REOFFERING-NOT A NEW ISSUE

SUPPLEMENT, DATED MARCH 18, 2013, 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 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 ALTERNATE CREDIT FACILITY
$24,400,000
SWEETWATER COUNTY, WYOMING
ENVIRONMENTAL IMPROVEMENT REVENUE BONDS
(PacifiCorp Project)
Series 1995
(CUSIP 870481 AB4[*])

PURCHASE DATE: MARCH 25, 2013 **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 March 26, 2013, and until March 26, 2015, unless earlier terminated or extended, the Bonds will be supported by an Irrevocable Transferrable Direct Pay Letter of Credit (the "Replacement Letter of Credit") issued with respect to the Bonds by the New York Agency of

THE BANK OF NOVA SCOTIA

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) 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 daily rate or a weekly rate pursuant to the Indenture. Failure to pay the purchase price when due and payable is an event of default under 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 March 26, 2013, 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.

As of the date hereof, the Bonds bear interest at a Daily Rate. The Bonds bearing interest at a Daily Rate 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. The Depository Trust Company, New York, New York ("DTC"), will continue to act as a securities depository for the 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 the Bonds will be made through DTC and its Participants and disbursements of such payments to purchasers will be the responsibility of such Participants.

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
as Remarketing Agent

[*] Copyright, American Bankers Association. CUSIP data herein is provided by Standard and Poor's, CUSIP Service Bureau, a division of The McGraw-Hill Companies, Inc. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Service. CUSIP numbers are provided for convenience of reference only. None of the Issuer, the Company or the Remarketing Agent takes any responsibility for the accuracy of such numbers.

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, The Bank of Nova Scotia (the "Bank") 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, the Bank 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 the Bank 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

DELIVERY OF ALTERNATE CREDIT FACILITY

$24,400,000
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. (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 Issuers 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 contained in the Indenture, 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 May 17, 2012 (the "Existing 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 Existing Letter of Credit was issued. Pursuant to the Indenture, the Company has elected to replace the Existing Letter of Credit with an Irrevocable Transferrable Direct Pay Letter of Credit (the "Letter of Credit") issued by The Bank of Nova Scotia, a bank organized under the laws of Canada, acting through its New York Agency (the "Bank"). The Letter of Credit will be delivered to the Trustee on March 26, 2013 (the "Effective Date") and, after such date, the Bonds will not have the benefit of the Existing 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 on while the Bonds bear interest at a daily rate or a weekly rate pursuant to 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 Indenture), (ii) an increase or decrease in the Interest Coverage Period (as defined in the Indenture) 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 the Bank is included as Appendix B 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, and the descriptions herein of the Bonds are qualified in their entirety by reference to the forms thereto and the information with respect thereof 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 letter of credit described in the Original Official Statement is no longer in effect as of March 26, 2013 and the information in the Original Official Statement with respect thereto should be disregarded.

THE LETTER OF CREDIT AND THE REIMBURSEMENT AGREEMENT

The following is a brief summary of certain provisions of the Replacement Letter of Credit and that certain Letter of Credit and Reimbursement Agreement, dated March 26, 2013, as amended and supplemented, between the Company and The Bank of Nova Scotia (together with all related documents, the "Reimbursement Agreement"). This summary is not a complete recital of the terms of the Replacement Letter of Credit or the Reimbursement Agreement and reference is made to the Replacement Letter of Credit or the Reimbursement Agreement, as applicable, in its entirety.

THE LETTER OF CREDIT

The Replacement 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) up to 50 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 Letter of Credit will only be available to be drawn while the Bonds bear interest at a daily rate or a weekly rate pursuant to the Indenture. The Replacement Letter of Credit will be substantially in the form attached hereto as Appendix F. The Replacement

Letter of Credit will be issued pursuant to a Letter of Credit Reimbursement Agreement, dated March 26, 2013 (the "Reimbursement Agreement"), between the Company and the Bank.

The Bank's obligation under the Replacement 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 the 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 Replacement Letter of Credit will be automatically reinstated as of the Bank's close of business in New York, New York on the ninth (9^{th}) business day following the Bank's honoring of such drawing by the amount drawn, unless the Trustee has received notice (a "Non-Reinstatement Notice") from the Bank by the ninth (9^{th}) business day following the date of such honoring that there will be no reinstatement.

Upon an acceleration of the maturity of Bonds due to an event of default under the Indenture, the Trustee will be entitled to draw on the Replacement 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 Replacement Letter of Credit has not been reinstated).

The Replacement Letter of Credit shall expire on the earliest of: (a) March 26, 2015 (such date, as it may be extended as provided in such Replacement Letter of Credit, the "Scheduled Expiration Date"), (b) four (4) Business Days following the Trustee's receipt of (i) written notice from the Bank that an event of default has occurred under the Reimbursement Agreement or (ii) a Non-Reinstatement Notice, (c) the date that the Trustee informs the Bank that the conditions for termination of the Replacement Letter of Credit as set forth in the Indenture have been satisfied and that the Replacement Letter of Credit has terminated in accordance with its terms, (d) the date that is 15 days after the conversion of the Bonds to an interest rate mode other than a daily rate or a weekly rate under the Indenture and (e) the date of a final drawing under the Replacement Letter of Credit.

REIMBURSEMENT AGREEMENT

General. The Company has executed and delivered the Reimbursement Agreement requesting that the Bank issue an irrevocable direct pay letter of credit for the Bonds and governing the issuance thereof. The Replacement Letter of Credit is issued pursuant to the Reimbursement Agreement.

Under the Reimbursement Agreement, the Company has agreed to reimburse the Bank for any drawings under the Replacement Letter of Credit, to pay certain fees and expenses, to pay interest on any unreimbursed drawings or other amounts unpaid, and to reimburse the Bank for certain other costs and expenses incurred.

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

"Applicable Law" means (a) all applicable common law and principles of equity and (b) all applicable provisions of all (i) constitutions, statutes, rules, regulations and orders of all Governmental Authorities, (ii) Governmental Approvals and (iii) orders, decisions, judgments and decrees of all courts (whether at law or in equity or admiralty) and arbitrators.

"Consolidated Assets" means, on any date of determination, the total of all assets (including revaluations thereof as a result of commercial appraisals, price level restatement or otherwise) appearing on the latest consolidated balance sheet of the Company and its Consolidated Subsidiaries as of such date of determination.

"Credit Documents" means, with respect to the Replacement Letter of Credit, the Reimbursement Agreement, Custodian Agreement, Fee Letter (each as defined in the Reimbursement Agreement) and any and all other instruments and documents executed and delivered by the Company in connection with any of the foregoing.

"Debt" of any Person means, at any date, without duplication, (a) all indebtedness of such Person for borrowed money, (b) all obligations of such Person for the deferred purchase price of property or services (other than trade payables incurred in the ordinary course of such Person's business), (c) all obligations of such Person evidenced by notes, bonds, debentures or other similar instruments, (d) all obligations of such Person as lessee under leases that have been, in accordance with GAAP, recorded as capital leases, (e) all obligations of such Person in respect of reimbursement agreements with respect to acceptances, letters of credit (other than trade letters of credit) or similar extensions of credit and (f) all guaranties.

"ERISA" means the Employee Retirement Income Security Act of 1974, and the regulations promulgated and rulings issued thereunder, each as amended, modified and in effect from time to time.

"ERISA Affiliate" means, with respect to any Person, each trade or business (whether or not incorporated) that is considered to be a single employer with such entity within the meaning of Section 414(b), (c), (m) or (o) of the Internal Revenue Code.

"ERISA Event" means (a) any "reportable event," as defined in Section 4043 of ERISA with respect to a Pension Plan; (b) the failure to make a required contribution to any Pension Plan that would result in the imposition of a lien or other encumbrance or the provision of security under the Internal Revenue Code (the "Code") or ERISA, or there being or arising any "unpaid minimum required contribution" or "accumulated funding deficiency" (as defined or otherwise set forth in Code or ERISA), whether or not waived, or the filing of any request for or receipt of a minimum funding waiver under the Internal Revenue Code with respect to any Pension Plan or Multiemployer Plan, or a determination that any Pension Plan is, or is reasonably expected to be, in at-risk status under ERISA; (c) the filing of a notice of intent to terminate, or the termination of any Pension Plan under certain provisions of ERISA; (d) the institution of proceedings, or the occurrence of an event or condition that would reasonably be expected to constitute grounds for the institution of proceedings by the PBGC, under certain provisions of

ERISA, for the termination of, or the appointment of a trustee to administer, any Pension Plan; (e) the complete or partial withdrawal of the Company or any of its ERISA Affiliates from a Multiemployer Plan, the reorganization or insolvency under ERISA of any Multiemployer Plan, or the receipt by the Company or any of its ERISA Affiliates of any notice that a Multiemployer Plan is in endangered or critical status under certain provisions of ERISA; (f) the failure by the Company or any of its ERISA Affiliates to comply with ERISA or the related provisions of the Code with respect to any Pension Plan; (g) the Company or any of its ERISA Affiliates incurring any liability under certain provisions of ERISA with respect to any Pension Plan (other than premiums due and not delinquent under ERISA) or (h) the failure by the Company or any of its Subsidiaries to comply with Applicable Law with respect to any Foreign Plan.

"Foreign Plan" means any pension, profit-sharing, deferred compensation, or other employee benefit plan, program or arrangement (other than a Pension Plan or a Multiemployer Plan) maintained by any Subsidiary of the Company that, under applicable local foreign law, is required to be funded through a trust or other funding vehicle.

"Governmental Approval" means any authorization, consent, approval, license or exemption of, registration or filing with, or report or notice to, any Governmental Authority.

"Governmental Authority" means the government of the United States of America or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank).

"Lien" means any lien, security interest or other charge or encumbrance of any kind, or any other type of preferential arrangement, including, without limitation, the lien or retained security title of a conditional vendor and any easement, right of way or other encumbrance on title to real property.

"Material Adverse Effect" means a material adverse effect on (a) on the business, operations, properties, financial condition, assets or liabilities (including, without limitation, contingent liabilities) of the Company and its Subsidiaries, taken as a whole, (b) the ability of the Company to perform its obligations under any Credit Document or any Related Document to which the Company is a party or (c) the ability of the Bank to enforce its rights under any Credit Document or any Related Document to which the Company is a party.

"Material Subsidiaries" means any Subsidiary of the Company with respect to which (x) the Company's percentage ownership interest multiplied by (y) the book value of the Consolidated Assets of such Subsidiary represents at least 15% of the Consolidated Assets of the Company as reflected in the latest financial statements of the Company.

"Multiemployer Plan" means any "multiemployer plan" (as such term is defined in Section 4001(a)(3) of ERISA), which is contributed to by (or to which there is or may be an obligation to contribute of) the Company or any of its ERISA Affiliates or with respect to which the Company or any of its ERISA Affiliates has, or could reasonably be expected to have, any liability.

"Pension Plan" means any "employee pension benefit plan" (as defined in Section 3(2) of ERISA) (other than a Multiemployer Plan), subject to the provisions of Title IV of ERISA or Section 412 of the Code or Section 302 of ERISA, maintained or contributed to by the Company or any of its ERISA Affiliates or to which the Company or any of its ERISA Affiliates has or may have an obligation to contribute (or is deemed under Section 4069 of ERISA to have maintained or contributed to or to have had an obligation to contribute to, or otherwise to have liability with respect to) such plan.

"Person" means an individual, partnership, corporation (including, without limitation, a business trust), joint stock company, limited liability company, trust, unincorporated association, joint venture or other entity, or a government or any political subdivision or agency thereof.

"Pledged Bonds" means the Bonds purchased with moneys received under the Replacement Letter of Credit in connection with a tender drawing under such Replacement Letter of Credit and owned or held by the Company or an affiliate of the Company or by the Trustee and pledged to the Bank pursuant to the Custodian Agreement.

"Rating Decline" means the occurrence of the following on, or within 90 days after, the earlier of (a) the occurrence of a Change of Control (as defined below) and (b) the earlier of (x) the date of public notice of the occurrence of a Change of Control and (y) the date of the public notice of the Company's (or its direct or indirect parent company's) intention to effect a Change of Control, which 90-day period will be extended so long as the S&P Rating or Moody's Rating is under publicly announced consideration for possible downgrading by S&P or Moody's, as applicable: the S&P Rating is reduced below BBB+ or the Moody's Rating is reduced below Baa1.

"Reimbursement Obligation" means the obligation of the Company under the Reimbursement Agreement to reimburse the Bank for the full amount of each payment by the Bank under the Replacement Letter of Credit, including, without limitation, amounts in respect of any reinstatement of interest on the Bonds at the election of the Bank notwithstanding any failure by the Company to reimburse the Bank for any previous drawing to pay interest on the Bonds.

"Related Documents" means, with regard to the Replacement Letter of Credit, the Bonds, the Indenture, the Loan Agreement (as defined in the Reimbursement Agreement), the Remarketing Agreement (as defined in the Reimbursement Agreement) and the Custodian Agreement.

"Subsidiary" of any Person means any corporation, partnership, joint venture, limited liability company, trust or estate of which (or in which) more than 50% of (a) the issued and outstanding capital stock having ordinary voting power to elect a majority of the board of directors of such corporation (irrespective of whether at the time capital stock of any other class or classes of such corporation shall or might have voting power upon the occurrence of any contingency), (b) the interest in the capital or profits of such limited liability company, partnership or joint venture or (c) the beneficial interest in such trust or estate is at the time directly or indirectly owned or controlled by such Person, by such Person and one or more of its other Subsidiaries or by one or more of such Person's other Subsidiaries.

Events of Default. Any one or more of the following events (whether voluntary or involuntary) constitute an event of default (an "Event of Default") under the Reimbursement Agreement:

(a) (i) Any principal of any Reimbursement Obligation is not paid when due and payable or (ii) any interest on any Reimbursement Obligation or any fees or other amounts payable under the Reimbursement Agreement or under any other Credit Document is not paid within five days after the same becomes due and payable; or

(b) Any representation or warranty made by the Company in the Reimbursement Agreement or by the Company (or any of its officers) in any Credit Document or in connection with any Related Document or any document delivered pursuant to such documents proves to have been incorrect in any material respect when made; or

(c) (i) The Company fails to (A) preserve, and to cause its Material Subsidiaries to preserve, their corporate, partnership or limited liability company existence, (B) cause all Bonds that it acquires to be registered in accordance with the Indenture and the Custodian Agreement in the name of the Company or its nominee, (C) maintain a required debt to capitalization ratio or (D) observe certain covenants relating to restrictions on liens, mergers, asset sales, use of proceeds, optional redemption of the Bonds, amendments to the Indenture and amendments to the Official Statement (as defined in the related Reimbursement Agreement), all in accordance with the Reimbursement Agreement or (ii) the Company fails to perform or observe any other term, covenant or agreement contained in the Reimbursement Agreement or any other Credit Document or Related Document on its part to be performed or observed if such failure remains unremedied for 30 days after written notice has been given to the Company by the Bank; or

(d) Any material provision of the Reimbursement Agreement or any other Credit Document or Related Document to which the Company is a party shall at any time and for any reason cease to be valid and binding upon the Company, except pursuant to the terms thereof, or is declared to be null and void, or the validity or enforceability is contested in any manner by the Company or any Governmental Authority, or the Company denies in any manner that it has any or further liability or obligation under the

Reimbursement Agreement or any other Credit Document or Related Document to which the Company is a party; or

(e) The Company or any Material Subsidiary fails to pay any principal of or premium or interest on any Debt (other than Debt under the Reimbursement Agreement) that is outstanding in a principal amount in excess of $100,000,000 in the aggregate when due and payable (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise), and such failure continues after any applicable grace period specified in the agreement or instrument relating to such Debt; or any other event shall occur or condition shall exist under any agreement or instrument relating to any such Debt and shall continue after any applicable grace period, if the effect of such event or condition is to accelerate, or permit the acceleration of, the maturity of such Debt; or any such Debt shall be declared to be due and payable, or required to be prepaid or redeemed (other than by a regularly scheduled required prepayment or redemption), prior to the stated maturity thereof; or

(f) Any judgment or order for the payment of money in excess of $100,000,000 to the extent not paid or insured shall be rendered against the Company or any Material Subsidiary and either (i) enforcement proceedings shall have been commenced by any creditor upon such judgment or order or (ii) there shall be any period of 30 consecutive days during which a stay of enforcement of such judgment or order, by reason of a pending appeal or otherwise, shall not be in effect; or

(g) The Company or any Material Subsidiary shall generally not pay its debts as they become due, or admits in writing its inability to pay its debts generally, or makes a general assignment for the benefit of creditors; or any proceeding is instituted by or against the Company or any Material Subsidiary seeking to adjudicate it a bankrupt or insolvent, or seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief, or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors, or seeking the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its property and, in the case of any such proceeding instituted against it (but not instituted by it), either such proceeding shall remain undismissed or unstayed for a period of 60 days, or any of the actions sought in such proceeding (including, without limitation, the entry of an order for relief against, or the appointment of a receiver, trustee, custodian or other similar official for, it or for any substantial part of its property) shall occur; or the Company or any Material Subsidiary shall take any corporate action to authorize any of the actions set forth above in this paragraph; or

(h) An ERISA Event has occurred that, when taken together with all other ERISA Events that have occurred, has resulted in, or is reasonably likely to result in, a Material Adverse Effect; or

(i) (i) Berkshire Hathaway Inc. shall fail to own, directly or indirectly, at least 50% of the issued and outstanding shares of common stock of the Company, calculated on a fully diluted basis or (ii) MidAmerican Energy Holdings Company shall fail to own, directly or indirectly, at least 80% of the issued and outstanding shares of common stock

of the Company, calculated on a fully diluted basis (each, a "Change of Control"); provided that, in each case, such failure shall not constitute an Event of Default unless and until a Rating Decline has occurred;

(j) Any "Event of Default" under and as defined in the Indenture shall have occurred and be continuing; or

(k) Any approval or order of any Governmental Authority related to any Credit Document or any Related Document shall be (i) rescinded, revoked or set aside or otherwise cease to remain in full force and effect or (ii) modified in any manner that, in the opinion of the Bank, could reasonably be expected to have a material adverse effect on (A) the business, assets, operations, condition (financial or otherwise) or prospects of the Company and its Subsidiaries taken as a whole, (B) the legality, validity or enforceability of any of the Credit Documents or the Related Documents to which the Company is a party, or the rights, remedies and benefits available to the parties thereunder or (C) the ability of the Company to perform its obligations under the Credit Documents or the Related Documents to which the Company is a party; or

(l) Any change in Applicable Law or any action by any Governmental Authority shall occur which has the effect of making the transactions contemplated by the Credit Documents or the Related Documents unauthorized, illegal or otherwise contrary to Applicable Law; or

(m) The Custodian Agreement after delivery under the Reimbursement Agreement, except to the extent permitted by the terms thereof, fails or ceases to create valid and perfected Liens in any of the collateral purported to be covered thereby, subject to certain cure rights.

Remedies. If an Event of Default occurs under a Reimbursement Agreement and is continuing, the Bank may (a) by notice to the Company, declare the obligation of the Bank to issue the Replacement Letter of Credit to be terminated, (b) give notice to the Trustee (i) under the Indenture that such Replacement Letter of Credit will not be reinstated following a drawing for the payment of interest on the Bonds and/or (ii) under the Indenture of such Event of Default, and to declare the principal of all Bonds then outstanding to be immediately due and payable, (c) declare the principal amount of all Reimbursement Obligations, all interest thereon and all other amounts payable under the Reimbursement Agreement or any other Credit Document to be forthwith due and payable, which will cause all such principal, interest and all such other amounts to become due and payable, without presentment, demand, protest, or further notice of any kind, all of which are expressly waived by the Company and (d) in addition to other rights and remedies provided for in the Reimbursement Agreement or in the Custodian Agreement or otherwise available to the Bank, as holder of the Pledged Bonds or otherwise, exercise all the rights and remedies of a secured party on default under the Uniform Commercial Code in effect in the State of New York at that time; provided that, if an Event of Default described in subpart (g) or (i) under the heading "Events of Default," above, shall have occurred, automatically, (x) the obligation of the Bank under the Reimbursement Agreement to issue the Replacement Letter of Credit shall terminate, and (y) all Reimbursement Obligations, all interest thereon and all other amounts payable under the Reimbursement Agreement or under any other

Credit Document will become due and payable, without presentment, demand, protest, or further notice of any kind, all of which are expressly waived by the Company.

REMARKETING AGENT

General. 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.

Special Considerations. *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 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 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 an earlier Letter of Credit, described in its opinion dated September 15, 2004; (d) delivery of the Amendment to the earlier Letter of Credit, described in its opinion dated November 30, 2005; (e) delivery of the Existing Letter of Credit, described in its opinion dated May 17, 2012 and (f) 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 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. 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 related industries; 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 and the Company's ability to recover costs in rates in a timely manner; 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; performance and availability of the Company's generating facilities, including the impacts of outages and repairs, transmission constraints, weather and operating conditions; hydroelectric conditions and 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 inflation on costs and our ability to recover such costs in rates; increases in employee healthcare costs; 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 and the multiemployer plans to which the Company contributes; 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, fires, 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 filed by the Company may be inspected and copied at public reference rooms maintained by the Commission in Washington, D.C. 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, 2012.

2. 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 fiscal year ended December 31, 2012 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

THE BANK OF NOVA SCOTIA

The following information concerning The Bank of Nova Scotia ("Scotiabank" or the "Bank") has been provided by representatives of the Bank 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.

The Bank of Nova Scotia, founded in 1832, is a Canadian chartered bank with its principal office located in Toronto, Ontario. Scotiabank is one of North America's premier financial institutions and Canada's most international bank. With over 81,000 employees, Scotiabank and its affiliates serve over 19 million customers in more than 55 countries around the world. Scotiabank provides a full range of personal, commercial, corporate and investment banking services through its network of branches located in all Canadian provinces and territories. Outside Canada, Scotiabank has branches and offices in over 55 countries and provides a wide range of banking and related financial services, both directly and through subsidiary and associated banks, trust companies and other financial firms. For the fiscal year ended October 31, 2012, Scotiabank recorded total assets of CDN$668.04 billion (US$668.04 billion) and total deposits of CDN$463.61 billion (US$463.61 billion). Net income for the fiscal year ended October 31, 2012 equaled CDN$6.243 billion (US$6.243 billion), compared to CDN$5.268 billion (US$5.268 billion) for the prior fiscal year. Scotiabank has the third highest composite credit rating among global banks by Moody's (Aa2) and S&P (A+).

The Bank is responsible only for the information contained in this Appendix to 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, the Bank 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 Scotiabank. The delivery of the Official Statement shall not create any implication that there has been no change in the affairs of The Bank of Nova Scotia 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 17, 1995, AS SUPPLEMENTED BY A SUPPLEMENT TO OFFICIAL STATEMENT DATED FEBRUARY 8, 2002

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,

APPENDIX D

PROPOSED FORM OF OPINION OF BOND COUNSEL

APPENDIX D

PROPOSED FORM OF OPINION OF BOND COUNSEL

[LETTERHEAD OF CHAPMAN AND CUTLER LLP]

[TO BE DATED THE EFFECTIVE 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

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 *"Existing Letter of Credit"*). On the date hereof, the Company desires to deliver a Letter of Credit (the *"Letter of Credit"*) to be issued by The Bank of Nova Scotia, New York Agency (the *"Bank"*), for the benefit of the Trustee (defined below).

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 an Irrevocable Letter of Credit, described in our opinion dated September 15, 2004, (d) the delivery of the amendment to an earlier Letter of Credit, described in our opinion dated November 30, 2005, (e) the delivery of the Existing Letter of Credit, described in our opinion dated May 17, 2012 and (f) the delivery of the Letter of Credit described herein. Accordingly, we do not express any opinion with respect to the Bonds, except as described above.

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

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

Respectfully submitted,

APPENDIX E

FORM OF LETTER OF CREDIT

The Bank of Nova Scotia
New York Agency
One Liberty Plaza
New York, New York 10006

IRREVOCABLE TRANSFERABLE DIRECT PAY LETTER OF CREDIT NO. [_____]

Date: March 26, 2013

Amount: USD 24,801,096.00
Expiration Date: March 26, 2015

Beneficiary:

The Bank of New York Mellon Trust Company, N.A.
as Trustee
2 North LaSalle Street, Suite 1020
Chicago, Illinois 60602, USA
Attention: Global Corporate Trust

Applicant:

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

Dear Sir or Madam:

We hereby issue our Irrevocable Transferable Direct Pay Letter of Credit No. **[_____]** ("***Letter of Credit***") at the request and for the account of PacifiCorp (the "***Company***") pursuant to that certain Letter of Credit and Reimbursement Agreement, dated as of March 26, 2013, between the Company and us (as amended, supplemented or otherwise modified from time to time being herein referred to as the "***Reimbursement Agreement***"), in your favor, as Trustee under the Trust Indenture, dated as of November 1, 1995, as amended and supplemented by the First Supplemental Trust Indenture, dated as of February 1, 2002 (as amended, supplemented or otherwise modified from time to time, the "***Indenture***"), between Sweetwater County, Wyoming (the "***Issuer***") and you, as Trustee for the benefit of the Bondholders referred to therein, pursuant to which USD 24,400,000.00 in aggregate principal amount of the Issuer's Environmental Improvement Revenue Bonds (PacifiCorp Project) Series 1995 (the "***Bonds***") were issued. This Letter of Credit is only available to be drawn upon with respect to Bonds bearing interest at a daily rate or a weekly rate pursuant to the Indenture. This Letter of Credit is in the total amount of USD 24,801,096.00 (subject to adjustment as provided below).

This Letter of Credit shall be effective immediately and shall expire upon the earliest to occur of (i) March 26, 2015, or if not a Business Day, the next succeeding Business Day (the "***Stated Expiration Date***"), (ii) four business days following your receipt of written notice from us (A) notifying you of the occurrence and continuance of an Event of Default under the Reimbursement Agreement and stating that such notice is given pursuant to Section 9.01(f) of the Indenture or (B) notifying you, not later than the ninth Business Day following the date we

honor a Regular Drawing drawn against the Interest Component, that we will not reinstate the Letter of Credit in the amount of said interest drawing and stating that such notice is given pursuant to Section 9.01(g) of the Indenture, (iii) the date on which we receive a written and completed certificate signed by you in the form of Exhibit 5 attached hereto, (iv) the date which is 15 days following the Conversion Date for all Bonds remaining outstanding to an interest rate mode other than a daily rate or a weekly rate pursuant to the Indenture as such date is specified in a written and completed certificate signed by you in the form of Exhibit 6 attached hereto and (v) the date on which we receive and honor a written and completed certificate signed by you in the form of Exhibit 1, Exhibit 2 or Exhibit 3 attached hereto, stating that the drawing thereunder is the final drawing under the Letter of Credit (such earliest date being the "***Cancellation Date***").

Prior to the Cancellation Date, we may extend the Stated 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 Exhibit 8 attached hereto designating the date to which the Stated Expiration Date is being extended. Each such extension of the Stated Expiration Date shall become effective on the date of such amendment and thereafter all references in this Letter of Credit to the Stated Expiration Date shall be deemed to be references to the date designated as such in such amendment. Any date to which the Stated Expiration Date has been extended as herein provided may be extended in a like manner.

The aggregate amount which may be drawn under this Letter of Credit, subject to reductions in amount and reinstatement as provided below, is USD 24,801,096.00, of which the aggregate amounts set forth below may be drawn as indicated.

(i) An aggregate amount not exceeding USD 24,400,000.00, as such amount may be reduced and restored as provided below, may be drawn in respect of payment of principal of the Bonds (or the portion of the purchase price of Bonds corresponding to principal) (the "***Principal Component***").

(ii) An aggregate amount not exceeding USD 401,096.00, as such amount may be reduced and restored as provided below, may be drawn in respect of the payment of up to 50 days' interest on the principal amount of the Bonds computed at a maximum rate of 12% *per annum* calculated on the basis of a 365-day year (or the portion of the purchase price of Bonds corresponding thereto) (the "***Interest Component***").

The Principal Component and the Interest Component shall be reduced effective upon our receipt of a certificate in the form of Exhibit 4 attached hereto completed in strict compliance with the terms hereof.

The presentation of a certificate requesting a drawing hereunder, in strict compliance with the terms hereof shall be a "***Drawing***"; a Drawing in respect of a regularly scheduled interest payment or payment of principal of and interest on the Bonds upon scheduled or accelerated maturity shall be a "***Regular Drawing***"; a Drawing to pay principal of and interest on Bonds upon redemption of the Bonds in whole or in part shall be a "***Redemption Drawing***"; and a Drawing to pay the purchase price of Bonds in accordance with Section 3.01(a), 3.01(b), 3.02(a)(i), 3.02(a)(iii) or 3.02(a)(iv) of the Indenture shall be a "***Tender Drawing***".

Upon our honoring of any Regular Drawing hereunder, the Principal Component and the Interest Component shall be reduced immediately following such honoring, in each case by an amount equal to the respective component of the amount specified in such certificate; *provided, however*, that, unless the Cancellation Date shall have occurred, the amount of any Regular Drawing hereunder drawn against the Interest Component shall be automatically reinstated as of our close of business in New York, New York on the ninth business day following the date of such honoring by such amount so drawn against the Interest Component, unless you shall have received written notice from us no later than the ninth business day following the date of such honoring that there shall be no such reinstatement.

Upon our honoring of any Redemption Drawing hereunder, the Principal Component shall be reduced immediately following such honoring by an amount equal to the principal amount of the Bonds to be redeemed with the proceeds of such Redemption Drawing and the Interest Component shall be reduced immediately following such honoring by an amount equal to 50 days' interest on such principal amount of the Bonds to be redeemed computed at a maximum rate of 12% *per annum* calculated on the basis of a 365-day year.

Upon our honoring of any Tender Drawing hereunder, the Principal Component and the Interest Component shall be reduced immediately following such honoring, in each case by an amount equal to the respective component of the amount specified in such certificate. Unless the Cancellation Date shall have occurred, promptly upon our having been reimbursed by or for the account of the Company in respect of any Tender Drawing, together with interest, if any, owing thereon pursuant to the Reimbursement Agreement, the Principal Component and the Interest Component, respectively, shall be reinstated when and to the extent of such reimbursement. Upon your telephone request, we will confirm reinstatement pursuant to this paragraph.

Funds under this Letter of Credit are available to you against the appropriate certificate specified below, duly executed by you and appropriately completed.

Type of Drawing	Exhibit Setting Forth Form of Certificate Required
Regular Drawing	Exhibit 1
Tender Drawing	Exhibit 2
Redemption Drawing	Exhibit 3

Drawing certificates and other certificates hereunder shall be dated the date of presentation and shall be presented on a business day (as hereinafter defined) by delivery via a nationally recognized overnight courier to our office located at The Bank of Nova Scotia, New York Agency, One Liberty Plaza, New York, New York 10006, Standby Letter of Credit Department (or at any other office which may be designated by us by written notice delivered to you at least 15 days prior to the applicable date of Drawing) (the "***Bank's Office***"). The certificates you are required to submit to us may be submitted to us by facsimile transmission to the following numbers: [ ] and [ ], or any other facsimile number(s) which may be designated by us by written notice delivered to you at least 15 days prior to the applicable date of

Drawing. You shall use your best efforts to confirm such notice of a Drawing by telephone to one of the following numbers (or any other telephone number which may be designated by us by written notice delivered to you at least 15 days prior to the applicable date of Drawing): [ ] or [ ], but such telephonic notice shall not be a condition to a Drawing hereunder. If we receive your certificate(s) at such office, all in strict conformity with the terms and conditions of this Letter of Credit, (i) with respect to any Regular Drawing or Redemption Drawing, at or before 1:30 P.M. (New York City time), we will honor such Drawing(s) at or before 1:00 P.M. (New York City time), on the next succeeding business day, and (ii) with respect to any Tender Drawing, at or before 11:00 A.M. (New York City time), on a business day on or before the Cancellation Date, we will honor such Drawing(s) at or before 2:30 P.M. (New York City time), on the same business day, in accordance with your payment instructions; *provided*, *however*, that you will use your best efforts to give us telephonic notification of any such pending presentation to the telephone numbers designated above, with respect to any Regular Drawing, Redemption Drawing or Tender Drawing, at or before 10:30 A.M. (New York City time) on the same business day. If we receive your certificate(s) at such office, all in strict conformity with the terms and conditions of this Letter of Credit (i) after 1:30 P.M. (New York City time), in the case of a Regular Drawing or a Redemption Drawing, on any business day on or before the Cancellation Date, we will honor such certificate(s) at or before 1:00 P.M. (New York City time) on the second succeeding business day, or (ii) after 11:00 A.M. (New York City time), in the case of a Tender Drawing, on any business day on or before the Cancellation Date, we will honor such certificate(s) at or before 2:00 P.M. (New York City time) on the next succeeding business day. Payment under this Letter of Credit will be made by wire transfer of Federal Funds to your account with any bank that is a member of the Federal Reserve System. All payments made by us under this Letter of Credit will be made with our own funds and not with any funds of the Company, its affiliates or the Issuer. As used herein, "***business day***" means a day except a Saturday, Sunday or other day (i) on which banking institutions in the city or cities in which the designated office under the Indenture of the Trustee, the remarketing agent under the Indenture or the paying agent under the Indenture or the office of the Bank which will honor draws upon this Letter of Credit are located are required or authorized by law or executive order to close or are closed, or (ii) on which the New York Stock Exchange, the Company or remarketing agent under the Indenture is closed.

This Letter of Credit is transferable in its entirety (but not in part) to any transferee who has succeeded you as Trustee under the Indenture, and such transferred Letter of Credit may be successively transferred to any successor Trustee thereunder, but may not be assigned, transferred or conveyed under any other circumstance. Transfer of the available balance under this Letter of Credit to such transferee shall be effected by the presentation to us of this Letter of Credit and all amendments hereto, accompanied by a certificate in the form set forth in Exhibit 7. Upon such transfer, we will endorse the transfer on the reverse of this Letter of Credit and forward it directly to such transferee with our customary notice of transfer. In connection with such transfer, a transfer fee will be charged to the account of the Applicant, but the payment of such fee will not be a condition to the effectiveness of such transfer.

This Letter of Credit may not be transferred to any person with which U.S. persons are prohibited from doing business under U.S. Foreign Assets Control Regulations or other applicable U.S. laws and Regulations.

Except as otherwise provided herein, this Letter of Credit shall be governed by and construed in accordance with International Standby Practices, Publication No. 590 of the International Chamber of Commerce ("***ISP98***"). As to matters not covered by ISP98 and to the extent not inconsistent with ISP98 or made inapplicable by this Letter of Credit, this Letter of Credit shall be governed by the laws of the State of New York, including the Uniform Commercial Code as in effect in the State of New York.

This Letter of Credit sets forth in full our undertaking, and such undertaking shall not in any way be modified, amended, amplified or limited by reference to any document, instrument or agreement referred to herein (including, without limitation, the Bonds and the Indenture), except only the certificates referred to herein; and any such reference shall not be deemed to incorporate herein by reference any document, instrument or agreement except for such certificates. Whenever and wherever the terms of this Letter of Credit shall refer to the purpose of a Drawing hereunder, or the provisions of any agreement or document pursuant to which such Drawing may be made hereunder, such purpose or provisions shall be conclusively determined by reference to the statements made in the certificate accompanying such Drawing.

EXHIBIT 1

REGULAR DRAWING CERTIFICATE

The undersigned, a duly authorized officer of The Bank of New York Mellon Trust Company, N.A., as Trustee (the "***Trustee***"), hereby certifies as follows to The Bank of Nova Scotia (the "***Bank***"), with reference to Irrevocable Transferable Direct Pay Letter of Credit No. **[_____]** (the "***Letter of Credit***"), issued by the Bank in favor of the Trustee. Terms defined in the Letter of Credit and used but not defined herein shall have the meanings given them in the Letter of Credit.

(1) The Trustee is the Trustee under the Indenture for the holders of the Bonds.

(2) The respective amounts of principal of and interest on the Bonds, which do not exceed the Principal Component and Interest Component, respectively, under the Letter of Credit, which are due and payable (or which have been declared to be due and payable) and with respect to the payment of which the Trustee is presenting this Certificate, are as follows:

Principal: USD _____

Interest: USD _____

(3) The respective portions of the amount of this Certificate in respect of payment of principal of and interest on the Bonds have been computed in accordance with (and this Certificate complies with) the terms and conditions of the Bonds and the Indenture.

(4) Please send the payment requested hereunder by wire transfer to [insert wire transfer instructions].

[(5) This Certificate is being presented upon the [scheduled maturity of the Bonds] [accelerated maturity of the Bonds pursuant to the Indenture]* and is the final Drawing under the Letter of Credit in respect of principal of and interest on the Bonds. Upon the honoring of this Certificate, the Letter of Credit will expire in accordance with its terms. The original of the Letter of Credit, together with all amendments, is returned herewith.]**

IN WITNESS WHEREOF, the Trustee has executed and delivered this Certificate as of the _____ day of _____, 20___.

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., as Trustee
By: _____
Title: _____

* Insert appropriate bracketed language.

** To be used upon scheduled or accelerated maturity of the Bonds.

EXHIBIT 2

TENDER DRAWING CERTIFICATE

The undersigned, a duly authorized officer of The Bank of New York Mellon Trust Company, N.A., as Trustee (the "***Trustee***"), hereby certifies as follows to The Bank of Nova Scotia (the "***Bank***"), with reference to Irrevocable Transferable Direct Pay Letter of Credit No. **[_____]** (the "***Letter of Credit***"), issued by the Bank in favor of the Trustee. Terms defined in the Letter of Credit and used but not defined herein shall have the meanings given them in the Letter of Credit.

(1) The Trustee is the Trustee under the Indenture for the holders of the Bonds.

(2) The amount of the Tender Drawing under this Certificate to pay the portion of the purchase price of the Bonds corresponding to principal as of _____ (the "***Purchase Date***") is USD _____, which does not exceed the Principal Component under the Letter of Credit.

(3) The amount of the Tender Drawing under this Certificate to pay the portion of the purchase price of the Bonds corresponding to interest due as of the Purchase Date is USD _____,[***] which does not exceed the Interest Component under the Letter of Credit.

(4) The total amount of the Tender Drawing under this Certificate is USD _____.

(5) The respective portions of the total amount of this Certificate have been computed in accordance with (and this Certificate complies with) the terms and conditions of the Bonds and the Indenture.

(6) The Trustee or the Custodian under the Custodian and Pledge Agreement referred to below will register or cause to be registered in the name of the Company, upon payment of the amount drawn hereunder, Bonds in the principal amount of the Bonds being purchased with the amounts drawn hereunder and will hold such Bonds in accordance with the provisions of the Custodian and Pledge Agreement, dated as of March 26, 2013, among the Company, the Bank and The Bank of New York Mellon Trust Company, N.A., as Custodian, as amended or otherwise modified from time to time.

(7) Please send the payment requested hereunder by wire transfer to [insert wire transfer instructions].

[***] Assuming payment under the Letter of Credit pursuant to a Regular Drawing for interest on the Bonds due and payable on or after the date of this Certificate but prior to the Purchase Date.

[(8) This Certificate is being presented upon the occurrence of a mandatory purchase under either Section 3.02(a)(iii) or 3.02(a)(iv) of the Indenture and is the final Drawing under the Letter of Credit. Upon the honoring of this Certificate, the Letter of Credit will expire in accordance with its terms. The original of the Letter of Credit, together with all amendments, is returned herewith.][****]

IN WITNESS WHEREOF, the Trustee has executed and delivered this Certificate as of the _____ day of _____, 20___.

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., as Trustee
By: _____
Its: _____

[****] To be included if Certificate is being presented in connection with a mandatory purchase of the Bonds under either Section 3.02(a)(iii) or 3.02(a)(iv) of the Indenture but only if no further draws under the Letter of Credit are required pursuant to the Indenture on or prior to the Purchase Date.

EXHIBIT 3

REDEMPTION DRAWING CERTIFICATE

The undersigned, a duly authorized officer of The Bank of New York Mellon Trust Company, N.A., as Trustee (the "***Trustee***"), hereby certifies as follows to The Bank of Nova Scotia (the "***Bank***"), with reference to Irrevocable Transferable Direct Pay Letter of Credit No. **[_____]** (the "***Letter of Credit***"), issued by the Bank in favor of the Trustee. Terms defined in the Letter of Credit and used but not defined herein shall have the meanings given them in the Letter of Credit.

(1) The Trustee is the Trustee under the Indenture for the holders of the Bonds.

(2) The amount of the Redemption Drawing to pay the portion of the redemption price of the Bonds corresponding to principal is USD _____, which does not exceed the Principal Component under the Letter of Credit.

(3) The amount of the Redemption Drawing under this Certificate to pay the portion of the redemption price of the Bonds corresponding to interest is USD _____, which does not exceed the Interest Component under the Letter of Credit.

(4) The total amount of the Redemption Drawing under this Certificate is USD _____.

(5) The respective portions of the total amount of this Certificate have been computed in accordance with (and this Certificate complies with) the terms and conditions of the Bonds and the Indenture.

(6) Please send the payment requested hereunder by wire transfer to [insert wire transfer instructions].

[(7) This Certificate is the final Drawing under the Letter of Credit and, upon the honoring of such Certificate, the Letter of Credit will expire in accordance with its terms. The original of the Letter of Credit, together with all amendments, is returned herewith.][****]

IN WITNESS WHEREOF, the Trustee has executed and delivered this Certificate as of the _____ day of _____, 20___.

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., as Trustee
By: _____
Its: _____

[****] To be used upon optional or mandatory redemption of the Bonds in full.

EXHIBIT 4

REDUCTION CERTIFICATE

The undersigned, a duly authorized officer of The Bank of New York Mellon Trust Company, N.A., as Trustee (the "***Trustee***"), hereby certifies as follows to The Bank of Nova Scotia (the "***Bank***"), with reference to Irrevocable Transferable Direct Pay Letter of Credit No. **[_____]** (the "***Letter of Credit***"), issued by the Bank in favor of the Trustee. Terms defined in the Letter of Credit and used but not defined herein shall have the meanings given them in the Letter of Credit.

(1) The Trustee is the Trustee under the Indenture for the holders of the Bonds.

(2) The aggregate principal amount of the Bonds outstanding (as defined in the Indenture) has been reduced to USD _____.

(3) The Principal Component is hereby correspondingly reduced to USD _____.

(4) The Interest Component is hereby reduced to USD _____, equal to 50 days' interest on the reduced amount of principal set forth in paragraph (2) hereof computed at a maximum rate of 12% *per annum* calculated on the basis of a 365-day year.

IN WITNESS WHEREOF, the Trustee has executed and delivered this Certificate as of the _____ day of _____, 20___.

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., as Trustee
By: _____
Its: _____

EXHIBIT 5

TERMINATION CERTIFICATE

The undersigned, a duly authorized officer of The Bank of New York Mellon Trust Company, N.A., as Trustee (the "***Trustee***"), hereby certifies to The Bank of Nova Scotia (the "***Bank***"), with reference to Irrevocable Transferable Direct Pay Letter of Credit No. **[_____]** (the "***Letter of Credit***"; the terms defined therein and not otherwise defined herein being used herein as therein defined) issued by the Bank in favor of the Trustee, as follows:

(1) The Trustee is the Trustee under the Indenture for the holders of the Bonds.

(2) The conditions to termination of the Letter of Credit set forth in the Indenture have been satisfied, and accordingly, said Letter of Credit has terminated in accordance with its terms.*****

(3) The original of the Letter of Credit and all amendments thereto are returned herewith.

IN WITNESS WHEREOF, the Trustee has executed and delivered this Certificate as of the _____ day of _____, 20___.

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., as Trustee
By: _____
Its: _____

***** To be used upon cancellation due to the Trustee's acceptance of an Alternate Credit Facility pursuant to the Indenture, upon Trustee's confirmation that no Bonds remain outstanding or upon termination pursuant to Section 6.06 of the Indenture.

EXHIBIT 6

NOTICE OF CONVERSION

The undersigned, a duly authorized officer of The Bank of New York Mellon Trust Company, N.A. (the "***Trustee***"), hereby certifies to The Bank of Nova Scotia (the "***Bank***"), with reference to Irrevocable Transferable Direct Pay Letter of Credit No. **[_____]** (the "***Letter of Credit***"; the terms defined therein and not otherwise defined herein being used herein as therein defined) issued by the Bank in favor of the Trustee, as follows:

(1) The Trustee is the Trustee under the Indenture for the holders of the Bonds.

(2) The interest rate on all Bonds remaining outstanding have been converted to a rate other than a daily rate or a weekly rate pursuant to the Indenture on _____ (the "***Conversion Date***"), and accordingly, said Letter of Credit shall terminate fifteen (15) days after such Conversion Date in accordance with its terms.

(3) The original of the Letter of Credit and all amendments thereto are returned herewith.

IN WITNESS WHEREOF, the Trustee has executed and delivered this Certificate as of the _____ day of _____, 20___.

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., as Trustee
By: _____
Its: _____

EXHIBIT 7

INSTRUCTIONS TO TRANSFER

_____, 20___

The Bank of Nova Scotia
New York Agency
One Liberty Plaza
New York, New York 10006

RE: The Bank of Nova Scotia, New York Agency Irrevocable Transferable Direct Pay Letter of Credit No. **[_____]**

Ladies and Gentlemen:

The undersigned, as Trustee under the Trust Indenture, dated as of November 1, 1995, as amended and supplemented by the First Supplemental Trust Indenture, dated as of February 1, 2002 (as amended, supplemented or otherwise modified from time to time, the "***Indenture***"), between Sweetwater County, Wyoming and The Bank of New York Mellon Trust Company, N.A., is named as beneficiary in the Letter of Credit referred to above (the "***Letter of Credit***"). The transferee named below has succeeded the undersigned as Trustee under the Indenture.

_____
(Name of Transferee)

_____
(Address)

Therefore, for value received, the undersigned hereby irrevocably instructs you to transfer to such transferee all rights of the undersigned to draw under the Letter of Credit.

By this transfer, all rights of the undersigned in the Letter of Credit are transferred to such transferee and such transferee shall hereafter have the sole rights as beneficiary under the Letter of Credit; *provided, however,* that no rights shall be deemed to have been transferred to such 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.

The original of such Letter of Credit and all amendments are being returned herewith, and in accordance therewith we ask you to endorse the within transfer on the reverse thereof and forward it directly to the transferee with your customary notice of transfer.

IN WITNESS WHEREOF, the undersigned has executed and delivered this Certificate as of the _____ day of _____, 20___.

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., as transferor
By: _____
Its: _____

[NAME OF TRANSFEREE], as transferee
By: _____
Its: _____

EXHIBIT 8

EXTENSION AMENDMENT

The Bank of Nova Scotia
New York Agency
One Liberty Plaza
New York, New York 10006

IRREVOCABLE TRANSFERABLE DIRECT PAY LETTER OF CREDIT NO. **[_____]**

Dated: _____

Beneficiary:

The Bank of New York Mellon Trust
Company, N.A., as Trustee
2 North LaSalle Street, Suite 1020
Chicago, Illinois 60602, USA
Attention: Global Corporate Trust

Applicant:

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

We hereby amend our Irrevocable Transferable Direct Pay Letter of Credit Number **[_____]** as follows:

Amendment Sequence Number: _____

Stated Expiration Date is extended to: _____

All other terms and conditions remain unchanged. This Amendment is to be considered an integral part of the Letter of Credit and must be attached thereto.

THE BANK OF NOVA SCOTIA, NEW YORK AGENCY

_____
Authorized Signature

_____
Authorized Signature

_____
Authorized Signer

_____
Authorized Signer