility for consequences arising out of the interruption of our business by Acts of God, riots, civil commotions, insurrections, wars or any other causes beyond our control, or strikes or lockouts. For purposes of Article 6(a) of the Uniform Customs, the place of presentation for payment, acceptance and negotiation shall be the Bank's office set forth above. As to matters not covered by the Uniform Customs, this Letter of Credit shall be governed by the internal laws of the State of New York without giving effect to its conflicts of laws principles.

WE, AND BY MAKING A PRESENTATION OF DOCUMENTS FOR A DRAWING UNDER THIS LETTER OF CREDIT, YOU, HEREBY WAIVE OUR AND YOUR RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION ARISING UNDER OR RELATED TO THIS LETTER OF CREDIT, AND ACKNOWLEDGE THAT THIS WAIVER IS A MATERIAL INDUCEMENT TO OUR ISSUANCE AND YOUR ACCEPTANCE OF THIS LETTER OF CREDIT THAT EACH OF WE AND YOU HAS RELIED ON THE WAIVER IN ISSUING AND ACCEPTING THIS LETTER OF CREDIT AND THAT EACH OF WE AND YOU WILL CONTINUE TO RELY ON THE WAIVER IN THEIR RELATED FUTURE DEALINGS.

EACH OF WE, AND BY MAKING A PRESENTATION OF DOCUMENTS FOR A DRAWING UNDER THIS LETTER OF CREDIT, YOU, HEREBY CONSENTS TO THE JURISDICTION OF ANY STATE OR FEDERAL COURT LOCATED WITHIN THE COUNTY OF NEW YORK, STATE OF NEW YORK IN ANY ACTION OR PROCEEDING ARISING UNDER OR RELATED TO THIS LETTER OF CREDIT AND IRREVOCABLY AGREES THAT, ALL ACTIONS OR PROCEEDINGS ARISING OUT OF OR RELATING TO THIS LETTER OF CREDIT SHALL BE LITIGATED IN SUCH COURTS. EACH OF WE, AND BY MAKING A PRESENTATION OF DOCUMENTS FOR A DRAWING UNDER THIS LETTER OF CREDIT, YOU, EXPRESSLY SUBMITS AND CONSENTS TO THE JURISDICTION OF THE AFORESAID COURTS AND WAIVES ANY DEFENSE OF FORUM NON CONVENIENS.

Very truly yours,

BARCLAYS BANK PLC,
NEW YORK BRANCH

By:_____
(Authorized Signatory)

ANNEX A

FORM OF DRAFT

[Date]

Pay to the order of _____ the amount of _____ drawn on Barclays Bank PLC, New York Branch, as issuer of its Irrevocable Letter of Credit No. SB01741 dated May 16, 2012.

[The executed original of this draft will be mailed or delivered to you immediately.]*

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

By:_____
Title: _____

* To be inserted if certificate is being sent by facsimile

ANNEX B

INTEREST CERTIFICATE

The undersigned Trustee (the "Trustee") certifies as follows to Barclays Bank PLC, New York Branch as issuer of the referenced letter of credit (the "Letter of Credit"):

1. All terms defined in the Letter of Credit are used in this certificate with the same meanings.

2. The Trustee is the Trustee under the Indenture and is entitled to present this certificate. No Surrender Event has occurred.

3. Pursuant to Section [6.04(a)/6.04(e)] of the Indenture the Trustee has concurrently presented its draft drawn on you in the amount of U.S. $_____. The amount of such draft represents accrued interest on the Bonds [choose one: due on an Interest Payment Date under Section 6.04(a) of the Indenture for _____ days, reduced by moneys referred to in Section 6.03(d)(i) of the Indenture/required to be drawn under Section 6.04(e) of the Indenture.] Such amount does not include any amount in respect of Bonds which as of the Record Date (as defined in the Indenture) for such Interest Payment Date were Pledged Bonds or Bonds registered in the name of the Company,* was computed in accordance with the terms and conditions of the Indenture and does not exceed the amount available to be drawn under the Letter of Credit in respect of interest on the Bonds. No portion of such amount will be paid in respect of interest on Pledged Bonds or Bonds registered in the name of the Company.**

4. The Trustee shall apply the proceeds of this Drawing in accordance with the terms of the Indenture.

5. The Trustee shall not apply the proceeds of this Drawing in any way except as provided in the Indenture.

6. The Trustee shall not commingle the proceeds of this Drawing with any other funds held by the Trustee other than the proceeds of any other Drawings.

7. Payment of the accompanying draft should be made by wire transfer to our account no. _____ at _____, ABA No. _____.

8. The amount of the draft accompanying this certificate, together with each other draft which, as of the date hereof, has not been honored (or rejected), does not exceed the Letter of Credit Amount as in effect on the date hereof or the Interest Component as in effect on the date hereof.

[The executed original of this certificate will be mailed or delivered to you immediately.]***

Dated: _____

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.

By: _____

Title: _____

* To be inserted only in the case of a Drawing under Section 6.04(a) of the Indenture.

** To be inserted only in the case of a Drawing under Section 6.04(e) of the Indenture.

*** To be inserted if certificate is being sent by facsimile.

ANNEX C

REDEMPTION CERTIFICATE

The undersigned Trustee (the "Trustee") certifies as follows to Barclays Bank PLC, New York Branch, as issuer of the referenced letter of credit (the "Letter of Credit"):

1. All terms defined in the Letter of Credit are used in this certificate with the same meanings.

2. The Trustee is the Trustee under the Indenture and is entitled to present this certificate. No Surrender Event has occurred.

3. Pursuant to Section 6.04(a) of the Indenture, the Trustee has concurrently presented its draft drawn on you in the amount of U.S. $_____. The amount of such draft represents payments of principal (but not premium) in the amount of U.S. $_____ (the "Principal Portion"), which will be due with respect to the Bonds on _____ under Section 3.10, 3.11 or 3.12 (if less than all of the Outstanding Bonds are being redeemed) of the Indenture, plus accrued interest, if any, in the amount of U.S. $_____ (the "Interest Portion"), which will be due with respect to such Bonds on such date under such Sections, in either case net of moneys referred to in Section 6.03(c)(i) or 6.03(d)(i) of the Indenture, as applicable. Such amount does not exceed the amount of principal of, and interest, if any, which will be due on the Bonds (other than Pledged Bonds or Bonds registered in the name of the Company) on such date under such Sections in accordance with the terms and conditions of the Indenture and does not exceed the amount available to be drawn under the Letter of Credit in respect of principal of, and accrued interest on, the Bonds.

4. The Trustee acknowledges that the Principal Component of the Letter of Credit shall be reduced by an amount equal to the Principal Portion and the Interest Component of the Letter of Credit shall be reduced by an amount equal to the sum of (a) the Interest Portion, plus (b) U.S. $_____, which is equal to the amount of interest that would accrue on the Principal Portion during the Interest Coverage Period at an interest rate equal to the Interest Coverage Rate calculated on the basis of a year of 365 days.

5. The Trustee shall apply the proceeds of this Drawing in accordance with the terms of the Indenture.

6. The Trustee shall not apply the proceeds of this Drawing in any way except as provided in the Indenture.

7. The Trustee shall not commingle the proceeds of this Drawing with any other funds held by the Trustee other than the proceeds of any other Drawings.

8. Payment of the accompanying draft should be made by wire transfer to our account no. _____ at _____, ABA No. _____.

9. The amount of the draft accompanying this certificate, together with each other draft which, as of the date hereof, has not been honored (or rejected), does not exceed (i) in total, the Letter of Credit Amount as in effect on the date hereof, (ii) as to the Principal Portion, the Principal Component as in effect on the date hereof, or (iii) as to the Interest Portion, the Interest Component as in effect on the date hereof.

[The executed original of this certificate will be mailed or delivered to you immediately.]*

Dated: _____

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A.

By: _____
Title: _____

* To be inserted if certificate is being sent by facsimile.

ANNEX D

LIQUIDITY CERTIFICATE

The undersigned Trustee (the "Trustee") certifies as follows to Barclays Bank PLC, New York Branch, as issuer of the referenced letter of credit (the "Letter of Credit"):

1. All terms defined in the Letter of Credit are used in this certificate with the same meanings.

2. The Trustee is the Trustee under the Indenture and is entitled to present this certificate. No Surrender Event has occurred.

3. Pursuant to Section 6.04(a) of the Indenture, the Trustee has concurrently presented herewith its draft drawn on you in the amount of U.S. $_____. The amount of such draft represents the principal portion in the amount of U.S. $_____ (the "Principal Portion") and the accrued interest portion in the amount of U.S. $_____ (the "Interest Portion") of the purchase price of Bonds delivered or deemed to be delivered to the Remarketing Agent (as defined in the Indenture) or the Trustee pursuant to Section 3.01, 3.02, 3.03, 3.04 or 3.05 of the Indenture, or to be purchased in lieu of redemption pursuant to Section 3.14(a) of the Indenture, less the proceeds of the sale of such Bonds by the Remarketing Agent pursuant to Section 3.07 of the Indenture and less any Available Moneys pursuant to Section 3.06(a)(i) of the Indenture. Such amount does not include any amount in respect of Pledged Bonds or any Bonds registered in the name of the Company, was computed in accordance with the terms and conditions of the Indenture (including, without limitation, Sections 3.06(a), 3.14(a) and 3.19(c) thereof) and does not exceed the amount available to be drawn under the Letter of Credit in respect of principal of, and interest on, the Bonds.

4. The Trustee shall apply the proceeds of this Drawing in accordance with the terms of the Indenture.

5. The Trustee shall not apply the proceeds of this Drawing in any way except as provided in the Indenture.

6. The Trustee shall not commingle the proceeds of this Drawing with any other funds held by the Trustee other than the proceeds of any other Drawings.

7. The Trustee acknowledges that the Principal Component of the Letter of Credit shall be reduced by an amount equal to the Principal Portion and the Interest Component of the Letter of Credit shall be reduced by an amount equal to the sum of

(a) the Interest Portion, plus (b) U.S. $_____, which is equal to the amount of interest that would accrue on the Principal Portion during the Interest Coverage Period at an interest rate equal to the Interest Coverage Rate calculated on the basis of a year of 365 days.

8. The amount of the draft accompanying this certificate, together with each other draft which, as of the date hereof, has not been honored (or rejected), does not exceed (i) in total, the Letter of Credit Amount as in effect on the date hereof, (ii) as to the Principal Portion, the Principal Component as in effect on the date hereof, or (iii) as to the Interest Portion, the Interest Component as in effect on the date hereof.

9. Payment of the accompanying draft should be made by wire transfer to our account no. _____ at _____, ABA No. _____.

10. Upon payment of this Drawing, the Trustee shall deliver Bonds in the principal amount of the Bonds being purchased with this Drawing to the Bank or at the direction of the Bank pursuant to the Pledge Agreement, dated as of May 16, 2012, between the Company and the Bank.

[The executed original of this certificate will be mailed or delivered to you immediately.]*

Dated: _____

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A.

By:_____
Title: _____

* To be inserted if certificate is being sent by facsimile.

ANNEX E

FINAL PAYMENT CERTIFICATE

The undersigned Trustee (the "Trustee") certifies as follows to Barclays Bank PLC, New York Branch, as issuer of the referenced letter of credit (the "Letter of Credit"):

1. All terms defined in the Letter of Credit are used in this certificate with the same meanings.

2. The Trustee is the Trustee under the Indenture and is entitled to present this certificate. No Surrender Event has occurred.

3. Pursuant to Section 6.04(a) of the Indenture, the Trustee has concurrently presented its draft drawn on you in the amount of U.S. $_____. The amount of such draft represents unpaid principal in the amount of U.S. $_____ (the "Principal Portion") and _____ days' accrued interest in the amount of U.S. $_____ (the "Interest Portion"), which will be due upon redemption under Section 3.10, 3.11 or 3.12 (if all Outstanding Bonds are being redeemed) of the Indenture or which is now or which will be due upon acceleration of the Bonds under Section 9.02(a) of the Indenture, in either case net of moneys referred to in Section 6.03(c)(i) or 6.03(d)(i) of the Indenture, as applicable. Such amount does not include any amount in respect of Pledged Bonds or any Bonds registered in the name of the Company, was computed in accordance with the terms and conditions of the Indenture and does not exceed the amount available to be drawn under the Letter of Credit in respect of principal of, and interest on, the Bonds.

4. The Trustee shall apply the proceeds of this Drawing in accordance with the terms of the Indenture.

5. The Trustee shall not apply the proceeds of this Drawing in any way except as provided in the Indenture.

6. The Trustee shall not commingle the proceeds of this Drawing with any other funds held by the Trustee other than the proceeds of any other Drawings.

7. We hereby surrender the attached original Letter of Credit to you.

8. Payment of the accompanying draft should be made by wire transfer to our account no. _____ at _____, ABA No. _____.

9. The amount of the draft accompanying this certificate, together with each other draft which, as of the date hereof, has not been honored (or rejected), does not exceed (i) in total, the Letter of Credit Amount as in effect on the date hereof, (ii) as to the Principal Portion, the Principal Component as in effect on the date hereof, or (iii) as to the Interest Portion, the Interest Component as in effect on the date hereof.

[The executed original of this certificate will be mailed or delivered to you immediately.]*

Dated: _____

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A.

By: _____
Title: _____

* To be inserted if certificate is being sent by facsimile.

ANNEX F

REIMBURSEMENT CERTIFICATE

The undersigned Trustee (the "Trustee") certifies as follows to Barclays Bank PLC, New York Branch, as issuer of the referenced letter of credit (the "Letter of Credit'):

1. All terms defined in the Letter of Credit are used in this certificate with the same meanings.

2. The Trustee is the Trustee under the Indenture and is entitled to present this certificate. No Surrender Event has occurred.

3. The Trustee has today at the request and on behalf of the Company paid to you by wire transfer of immediately available funds the amount of U.S. $_____ relating to reimbursement to you of U.S. $_____ of unpaid principal (the "Principal Portion") and U.S. $_____ of accrued interest (the "Interest Portion") on the Bonds in connection with the Drawing(s) honored pursuant to the Trustee's draft(s) dated _____ in the aggregate amount of U.S. $_____.

4. The Principal Component of the Letter of Credit shall be reinstated by an amount equal to the Principal Portion and the Interest Component of the Letter of Credit shall be reinstated to an amount equal to the amount of interest that would accrue on the Outstanding Bonds (as such term is defined in the Indenture), other than Pledged Bonds, during the Interest Coverage Period at an interest rate equal to the Interest Coverage Rate calculated on the basis of a year of 365 days; provided, however, that in no event shall any reinstatement of the Principal Component or Interest Component result in the Principal Component or Interest Component being in excess of the amount thereof as in effect immediately prior to the applicable Interest Drawing or Liquidity Drawing.

5. The Trustee requests confirmation from you by facsimile of your receipt of this Reimbursement Certificate to the Trustees facsimile number ( ) ___-_____.

[The executed original of this certificate will be mailed or delivered to you immediately.]*

Dated: _____

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A.

By: _____
Title: _____

* To be inserted if certificate is being sent by facsimile.

ANNEX G

REDUCTION CERTIFICATE

The undersigned Trustee (the "Trustee") certifies as follows to Barclays Bank PLC, New York Branch (the "Bank"), as issuer of the referenced letter of credit (the "Letter of Credit"):

1. All terms defined in the Letter of Credit are used in this certificate with the same meanings.

2. The Trustee is the Trustee under the Indenture and is entitled to present this certificate. No Surrender Event has occurred.

3. The Trustee notifies you that on or prior to the date of this certificate Bonds (as to which no prior Reduction Certificate has been delivered to you) in a principal amount of U.S. $_____ became no longer Outstanding pursuant to the Indenture. The amount of the Letter of Credit has not been previously reduced on account of such reduction of the principal amount of Bonds Outstanding.

4. The Trustee acknowledges that the Letter of Credit Amount shall be reduced in accordance with the terms of the Letter of Credit in the amount of U.S. $_____ representing a reduction in the Principal Component equal to the sum of the aggregate principal amount of Bonds referred to in the preceding paragraph and a reduction in the Interest Component equal to an amount of interest for the Interest Coverage Period on such principal calculated at the Interest Coverage Rate based on a year of 365 days (U.S. $_____). No amount so reduced shall be reinstated.

[The executed original of this certificate will be mailed or delivered to you immediately.]*

Dated: _____

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A.

By:_____
Title: _____

* To be inserted if certificate is being sent by facsimile.

Barclays Bank PLC, New York Branch
Irrevocable Letter of Credit
No. SB01741

ANNEX H

INSTRUCTION TO TRANSFER

The undersigned beneficiary of the above-referenced letter of credit (the "Letter of Credit"), irrevocably instructs Barclays Bank PLC, New York Branch as issuer of the Letter of Credit, as follows:

1. For value received, the undersigned beneficiary irrevocably transfers to:

[Name of Transferee]
[Address]

all rights of the undersigned beneficiary under the Letter of Credit. The transferee has succeeded the undersigned as Trustee under the Indenture (as defined in the Letter of Credit).

2. By this transfer, all rights of the undersigned beneficiary in the Letter of Credit are transferred to the transferee, and the transferee shall from the date of this Instruction have the sole rights as beneficiary of the Letter of Credit; provided, however, that no rights shall be deemed to have been transferred to the transferee until such transfer complies with the requirements of the Letter of Credit pertaining to transfers. The undersigned transferor confirms that the transferor no longer has any rights under or interest in the Letter of Credit. All amendments are to be advised directly to the transferee without the necessity of any consent of or notice to the undersigned transferor.

3. The original Letter of Credit is returned with this Instruction and in accordance with the Letter of Credit the undersigned asks that this transfer be effective and that you transfer the same to the transferee or that, if so requested by the transferee, you issue a new irrevocable letter of credit in favor of the transferee with provisions consistent with the Letter of Credit.

[The executed original of this certificate will be mailed or delivered to you immediately.]*

Dated: _____

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A.

By: _____
Title: _____

* To be inserted if certificate is being sent by facsimile.

Acknowledged:

[NAME OF TRANSFEREE], as transferee

By: _____
Title: _____

ANNEX I

EXTENSION CERTIFICATE

_____, 20___

Ladies and Gentlemen:

Reference is made to Irrevocable Letter of Credit No. SB01741 (the "Letter of Credit", the terms defined therein and not otherwise defined herein being used herein as therein defined) issued by Barclays Bank PLC, New York Branch in your favor as beneficiary. We hereby extend the Scheduled Expiration Date of the Letter of Credit to _____, 20__.

Other than as set forth above, all rights of the beneficiary to draw under the Letter of Credit shall remain as set forth in the Letter of Credit.

This certificate forms an integral part of the original Letter of Credit and must be attached thereto.

Very truly yours,

BARCLAYS BANK PLC,
NEW YORK BRANCH

By:_____
(Authorized Signatory)

Acknowledged:

THE BANK OF NEW YORK
MELLON TRUST COMPANY,
N.A.

By:_____
Title:_____

ANNEX J

SURRENDER CERTIFICATE

The undersigned Trustee (the "Trustee") certifies as follows to Barclays Bank PLC, New York Branch, as issuer of the referenced letter of credit (the "Letter of Credit"):

1. All terms defined in the Letter of Credit are used in this certificate with the same meanings.

2. The Trustee is the Trustee under the Indenture and is entitled to present this certificate.

3. We hereby surrender the attached original Letter of Credit to you.

4. The Letter of Credit is hereby surrendered in accordance with its terms by virtue of the following (check one):

[ ] (a) 3:00 p.m. local time in New York, New York, on the Expiration Date;

[ ] (b) there are no Bonds Outstanding (as defined in the Indenture);

[ ] (c) the first Business Day (as defined below) after the conversion of the interest rate on the Bonds to a fixed interest rate pursuant to the Indenture; or

[ ] (d) a Substitute Letter of Credit or Alternate Credit Facility (each as defined in the Indenture), as the case may be, has been delivered to you.

5. No payment is demanded of you in connection with this surrender of the Letter of Credit.

[The executed original of this certificate will be mailed or delivered to you immediately.]*

Dated: _____

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A.

By: _____
Title: _____

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LETTER OF CREDIT FOR THE SWEETWATER 1988A BONDS

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Irrevocable Letter of
Credit No. SB01737

May 16, 2012

The Bank of New York Mellon Trust Company, N.A.
2 North Lasalle Street, Suite 1020
Chicago, Illinois 60602
As Successor Trustee
under the Trust Indenture Referred to below
Attention: Corporate Trust Department

Ladies and Gentlemen:

At the request and for the account of PacifiCorp (the "Company"), we (the "Bank") establish in your favor as successor Trustee under the Trust Indenture dated as of January 1, 1988 (the "Indenture") between The First National Bank of Chicago, as trustee and Sweetwater County, Wyoming (the "Issuer"), pursuant to which there have been issued U.S. $50,000,000 in aggregate principal amount of the Issuer's Customized Purchase Pollution Control Revenue Refunding Bonds (PacifiCorp Project) Series 1988A (the "Bonds") and currently outstanding in the aggregate principal amount of U.S. $50,000,000, this irrevocable letter of credit (this "Letter of Credit") in the aggregate amount of U.S. $54,832,877 (as from time to time reduced and reinstated as provided in this Letter of Credit, the "Letter of Credit Amount"). This Letter of Credit Amount shall be available for drawing by you as set forth below in amounts (a) not to exceed U.S. $50,000,000 (as from time to time reduced and reinstated as provided in this Letter of Credit, the "Principal Component") with respect to unpaid principal of the Bonds or the portion of the purchase price of the Bonds corresponding to unpaid principal of the Bonds and (b) not to exceed U.S. $4,832,877 (as from time to time reduced and reinstated as provided in this Letter of Credit, the "Interest Component") with respect to up to 294 days (such number of days being referred to as the "Interest Coverage Period") of accrued interest on the Bonds Outstanding (as defined in the Indenture) or the portion of the purchase price of the Bonds corresponding to accrued interest on the Bonds Outstanding, calculated at the maximum rate of 12% per annum and on the basis of a year of 365 days (such rate being referred to as the "Interest Coverage Rate"). This Letter of Credit is only available to be drawn upon with respect to Bonds bearing interest at a rate other than a fixed interest rate pursuant to the Indenture. All drawings under this Letter of Credit will be paid with our own funds (in U.S. Dollars in immediately available funds) without any requirement that you, the holders of the Bonds or we make any prior claims against the Company.

This Letter of Credit shall expire at 3:00 p.m. local time in New York, New York, on the date (the "Expiration Date") which is the earliest of: (i) May 16, 2013, or if not a Business Day,

the next succeeding Business Day (such date, as it may be extended as provided in the next sentence, the "Scheduled Expiration Date"), (ii) the date of payment of a Final Payment Drawing (as defined below) and (iii) the date when you surrender this Letter of Credit to the Bank for cancellation accompanied by a certificate substantially in the form of Annex J to this Letter of Credit. The Scheduled Expiration Date shall be automatically extended one single time to June 20, 2013 unless at least thirty (30) days prior to the then-current Scheduled Expiration Date, the beneficiary has received written notification from us by courier or certified mail, that we elect not to extend this Letter of Credit for any such additional period. Notwithstanding the foregoing, in no event shall the expiration date be automatically extended beyond June 20, 2013, the "Final Expiration Date". You agree to surrender this Letter of Credit to the Bank, and not to make any Drawing (as defined below), after the earliest to occur of (a) 3:00 p.m. local time in New York, New York, on the Expiration Date, (b) there are no Bonds Outstanding, (c) the first Business Day (as defined below) after the conversion of the interest rate on the Bonds to a fixed interest rate pursuant to the Indenture and (d) a Substitute Letter of Credit or Alternate Credit Facility (each as defined in the Indenture), as the case may be, has been delivered to you (each, a "Surrender Event").

In addition to the foregoing automatic extension provision, we may extend the Scheduled Expiration Date from time to time at the request of the Company by delivering to you an amendment to this Letter of Credit in the form of Annex I designating the date to which the Scheduled Expiration Date is being extended. Each such extension of the Scheduled 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 Scheduled Expiration Date shall be deemed to be references to the date designated as such in such notice. Any date to which the Scheduled Expiration Date has been extended as herein provided may be extended in a like manner.

Subject to the provisions of this Letter of Credit, demands for payment under this Letter of Credit may be made by you from time to time prior to 3:00 p.m. local time in New York, New York, on the Expiration Date by presentation of your certificate in the form of:

Annex B (an "Interest Certificate") in the case of a drawing for interest on the Bonds due on any day on which the Trustee is entitled, under the Indenture, to make a drawing upon this Letter of Credit for interest only (an "Interest Drawing"),

Annex C (a "Redemption Certificate") in the case of a drawing for principal (but not premium) of, and accrued interest, if any, on the Bonds due under Sections 3.10, 3.11 or 3.12 (if less than all of the Outstanding Bonds are being redeemed) of the Indenture (a "Redemption Drawing"),

Annex D (a "Liquidity Certificate") in the case of a drawing for the purchase price of Bonds delivered or deemed to be delivered under Sections 3.01, 3.02, 3.03, 3.04 or 3.05 of the Indenture, or to be purchased in lieu of redemption pursuant to Section 3.14(a) of the Indenture (a "Liquidity Drawing") or

Annex E (a "Final Payment Certificate") in the case of a drawing for principal of, and accrued interest, if any, on the Bonds due under Sections 3.10, 3.11 or 3.12 (if all of the Outstanding Bonds are being redeemed) of the Indenture or for acceleration of the Bonds under Section 9.02(a) of the Indenture (a "Final Payment Drawing"),

together in each case with your drafts in the form of Annex A drawn on Barclays Bank PLC, New York Branch, 200 Park Avenue, New York, New York 10166, Attention: Dawn Townsend/Letter of Credit Department, Telephone Number (201) 499-2081, Facsimile Number (212) 412-5011 (or at such other address in New York, New York, as the Bank may designate in a written notice delivered to you) prior to 3:00 p.m. New York time on any Business Day (each such demand and presentation, a "Drawing"). Payment against strictly conforming documents presented under this Letter of Credit shall be made by the Bank on or before 1:00 p.m. New York time on the next Business Day after presentation; provided, however, that, in the case of a Liquidity Drawing, payment against conforming documents presented under this Letter of Credit shall be made by the Bank at or before 2:30 p.m. New York time on any Business Day on which the Bank shall have been presented with strictly conforming documents by 11:00 a.m. New York time on such day. "Business Day" means a day on which banks located in the city in which the Principal Office of the Bank (as defined below) 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 or are not closed and on which The New York Stock Exchange and the principal office of the remarketing agent for the Bonds are not closed. For purposes of the Indenture, the "Principal Office of the Bank" shall mean the office located at the address specified in this paragraph.

Each Drawing honored by the Bank under this Letter of Credit shall immediately reduce the Principal Component and/or the Interest Component, as the case may be, by the amount of such payment, and the Letter of Credit Amount shall also be correspondingly reduced. In addition, in the case of a Redemption Drawing, Liquidity Drawing or Final Payment Drawing, the Interest Component of the Letter of Credit shall further be reduced so that the total reduction of the Interest Component (as set forth on the applicable certificate for such Drawing) equals an amount that would accrue on the principal portion of the amount being drawn in such Redemption Drawing, Liquidity Drawing or Final Payment Drawing during the Interest Coverage Period at an interest rate equal to the Interest Coverage Rate, calculated on the basis of a year of 365 days. Upon such honor, our obligations in respect of such Drawing shall be discharged, and we shall have no further obligation in respect of such Drawing. The Principal Component and the Interest Component (and correspondingly the Letter of Credit Amount) so reduced shall be reinstated as follows:

(a) in the case of a reduction resulting from payment against an Interest Drawing, the Interest Component shall be reinstated automatically as of the Bank's close of business in New York, New York, on the 9th Business Day following the date of such payment to an amount equal to interest on the Outstanding Bonds (other than Bonds purchased from time to time with moneys drawn under this Letter of Credit for the purchase or redemption of Bonds delivered or deemed to be delivered to the Remarketing Agent or the Trustee pursuant to Sections 3.01, 3.02, 3.03, 3.04, 3.05 or 3.14(a) of the Indenture ("Pledged Bonds"), whether or not constituting "Pledged Bonds" within the meaning of the Indenture, or any Bonds registered in the name of the Company), for the Interest Coverage Period calculated at the Interest Coverage Rate on the basis of a year of 365 days, unless you shall have received notice from the Bank as contemplated by Section 9.01(e) of the Indenture; and

(b) in the case of a reduction resulting from payment against a Liquidity Drawing, the Principal Component and, if applicable, the Interest Component shall be reinstated

automatically as and to the extent that the Bank shall have received from you notice of the reimbursement of such payment in immediately available funds pursuant to your certificate in the form of Annex F (a "Reimbursement Certificate"); in such case, the Principal Component shall be reinstated in an amount equal to the portion of such payment attributable to reimbursement of the portion of such Liquidity Drawing representing principal of the Bonds and the Interest Component shall be reinstated to an amount equal to interest for the Interest Coverage Period on the Outstanding Bonds (other than Pledged Bonds or Bonds registered in the name of the Company) calculated at the Interest Coverage Rate based on a year of 365 days, as set forth in such certificate;

provided, however, that in no event shall any reinstatement of the Principal Component or Interest Component result in the Principal Component or Interest Component being in excess of the amount thereof as in effect immediately prior to the applicable Interest Drawing or Liquidity Drawing.

The Letter of Credit Amount shall be permanently reduced upon the Bank's receipt of your certificate in the form of Annex G (a "Reduction Certificate") by the amount stated in such certificate and no portion of the amount of any such reduction shall be reinstated.

Partial drawings are permitted under this Letter of Credit. The failure to make a drawing for any payment of principal of, or interest on, the Bonds required by the Indenture shall not, in and of itself, result in this Letter of Credit ceasing to be available for future such Drawings.

This Letter of Credit shall not be available to be drawn upon for payments of principal or purchase price of any Pledged Bonds or Bonds registered in the name of the Company, or for interest on any Bonds which as of the Record Date (as defined in the Indenture) for the relevant Interest Period (as defined in the Indenture), in the case of an Interest Drawing, or as of the date (other than an Interest Payment Date) fixed for the redemption of such Bonds pursuant to Section 3.10, 3.11 or 3.12 of the Indenture were Pledged Bonds or were registered in the name of the Company.

All documents presented to the Bank in connection with any Drawing, and all other communications and notices to the Bank with respect to this Letter of Credit, shall be in writing, dated the date of presentation, and delivered to the Bank at the address set forth in the fourth paragraph of this Letter of Credit and shall specifically refer to the Bank by name and to this Letter of Credit by the irrevocable letter of credit number set forth in the first page of this Letter of Credit. Any such documents, communications and notices may be made by facsimile confirmed immediately by telephone, together with a statement that the originals of such documents, communications and notices shall immediately be mailed or delivered to the Bank.

No person other than you as Trustee or a successor Trustee under the Indenture may make any demand for payment under this Letter of Credit. Anything to the contrary in Article 38 of the Uniform Customs (as defined below) notwithstanding, this Letter of Credit is transferable in its entirety only to any transferee who has succeeded you as Trustee under the Indenture and may be successively transferred to any subsequent successor Trustee, in each case upon presentation to the Bank of the original of this Letter of Credit accompanied by a certificate in the form of Annex H (a "Transfer Certificate").

This Letter of Credit sets forth in full the Bank's undertaking and such undertaking shall not in any way be modified, amended, amplified or limited by any document, instrument or agreement (including, without limitation, the Indenture and the Bonds, but excluding the Uniform Customs and the annexes attached hereto) referred to in this Letter of Credit or in any certificate presented by you under this Letter of Credit.

This Letter of Credit is subject to the Uniform Customs and Practice for Documentary Credits, 2007 Revision, International Chamber of Commerce Publication No. 600 (the "Uniform Customs"), which is incorporated in this Letter of Credit, except for Article 32 thereof. Furthermore, as provided in Article 36 of the Uniform Customs, we assume no liability or responsibility for consequences arising out of the interruption of our business by Acts of God, riots, civil commotions, insurrections, wars or any other causes beyond our control, or strikes or lockouts. For purposes of Article 6(a) of the Uniform Customs, the place of presentation for payment, acceptance and negotiation shall be the Bank's office set forth above. As to matters not covered by the Uniform Customs, this Letter of Credit shall be governed by the internal laws of the State of New York without giving effect to its conflicts of laws principles.

WE, AND BY MAKING A PRESENTATION OF DOCUMENTS FOR A DRAWING UNDER THIS LETTER OF CREDIT, YOU, HEREBY WAIVE OUR AND YOUR RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION ARISING UNDER OR RELATED TO THIS LETTER OF CREDIT, AND ACKNOWLEDGE THAT THIS WAIVER IS A MATERIAL INDUCEMENT TO OUR ISSUANCE AND YOUR ACCEPTANCE OF THIS LETTER OF CREDIT THAT EACH OF WE AND YOU HAS RELIED ON THE WAIVER IN ISSUING AND ACCEPTING THIS LETTER OF CREDIT AND THAT EACH OF WE AND YOU WILL CONTINUE TO RELY ON THE WAIVER IN THEIR RELATED FUTURE DEALINGS.

EACH OF WE, AND BY MAKING A PRESENTATION OF DOCUMENTS FOR A DRAWING UNDER THIS LETTER OF CREDIT, YOU, HEREBY CONSENTS TO THE JURISDICTION OF ANY STATE OR FEDERAL COURT LOCATED WITHIN THE COUNTY OF NEW YORK, STATE OF NEW YORK IN ANY ACTION OR PROCEEDING ARISING UNDER OR RELATED TO THIS LETTER OF CREDIT AND IRREVOCABLY AGREES THAT, ALL ACTIONS OR PROCEEDINGS ARISING OUT OF OR RELATING TO THIS LETTER OF CREDIT SHALL BE LITIGATED IN SUCH COURTS. EACH OF WE, AND BY MAKING A PRESENTATION OF DOCUMENTS FOR A DRAWING UNDER THIS LETTER OF CREDIT, YOU, EXPRESSLY SUBMITS AND CONSENTS TO THE JURISDICTION OF THE AFORESAID COURTS AND WAIVES ANY DEFENSE OF FORUM NON CONVENIENS.

Very truly yours,

BARCLAYS BANK PLC,
NEW YORK BRANCH

By:_____
(Authorized Signatory)

ANNEX A

FORM OF DRAFT

[Date]

Pay to the order of _____ the amount of _____ drawn on Barclays Bank PLC, New York Branch, as issuer of its Irrevocable Letter of Credit No. SB01737 dated May 16, 2012.

[The executed original of this draft will be mailed or delivered to you immediately.]*

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

By:_____
Title: _____

* To be inserted if certificate is being sent by facsimile

ANNEX B

INTEREST CERTIFICATE

The undersigned Trustee (the "Trustee") certifies as follows to Barclays Bank PLC, New York Branch as issuer of the referenced letter of credit (the "Letter of Credit"):

1. All terms defined in the Letter of Credit are used in this certificate with the same meanings.

2. The Trustee is the Trustee under the Indenture and is entitled to present this certificate. No Surrender Event has occurred.

3. Pursuant to Section [6.04(a)/6.04(e)] of the Indenture the Trustee has concurrently presented its draft drawn on you in the amount of U.S. $_____. The amount of such draft represents accrued interest on the Bonds [choose one: due on an Interest Payment Date under Section 6.04(a) of the Indenture for _____ days, reduced by moneys referred to in Section 6.03(d)(i) of the Indenture/required to be drawn under Section 6.04(e) of the Indenture.] Such amount does not include any amount in respect of Bonds which as of the Record Date (as defined in the Indenture) for such Interest Payment Date were Pledged Bonds or Bonds registered in the name of the Company,* was computed in accordance with the terms and conditions of the Indenture and does not exceed the amount available to be drawn under the Letter of Credit in respect of interest on the Bonds. No portion of such amount will be paid in respect of interest on Pledged Bonds or Bonds registered in the name of the Company.**

4. The Trustee shall apply the proceeds of this Drawing in accordance with the terms of the Indenture.

5. The Trustee shall not apply the proceeds of this Drawing in any way except as provided in the Indenture.

6. The Trustee shall not commingle the proceeds of this Drawing with any other funds held by the Trustee other than the proceeds of any other Drawings.

7. Payment of the accompanying draft should be made by wire transfer to our account no. _____ at _____, ABA No. _____.

8. The amount of the draft accompanying this certificate, together with each other draft which, as of the date hereof, has not been honored (or rejected), does not exceed the Letter of Credit Amount as in effect on the date hereof or the Interest Component as in effect on the date hereof.

[The executed original of this certificate will be mailed or delivered to you immediately.]***

Dated: _____

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.

By: _____

Title: _____

* To be inserted only in the case of a Drawing under Section 6.04(a) of the Indenture.

** To be inserted only in the case of a Drawing under Section 6.04(e) of the Indenture.

*** To be inserted if certificate is being sent by facsimile.

ANNEX C

REDEMPTION CERTIFICATE

The undersigned Trustee (the "Trustee") certifies as follows to Barclays Bank PLC, New York Branch, as issuer of the referenced letter of credit (the "Letter of Credit"):

1. All terms defined in the Letter of Credit are used in this certificate with the same meanings.

2. The Trustee is the Trustee under the Indenture and is entitled to present this certificate. No Surrender Event has occurred.

3. Pursuant to Section 6.04(a) of the Indenture, the Trustee has concurrently presented its draft drawn on you in the amount of U.S. $_____. The amount of such draft represents payments of principal (but not premium) in the amount of U.S. $_____ (the "Principal Portion"), which will be due with respect to the Bonds on _____ under Section 3.10, 3.11 or 3.12 (if less than all of the Outstanding Bonds are being redeemed) of the Indenture, plus accrued interest, if any, in the amount of U.S. $_____ (the "Interest Portion"), which will be due with respect to such Bonds on such date under such Sections, in either case net of moneys referred to in Section 6.03(c)(i) or 6.03(d)(i) of the Indenture, as applicable. Such amount does not exceed the amount of principal of, and interest, if any, which will be due on the Bonds (other than Pledged Bonds or Bonds registered in the name of the Company) on such date under such Sections in accordance with the terms and conditions of the Indenture and does not exceed the amount available to be drawn under the Letter of Credit in respect of principal of, and accrued interest on, the Bonds.

4. The Trustee acknowledges that the Principal Component of the Letter of Credit shall be reduced by an amount equal to the Principal Portion and the Interest Component of the Letter of Credit shall be reduced by an amount equal to the sum of (a) the Interest Portion, plus (b) U.S. $_____, which is equal to the amount of interest that would accrue on the Principal Portion during the Interest Coverage Period at an interest rate equal to the Interest Coverage Rate calculated on the basis of a year of 365 days.

5. The Trustee shall apply the proceeds of this Drawing in accordance with the terms of the Indenture.

6. The Trustee shall not apply the proceeds of this Drawing in any way except as provided in the Indenture.

7. The Trustee shall not commingle the proceeds of this Drawing with any other funds held by the Trustee other than the proceeds of any other Drawings.

8. Payment of the accompanying draft should be made by wire transfer to our account no. _____ at _____, ABA No. _____.

9. The amount of the draft accompanying this certificate, together with each other draft which, as of the date hereof, has not been honored (or rejected), does not exceed (i) in total, the Letter of Credit Amount as in effect on the date hereof, (ii) as to the Principal Portion, the Principal Component as in effect on the date hereof, or (iii) as to the Interest Portion, the Interest Component as in effect on the date hereof.

[The executed original of this certificate will be mailed or delivered to you immediately.]*

Dated: _____

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A.

By: _____
Title: _____

* To be inserted if certificate is being sent by facsimile.

ANNEX D

LIQUIDITY CERTIFICATE

The undersigned Trustee (the "Trustee") certifies as follows to Barclays Bank PLC, New York Branch, as issuer of the referenced letter of credit (the "Letter of Credit"):

1. All terms defined in the Letter of Credit are used in this certificate with the same meanings.

2. The Trustee is the Trustee under the Indenture and is entitled to present this certificate. No Surrender Event has occurred.

3. Pursuant to Section 6.04(a) of the Indenture, the Trustee has concurrently presented herewith its draft drawn on you in the amount of U.S. $_____. The amount of such draft represents the principal portion in the amount of U.S. $_____ (the "Principal Portion") and the accrued interest portion in the amount of U.S. $_____ (the "Interest Portion") of the purchase price of Bonds delivered or deemed to be delivered to the Remarketing Agent (as defined in the Indenture) or the Trustee pursuant to Section 3.01, 3.02, 3.03, 3.04 or 3.05 of the Indenture, or to be purchased in lieu of redemption pursuant to Section 3.14(a) of the Indenture, less the proceeds of the sale of such Bonds by the Remarketing Agent pursuant to Section 3.07 of the Indenture and less any Available Moneys pursuant to Section 3.06(a)(i) of the Indenture. Such amount does not include any amount in respect of Pledged Bonds or any Bonds registered in the name of the Company, was computed in accordance with the terms and conditions of the Indenture (including, without limitation, Sections 3.06(a), 3.14(a) and 3.19(c) thereof) and does not exceed the amount available to be drawn under the Letter of Credit in respect of principal of, and interest on, the Bonds.

4. The Trustee shall apply the proceeds of this Drawing in accordance with the terms of the Indenture.

5. The Trustee shall not apply the proceeds of this Drawing in any way except as provided in the Indenture.

6. The Trustee shall not commingle the proceeds of this Drawing with any other funds held by the Trustee other than the proceeds of any other Drawings.

7. The Trustee acknowledges that the Principal Component of the Letter of Credit shall be reduced by an amount equal to the Principal Portion and the Interest Component of the Letter of Credit shall be reduced by an amount equal to the sum of

(a) the Interest Portion, plus (b) U.S. $_____, which is equal to the amount of interest that would accrue on the Principal Portion during the Interest Coverage Period at an interest rate equal to the Interest Coverage Rate calculated on the basis of a year of 365 days.

8. The amount of the draft accompanying this certificate, together with each other draft which, as of the date hereof, has not been honored (or rejected), does not exceed (i) in total, the Letter of Credit Amount as in effect on the date hereof, (ii) as to the Principal Portion, the Principal Component as in effect on the date hereof, or (iii) as to the Interest Portion, the Interest Component as in effect on the date hereof.

9. Payment of the accompanying draft should be made by wire transfer to our account no. _____ at _____, ABA No. _____.

10. Upon payment of this Drawing, the Trustee shall deliver Bonds in the principal amount of the Bonds being purchased with this Drawing to the Bank or at the direction of the Bank pursuant to the Pledge Agreement, dated as of May 16, 2012, between the Company and the Bank.

[The executed original of this certificate will be mailed or delivered to you immediately.]*

Dated: _____

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A.

By:_____
Title: _____

* To be inserted if certificate is being sent by facsimile.

ANNEX E

FINAL PAYMENT CERTIFICATE

The undersigned Trustee (the "Trustee") certifies as follows to Barclays Bank PLC, New York Branch, as issuer of the referenced letter of credit (the "Letter of Credit"):

1. All terms defined in the Letter of Credit are used in this certificate with the same meanings.

2. The Trustee is the Trustee under the Indenture and is entitled to present this certificate. No Surrender Event has occurred.

3. Pursuant to Section 6.04(a) of the Indenture, the Trustee has concurrently presented its draft drawn on you in the amount of U.S. $_____. The amount of such draft represents unpaid principal in the amount of U.S. $_____ (the "Principal Portion") and _____ days' accrued interest in the amount of U.S. $_____ (the "Interest Portion"), which will be due upon redemption under Section 3.10, 3.11 or 3.12 (if all Outstanding Bonds are being redeemed) of the Indenture or which is now or which will be due upon acceleration of the Bonds under Section 9.02(a) of the Indenture, in either case net of moneys referred to in Section 6.03(c)(i) or 6.03(d)(i) of the Indenture, as applicable. Such amount does not include any amount in respect of Pledged Bonds or any Bonds registered in the name of the Company, was computed in accordance with the terms and conditions of the Indenture and does not exceed the amount available to be drawn under the Letter of Credit in respect of principal of, and interest on, the Bonds.

4. The Trustee shall apply the proceeds of this Drawing in accordance with the terms of the Indenture.

5. The Trustee shall not apply the proceeds of this Drawing in any way except as provided in the Indenture.

6. The Trustee shall not commingle the proceeds of this Drawing with any other funds held by the Trustee other than the proceeds of any other Drawings.

7. We hereby surrender the attached original Letter of Credit to you.

8. Payment of the accompanying draft should be made by wire transfer to our account no. _____ at _____, ABA No. _____.

9. The amount of the draft accompanying this certificate, together with each other draft which, as of the date hereof, has not been honored (or rejected), does not exceed (i) in total, the Letter of Credit Amount as in effect on the date hereof, (ii) as to the Principal Portion, the Principal Component as in effect on the date hereof, or (iii) as to the Interest Portion, the Interest Component as in effect on the date hereof.

[The executed original of this certificate will be mailed or delivered to you immediately.]*

Dated: _____

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A.

By: _____
Title: _____

* To be inserted if certificate is being sent by facsimile.

ANNEX F

REIMBURSEMENT CERTIFICATE

The undersigned Trustee (the "Trustee") certifies as follows to Barclays Bank PLC, New York Branch, as issuer of the referenced letter of credit (the "Letter of Credit'):

1. All terms defined in the Letter of Credit are used in this certificate with the same meanings.

2. The Trustee is the Trustee under the Indenture and is entitled to present this certificate. No Surrender Event has occurred.

3. The Trustee has today at the request and on behalf of the Company paid to you by wire transfer of immediately available funds the amount of U.S. $_____ relating to reimbursement to you of U.S. $_____ of unpaid principal (the "Principal Portion") and U.S. $_____ of accrued interest (the "Interest Portion") on the Bonds in connection with the Drawing(s) honored pursuant to the Trustee's draft(s) dated _____ in the aggregate amount of U.S. $_____.

4. The Principal Component of the Letter of Credit shall be reinstated by an amount equal to the Principal Portion and the Interest Component of the Letter of Credit shall be reinstated to an amount equal to the amount of interest that would accrue on the Outstanding Bonds (as such term is defined in the Indenture), other than Pledged Bonds, during the Interest Coverage Period at an interest rate equal to the Interest Coverage Rate calculated on the basis of a year of 365 days; provided, however, that in no event shall any reinstatement of the Principal Component or Interest Component result in the Principal Component or Interest Component being in excess of the amount thereof as in effect immediately prior to the applicable Interest Drawing or Liquidity Drawing.

5. The Trustee requests confirmation from you by facsimile of your receipt of this Reimbursement Certificate to the Trustees facsimile number ( ) ___-_____.

[The executed original of this certificate will be mailed or delivered to you immediately.]*

Dated: _____

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A.

By: _____
Title: _____

* To be inserted if certificate is being sent by facsimile.

ANNEX G

REDUCTION CERTIFICATE

The undersigned Trustee (the "Trustee") certifies as follows to Barclays Bank PLC, New York Branch (the "Bank"), as issuer of the referenced letter of credit (the "Letter of Credit"):

1. All terms defined in the Letter of Credit are used in this certificate with the same meanings.

2. The Trustee is the Trustee under the Indenture and is entitled to present this certificate. No Surrender Event has occurred.

3. The Trustee notifies you that on or prior to the date of this certificate Bonds (as to which no prior Reduction Certificate has been delivered to you) in a principal amount of U.S. $_____ became no longer Outstanding pursuant to the Indenture. The amount of the Letter of Credit has not been previously reduced on account of such reduction of the principal amount of Bonds Outstanding.

4. The Trustee acknowledges that the Letter of Credit Amount shall be reduced in accordance with the terms of the Letter of Credit in the amount of U.S. $_____ representing a reduction in the Principal Component equal to the sum of the aggregate principal amount of Bonds referred to in the preceding paragraph and a reduction in the Interest Component equal to an amount of interest for the Interest Coverage Period on such principal calculated at the Interest Coverage Rate based on a year of 365 days (U.S. $_____). No amount so reduced shall be reinstated.

[The executed original of this certificate will be mailed or delivered to you immediately.]*

Dated: _____

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A.

By:_____
Title: _____

* To be inserted if certificate is being sent by facsimile.

Barclays Bank PLC, New York Branch
Irrevocable Letter of Credit
No. SB01737

ANNEX H

INSTRUCTION TO TRANSFER

The undersigned beneficiary of the above-referenced letter of credit (the "Letter of Credit"), irrevocably instructs Barclays Bank PLC, New York Branch as issuer of the Letter of Credit, as follows:

1. For value received, the undersigned beneficiary irrevocably transfers to:

[Name of Transferee]
[Address]

all rights of the undersigned beneficiary under the Letter of Credit. The transferee has succeeded the undersigned as Trustee under the Indenture (as defined in the Letter of Credit).

2. By this transfer, all rights of the undersigned beneficiary in the Letter of Credit are transferred to the transferee, and the transferee shall from the date of this Instruction have the sole rights as beneficiary of the Letter of Credit; provided, however, that no rights shall be deemed to have been transferred to the transferee until such transfer complies with the requirements of the Letter of Credit pertaining to transfers. The undersigned transferor confirms that the transferor no longer has any rights under or interest in the Letter of Credit. All amendments are to be advised directly to the transferee without the necessity of any consent of or notice to the undersigned transferor.

3. The original Letter of Credit is returned with this Instruction and in accordance with the Letter of Credit the undersigned asks that this transfer be effective and that you transfer the same to the transferee or that, if so requested by the transferee, you issue a new irrevocable letter of credit in favor of the transferee with provisions consistent with the Letter of Credit.

[The executed original of this certificate will be mailed or delivered to you immediately.]*

Dated: _____

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A.

By: _____
Title: _____

* To be inserted if certificate is being sent by facsimile.

Acknowledged:

[NAME OF TRANSFEREE], as transferee

By: _____
Title: _____

ANNEX I

EXTENSION CERTIFICATE

_____, 20___

Ladies and Gentlemen:

Reference is made to Irrevocable Letter of Credit No. SB01737 (the "Letter of Credit", the terms defined therein and not otherwise defined herein being used herein as therein defined) issued by Barclays Bank PLC, New York Branch in your favor as beneficiary. We hereby extend the Scheduled Expiration Date of the Letter of Credit to _____, 20__.

Other than as set forth above, all rights of the beneficiary to draw under the Letter of Credit shall remain as set forth in the Letter of Credit.

This certificate forms an integral part of the original Letter of Credit and must be attached thereto.

Very truly yours,

BARCLAYS BANK PLC,
NEW YORK BRANCH

By:_____
(Authorized Signatory)

Acknowledged:

THE BANK OF NEW YORK
MELLON TRUST COMPANY,
N.A.

By:_____
Title:_____

ANNEX J

SURRENDER CERTIFICATE

The undersigned Trustee (the "Trustee") certifies as follows to Barclays Bank PLC, New York Branch, as issuer of the referenced letter of credit (the "Letter of Credit"):

1. All terms defined in the Letter of Credit are used in this certificate with the same meanings.

2. The Trustee is the Trustee under the Indenture and is entitled to present this certificate.

3. We hereby surrender the attached original Letter of Credit to you.

4. The Letter of Credit is hereby surrendered in accordance with its terms by virtue of the following (check one):

[ ] (a) 3:00 p.m. local time in New York, New York, on the Expiration Date;

[ ] (b) there are no Bonds Outstanding (as defined in the Indenture);

[ ] (c) the first Business Day (as defined below) after the conversion of the interest rate on the Bonds to a fixed interest rate pursuant to the Indenture; or

[ ] (d) a Substitute Letter of Credit or Alternate Credit Facility (each as defined in the Indenture), as the case may be, has been delivered to you.

5. No payment is demanded of you in connection with this surrender of the Letter of Credit.

[The executed original of this certificate will be mailed or delivered to you immediately.]*

Dated: _____

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A.

By:_____
Title: _____

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LETTER OF CREDIT FOR THE SWEETWATER 1988B BONDS

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Irrevocable Letter of
Credit No. SB01738

May 16, 2012

The Bank of New York Mellon Trust Company, N.A.
2 North Lasalle Street, Suite 1020
Chicago, Illinois 60602
As Successor Trustee
under the Trust Indenture Referred to below
Attention: Corporate Trust Department

Ladies and Gentlemen:

At the request and for the account of PacifiCorp (the "Company"), we (the "Bank") establish in your favor as successor Trustee under the Trust Indenture dated as of January 1, 1988 (the "Indenture") between The First National Bank of Chicago, as trustee and Sweetwater County, Wyoming (the "Issuer"), pursuant to which there have been issued U.S. $11,500,000 in aggregate principal amount of the Issuer's Customized Purchase Pollution Control Revenue Refunding Bonds (PacifiCorp Project) Series 1988B (the "Bonds") and currently outstanding in the aggregate principal amount of U.S. $11,500,000, this irrevocable letter of credit (this "Letter of Credit") in the aggregate amount of U.S. $11,745,754 (as from time to time reduced and reinstated as provided in this Letter of Credit, the "Letter of Credit Amount"). This Letter of Credit Amount shall be available for drawing by you as set forth below in amounts (a) not to exceed U.S. $11,500,000 (as from time to time reduced and reinstated as provided in this Letter of Credit, the "Principal Component") with respect to unpaid principal of the Bonds or the portion of the purchase price of the Bonds corresponding to unpaid principal of the Bonds and (b) not to exceed U.S. $245,754 (as from time to time reduced and reinstated as provided in this Letter of Credit, the "Interest Component") with respect to up to 65 days (such number of days being referred to as the "Interest Coverage Period") of accrued interest on the Bonds Outstanding (as defined in the Indenture) or the portion of the purchase price of the Bonds corresponding to accrued interest on the Bonds Outstanding, calculated at the maximum rate of 12% per annum and on the basis of a year of 365 days (such rate being referred to as the "Interest Coverage Rate"). This Letter of Credit is only available to be drawn upon with respect to Bonds bearing interest at a rate other than a fixed interest rate pursuant to the Indenture. All drawings under this Letter of Credit will be paid with our own funds (in U.S. Dollars in immediately available funds) without any requirement that you, the holders of the Bonds or we make any prior claims against the Company.

This Letter of Credit shall expire at 3:00 p.m. local time in New York, New York, on the date (the "Expiration Date") which is the earliest of: (i) May 16, 2013, or if not a Business Day, the next succeeding Business Day (such date, as it may be extended as provided in the next sentence, the "Scheduled Expiration Date"), (ii) the date of payment of a Final Payment Drawing (as defined below) and (iii) the date when you surrender this Letter of Credit to the Bank for cancellation accompanied by a certificate substantially in the form of Annex J to this Letter of Credit. The Scheduled Expiration Date shall be automatically extended one single time to June 20, 2013 unless at least thirty (30) days prior to the then-current Scheduled Expiration Date, the beneficiary has received written notification from us by courier or certified mail, that we elect not to extend this Letter of Credit for any such additional period. Notwithstanding the foregoing, in no event shall the expiration date be automatically extended beyond June 20, 2013, the "Final Expiration Date". You agree to surrender this Letter of Credit to the Bank, and not to make any Drawing (as defined below), after the earliest to occur of (a) 3:00 p.m. local time in New York, New York, on the Expiration Date, (b) there are no Bonds Outstanding, (c) the first Business Day (as defined below) after the conversion of the interest rate on the Bonds to a fixed interest rate pursuant to the Indenture and (d) a Substitute Letter of Credit or Alternate Credit Facility (each as defined in the Indenture), as the case may be, has been delivered to you (each, a "Surrender Event").

In addition to the foregoing automatic extension provision, we may extend the Scheduled Expiration Date from time to time at the request of the Company by delivering to you an amendment to this Letter of Credit in the form of Annex I designating the date to which the Scheduled Expiration Date is being extended. Each such extension of the Scheduled 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 Scheduled Expiration Date shall be deemed to be references to the date designated as such in such notice. Any date to which the Scheduled Expiration Date has been extended as herein provided may be extended in a like manner.

Subject to the provisions of this Letter of Credit, demands for payment under this Letter of Credit may be made by you from time to time prior to 3:00 p.m. local time in New York, New York, on the Expiration Date by presentation of your certificate in the form of:

Annex B (an "Interest Certificate") in the case of a drawing for interest on the Bonds due on any day on which the Trustee is entitled, under the Indenture, to make a drawing upon this Letter of Credit for interest only (an "Interest Drawing"),

Annex C (a "Redemption Certificate") in the case of a drawing for principal (but not premium) of, and accrued interest, if any, on the Bonds due under Sections 3.10, 3.11 or 3.12 (if less than all of the Outstanding Bonds are being redeemed) of the Indenture (a "Redemption Drawing"),

Annex D (a "Liquidity Certificate") in the case of a drawing for the purchase price of Bonds delivered or deemed to be delivered under Sections 3.01, 3.02, 3.03, 3.04 or 3.05 of the Indenture, or to be purchased in lieu of redemption pursuant to Section 3.14(a) of the Indenture (a "Liquidity Drawing") or

Annex E (a "Final Payment Certificate") in the case of a drawing for principal of, and accrued interest, if any, on the Bonds due under Sections 3.10, 3.11 or 3.12 (if all of

the Outstanding Bonds are being redeemed) of the Indenture or for acceleration of the Bonds under Section 9.02(a) of the Indenture (a "Final Payment Drawing"),

together in each case with your drafts in the form of Annex A drawn on Barclays Bank PLC, New York Branch, 200 Park Avenue, New York, New York 10166, Attention: Dawn Townsend/Letter of Credit Department, Telephone Number (201) 499-2081, Facsimile Number (212) 412-5011 (or at such other address in New York, New York, as the Bank may designate in a written notice delivered to you) prior to 3:00 p.m. New York time on any Business Day (each such demand and presentation, a "Drawing"). Payment against strictly conforming documents presented under this Letter of Credit shall be made by the Bank on or before 1:00 p.m. New York time on the next Business Day after presentation; provided, however, that, in the case of a Liquidity Drawing, payment against conforming documents presented under this Letter of Credit shall be made by the Bank at or before 2:30 p.m. New York time on any Business Day on which the Bank shall have been presented with strictly conforming documents by 11:00 a.m. New York time on such day. "Business Day" means a day on which banks located in the city in which the Principal Office of the Bank (as defined below) 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 or are not closed and on which The New York Stock Exchange and the principal office of the remarketing agent for the Bonds are not closed. For purposes of the Indenture, the "Principal Office of the Bank" shall mean the office located at the address specified in this paragraph.

Each Drawing honored by the Bank under this Letter of Credit shall immediately reduce the Principal Component and/or the Interest Component, as the case may be, by the amount of such payment, and the Letter of Credit Amount shall also be correspondingly reduced. In addition, in the case of a Redemption Drawing, Liquidity Drawing or Final Payment Drawing, the Interest Component of the Letter of Credit shall further be reduced so that the total reduction of the Interest Component (as set forth on the applicable certificate for such Drawing) equals an amount that would accrue on the principal portion of the amount being drawn in such Redemption Drawing, Liquidity Drawing or Final Payment Drawing during the Interest Coverage Period at an interest rate equal to the Interest Coverage Rate, calculated on the basis of a year of 365 days. Upon such honor, our obligations in respect of such Drawing shall be discharged, and we shall have no further obligation in respect of such Drawing. The Principal Component and the Interest Component (and correspondingly the Letter of Credit Amount) so reduced shall be reinstated as follows:

(a) in the case of a reduction resulting from payment against an Interest Drawing, the Interest Component shall be reinstated automatically as of the Bank's close of business in New York, New York, on the 9th Business Day following the date of such payment to an amount equal to interest on the Outstanding Bonds (other than Bonds purchased from time to time with moneys drawn under this Letter of Credit for the purchase or redemption of Bonds delivered or deemed to be delivered to the Remarketing Agent or the Trustee pursuant to Sections 3.01, 3.02, 3.03, 3.04, 3.05 or 3.14(a) of the Indenture ("Pledged Bonds"), whether or not constituting "Pledged Bonds" within the meaning of the Indenture, or any Bonds registered in the name of the Company), for the Interest Coverage Period calculated at the Interest Coverage Rate on the basis of a year of 365 days, unless you shall have received notice from the Bank as contemplated by Section 9.01(e) of the Indenture; and

(b) in the case of a reduction resulting from payment against a Liquidity Drawing, the Principal Component and, if applicable, the Interest Component shall be reinstated automatically as and to the extent that the Bank shall have received from you notice of the reimbursement of such payment in immediately available funds pursuant to your certificate in the form of Annex F (a "Reimbursement Certificate"); in such case, the Principal Component shall be reinstated in an amount equal to the portion of such payment attributable to reimbursement of the portion of such Liquidity Drawing representing principal of the Bonds and the Interest Component shall be reinstated to an amount equal to interest for the Interest Coverage Period on the Outstanding Bonds (other than Pledged Bonds or Bonds registered in the name of the Company) calculated at the Interest Coverage Rate based on a year of 365 days, as set forth in such certificate;

provided, however, that in no event shall any reinstatement of the Principal Component or Interest Component result in the Principal Component or Interest Component being in excess of the amount thereof as in effect immediately prior to the applicable Interest Drawing or Liquidity Drawing.

The Letter of Credit Amount shall be permanently reduced upon the Bank's receipt of your certificate in the form of Annex G (a "Reduction Certificate") by the amount stated in such certificate and no portion of the amount of any such reduction shall be reinstated.

Partial drawings are permitted under this Letter of Credit. The failure to make a drawing for any payment of principal of, or interest on, the Bonds required by the Indenture shall not, in and of itself, result in this Letter of Credit ceasing to be available for future such Drawings.

This Letter of Credit shall not be available to be drawn upon for payments of principal or purchase price of any Pledged Bonds or Bonds registered in the name of the Company, or for interest on any Bonds which as of the Record Date (as defined in the Indenture) for the relevant Interest Period (as defined in the Indenture), in the case of an Interest Drawing, or as of the date (other than an Interest Payment Date) fixed for the redemption of such Bonds pursuant to Section 3.10, 3.11 or 3.12 of the Indenture were Pledged Bonds or were registered in the name of the Company.

All documents presented to the Bank in connection with any Drawing, and all other communications and notices to the Bank with respect to this Letter of Credit, shall be in writing, dated the date of presentation, and delivered to the Bank at the address set forth in the fourth paragraph of this Letter of Credit and shall specifically refer to the Bank by name and to this Letter of Credit by the irrevocable letter of credit number set forth in the first page of this Letter of Credit. Any such documents, communications and notices may be made by facsimile confirmed immediately by telephone, together with a statement that the originals of such documents, communications and notices shall immediately be mailed or delivered to the Bank.

No person other than you as Trustee or a successor Trustee under the Indenture may make any demand for payment under this Letter of Credit. Anything to the contrary in Article 38 of the Uniform Customs (as defined below) notwithstanding, this Letter of Credit is transferable in its entirety only to any transferee who has succeeded you as Trustee under the Indenture and may be successively transferred to any subsequent successor Trustee, in each case upon

presentation to the Bank of the original of this Letter of Credit accompanied by a certificate in the form of Annex H (a "Transfer Certificate").

This Letter of Credit sets forth in full the Bank's undertaking and such undertaking shall not in any way be modified, amended, amplified or limited by any document, instrument or agreement (including, without limitation, the Indenture and the Bonds, but excluding the Uniform Customs and the annexes attached hereto) referred to in this Letter of Credit or in any certificate presented by you under this Letter of Credit.

This Letter of Credit is subject to the Uniform Customs and Practice for Documentary Credits, 2007 Revision, International Chamber of Commerce Publication No. 600 (the "Uniform Customs"), which is incorporated in this Letter of Credit, except for Article 32 thereof. Furthermore, as provided in Article 36 of the Uniform Customs, we assume no liability or responsibility for consequences arising out of the interruption of our business by Acts of God, riots, civil commotions, insurrections, wars or any other causes beyond our control, or strikes or lockouts. For purposes of Article 6(a) of the Uniform Customs, the place of presentation for payment, acceptance and negotiation shall be the Bank's office set forth above. As to matters not covered by the Uniform Customs, this Letter of Credit shall be governed by the internal laws of the State of New York without giving effect to its conflicts of laws principles.

WE, AND BY MAKING A PRESENTATION OF DOCUMENTS FOR A DRAWING UNDER THIS LETTER OF CREDIT, YOU, HEREBY WAIVE OUR AND YOUR RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION ARISING UNDER OR RELATED TO THIS LETTER OF CREDIT, AND ACKNOWLEDGE THAT THIS WAIVER IS A MATERIAL INDUCEMENT TO OUR ISSUANCE AND YOUR ACCEPTANCE OF THIS LETTER OF CREDIT THAT EACH OF WE AND YOU HAS RELIED ON THE WAIVER IN ISSUING AND ACCEPTING THIS LETTER OF CREDIT AND THAT EACH OF WE AND YOU WILL CONTINUE TO RELY ON THE WAIVER IN THEIR RELATED FUTURE DEALINGS.

EACH OF WE, AND BY MAKING A PRESENTATION OF DOCUMENTS FOR A DRAWING UNDER THIS LETTER OF CREDIT, YOU, HEREBY CONSENTS TO THE JURISDICTION OF ANY STATE OR FEDERAL COURT LOCATED WITHIN THE COUNTY OF NEW YORK, STATE OF NEW YORK IN ANY ACTION OR PROCEEDING ARISING UNDER OR RELATED TO THIS LETTER OF CREDIT AND IRREVOCABLY AGREES THAT, ALL ACTIONS OR PROCEEDINGS ARISING OUT OF OR RELATING TO THIS LETTER OF CREDIT SHALL BE LITIGATED IN SUCH COURTS. EACH OF WE, AND BY MAKING A PRESENTATION OF DOCUMENTS FOR A DRAWING UNDER THIS LETTER OF CREDIT, YOU, EXPRESSLY SUBMITS AND CONSENTS TO THE JURISDICTION OF THE AFORESAID COURTS AND WAIVES ANY DEFENSE OF FORUM NON CONVENIENS.

Very truly yours,

BARCLAYS BANK PLC,
NEW YORK BRANCH

By:_____
(Authorized Signatory)

ANNEX A

FORM OF DRAFT

[Date]

Pay to the order of _____ the amount of _____ drawn on Barclays Bank PLC, New York Branch, as issuer of its Irrevocable Letter of Credit No. SB01738 dated May 16, 2012.

[The executed original of this draft will be mailed or delivered to you immediately.]*

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

By:_____
Title: _____

* To be inserted if certificate is being sent by facsimile

ANNEX B

INTEREST CERTIFICATE

The undersigned Trustee (the "Trustee") certifies as follows to Barclays Bank PLC, New York Branch as issuer of the referenced letter of credit (the "Letter of Credit"):

1. All terms defined in the Letter of Credit are used in this certificate with the same meanings.

2. The Trustee is the Trustee under the Indenture and is entitled to present this certificate. No Surrender Event has occurred.

3. Pursuant to Section [6.04(a)/6.04(e)] of the Indenture the Trustee has concurrently presented its draft drawn on you in the amount of U.S. $_____. The amount of such draft represents accrued interest on the Bonds [choose one: due on an Interest Payment Date under Section 6.04(a) of the Indenture for _____ days, reduced by moneys referred to in Section 6.03(d)(i) of the Indenture/required to be drawn under Section 6.04(e) of the Indenture.] Such amount does not include any amount in respect of Bonds which as of the Record Date (as defined in the Indenture) for such Interest Payment Date were Pledged Bonds or Bonds registered in the name of the Company,* was computed in accordance with the terms and conditions of the Indenture and does not exceed the amount available to be drawn under the Letter of Credit in respect of interest on the Bonds. No portion of such amount will be paid in respect of interest on Pledged Bonds or Bonds registered in the name of the Company.**

4. The Trustee shall apply the proceeds of this Drawing in accordance with the terms of the Indenture.

5. The Trustee shall not apply the proceeds of this Drawing in any way except as provided in the Indenture.

6. The Trustee shall not commingle the proceeds of this Drawing with any other funds held by the Trustee other than the proceeds of any other Drawings.

7. Payment of the accompanying draft should be made by wire transfer to our account no. _____ at _____, ABA No. _____.

8. The amount of the draft accompanying this certificate, together with each other draft which, as of the date hereof, has not been honored (or rejected), does not exceed the Letter of Credit Amount as in effect on the date hereof or the Interest Component as in effect on the date hereof.

[The executed original of this certificate will be mailed or delivered to you immediately.]***

Dated: _____

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.

By: _____

Title: _____

* To be inserted only in the case of a Drawing under Section 6.04(a) of the Indenture.

** To be inserted only in the case of a Drawing under Section 6.04(e) of the Indenture.

*** To be inserted if certificate is being sent by facsimile.

ANNEX C

REDEMPTION CERTIFICATE

The undersigned Trustee (the "Trustee") certifies as follows to Barclays Bank PLC, New York Branch, as issuer of the referenced letter of credit (the "Letter of Credit"):

1. All terms defined in the Letter of Credit are used in this certificate with the same meanings.

2. The Trustee is the Trustee under the Indenture and is entitled to present this certificate. No Surrender Event has occurred.

3. Pursuant to Section 6.04(a) of the Indenture, the Trustee has concurrently presented its draft drawn on you in the amount of U.S. $_____. The amount of such draft represents payments of principal (but not premium) in the amount of U.S. $_____ (the "Principal Portion"), which will be due with respect to the Bonds on _____ under Section 3.10, 3.11 or 3.12 (if less than all of the Outstanding Bonds are being redeemed) of the Indenture, plus accrued interest, if any, in the amount of U.S. $_____ (the "Interest Portion"), which will be due with respect to such Bonds on such date under such Sections, in either case net of moneys referred to in Section 6.03(c)(i) or 6.03(d)(i) of the Indenture, as applicable. Such amount does not exceed the amount of principal of, and interest, if any, which will be due on the Bonds (other than Pledged Bonds or Bonds registered in the name of the Company) on such date under such Sections in accordance with the terms and conditions of the Indenture and does not exceed the amount available to be drawn under the Letter of Credit in respect of principal of, and accrued interest on, the Bonds.

4. The Trustee acknowledges that the Principal Component of the Letter of Credit shall be reduced by an amount equal to the Principal Portion and the Interest Component of the Letter of Credit shall be reduced by an amount equal to the sum of (a) the Interest Portion, plus (b) U.S. $_____, which is equal to the amount of interest that would accrue on the Principal Portion during the Interest Coverage Period at an interest rate equal to the Interest Coverage Rate calculated on the basis of a year of 365 days.

5. The Trustee shall apply the proceeds of this Drawing in accordance with the terms of the Indenture.

6. The Trustee shall not apply the proceeds of this Drawing in any way except as provided in the Indenture.

7. The Trustee shall not commingle the proceeds of this Drawing with any other funds held by the Trustee other than the proceeds of any other Drawings.

8. Payment of the accompanying draft should be made by wire transfer to our account no. _____ at _____, ABA No. _____.

9. The amount of the draft accompanying this certificate, together with each other draft which, as of the date hereof, has not been honored (or rejected), does not exceed (i) in total, the Letter of Credit Amount as in effect on the date hereof, (ii) as to the Principal Portion, the Principal Component as in effect on the date hereof, or (iii) as to the Interest Portion, the Interest Component as in effect on the date hereof.

[The executed original of this certificate will be mailed or delivered to you immediately.]*

Dated: _____

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A.

By: _____
Title: _____

* To be inserted if certificate is being sent by facsimile.

ANNEX D

LIQUIDITY CERTIFICATE

The undersigned Trustee (the "Trustee") certifies as follows to Barclays Bank PLC, New York Branch, as issuer of the referenced letter of credit (the "Letter of Credit"):

1. All terms defined in the Letter of Credit are used in this certificate with the same meanings.

2. The Trustee is the Trustee under the Indenture and is entitled to present this certificate. No Surrender Event has occurred.

3. Pursuant to Section 6.04(a) of the Indenture, the Trustee has concurrently presented herewith its draft drawn on you in the amount of U.S. $_____. The amount of such draft represents the principal portion in the amount of U.S. $_____ (the "Principal Portion") and the accrued interest portion in the amount of U.S. $_____ (the "Interest Portion") of the purchase price of Bonds delivered or deemed to be delivered to the Remarketing Agent (as defined in the Indenture) or the Trustee pursuant to Section 3.01, 3.02, 3.03, 3.04 or 3.05 of the Indenture, or to be purchased in lieu of redemption pursuant to Section 3.14(a) of the Indenture, less the proceeds of the sale of such Bonds by the Remarketing Agent pursuant to Section 3.07 of the Indenture and less any Available Moneys pursuant to Section 3.06(a)(i) of the Indenture. Such amount does not include any amount in respect of Pledged Bonds or any Bonds registered in the name of the Company, was computed in accordance with the terms and conditions of the Indenture (including, without limitation, Sections 3.06(a), 3.14(a) and 3.19(c) thereof) and does not exceed the amount available to be drawn under the Letter of Credit in respect of principal of, and interest on, the Bonds.

4. The Trustee shall apply the proceeds of this Drawing in accordance with the terms of the Indenture.

5. The Trustee shall not apply the proceeds of this Drawing in any way except as provided in the Indenture.

6. The Trustee shall not commingle the proceeds of this Drawing with any other funds held by the Trustee other than the proceeds of any other Drawings.

7. The Trustee acknowledges that the Principal Component of the Letter of Credit shall be reduced by an amount equal to the Principal Portion and the Interest Component of the Letter of Credit shall be reduced by an amount equal to the sum of

(a) the Interest Portion, plus (b) U.S. $_____, which is equal to the amount of interest that would accrue on the Principal Portion during the Interest Coverage Period at an interest rate equal to the Interest Coverage Rate calculated on the basis of a year of 365 days.

8. The amount of the draft accompanying this certificate, together with each other draft which, as of the date hereof, has not been honored (or rejected), does not exceed (i) in total, the Letter of Credit Amount as in effect on the date hereof, (ii) as to the Principal Portion, the Principal Component as in effect on the date hereof, or (iii) as to the Interest Portion, the Interest Component as in effect on the date hereof.

9. Payment of the accompanying draft should be made by wire transfer to our account no. _____ at _____, ABA No. _____.

10. Upon payment of this Drawing, the Trustee shall deliver Bonds in the principal amount of the Bonds being purchased with this Drawing to the Bank or at the direction of the Bank pursuant to the Pledge Agreement, dated as of May 16, 2012, between the Company and the Bank.

[The executed original of this certificate will be mailed or delivered to you immediately.]*

Dated: _____

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A.

By:_____
Title: _____

* To be inserted if certificate is being sent by facsimile.

ANNEX E

FINAL PAYMENT CERTIFICATE

The undersigned Trustee (the "Trustee") certifies as follows to Barclays Bank PLC, New York Branch, as issuer of the referenced letter of credit (the "Letter of Credit"):

1. All terms defined in the Letter of Credit are used in this certificate with the same meanings.

2. The Trustee is the Trustee under the Indenture and is entitled to present this certificate. No Surrender Event has occurred.

3. Pursuant to Section 6.04(a) of the Indenture, the Trustee has concurrently presented its draft drawn on you in the amount of U.S. $_____. The amount of such draft represents unpaid principal in the amount of U.S. $_____ (the "Principal Portion") and _____ days' accrued interest in the amount of U.S. $_____ (the "Interest Portion"), which will be due upon redemption under Section 3.10, 3.11 or 3.12 (if all Outstanding Bonds are being redeemed) of the Indenture or which is now or which will be due upon acceleration of the Bonds under Section 9.02(a) of the Indenture, in either case net of moneys referred to in Section 6.03(c)(i) or 6.03(d)(i) of the Indenture, as applicable. Such amount does not include any amount in respect of Pledged Bonds or any Bonds registered in the name of the Company, was computed in accordance with the terms and conditions of the Indenture and does not exceed the amount available to be drawn under the Letter of Credit in respect of principal of, and interest on, the Bonds.

4. The Trustee shall apply the proceeds of this Drawing in accordance with the terms of the Indenture.

5. The Trustee shall not apply the proceeds of this Drawing in any way except as provided in the Indenture.

6. The Trustee shall not commingle the proceeds of this Drawing with any other funds held by the Trustee other than the proceeds of any other Drawings.

7. We hereby surrender the attached original Letter of Credit to you.

8. Payment of the accompanying draft should be made by wire transfer to our account no. _____ at _____, ABA No. _____.

9. The amount of the draft accompanying this certificate, together with each other draft which, as of the date hereof, has not been honored (or rejected), does not exceed (i) in total, the Letter of Credit Amount as in effect on the date hereof, (ii) as to the Principal Portion, the Principal Component as in effect on the date hereof, or (iii) as to the Interest Portion, the Interest Component as in effect on the date hereof.

[The executed original of this certificate will be mailed or delivered to you immediately.]*

Dated: _____

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A.

By: _____
Title: _____

* To be inserted if certificate is being sent by facsimile.

ANNEX F

REIMBURSEMENT CERTIFICATE

The undersigned Trustee (the "Trustee") certifies as follows to Barclays Bank PLC, New York Branch, as issuer of the referenced letter of credit (the "Letter of Credit'):

1. All terms defined in the Letter of Credit are used in this certificate with the same meanings.

2. The Trustee is the Trustee under the Indenture and is entitled to present this certificate. No Surrender Event has occurred.

3. The Trustee has today at the request and on behalf of the Company paid to you by wire transfer of immediately available funds the amount of U.S. $_____ relating to reimbursement to you of U.S. $_____ of unpaid principal (the "Principal Portion") and U.S. $_____ of accrued interest (the "Interest Portion") on the Bonds in connection with the Drawing(s) honored pursuant to the Trustee's draft(s) dated _____ in the aggregate amount of U.S. $_____.

4. The Principal Component of the Letter of Credit shall be reinstated by an amount equal to the Principal Portion and the Interest Component of the Letter of Credit shall be reinstated to an amount equal to the amount of interest that would accrue on the Outstanding Bonds (as such term is defined in the Indenture), other than Pledged Bonds, during the Interest Coverage Period at an interest rate equal to the Interest Coverage Rate calculated on the basis of a year of 365 days; provided, however, that in no event shall any reinstatement of the Principal Component or Interest Component result in the Principal Component or Interest Component being in excess of the amount thereof as in effect immediately prior to the applicable Interest Drawing or Liquidity Drawing.

5. The Trustee requests confirmation from you by facsimile of your receipt of this Reimbursement Certificate to the Trustees facsimile number ( ) ___-_____.

[The executed original of this certificate will be mailed or delivered to you immediately.]*

Dated: _____

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A.

By: _____
Title: _____

* To be inserted if certificate is being sent by facsimile.

ANNEX G

REDUCTION CERTIFICATE

The undersigned Trustee (the "Trustee") certifies as follows to Barclays Bank PLC, New York Branch (the "Bank"), as issuer of the referenced letter of credit (the "Letter of Credit"):

1. All terms defined in the Letter of Credit are used in this certificate with the same meanings.

2. The Trustee is the Trustee under the Indenture and is entitled to present this certificate. No Surrender Event has occurred.

3. The Trustee notifies you that on or prior to the date of this certificate Bonds (as to which no prior Reduction Certificate has been delivered to you) in a principal amount of U.S. $_____ became no longer Outstanding pursuant to the Indenture. The amount of the Letter of Credit has not been previously reduced on account of such reduction of the principal amount of Bonds Outstanding.

4. The Trustee acknowledges that the Letter of Credit Amount shall be reduced in accordance with the terms of the Letter of Credit in the amount of U.S. $_____ representing a reduction in the Principal Component equal to the sum of the aggregate principal amount of Bonds referred to in the preceding paragraph and a reduction in the Interest Component equal to an amount of interest for the Interest Coverage Period on such principal calculated at the Interest Coverage Rate based on a year of 365 days (U.S. $_____). No amount so reduced shall be reinstated.

[The executed original of this certificate will be mailed or delivered to you immediately.]*

Dated: _____

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A.

By:_____
Title: _____

* To be inserted if certificate is being sent by facsimile.

Barclays Bank PLC, New York Branch
Irrevocable Letter of Credit
No. SB01738

ANNEX H

INSTRUCTION TO TRANSFER

The undersigned beneficiary of the above-referenced letter of credit (the "Letter of Credit"), irrevocably instructs Barclays Bank PLC, New York Branch as issuer of the Letter of Credit, as follows:

1. For value received, the undersigned beneficiary irrevocably transfers to:

[Name of Transferee]
[Address]

all rights of the undersigned beneficiary under the Letter of Credit. The transferee has succeeded the undersigned as Trustee under the Indenture (as defined in the Letter of Credit).

2. By this transfer, all rights of the undersigned beneficiary in the Letter of Credit are transferred to the transferee, and the transferee shall from the date of this Instruction have the sole rights as beneficiary of the Letter of Credit; provided, however, that no rights shall be deemed to have been transferred to the transferee until such transfer complies with the requirements of the Letter of Credit pertaining to transfers. The undersigned transferor confirms that the transferor no longer has any rights under or interest in the Letter of Credit. All amendments are to be advised directly to the transferee without the necessity of any consent of or notice to the undersigned transferor.

3. The original Letter of Credit is returned with this Instruction and in accordance with the Letter of Credit the undersigned asks that this transfer be effective and that you transfer the same to the transferee or that, if so requested by the transferee, you issue a new irrevocable letter of credit in favor of the transferee with provisions consistent with the Letter of Credit.

[The executed original of this certificate will be mailed or delivered to you immediately.]*

Dated: _____

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A.

By: _____
Title: _____

* To be inserted if certificate is being sent by facsimile.

Acknowledged:

[NAME OF TRANSFEREE], as transferee

By: _____
Title: _____

Barclays Bank PLC, New York Branch
Irrevocable Letter of Credit
No. SB01738

ANNEX I

EXTENSION CERTIFICATE

_____, 20___

Ladies and Gentlemen:

Reference is made to Irrevocable Letter of Credit No. SB01738 (the "Letter of Credit", the terms defined therein and not otherwise defined herein being used herein as therein defined) issued by Barclays Bank PLC, New York Branch in your favor as beneficiary. We hereby extend the Scheduled Expiration Date of the Letter of Credit to _____, 20__.

Other than as set forth above, all rights of the beneficiary to draw under the Letter of Credit shall remain as set forth in the Letter of Credit.

This certificate forms an integral part of the original Letter of Credit and must be attached thereto.

Very truly yours,

BARCLAYS BANK PLC,
NEW YORK BRANCH

By:_____
(Authorized Signatory)

Acknowledged:

THE BANK OF NEW YORK
MELLON TRUST COMPANY,
N.A.

By:_____
Title:_____

ANNEX J

SURRENDER CERTIFICATE

The undersigned Trustee (the "Trustee") certifies as follows to Barclays Bank PLC, New York Branch, as issuer of the referenced letter of credit (the "Letter of Credit"):

1. All terms defined in the Letter of Credit are used in this certificate with the same meanings.

2. The Trustee is the Trustee under the Indenture and is entitled to present this certificate.

3. We hereby surrender the attached original Letter of Credit to you.

4. The Letter of Credit is hereby surrendered in accordance with its terms by virtue of the following (check one):

[ ] (a) 3:00 p.m. local time in New York, New York, on the Expiration Date;

[ ] (b) there are no Bonds Outstanding (as defined in the Indenture);

[ ] (c) the first Business Day (as defined below) after the conversion of the interest rate on the Bonds to a fixed interest rate pursuant to the Indenture; or

[ ] (d) a Substitute Letter of Credit or Alternate Credit Facility (each as defined in the Indenture), as the case may be, has been delivered to you.

5. No payment is demanded of you in connection with this surrender of the Letter of Credit.

[The executed original of this certificate will be mailed or delivered to you immediately.]*

Dated: _____

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A.

By:_____
Title: _____

EXECUTION VERSION

REIMBURSEMENT AGREEMENT

dated as of May 16, 2012

by and between

PACIFICORP

and

BARCLAYS BANK PLC

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

Table of Contents

REIMBURSEMENT AGREEMENT

THIS REIMBURSEMENT AGREEMENT, dated as of May 16, 2012, by and between PACIFICORP, an Oregon corporation, and BARCLAYS BANK PLC 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 $42,080,439.

(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 Barclays Bank PLC as issuer of the Letter of Credit, and its successors and assigns, and as Issuing Bank under the Credit Agreement.

"B Drawing" means a drawing under the Letter of Credit pursuant to Annex B to the Letter of Credit.

"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 $41,200,000 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.

"C Drawing" means a drawing under the Letter of Credit pursuant to Annex C to 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 May 16, 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, JPMorgan Chase Bank, N.A., as Administrative Agent and The Royal Bank of Scotland plc, as Syndication Agent, as amended or supplemented from time to time.

"D Drawing" means a drawing under the Letter of Credit pursuant to Annex D to the Letter of Credit.

"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.

"E Drawing" means a drawing under the Letter of Credit pursuant to Annex E to the Letter of Credit.

"Expiration Date" has the meaning assigned to such term in the Letter of Credit.

"Fee Letter" means the fee letter dated May 16, 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.

"Issuer" means City of Gillette, Campbell County, Wyoming, 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 May 14, 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 May 16, 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, Inc.

"Remarketing Agreement" means the Remarketing Agreement dated January 1, 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.

"Scheduled Expiration Date" has the meaning assigned thereto in the Letter of Credit.

"Standard Letter of Credit Practice" means, for the Bank, any domestic or foreign law or letter of credit practices applicable in the city in which the Bank issued the Letter of Credit. Such practices shall be (i) of banks that regularly issue letters of credit in the particular city and (ii) required or permitted under the UCP.

"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.

"UCP" means the Uniform Customs and Practice for Documentary Credits, 2007 Revision, International Chamber of Commerce Publication No. 600.

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 $42,080,439 consisting of (i) $41,200,000 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 $880,439.

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 New York office of the Bank not later than 2:00 P.M. (New York 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):

Barclays Bank PLC
ABA # 026 002 574
Account Name: Clad Control Account
Account Number: 050-019104
Reference: PacifiCorp L/C Ref. SB01741

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 B Drawing or C Drawing on the Letter of Credit on the Business Day preceding such drawing and (2) the Borrower shall be deemed to have notice of any D Drawing or E Drawing on 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 Scheduled Expiration Date of the Letter of Credit, the Borrower may request the Bank to extend the then current Scheduled Expiration Date for a period of one year. If the Bank, in its sole discretion, elects to extend the Scheduled 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 Scheduled 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 Scheduled Expiration Date has been extended in accordance with this Section 2.12 may be extended in like manner.

(b) Upon any extension of the Scheduled 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) Arrangements satisfactory to the Bank for surrender by the Trustee of the irrevocable letter of credit, number SB00319, as amended, shall have been made.

(g) 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.

(h) 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:

Barclays
Letter of Credit Department
200 Park Avenue
New York, NY 10166
Attn: Dawn Townsend
Phone: (201) 499-2081
Fax: (212) 412-5011
Email: Dawn.Townsend@barclays.com / XreLetterofCredit@barclays.com

with a copy to

Barclays
745 Seventh Avenue
New York, NY 10019
Attn: Alicia Borys / Annie Rogosky
Phone: (212) 526-4291 / (212) 526-1075
Fax (212) 526-5115
Email: Alicia.Borys@barclays.com / ltmny@barclays.com

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, whether or not such Indemnified Person is a party thereto and whether or not such action or proceeding is brought by the Borrower or a third party), 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 UCP 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.

BARCLAYS BANK PLC as Issuing Bank

By _____
Name: Ann E. Sutton
Title: Director

EXHIBIT A
TO
REIMBURSEMENT AGREEMENT

FORM OF LETTER OF CREDIT

EXECUTION VERSION

REIMBURSEMENT AGREEMENT

dated as of May 16, 2012

by and between

PACIFICORP

and

BARCLAYS BANK PLC

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

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REIMBURSEMENT AGREEMENT

THIS REIMBURSEMENT AGREEMENT, dated as of May 16, 2012, by and between PACIFICORP, an Oregon corporation, and BARCLAYS BANK PLC 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 $54,832,877.

(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 Barclays Bank PLC as issuer of the Letter of Credit, and its successors and assigns, and as Issuing Bank under the Credit Agreement.

"B Drawing" means a drawing under the Letter of Credit pursuant to Annex B to the Letter of Credit.

"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 $50,000,000 Customized Purchase Pollution Control Revenue Refunding Bonds (PacifiCorp Project) Series 1988A.

"Borrower" means PacifiCorp, an Oregon corporation, and its successors and assigns.

"Business Day" has the meaning assigned thereto in the Letter of Credit.

"C Drawing" means a drawing under the Letter of Credit pursuant to Annex C to 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 May 16, 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, JPMorgan Chase Bank, N.A., as Administrative Agent and The Royal Bank of Scotland plc, as Syndication Agent, as amended or supplemented from time to time.

"D Drawing" means a drawing under the Letter of Credit pursuant to Annex D to the Letter of Credit.

"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.

"E Drawing" means a drawing under the Letter of Credit pursuant to Annex E to the Letter of Credit.

"Expiration Date" has the meaning assigned to such term in the Letter of Credit.

"Fee Letter" means the fee letter dated May 16, 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.

"Issuer" means Sweetwater County, Wyoming, 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 May 14, 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 16, 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, Inc.

"Remarketing Agreement" means the Remarketing Agreement dated January 1, 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.

"Scheduled Expiration Date" has the meaning assigned thereto in the Letter of Credit.

"Standard Letter of Credit Practice" means, for the Bank, any domestic or foreign law or letter of credit practices applicable in the city in which the Bank issued the Letter of Credit. Such practices shall be (i) of banks that regularly issue letters of credit in the particular city and (ii) required or permitted under the UCP.

"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.

"UCP" means the Uniform Customs and Practice for Documentary Credits, 2007 Revision, International Chamber of Commerce Publication No. 600.

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 $54,832,877 consisting of (i) $50,000,000 to pay principal of the Bonds, plus (ii) 294 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 $4,832,877.

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 New York office of the Bank not later than 2:00 P.M. (New York 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):

Barclays Bank PLC
ABA # 026 002 574
Account Name: Clad Control Account
Account Number: 050-019104
Reference: PacifiCorp L/C Ref. SB01737

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 B Drawing or C Drawing on the Letter of Credit on the Business Day preceding such drawing and (2) the Borrower shall be deemed to have notice of any D Drawing or E Drawing on 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 Scheduled Expiration Date of the Letter of Credit, the Borrower may request the Bank to extend the then current Scheduled Expiration Date for a period of one year. If the Bank, in its sole discretion, elects to extend the Scheduled 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 Scheduled 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 Scheduled Expiration Date has been extended in accordance with this Section 2.12 may be extended in like manner.

(b) Upon any extension of the Scheduled 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) Arrangements satisfactory to the Bank for surrender by the Trustee of the irrevocable letter of credit, number SB00182, as amended, shall have been made.

(g) 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.

(h) 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:

Barclays
Letter of Credit Department
200 Park Avenue
New York, NY 10166
Attn: Dawn Townsend
Phone: (201) 499-2081
Fax: (212) 412-5011
Email: Dawn.Townsend@barclays.com / XreLetterofCredit@barclays.com

with a copy to

Barclays
745 Seventh Avenue
New York, NY 10019
Attn: Alicia Borys / Annie Rogosky
Phone: (212) 526-4291 / (212) 526-1075
Fax (212) 526-5115
Email: Alicia.Borys@barclays.com / ltmny@barclays.com

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, whether or not such Indemnified Person is a party thereto and whether or not such action or proceeding is brought by the Borrower or a third party), 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 UCP 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.

BARCLAYS BANK PLC as Issuing Bank

By 

Name: Ann E. Sutton
Title: Director

EXHIBIT A
TO
REIMBURSEMENT AGREEMENT

FORM OF LETTER OF CREDIT

EXECUTION VERSION

REIMBURSEMENT AGREEMENT

dated as of May 16, 2012

by and between

PACIFICORP

and

BARCLAYS BANK PLC

$11,500,000
Sweetwater County, Wyoming
Customized Purchase Pollution Control Revenue Refunding Bonds (PacifiCorp Project)
Series 1988B

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REIMBURSEMENT AGREEMENT

THIS REIMBURSEMENT AGREEMENT, dated as of May 16, 2012, by and between PACIFICORP, an Oregon corporation, and BARCLAYS BANK PLC 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 $11,745,754.

(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 Barclays Bank PLC as issuer of the Letter of Credit, and its successors and assigns, and as Issuing Bank under the Credit Agreement.

"B Drawing" means a drawing under the Letter of Credit pursuant to Annex B to the Letter of Credit.

"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 $11,500,000 Customized Purchase Pollution Control Revenue Refunding Bonds (PacifiCorp Project) Series 1988B.

"Borrower" means PacifiCorp, an Oregon corporation, and its successors and assigns.

"Business Day" has the meaning assigned thereto in the Letter of Credit.

"C Drawing" means a drawing under the Letter of Credit pursuant to Annex C to 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 May 16, 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, JPMorgan Chase Bank, N.A., as Administrative Agent and The Royal Bank of Scotland plc, as Syndication Agent, as amended or supplemented from time to time.

"D Drawing" means a drawing under the Letter of Credit pursuant to Annex D to the Letter of Credit.

"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.

"E Drawing" means a drawing under the Letter of Credit pursuant to Annex E to the Letter of Credit.

"Expiration Date" has the meaning assigned to such term in the Letter of Credit.

"Fee Letter" means the fee letter dated May 16, 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.

"Issuer" means Sweetwater County, Wyoming, 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 May 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 May 16, 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, Inc.

"Remarketing Agreement" means the Remarketing Agreement dated January 1, 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.

"Scheduled Expiration Date" has the meaning assigned thereto in the Letter of Credit.

"Standard Letter of Credit Practice" means, for the Bank, any domestic or foreign law or letter of credit practices applicable in the city in which the Bank issued the Letter of Credit. Such practices shall be (i) of banks that regularly issue letters of credit in the particular city and (ii) required or permitted under the UCP.

"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.

"UCP" means the Uniform Customs and Practice for Documentary Credits, 2007 Revision, International Chamber of Commerce Publication No. 600.

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 $11,745,754 consisting of (i) $11,500,000 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 $245,754.

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 New York office of the Bank not later than 2:00 P.M. (New York 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):

Barclays Bank PLC
ABA # 026 002 574
Account Name: Clad Control Account
Account Number: 050-019104
Reference: PacifiCorp L/C Ref. SB01738

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 B Drawing or C Drawing on the Letter of Credit on the Business Day preceding such drawing and (2) the Borrower shall be deemed to have notice of any D Drawing or E Drawing on 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 Scheduled Expiration Date of the Letter of Credit, the Borrower may request the Bank to extend the then current Scheduled Expiration Date for a period of one year. If the Bank, in its sole discretion, elects to extend the Scheduled 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 Scheduled 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 Scheduled Expiration Date has been extended in accordance with this Section 2.12 may be extended in like manner.

(b) Upon any extension of the Scheduled 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) Arrangements satisfactory to the Bank for surrender by the Trustee of the irrevocable letter of credit, number SB00316, as amended, shall have been made.

(g) 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.

(h) 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:

Barclays
Letter of Credit Department
200 Park Avenue
New York, NY 10166
Attn: Dawn Townsend
Phone: (201) 499-2081
Fax: (212) 412-5011
Email: Dawn.Townsend@barclays.com / XreLetterofCredit@barclays.com

with a copy to

Barclays
745 Seventh Avenue
New York, NY 10019
Attn: Alicia Borys / Annie Rogosky
Phone: (212) 526-4291 / (212) 526-1075
Fax (212) 526-5115
Email: Alicia.Borys@barclays.com / ltmny@barclays.com

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, whether or not such Indemnified Person is a party thereto and whether or not such action or proceeding is brought by the Borrower or a third party), 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 UCP 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.

BARCLAYS BANK PLC as Issuing Bank

By _____
Name: Ann E. Sutton
Title: Director

EXHIBIT A
TO
REIMBURSEMENT AGREEMENT

FORM OF LETTER OF CREDIT

EXECUTION VERSION

REIMBURSEMENT AGREEMENT

dated as of May 16, 2012

by and between

PACIFICORP

and

BARCLAYS BANK PLC

$70,000,000
Sweetwater County, Wyoming
Pollution Control Revenue Refunding Bonds (PacifiCorp Project),
Series 1990A

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REIMBURSEMENT AGREEMENT

THIS REIMBURSEMENT AGREEMENT, dated as of May 16, 2012, by and between PACIFICORP, an Oregon corporation, and BARCLAYS BANK PLC 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 $71,495,891.

(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 Barclays Bank PLC as issuer of the Letter of Credit, and its successors and assigns, and as Issuing Bank under the Credit Agreement.

"B Drawing" means a drawing under the Letter of Credit pursuant to Annex B to the Letter of Credit.

"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 $70,000,000 Sweetwater County, Wyoming Pollution Control Revenue Refunding Bonds (PacifiCorp Project) Series 1990A.

"Borrower" means PacifiCorp, an Oregon corporation, and its successors and assigns.

"Business Day" has the meaning assigned thereto in the Letter of Credit.

"C Drawing" means a drawing under the Letter of Credit pursuant to Annex C to 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 May 16, 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, JPMorgan Chase Bank, N.A., as Administrative Agent and The Royal Bank of Scotland plc, as Syndication Agent, as amended or supplemented from time to time.

"D Drawing" means a drawing under the Letter of Credit pursuant to Annex D to the Letter of Credit.

"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.

"E Drawing" means a drawing under the Letter of Credit pursuant to Annex E to the Letter of Credit.

"Expiration Date" has the meaning assigned to such term in the Letter of Credit.

"Fee Letter" means the fee letter dated May 16, 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 July 1, 1990 between the Issuer and the Trustee, as amended, supplemented and restated through and including the date hereof.

"Issuer" means Sweetwater County, Wyoming, 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 July 1, 1990 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 May 14, 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 May 16, 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 Citigroup Global Markets Inc.

"Remarketing Agreement" means the Remarketing Agreement dated July 1, 1990 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.

"Scheduled Expiration Date" has the meaning assigned thereto in the Letter of Credit.

"Standard Letter of Credit Practice" means, for the Bank, any domestic or foreign law or letter of credit practices applicable in the city in which the Bank issued the Letter of Credit. Such practices shall be (i) of banks that regularly issue letters of credit in the particular city and (ii) required or permitted under the UCP.

"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.

"UCP" means the Uniform Customs and Practice for Documentary Credits, 2007 Revision, International Chamber of Commerce Publication No. 600.

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 $71,495,891 consisting of (i) $70,000,000 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 $1,495,891.

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 New York office of the Bank not later than 2:00 P.M. (New York 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):

Barclays Bank PLC
ABA # 026 002 574
Account Name: Clad Control Account
Account Number: 050-019104
Reference: PacifiCorp L/C Ref. SB01739

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 B Drawing or C Drawing on the Letter of Credit on the Business Day preceding such drawing and (2) the Borrower shall be deemed to have notice of any D Drawing or E Drawing on 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 Scheduled Expiration Date of the Letter of Credit, the Borrower may request the Bank to extend the then current Scheduled Expiration Date for a period of one year. If the Bank, in its sole discretion, elects to extend the Scheduled 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 Scheduled 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 Scheduled Expiration Date has been extended in accordance with this Section 2.12 may be extended in like manner.

(b) Upon any extension of the Scheduled 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) Arrangements satisfactory to the Bank for surrender by the Trustee of the irrevocable letter of credit, number SB00317, as amended, shall have been made.

(g) 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.

(h) 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:

Barclays
Letter of Credit Department
200 Park Avenue
New York, NY 10166
Attn: Dawn Townsend
Phone: (201) 499-2081
Fax: (212) 412-5011
Email: Dawn.Townsend@barclays.com / XreLetterofCredit@barclays.com

with a copy to

Barclays
745 Seventh Avenue
New York, NY 10019
Attn: Alicia Borys / Annie Rogosky
Phone: (212) 526-4291 / (212) 526-1075
Fax (212) 526-5115
Email: Alicia.Borys@barclays.com / ltmny@barclays.com

If to the Remarketing Agent, at:

Citigroup Global Markets Inc.
390 Greenwich Street, 2nd Floor

New York, New York 10013
Attn: Robert J. DeMichiel

Phone: (212) 723-5594
Fax: (212) 723-8939 / (212) 723-8976

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, whether or not such Indemnified Person is a party thereto and whether or not such action or proceeding is brought by the Borrower or a third party), 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 UCP 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.

BARCLAYS BANK PLC as Issuing Bank

By _____
Name: Ann E. Sutton
Title: Director

EXHIBIT A
TO
REIMBURSEMENT AGREEMENT

FORM OF LETTER OF CREDIT

EXECUTION VERSION

REIMBURSEMENT AGREEMENT

dated as of May 17, 2012

by and between

PACIFICORP

and

BARCLAYS BANK PLC

$24,400,000
Sweetwater County, Wyoming
Environmental Improvement Revenue Bonds (PacifiCorp Project)
Series 1995

Table of Contents

REIMBURSEMENT AGREEMENT

THIS REIMBURSEMENT AGREEMENT, dated as of May 17, 2012, by and between PACIFICORP, an Oregon corporation, and BARCLAYS BANK PLC 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 $24,801,096.

(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 Barclays Bank PLC as issuer of the Letter of Credit, and its successors and assigns, and as Issuing Bank under the Credit Agreement.

"B Drawing" means a drawing under the Letter of Credit pursuant to Annex B to the Letter of Credit.

"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 $24,400,000 Environmental Improvement Revenue Bonds (PacifiCorp Project) Series 1995.

"Borrower" means PacifiCorp, an Oregon corporation, and its successors and assigns.

"Business Day" has the meaning assigned thereto in the Letter of Credit.

"C Drawing" means a drawing under the Letter of Credit pursuant to Annex C to 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 May 17, 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, JPMorgan Chase Bank, N.A., as Administrative Agent and The Royal Bank of Scotland plc, as Syndication Agent, as amended or supplemented from time to time.

"D Drawing" means a drawing under the Letter of Credit pursuant to Annex D to the Letter of Credit.

"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.

"E Drawing" means a drawing under the Letter of Credit pursuant to Annex E to the Letter of Credit.

"Expiration Date" has the meaning assigned to such term in the Letter of Credit.

"Fee Letter" means the fee letter dated May 16, 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 November 1, 1995 between the Issuer and the Trustee, as amended, supplemented and restated through and including the date hereof.

"Issuer" means Sweetwater County, Wyoming, 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 November 1, 1995 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 May 9, 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 May 17, 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 November 1, 1995 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.

"Scheduled Expiration Date" has the meaning assigned thereto in the Letter of Credit.

"Standard Letter of Credit Practice" means, for the Bank, any domestic or foreign law or letter of credit practices applicable in the city in which the Bank issued the Letter of Credit. Such practices shall be (i) of banks that regularly issue letters of credit in the particular city and (ii) required or permitted under the UCP.

"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.

"UCP" means the Uniform Customs and Practice for Documentary Credits, 2007 Revision, International Chamber of Commerce Publication No. 600.

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 $24,801,096 consisting of (i) $24,400,000 to pay principal of the Bonds, plus (ii) 50 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 $401,096.

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 New York office of the Bank not later than 2:00 P.M. (New York 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):

Barclays Bank PLC
ABA # 026 002 574
Account Name: Clad Control Account
Account Number: 050-019104
Reference: PacifiCorp L/C Ref. SB01740

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 B Drawing or C Drawing on the Letter of Credit on the Business Day preceding such drawing and (2) the Borrower shall be deemed to have notice of any D Drawing or E Drawing on 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 Scheduled Expiration Date of the Letter of Credit, the Borrower may request the Bank to extend the then current Scheduled Expiration Date for a period of one year. If the Bank, in its sole discretion, elects to extend the Scheduled 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 Scheduled 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 Scheduled Expiration Date has been extended in accordance with this Section 2.12 may be extended in like manner.

(b) Upon any extension of the Scheduled 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) Arrangements satisfactory to the Bank for surrender by the Trustee of the irrevocable letter of credit, number SB00318, as amended, shall have been made.

(g) 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.

(h) 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:

Barclays
Letter of Credit Department
200 Park Avenue
New York, NY 10166
Attn: Dawn Townsend
Phone: (201) 499-2081
Fax: (212) 412-5011
Email: Dawn.Townsend@barclays.com / XreLetterofCredit@barclays.com

with a copy to

Barclays
745 Seventh Avenue
New York, NY 10019
Attn: Alicia Borys / Annie Rogosky
Phone: (212) 526-4291 / (212) 526-1075
Fax (212) 526-5115
Email: Alicia.Borys@barclays.com / ltmny@barclays.com

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, whether or not such Indemnified Person is a party thereto and whether or not such action or proceeding is brought by the Borrower or a third party), 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 UCP 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.

BARCLAYS BANK PLC as Issuing Bank

By _____
Name: Ann E. Sutton
Title: Director

EXHIBIT A
TO
REIMBURSEMENT AGREEMENT

FORM OF LETTER OF CREDIT