

BRUCE N. WILLIAMS
Treasurer

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December 5, 2005

VIA OVERNIGHT MAIL

Washington Utilities and Transportation Commission
Chandler Plaza Building
1300 S. Evergreen Park Drive Southwest
Olympia, WA 98504-8002
Attn: Carole Washburn
Commission

**Re: Orders in Docket Nos. 87-1668-AS, UE-900553, UE-901405 and UE-950490
Report of Amended and Restated Credit Support Arrangement**

Dear Commissioners:

Pursuant to the referenced Orders, PacifiCorp submits to the Commission one set of verified copies of each of the following documents:

1. Supplements to Official Statements dated November 30, 2005
2. Amended and Restated Letter of Credit and Reimbursement Agreement, dated as of November 30, 2005, among the Company, Barclays Bank PLC and BNP Paribas, as Letter of Credit Issuers and as Co-Syndication Agents, Barclays Bank PLC, as Administrative Agent, The Bank of Nova Scotia, The Bank of Tokyo-Mitsubishi, Ltd., Seattle Branch, and The Royal Bank of Scotland plc, as Co-Documentation Agents, and the financial institutions named on the signature pages thereof

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

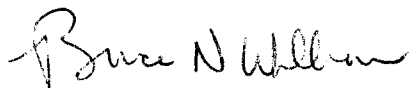
PacifiCorp entered into the Amended and Restated Letter of Credit and Reimbursement Agreement because it was able to negotiate more favorable pricing terms and other conditions.

Washington Utilities and Transportation Commission
December 5, 2005
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Under penalty of perjury, I declare that I know the contents of the enclosed documents, and they are true, correct, and complete.

Please contact me if you have any questions about this letter or the enclosed documents.

Sincerely,

A handwritten signature in black ink that reads "Bruce N. Williams". The signature is written in a cursive style with a large initial "B".

Bruce N. Williams
Treasurer

Enclosures

**SUPPLEMENT, DATED NOVEMBER 30, 2005 TO SUPPLEMENT, DATED SEPTEMBER 9, 2004
TO OFFICIAL STATEMENT, DATED JANUARY 13, 1988**

**\$147,700,000
CUSTOMIZED PURCHASE POLLUTION CONTROL
REVENUE REFUNDING BONDS
(PacifiCorp Projects)**

**\$45,000,000
City of Forsyth, Rosebud County, Montana
Series 1988**

**\$50,000,000
Sweetwater County, Wyoming
Series 1988A**

**\$41,200,000
City of Gillette, Campbell County, Wyoming
Series 1988**

**\$11,500,000
Sweetwater County, Wyoming
Series 1988B**

This Supplement, dated November 30, 2005, to the Supplement, dated September 9, 2004 (the "*Original Supplement*"), to the Official Statement, dated January 13, 1988, with respect to each of the above-captioned Bonds is being delivered in connection with the amendment and restatement of that certain Reimbursement Agreement, dated as of September 15, 2004 (the "*Reimbursement Agreement*" and as so amended and restated, the "*Amended Reimbursement Agreement*"), among PacifiCorp (the "*Company*"), BNP Paribas, a bank organized under the laws of France, acting through its New York Branch ("*BNP*"), and Barclays Bank PLC, New York Branch ("*Barclays*"), as letter of credit issuers, Barclays, as administrative agent, and the other financial institutions parties thereto, pursuant to which Barclays, with respect to the Gillette Bonds, the Sweetwater 1988A Bonds and the Sweetwater 1988B Bonds, and BNP, with respect to the Forsyth Bonds, have issued a separate irrevocable Letter of Credit to support each issue of the Bonds (each a "*Letter of Credit*" and, collectively, the "*Letters of Credit*"). In connection with the Amended Reimbursement Agreement, BNP and Barclays, as applicable, will deliver to J.P. Morgan Trust Company, National Association (as successor in interest to The First National Bank of Chicago), as successor trustee, a separate First Amendment to each Letter of Credit (each a "*First Amendment to the Letter of Credit*" and, collectively, the "*First Amendments to the Letters of Credit*") to support each issue of the Bonds.

Except as described below, the terms and provisions of each First Amendment to the Letter of Credit and the Amended Reimbursement Agreement are, in all material respects, the same as the applicable Letter of Credit and the Reimbursement Agreement, as such terms and provisions are described in the Original Supplement. Capitalized terms used but not defined in this Supplement have the respective meanings given to them in the Original Supplement.

As amended by the First Amendments to the Letters of Credit, each Letter of Credit will expire on November 30, 2010, unless earlier terminated or extended.

Additionally, clauses (b) and (m) of the third paragraph contained in the section entitled "THE REIMBURSEMENT AGREEMENT," appearing on pages 5 and 7 of the Original Supplement, are hereby replaced as follows:

(b) the Company fails to pay any other amount claimed by the Administrative Agent, any LoC Bank or any Participating 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 \$100,000, and (iii) the aggregate of all such unpaid claimed amounts does not exceed \$300,000; or

(m) either (i) Scottish Power plc ("*Scottish Power*") until the completion of the acquisition by MidAmerican Energy Holdings Company ("*MidAmerican*") of 100% of the common stock of the Company pursuant to a Stock Purchase Agreement, dated as of May 23, 2005 (the "*Stock Purchase Agreement*"), or (ii) thereafter, MidAmerican (each an "*Acceptable Parent*"), shall fail to own (directly or indirectly through one or more subsidiaries) at least 80% of the outstanding shares of common stock of the Company; any person or group of persons (within the meaning of Section 13 or 14 of the Securities Exchange Act of 1934, as amended), except Berkshire Hathaway Inc. or any wholly-owned subsidiary thereof, shall acquire beneficial ownership (within the meaning of Rule 13d-3 promulgated by the Securities and Exchange Commission under said Act) of 35% or more of the outstanding shares of common stock of either Acceptable Parent; or, during (x) the period commencing on the date of the Amended Reimbursement Agreement and ending on the date immediately preceding the date of election of new directors in connection with the completion of the acquisition by MidAmerican of 100% of the common stock of the Company pursuant to the Stock Purchase Agreement or (y) any period of 14 consecutive calendar months thereafter, individuals who were directors of the Company on the first day of such period and any new director whose election by the board of directors of the Company or nomination for election by the Company's shareholders was approved by a vote of at least a majority of the directors then still in office who either were directors at the beginning of the applicable period or whose election or nomination for election was previously so approved, shall cease to constitute a majority of the board of directors of the Company; or

[End of Text]

LEHMAN BROTHERS

**SUPPLEMENT, DATED NOVEMBER 30, 2005
TO SUPPLEMENT, DATED SEPTEMBER 9, 2004
TO OFFICIAL STATEMENT, DATED DECEMBER 17, 1995**

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

This Supplement, dated November 30, 2005, to the Supplement, dated September 9, 2004 (the "*Original Supplement*"), to the Official Statement, dated December 17, 1995, with respect to the above-captioned Bonds is being delivered in connection with the amendment and restatement of that certain Reimbursement Agreement, dated as of September 15, 2004 (the "*Reimbursement Agreement*" and as so amended and restated, the "*Amended Reimbursement Agreement*"), among PacifiCorp (the "*Company*"), BNP Paribas, a bank organized under the laws of France, acting through its New York Branch, and Barclays Bank PLC, New York Branch ("*Barclays*"), as letter of credit issuers, Barclays, as administrative agent, and the other financial institutions parties thereto, pursuant to which Barclays has issued an irrevocable Letter of Credit to support the Bonds (the "*Letter of Credit*"). In connection with the Amended Reimbursement Agreement, Barclays will deliver to J.P. Morgan Trust Company, National Association (as successor in interest to The First National Bank of Chicago), as successor trustee, the First Amendment to the Letter of Credit (the "*First Amendment to the Letter of Credit*") to support the Bonds.

Except as described below, the terms and provisions of the First Amendment to the Letter of Credit and the Amended Reimbursement Agreement are, in all material respects, the same as the Letter of Credit and the Reimbursement Agreement, as such terms and provisions are described in the Original Supplement. Capitalized terms used but not defined in this Supplement have the respective meanings given to them in the Original Supplement.

As amended by the First Amendment to the Letter of Credit, the Letter of Credit will expire on November 30, 2010, unless earlier terminated or extended.

Additionally, clauses (b) and (m) of the third paragraph contained in the section entitled "THE REIMBURSEMENT AGREEMENT," appearing on pages 4 and 6 of the Original Supplement, are hereby replaced as follows:

(b) the Company fails to pay any other amount claimed by the Administrative Agent, any LoC Bank or any Participating 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 \$100,000, and (iii) the aggregate of all such unpaid claimed amounts does not exceed \$300,000; or

(m) either (i) Scottish Power plc ("*Scottish Power*") until the completion of the acquisition by MidAmerican Energy Holdings Company ("*MidAmerican*") of 100% of the common stock of the Company pursuant to a Stock Purchase Agreement, dated as of May 23, 2005 (the "*Stock Purchase Agreement*"), or (ii) thereafter, MidAmerican (each an "*Acceptable Parent*"), shall fail to own (directly or indirectly through one or more subsidiaries) at least 80% of the outstanding shares of common stock of the Company; any person or group of persons (within the meaning of Section 13 or 14 of the Securities Exchange Act of 1934, as amended), except Berkshire Hathaway Inc. or any wholly-owned subsidiary thereof, shall acquire beneficial ownership (within the meaning of Rule 13d-3 promulgated by the Securities and Exchange Commission under said Act) of 35% or more of the outstanding shares of common stock of either Acceptable Parent; or, during (x) the period commencing on the date of the Amended Reimbursement Agreement and ending on the date immediately preceding the date of election of new directors in connection with the completion of the acquisition by MidAmerican of 100% of the common stock of the Company pursuant to the Stock Purchase Agreement or (y) any period of 14 consecutive calendar months thereafter, individuals who were directors of the Company on the first day of such period and any new director whose election by the board of directors of the Company or nomination for election by the Company's shareholders was approved by a vote of at least a majority of the directors then still in office who either were directors at the beginning of the applicable period or whose election or nomination for election was previously so approved, shall cease to constitute a majority of the board of directors of the Company; or

[End of Text]

JPMORGAN

**SUPPLEMENT, DATED NOVEMBER 30, 2005
TO SUPPLEMENT, DATED SEPTEMBER 9, 2004
TO OFFICIAL STATEMENT, DATED JULY 24, 1990**

**\$70,000,000
SWEETWATER COUNTY, WYOMING
POLLUTION CONTROL REVENUE REFUNDING BONDS
(PACIFICORP PROJECT)
SERIES 1990A**

This Supplement, dated November 30, 2005, to the Supplement, dated September 9, 2004 (the "*Original Supplement*"), to the Official Statement, dated July 24, 1990, with respect to the above-captioned Bonds is being delivered in connection with the amendment and restatement of that certain Reimbursement Agreement, dated as of September 15, 2004 (the "*Reimbursement Agreement*" and as so amended and restated, the "*Amended Reimbursement Agreement*"), among PacifiCorp (the "*Company*"), BNP Paribas, a bank organized under the laws of France, acting through its New York Branch, and Barclays Bank PLC, New York Branch ("*Barclays*"), as letter of credit issuers, Barclays, as administrative agent, and the other financial institutions parties thereto, pursuant to which Barclays has issued an irrevocable Letter of Credit to support the Bonds (the "*Letter of Credit*"). In connection with the Amended Reimbursement Agreement, Barclays will deliver to J.P. Morgan Trust Company, National Association (as successor in interest to The First National Bank of Chicago), as successor trustee, the First Amendment to the Letter of Credit (the "*First Amendment to the Letter of Credit*") to support the Bonds.

Except as described below, the terms and provisions of the First Amendment to the Letter of Credit and the Amended Reimbursement Agreement are, in all material respects, the same as the Letter of Credit and the Reimbursement Agreement, as such terms and provisions are described in the Original Supplement. Capitalized terms used but not defined in this Supplement have the respective meanings given to them in the Original Supplement.

As amended by the First Amendment to the Letter of Credit, the Letter of Credit will expire on November 30, 2010, unless earlier terminated or extended.

Additionally, clauses (b) and (m) of the third paragraph contained in the section entitled "THE REIMBURSEMENT AGREEMENT," appearing on pages 4 and 6 of the Original Supplement, are hereby replaced as follows:

(b) the Company fails to pay any other amount claimed by the Administrative Agent, any LoC Bank or any Participating 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 \$100,000, and (iii) the aggregate of all such unpaid claimed amounts does not exceed \$300,000; or

(m) either (i) Scottish Power plc ("*Scottish Power*") until the completion of the acquisition by MidAmerican Energy Holdings Company ("*MidAmerican*") of 100% of the common stock of the Company pursuant to a Stock Purchase Agreement, dated as of May 23, 2005 (the "*Stock Purchase Agreement*"), or (ii) thereafter, MidAmerican (each an "*Acceptable Parent*"), shall fail to own (directly or indirectly through one or more subsidiaries) at least 80% of the outstanding shares of common stock of the Company; any person or group of persons (within the meaning of Section 13 or 14 of the Securities Exchange Act of 1934, as amended), except Berkshire Hathaway Inc. or any wholly-owned subsidiary thereof, shall acquire beneficial ownership (within the meaning of Rule 13d-3 promulgated by the Securities and Exchange Commission under said Act) of 35% or more of the outstanding shares of common stock of either Acceptable Parent; or, during (x) the period commencing on the date of the Amended Reimbursement Agreement and ending on the date immediately preceding the date of election of new directors in connection with the completion of the acquisition by MidAmerican of 100% of the common stock of the Company pursuant to the Stock Purchase Agreement or (y) any period of 14 consecutive calendar months thereafter, individuals who were directors of the Company on the first day of such period and any new director whose election by the board of directors of the Company or nomination for election by the Company's shareholders was approved by a vote of at least a majority of the directors then still in office who either were directors at the beginning of the applicable period or whose election or nomination for election was previously so approved, shall cease to constitute a majority of the board of directors of the Company; or

[End of Text]

CITIGROUP

**SUPPLEMENT, DATED NOVEMBER 30, 2005
TO SUPPLEMENT, DATED SEPTEMBER 9, 2004
TO OFFICIAL STATEMENT, DATED MAY 22, 1991**

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

This Supplement, dated November 30, 2005, to the Supplement, dated September 9, 2004 (the "*Original Supplement*"), to the Official Statement, dated May 22, 1991, with respect to the above-captioned Bonds is being delivered in connection with the amendment and restatement of that certain Reimbursement Agreement, dated as of September 15, 2004 (the "*Reimbursement Agreement*" and as so amended and restated, the "*Amended Reimbursement Agreement*"), among PacifiCorp (the "*Company*"), BNP Paribas, a bank organized under the laws of France, acting through its New York Branch (the "*Bank*"), and Barclays Bank PLC, New York Branch ("*Barclays*"), as letter of credit issuers, Barclays, as administrative agent, and the other financial institutions parties thereto, pursuant to which the Bank has issued an irrevocable Letter of Credit to support the Bonds (the "*Letter of Credit*"). In connection with the Amended Reimbursement Agreement, the Bank will deliver to J.P. Morgan Trust Company, National Association (as successor in interest to The First National Bank of Chicago), as successor trustee, the First Amendment to the Letter of Credit (the "*First Amendment to the Letter of Credit*") to support the Bonds.

Except as described below, the terms and provisions of the First Amendment to the Letter of Credit and the Amended Reimbursement Agreement are, in all material respects, the same as the Letter of Credit and the Reimbursement Agreement, as such terms and provisions are described in the Original Supplement. Capitalized terms used but not defined in this Supplement have the respective meanings given to them in the Original Supplement.

As amended by the First Amendment to the Letter of Credit, the Letter of Credit will expire on November 30, 2010, unless earlier terminated or extended.

Additionally, clauses (b) and (m) of the third paragraph contained in the section entitled "THE REIMBURSEMENT AGREEMENT," appearing on pages 4 and 6 of the Original Supplement, are hereby replaced as follows:

(b) the Company fails to pay any other amount claimed by the Administrative Agent, any LoC Bank or any Participating 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 \$100,000, and (iii) the aggregate of all such unpaid claimed amounts does not exceed \$300,000; or

(m) either (i) Scottish Power plc ("*Scottish Power*") until the completion of the acquisition by MidAmerican Energy Holdings Company ("*MidAmerican*") of 100% of the common stock of the Company pursuant to a Stock Purchase Agreement, dated as of May 23, 2005 (the "*Stock Purchase Agreement*"), or (ii) thereafter, MidAmerican (each an "*Acceptable Parent*"), shall fail to own (directly or indirectly through one or more subsidiaries) at least 80% of the outstanding shares of common stock of the Company; any person or group of persons (within the meaning of Section 13 or 14 of the Securities Exchange Act of 1934, as amended), except Berkshire Hathaway Inc. or any wholly-owned subsidiary thereof, shall acquire beneficial ownership (within the meaning of Rule 13d-3 promulgated by the Securities and Exchange Commission under said Act) of 35% or more of the outstanding shares of common stock of either Acceptable Parent; or, during (x) the period commencing on the date of the Amended Reimbursement Agreement and ending on the date immediately preceding the date of election of new directors in connection with the completion of the acquisition by MidAmerican of 100% of the common stock of the Company pursuant to the Stock Purchase Agreement or (y) any period of 14 consecutive calendar months thereafter, individuals who were directors of the Company on the first day of such period and any new director whose election by the board of directors of the Company or nomination for election by the Company's shareholders was approved by a vote of at least a majority of the directors then still in office who either were directors at the beginning of the applicable period or whose election or nomination for election was previously so approved, shall cease to constitute a majority of the board of directors of the Company; or

[End of Text]

JPMORGAN

AMENDED AND RESTATED
LETTER OF CREDIT AND REIMBURSEMENT AGREEMENT

Dated as of November 30, 2005

among

PACIFICORP

and

BARCLAYS BANK PLC and BNP PARIBAS
as Letter of Credit Issuers and as Co-Syndication Agents

and

BARCLAYS BANK PLC
as Administrative Agent

and

THE BANK OF NOVA SCOTIA, THE BANK OF TOKYO-MITSUBISHI, LTD., SEATTLE
BRANCH, and THE ROYAL BANK OF SCOTLAND PLC
as Co-Documentation Agents

and

THE FINANCIAL INSTITUTIONS NAMED ON THE SIGNATURE PAGES HEREOF

relating to:

SWEETWATER COUNTY, WYOMING
Customized Purchase Pollution Control Revenue
Refunding Bonds
(PacifiCorp Project)
Series 1988A
Series 1988B

SWEETWATER COUNTY, WYOMING
Pollution Control Revenue Refunding Bonds
(PacifiCorp Project)
Series 1990A

SWEETWATER COUNTY, WYOMING
Environmental Improvement Revenue Bonds
(PacifiCorp Project)
Series 1995

EMERY COUNTY, UTAH
Pollution Control Revenue Refunding Bonds
(PacifiCorp Project)
Series 1991

CITY OF GILLETTE, CAMPBELL COUNTY,
WYOMING
Customized Purchase Pollution Control Revenue
Refunding Bonds
(PacifiCorp Project)
Series 1988

CITY OF FORSYTH, ROSEBUD COUNTY,
MONTANA
Customized Purchase Pollution Control Revenue
Refunding Bonds
(PacifiCorp Project)
Series 1988

BARCLAYS CAPITAL
and BNP PARIBAS
as Lead Arrangers and Book Runners

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N	Form of First Amendment to Forsyth Series 1988 Letter of Credit
O-1	Form of Opinion of PacifiCorp General Counsel
O-2	Form of Opinion of Stoel Rives LLP
P	Form of Securities Account Control Agreement
Q	Form of Note

THIS AMENDED AND RESTATED LETTER OF CREDIT AND REIMBURSEMENT AGREEMENT, dated as of November 30, 2005 (this "*Agreement*"), is among PACIFICORP, a corporation organized and existing under the laws of the State of Oregon (the "*Company*"), BARCLAYS BANK PLC, NEW YORK BRANCH ("*Barclays*"), and BNP PARIBAS, New York Branch ("*BNP*"), as L/C Issuers (as hereinafter defined) and as Co-Syndication Agents, Barclays, as Administrative Agent (as hereinafter defined), The Bank of Nova Scotia, The Bank of Tokyo-Mitsubishi, Ltd., Seattle Branch, and The Royal Bank of Scotland plc, as Co-Documentation Agents, and the financial institutions listed on the signature pages hereof. Unless otherwise indicated, all capitalized terms used herein shall have the meaning referred to or set forth in Article I hereof.

PRELIMINARY STATEMENTS

(1) The Company, certain financial institutions, the Departing Banks, the L/C Issuers and Co-Syndication Agents, the Administrative Agent and the Co-Documentation Agents are parties to a certain Letter of Credit and Reimbursement Agreement, dated as of September 15, 2004 (the "*Existing Reimbursement Agreement*"), pursuant to which Barclays: (A) amended and restated, as of September 15, 2004, its previously issued Irrevocable Letter of Credit No. SB00182 dated April 24, 2002, in the form of Exhibit A hereto (as so amended and restated, the "*Existing Sweetwater Series 1988A Letter of Credit*") in support of the Sweetwater County, Wyoming Customized Purchase Pollution Control Revenue Refunding Bonds (PacifiCorp Project) Series 1988A (the "*Sweetwater Series 1988A Bonds*"); (B) issued Letter of Credit No. SB00316, dated as of September 15, 2004, in the form of Exhibit B hereto (as amended, the "*Existing Sweetwater Series 1988B Letter of Credit*") to replace the Irrevocable Letter of Credit No. 00325536 issued by Bank One, NA dated August 23, 2001, in support of the Sweetwater County, Wyoming Customized Purchase Pollution Control Revenue Refunding Bonds (PacifiCorp Project) Series 1988B (the "*Sweetwater Series 1988B Bonds*"); (C) issued Letter of Credit No. SB00317, dated as of September 15, 2004, in the form of Exhibit C hereto (as amended, the "*Existing Sweetwater Series 1990A Letter of Credit*") to replace the Irrevocable Letter of Credit No. 150SBY00300080 issued by Commerzbank Aktiengesellschaft, New York Branch dated July 19, 2000, in support of the Sweetwater County, Wyoming Pollution Control Revenue Refunding Bonds (PacifiCorp Project) Series 1990A (the "*Sweetwater Series 1990A Bonds*"); (D) issued Letter of Credit No. SB00318, dated as of September 15, 2004, in the form of Exhibit D hereto (as amended, the "*Existing Sweetwater Series 1995 Letter of Credit*") to replace the Irrevocable Letter of Credit No. 00326160 issued by Bank One, NA dated February 20, 2002, in support of the Sweetwater County, Wyoming Environmental Improvement Revenue Bonds (PacifiCorp Project) Series 1995 (the "*Sweetwater Series 1995 Bonds*"); and (E) issued a Letter of Credit No. SB00319, dated as of September 15, 2004, in the form of Exhibit E hereto (as amended, the "*Existing Gillette Series 1988 Letter of Credit*") to replace the Irrevocable Letter of Credit No. 150SBY99330010 issued by Commerzbank Aktiengesellschaft, New York Branch dated June 7, 1999, in support of the City of Gillette, Campbell County, Wyoming Customized Purchase Pollution Control Revenue Refunding Bonds (PacifiCorp Project) Series 1988 (the "*Gillette Series 1988 Bonds*").

(2) Pursuant to the Existing Reimbursement Agreement, BNP: (A) issued Letter of Credit No. 91877843, dated as of September 15, 2004, in the form of Exhibit F hereto (as amended, the "*Existing Emery Series 1991 Letter of Credit*") to replace the Irrevocable Letter of

Credit No. 00325130 issued by Bank One, NA dated May 15, 2001, in support of the Emery County, Utah Pollution Control Revenue Refunding Bonds (PacifiCorp Project) Series 1991 (the "**Emery Series 1991 Bonds**") and (B) issued Letter of Credit No. 91877842, dated as of September 15, 2004, in the form of Exhibit G hereto (as amended the "**Existing Forsyth Series 1988 Letter of Credit**") to replace the Irrevocable Letter of Credit No. P-220184 issued by JPMorgan Chase Bank dated December 12, 2001, in support of the City of Forsyth, Rosebud County, Montana Customized Purchase Pollution Control Revenue Refunding Bonds (PacifiCorp Project) Series 1988 (the "**Forsyth Series 1988 Bonds**").

(3) The Company has requested that Barclays (i) amend the Existing Sweetwater Series 1988A Letter of Credit by issuing its First Amendment thereto in the form of Exhibit H hereto (as so amended and as the same may be further amended, restated or extended from time to time, the "**Sweetwater Series 1988A Letter of Credit**"), (ii) amend the Existing Sweetwater Series 1988B Letter of Credit by issuing its First Amendment thereto in the form of Exhibit I hereto (as so amended and as the same may be further amended, restated or extended from time to time, the "**Sweetwater Series 1988B Letter of Credit**"), (iii) amend the Existing Sweetwater Series 1990A Letter of Credit by issuing its First Amendment thereto in the form of Exhibit J hereto (as so amended and as the same may be further amended, restated or extended from time to time, the "**Sweetwater Series 1990A Letter of Credit**"), (iv) amend the Existing Sweetwater Series 1995 Letter of Credit by issuing its First Amendment thereto in the form of Exhibit K hereto (as so amended and as the same may be further amended, restated or extended from time to time, the "**Sweetwater Series 1995 Letter of Credit**") and (v) amend the Existing Gillette Series 1988 Letter of Credit by issuing its First Amendment thereto in the form of Exhibit L hereto (as so amended and as the same may be further amended, restated or extended from time to time, the "**Gillette Series 1988 Letter of Credit**").

(4) The Company has requested that BNP (i) amend the Existing Emery Series 1991 Letter of Credit by issuing its First Amendment thereto in the form of Exhibit M hereto (as so amended and as the same may be further amended, restated or extended from time to time, the "**Emery Series 1991 Letter of Credit**") and (ii) amend the Existing Forsyth Series 1988 Letter of Credit by issuing its First Amendment thereto in the form of Exhibit N hereto (as so amended and as the same may be further amended, restated or extended from time to time, the "**Forsyth Series 1988 Letter of Credit**").

(5) The Banks party hereto have agreed to purchase Shares of the Reimbursement Obligations (as such terms are defined herein) and the Letters of Credit.

(6) Each Departing Bank has agreed to execute and deliver a Departing Bank Signature Page pursuant to which such Departing Bank shall cease to be a party to the Existing Reimbursement Agreement, each Departing Bank's "Share" of the "Commitment" under (and as defined in) the Existing Reimbursement Agreement shall be terminated and each Departing Bank shall not be a Bank hereunder (provided that the indemnities and obligations of the Company contained in Section 8.05 of the Existing Reimbursement Agreement in favor of each Departing Bank shall survive the termination of such Departing Bank's "Share" of the "Commitment" under the Existing Reimbursement Agreement).

NOW, THEREFORE, in consideration of the premises and in order to (i) induce Barclays, as an L/C Issuer, to amend the Existing Sweetwater Series 1988A Letter of Credit, the Existing Sweetwater Series 1988B Letter of Credit, the Existing Sweetwater Series 1990A Letter of Credit, the Existing Sweetwater Series 1995 Letter of Credit and the Existing Gillette Series 1988 Letter of Credit; (ii) induce BNP, as an L/C Issuer, to amend the Existing Emery Series 1991 Letter of Credit and the Existing Forsyth Series 1988 Letter of Credit, and (iii) induce the Banks to consent to such amendments and reaffirm their respective Shares of the Reimbursement Obligations (as such terms are hereinafter defined) and the Letters of Credit, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

SECTION 1.01. Certain Defined Terms.

As used in this Agreement, the following terms shall have the following meanings (such meanings to be equally applicable to both the singular and plural forms of the terms defined) :

“Acceptable Parent” means (i) ScottishPower, until the completion of the acquisition by MidAmerican of 100% of the common stock of the Company pursuant to the Stock Purchase Agreement dated as of May 23, 2005, and (ii) thereafter, MidAmerican.

“Administrative Agent” means Barclays, in its capacity as Administrative Agent for the Banks hereunder, and any successor Administrative Agent.

“Administrative Questionnaire” means, with respect to each Bank, an administrative questionnaire in the form prepared by the Administrative Agent, completed by such Bank and returned to the Administrative Agent (with a copy to the Company).

“Advance” means any Tender Advance, and ***“Advances”*** means Tender Advances collectively.

“Affiliate” means, with respect to a specified Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified. ***“Control”*** means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. ***“Controlling”*** and ***“Controlled”*** have meanings correlative thereto.

“Applicable Participation Fee Rate” means the amount per annum set forth as the Applicable Participation Fee Rate for the Applicable Rating Level below, such amount to change simultaneously with each change in the Applicable Rating Level on the effective date of each such change:

<i>Applicable Rating Level</i>	<i>Applicable Participation Fee Rate</i>
Level I	0.300%
Level II	0.350%
Level III	0.450%
Level IV	0.550%
Level V	0.650%
Level VI	1.000%

“*Applicable Rating Level*” at any time will be determined on the basis of the ratings assigned to Company’s senior unsecured long-term indebtedness by S&P and Moody’s in accordance with the following table. The Applicable Rating Level will change simultaneously with each change in such ratings on the effective date of each such change. In the event that there is a split in the respective ratings of S&P and Moody’s, the Applicable Rating Level shall be determined based upon the higher rating; provided that if the rating differential is more than one rating level, the Applicable Rating Level shall be determined based upon a rating one rating level higher than the lower rating:

<i>Applicable Rating Level</i>	<i>S&P</i>	<i>Moody’s</i>
Level I	A or higher	A2 or higher
Level II	A-	A3
Level III	BBB+	Baa1
Level IV	BBB	Baa2
Level V	BBB-	Baa3
Level VI	below BBB- (or unrated)	below Baa3 (or unrated)

“*Approved Fund*” means any Person (other than a natural Person) that is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of its business and that is administered or managed by (a) a Bank, (b) an Affiliate of a Bank or (c) an entity or an Affiliate of an entity that administers or manages a Bank.

“*Authorized Officer*” means (i) the President and Chief Executive Officer of the Company, (ii) the Treasurer of the Company, (iii) the Chief Financial Officer of the Company or (iv) any other officer of the Company designated as such by the officers referred to in clauses (i), (ii) and (iii) in a written instrument furnished to the Administrative Agent.

“*Bank Information*” has the meaning assigned to that term in Section 8.05.

“*Banks*” means Barclays, BNP and the other Banks listed on the signature pages hereof and each Eligible Assignee that shall become a party hereto pursuant to Section 2.14(a).

“**Barclays**” has the meaning assigned to that term in the Preliminary Statements.

“**Base Rate**” means a fluctuating interest rate per annum that is the higher of (a) the Federal Funds Rate plus one-half of one percent (1/2%) per annum and (b) the rate of interest announced publicly by the Administrative Agent in New York, New York, from time to time as its prime rate. Each change in the Base Rate shall take effect simultaneously with the corresponding change or changes in the Federal Funds Rate or such prime rate, as the case may be.

“**BNP**” has the meaning assigned to that term in the introductory paragraph of this Agreement.

“**Bonds**” means, collectively, the Sweetwater Series 1988A Bonds, the Sweetwater Series 1988B Bonds, the Sweetwater Series 1990A Bonds, the Sweetwater Series 1995 Bonds, the Emery Series 1991 Bonds, the Gillette Series 1988 Bonds and/or the Forsyth 1988 Bonds.

“**Business Day**” means a day of the year on which banks are not required or authorized to close in New York, New York.

“**Capitalized Lease Obligation**” means, with respect to any Person, the obligation of such Person to pay rent or other amounts under any lease of real or personal property which obligation is required to be classified and accounted for as a capital lease on the balance sheet of such Person under generally accepted accounting principles (including the Statement of Financial Accounting Standards No. 13 of the Financial Accounting Standards Board, but without regard to paragraph 48 of such Statement) and, for purposes of this Agreement, the amount of such obligation shall be the capitalized amount thereof determined in accordance with generally accepted accounting principles (including such Statement No. 13).

“**Code**” means the Internal Revenue Code of 1986, as amended from time to time.

“**Commitment**” means \$296,879,345.

“**Commodity Forward Contract**” means a forward contract (i) pursuant to which the Company is entitled to make or receive payment based on a differential or contracted price and the actual spot market of electricity or natural gas and (ii) which is utilized by the Company to hedge its excess or shortage of net electricity or natural gas for future months.

“**Company**” has the meaning assigned to that term in the introductory paragraph of this Agreement.

“**Consolidated Subsidiary**” means at any date any Subsidiary or other entity the accounts of which would be consolidated with those of the Company in its consolidated financial statements if such statements were prepared as of such date.

“Control Agreements” means, collectively, (i) the Securities Account Control Agreements, dated as of September 15, 2004, by and among the Company, the Administrative Agent and the applicable Trustee, as securities intermediary, and (ii) the Amended and Restated Securities Account Control Agreement, dated as of September 15, 2004, by and among the Company, the Administrative Agent and the applicable Trustee, as securities intermediary, each substantially in the form of Exhibit P hereto, as such Securities Account Control Agreement may be from time to time amended, supplemented or modified.

“Controlled Group” means all members of a controlled group of corporations and all trades or businesses (whether or not incorporated) under common control which, together with the Company, are treated as a single employer under Section 414(b) or 414(c) of the Code.

“Credit Termination Date” means such date as the Letters of Credit shall terminate in accordance with their respective terms.

“Date of Issuance” means the date of the amendment and restatement of the Existing Sweetwater 1988A Letter of Credit and the issuance of the other Letters of Credit pursuant to Section 2.01 of this Agreement.

“Debt” of any Person means at any date, without duplication, (i) all obligations of such Person for borrowed money, (ii) all obligations of such Person evidenced by bonds (other than surety bonds), debentures, notes or other similar instruments, (iii) all obligations of such Person to pay the deferred purchase price of property or services, except trade accounts payable arising in the ordinary course of business, (iv) all Capitalized Lease Obligations of such Person, (v) all non-contingent reimbursement, indemnity or similar obligations of such Person in respect of amounts paid under a letter of credit, surety bond or similar instrument, (vi) all Debt of others secured by a Lien on any asset of such Person, whether or not such Debt is assumed by such Person, and (vii) all Debt of others Guaranteed by such Person. Solely for the purpose of calculating compliance with the requirements of Section 5.02(c), Debt shall not include Debt of the Company or its Consolidated Subsidiaries arising from the application of Financial Interpretation Number 45 of the Financial Accounting Standards Board, Financial Interpretation Number 46 of the Financial Accounting Standards Board or Issue No. 01-08 of the Emerging Issues Task Force (EITF).

“Default” means any condition or event which constitutes an Event of Default or which with the giving of notice or lapse of time or both would, unless cured or waived, become an Event of Default.

“Default Rate” means a fluctuating interest rate determined in accordance with the provisions of Section 2.05(c) of this Agreement.

“Departing Bank” means each bank under the Existing Reimbursement Agreement that executes and delivers to the Administrative Agent a Departing Bank Signature Page.

“*Departing Bank Signature Page*” means each signature page to this Agreement on which it is indicated that the Departing Bank executing the same shall cease to be a party to the Existing Reimbursement Agreement on the Execution Date.

“*Dollars*” and “\$” mean lawful money of the United States of America.

“*Domestic Lending Office*” means, as to each Bank, its office located at its address set forth in its Administrative Questionnaire (or identified in its Administrative Questionnaire as its Domestic Lending Office) or such other office as such Bank may hereafter designate as its Domestic Lending Office by notice to the Company and the Administrative Agent.

“*Effective Federal Funds Rate*” has the meaning assigned to that term in Section 2.12(b).

“*Eligible Assignee*” means (a) a Bank; (b) an Affiliate of a Bank (other than a natural Person); (c) an Approved Fund; and (d) any other Person (other than a natural Person) consented to by the L/C Issuers and/or the Company, if, in either case, such consent is required pursuant to Section 2.14; *provided, however*, that notwithstanding the foregoing, “Eligible Assignee” shall not include the Company or any of the Company’s Affiliates or Subsidiaries.

“*Emery Series 1991 Bonds*” has the meaning assigned to that term in the Preliminary Statements.

“*Emery Series 1991 Letter of Credit*” has the meaning assigned to that term in the Preliminary Statements.

“*Environmental Laws*” means any and all federal, state, local and foreign statutes, laws, regulations, ordinances, rules, judgments, orders, decrees, permits, concessions, grants, franchises, licenses, agreements or other governmental restrictions relating to the environment or to emissions, discharges or releases of pollutants, contaminants, petroleum or petroleum products, chemicals or industrial, toxic or hazardous substances or wastes into the environment including ambient air, surface water, ground water, or land, or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of pollutants, contaminants, petroleum or petroleum products, chemicals or industrial, toxic or hazardous substances or waste or the clean-up or other remediation thereof.

“*ERISA*” means the Employee Retirement Income Security Act of 1974, as amended from time to time and the regulations promulgated and the rulings issued thereunder.

“*Event of Default*” has the meaning assigned to that term in Section 6.01.

“*Execution Date*” means November 30, 2005, the date this Agreement was executed and delivered by each of the parties hereto.

“Existing Emery Series 1991 Letter of Credit” has the meaning assigned to that term in the Preliminary Statements.

“Existing Forsyth Series 1988 Letter of Credit” has the meaning assigned to that term in the Preliminary Statements.

“Existing Gillette Series 1988 Letter of Credit” has the meaning assigned to that term in the Preliminary Statements.

“Existing Letters of Credit” means the Existing Sweetwater Series 1988A Letter of Credit, the Existing Sweetwater Series 1988B Letter of Credit, the Existing Sweetwater Series 1990A Letter of Credit, the Existing Sweetwater Series 1995 Letter of Credit, the Existing Emery Series 1991 Letter of Credit, the Existing Gillette Series 1988 Letter of Credit and the Existing Forsyth Series 1988 Letter of Credit.

“Existing Sweetwater Series 1988A Letter of Credit” has the meaning assigned to that term in the Preliminary Statements.

“Existing Sweetwater Series 1988B Letter of Credit” has the meaning assigned to that term in the Preliminary Statements.

“Existing Sweetwater Series 1990A Letter of Credit” has the meaning assigned to that term in the Preliminary Statements.

“Existing Sweetwater Series 1995 Letter of Credit” has the meaning assigned to that term in the Preliminary Statements.

“Federal Funds Rate” means, for any period, a fluctuating interest rate per annum equal for each day during such period to the weighted average (rounded upwards to the nearest 1/100 of one percent) of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published for such day (or, if such day is not a Business Day, for the next preceding Business Day) by the Federal Reserve Bank of New York, or, if such rate is not so published for any day which is a Business Day, the average (rounded upwards, if necessary, to the nearest 1/100 of one percent) of the quotations for such day on such transactions received by the Administrative Agent from three Federal funds brokers of recognized standing selected by the Administrative Agent.

“Fee Letters” means, collectively, (i) the Fee Letter, dated as of November 4, 2005, between the Company and the Administrative Agent, (ii) the Fee Letter, dated as of November 4, 2005, between the Company and BNP and (iii) the Fee Letter, dated as of November 4, 2005, between the Company, the Administrative Agent and BNP, as each such letter agreement may be supplemented or amended from time to time; and *“Fee Letter”* means any of the foregoing as the context may require.

“Forsyth Series 1988 Bonds” has the meaning assigned to that term in the Preliminary Statements.

“*Forsyth Series 1988 Letter of Credit*” has the meaning assigned to that term in the Preliminary Statements.

“*Gillette Series 1988 Bonds*” has the meaning assigned to that term in the Preliminary Statements.

“*Gillette Series 1988 Letter of Credit*” has the meaning assigned to that term in the Preliminary Statements.

“*Governmental Authority*” means any nation or government, any state or other political subdivision thereof, and any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

“*Guaranty*” by any Person means any obligation, contingent or otherwise, of such Person directly or indirectly guaranteeing any Debt or other obligation of any other Person and, without limiting the generality of the foregoing, any obligation, direct or indirect, contingent or otherwise, of such Person (i) to purchase or pay (or advance or supply funds for the purchase or payment of) such Debt or other obligation (whether arising by virtue of partnership arrangement, by agreement to keep-well, to purchase assets, goods, securities or services, to take-or-pay or otherwise) or (ii) entered into for the purpose of assuring in any other manner the obligee of such Debt or other obligation of the payment thereof or to protect such obligee against loss in respect thereof (in whole or in part); provided that the term “Guaranty” shall not include endorsements for collection or deposit in the ordinary course of business. The term “*Guarantee*” used as a verb shall have a correlative meaning.

“*Hedging Agreement*” means any rate swap transaction, basis swap, forward rate transaction, commodity swap, commodity option, equity or equity index swap, equity or equity index option, bond option, interest rate option, foreign exchange transaction, cap transaction, floor transaction, collar transaction, currency swap transaction, cross-currency rate swap transaction, currency option or any other similar transaction (including any option with respect to any of the foregoing transactions) or any combination of the foregoing transactions.

“*Indentures*” means, collectively, (a) the Trust Indenture, dated as of January 1, 1988, between the Issuer of the Sweetwater Series 1988A Bonds and the applicable Trustee, with respect to the Sweetwater Series 1988A Bonds; (b) the Trust Indenture, dated as of January 1, 1988, between the Issuer of the Sweetwater Series 1988B Bonds and the applicable Trustee, with respect to the Sweetwater Series 1988B Bonds; (c) the Trust Indenture, dated as of November 1, 1995, between the Issuer of the Sweetwater Series 1995 Bonds and the applicable Trustee, with respect to the Sweetwater Series 1995 Bonds, as amended and supplemented by the First Supplemental Trust Indenture thereto dated as of February 1, 2002; (d) the Trust Indenture, dated as of May 1, 1991, between the Issuer of the Emery Series 1991 Bonds and the applicable Trustee, with respect to the Emery Series 1991 Bonds; (e) the Trust Indenture, dated as of January 1, 1988, between the Issuer of the Forsyth Series 1988 Bonds and the applicable Trustee, with respect to the Forsyth Series 1988 Bonds; (f) the Trust Indenture, dated as of July 1, 1990, between

the Issuer of the Sweetwater Series 1990A Bonds and the applicable Trustee, with respect to the Sweetwater Series 1990A Bonds; and (g) the Trust Indenture, dated as of January 1, 1988, between the Issuer of the Gillette Series 1988 Bonds and the applicable Trustee, with respect to the Gillette Series 1988 Bonds, in each case as amended, restated, supplemented or otherwise modified; and “*Indenture*” means any of the foregoing as the context may require

“*Issuer*” means with respect to (i) the Sweetwater Series 1988A Bonds, the Sweetwater Series 1988B Bonds, the Sweetwater Series 1990A Bonds and the Sweetwater Series 1995 Bonds, Sweetwater County, Wyoming; (ii) the Emery Series 1991 Bonds, Emery County, Utah, (iii) with respect to the Gillette Series 1988 Bonds, the City of Gillette, Campbell County, Wyoming; and (iv) the Forsyth 1988 Bonds, the City of Forsyth, Rosebud County, Montana.

“*L/C Issuer*” means (i) Barclays in its capacity as issuer of certain of the Letters of Credit or (ii) BNP in its capacity as issuer of certain of the Letters of Credit, and “*L/C Issuers*” means both of them collectively.

“*Letter of Credit*” means any of the Sweetwater Series 1988A Letter of Credit, the Sweetwater Series 1988B Letter of Credit, the Sweetwater Series 1990A Letter of Credit, the Sweetwater Series 1995 Letter of Credit, the Emery Series 1991 Letter of Credit, the Gillette Series 1988 Letter of Credit, and the Forsyth Series 1988 Letter of Credit, in each case as amended or extended, and “*Letters of Credit*” means all of them collectively.

“*Lien*” means any lien, security interest or other charge or encumbrance of any kind, including the lien or retained security title of a conditional vendor and any easement, right of way or other encumbrance on title to real property.

“*Liquidity Drawing*” shall have the meaning assigned to that term in the Letters of Credit.

“*Loan Agreements*” means, collectively, (a) the Loan Agreement, dated as of January 1, 1988, between the Issuer of the Sweetwater Series 1988A Bonds and the Company, with respect to the Sweetwater Series 1988A Bonds; (b) the Loan Agreement, dated as of January 1, 1988, between the Issuer of the Sweetwater Series 1988B Bonds and the Company, with respect to the Sweetwater Series 1988B Bonds; (c) the Loan Agreement, dated as of November 1, 1995, between the Issuer of the Sweetwater Series 1995 Bonds and the Company, with respect to the Sweetwater Series 1995 Bonds, as amended by the First Supplemental Loan Agreement thereto dated as of February 1, 2002; (d) the Loan Agreement, dated as of May 1, 1991, between the Issuer of the Emery Series 1991 Bonds and the Company, with respect to the Emery Series 1991 Bonds; (e) the Loan Agreement, dated as of January 1, 1988, between the Issuer of the Forsyth Series 1988 Bonds and the Company, with respect to the Forsyth Series 1988 Bonds; (f) the Loan Agreement, dated as of July 1, 1990, between the Issuer of the Sweetwater Series 1990A Bonds and the Company, with respect to the Sweetwater Series 1990A Bonds; and (g) the Loan Agreement, dated as of January 1, 1988, between the Issuer of the Gillette Series 1988 Bonds and the Company, with respect to the Gillette Series 1988

Bonds, in each case as amended, restated, supplemented or otherwise modified; and “*Loan Agreement*” means any of the foregoing as the context may require.

“*Majority Banks*” means at any time Banks having at least a majority of the then aggregate unpaid principal amount of the Reimbursement Obligations, or, if no such principal amount is then outstanding, Banks whose Shares equal at least a majority of the aggregate Shares.

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

“*Material Hedging Obligation*” means payment obligations in respect of one or more Hedging Agreements with a single counterparty which have Negative Termination Values exceeding \$35,000,000 in aggregate amount.

“*Material Plan*” means at any time a Plan or Plans having aggregate Unfunded Liabilities in excess of \$50,000,000.

“*Maximum Credit Amount*” in effect at any time means the maximum amount available to be drawn at such time under a Letter of Credit, the determination of such maximum amount to assume compliance with all conditions for drawing and no reduction for any amount not available to be drawn because Bonds are held by or for the account of the Company (other than Pledged Bonds).

“*MidAmerican*” means MidAmerican Energy Holdings Company or any wholly-owned subsidiary thereof that owns the common stock of the Company.

“*Moody’s*” means Moody’s Investors Service, Inc.

“*Multiemployer Plan*” means at any time an employee pension benefit plan within the meaning of Section 4001(a)(3) of ERISA to which any member of the Controlled Group is then making or accruing an obligation to make contributions or has within the preceding five plan years made contributions, including for these purposes any Person which ceased to be a member of the Controlled Group during such five year period.

“*Negative Termination Value*” means, with respect to any Hedging Agreement of the Company, the amount (if any) that the Company would be required to pay if such Hedging Agreement were terminated by reason of a default by or other termination event relating to the Company, such amount to be determined on the basis of an estimate made by the Company in good faith. The Negative Termination Value of any such Hedging Agreement at any date shall be determined (i) as of the end of the most recent fiscal quarter of the Company ended on or prior to such date if such Hedging Agreement was then outstanding or (ii) as of the date such Hedging Agreement is entered into if it is entered into after the end of such fiscal quarter. However, if an applicable agreement between the Company and the relevant counterparty provides that, upon any such termination by such counterparty, one or more other Hedging Agreements (if any then exist) between the Company and such counterparty would also terminate and the amount

(if any) payable by the Company would be a net amount reflecting the termination of all the Hedging Agreements so terminated, then the Negative Termination Value of all the Hedging Agreements subject to such netting shall be, at any date, a single amount equal to such net amount (if any) payable by the Company, determined as of the later of (i) the end of the most recently ended fiscal quarter of the Company or (ii) the date on which the most recent Hedging Agreement subject to such netting was entered into.

“**Note**” means a promissory note of the Company payable to the order of any Bank, in substantially the form of Exhibit Q hereto.

“**Officer’s Certificate**” means a certificate signed by the President, the Chief Financial Officer, a Vice President or the Treasurer of the Company.

“**Official Statement**” means each Official Statement executed in connection with the Bonds at the time of issuance thereof, as amended or supplemented, together with the documents incorporated therein by reference.

“**Operative Documents**” means the Loan Agreements, the Indentures, the Pledge Agreements, the Control Agreements and the Remarketing Agreements, in each case, as from time to time amended, supplemented or modified.

“**Other Taxes**” has the meaning assigned to that term in Section 2.16(a).

“**Participant**” has the meaning assigned to that term in Section 2.14(b).

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

“**Person**” means an individual, partnership, corporation (including 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.

“**Plan**” means at any time an employee pension benefit plan (other than a Multiemployer Plan) which is covered by Title IV of ERISA or subject to the minimum funding standards of Section 412 of the Code and is either (i) maintained, or contributed to, by any member of the Controlled Group for the employees of any member of the Controlled Group or (ii) has at any time within the preceding five years been maintained, or contributed to, by any Person which was at such time a member of the Controlled Group for employees of any Person which was at such time a member of the Controlled Group.

“**Pledge Agreements**” means, collectively, (i) the Pledge Agreements, dated as of September 15, 2004, between the Company and the Administrative Agent, and (ii) the Amended and Restated Pledge Agreement, dated as of September 15, 2004, between the Company and the Administrative Agent, in each case as amended, restated, supplemented or otherwise modified; and “**Pledge Agreement**” means any of the foregoing as the context may require.

“**Pledged Bonds**” has the meaning assigned to that term in each Pledge Agreement.

“**Pollution Bonds**” means bonds issued for the purpose of financing all or any part of the cost of facilities acquired or constructed for use by the Company; *provided* that the interest on such bonds is exempt from tax under the Code as in effect when the debt evidenced by such bond is incurred.

“**Pollution LC**” means a letter of credit issued for the purpose of (i) supporting payments of principal and interest on Pollution Bonds or (ii) providing funds to purchase Pollution Bonds from the holders thereof.

“**Principal Amount**” has the meaning assigned to that term in Section 2.12(b).

“**Qualifying Junior Subordinated Debt**” means subordinated debt of the Company which has (i) an original maturity of 20 years or more; (ii) provisions permitting the Company to defer the payment of interest for a period or periods of 20 consecutive quarters or more; (iii) no principal payments that are due and payable until after the Stated Termination Date; and (iv) all other characteristics (except interest rate) materially no less favorable to the Company than the Company’s 8¼% Junior Subordinated Deferrable Interest Debentures, Series C maturing on June 30, 2036 and described in PacifiCorp Capital I’s Prospectus Supplement dated June 6, 1996.

“**Regulatory Change**” means, with respect to any Bank, any change effective after the Execution Date in United States Federal, state or foreign law or regulations (including Regulation D) or the adoption or making after such date of any interpretation, directive or request applying to a class of financial institutions including such Bank of or under any United States Federal, state or foreign law or regulations (whether or not having the force of law) by any court or governmental or monetary authority charged with the interpretation or administration thereof.

“**Reimbursement Obligations**” means the obligations of the Company pursuant to Sections 2.03, 2.04, 2.05, 2.06 and 2.07(b) of this Agreement with respect to each drawing under a Letter of Credit and each Advance.

“**Remarketing Agent**” means (a) Lehman Brothers, with respect to the Sweetwater Series 1988A Bonds; (b) Lehman Brothers, with respect to the Sweetwater Series 1988B Bonds; (c) J.P. Morgan Securities Inc. (successor to Banc One Capital Markets, Inc.), with respect to the Sweetwater Series 1995 Bonds; (d) J.P. Morgan Securities Inc. (successor to Banc One Capital Markets, Inc.), with respect to the Emery Series 1991 Bonds; (e) Lehman Brothers, with respect to the Forsyth Series 1988 Bonds; (f) Citigroup Global Markets Inc. (formerly known as Citicorp Securities, Inc.), with respect to the Sweetwater Series 1990A Bonds; and (g) Lehman Brothers, with respect to the Gillette Series 1988 Bonds, in each case appointed pursuant to the applicable Remarketing Agreement.

“**Remarketing Agreements**” means, collectively, each Remarketing Agreement executed by the Company and the applicable Remarketing Agent with respect to each of

the Bonds, in each case as amended, restated, supplemented or otherwise modified; and “*Remarketing Agreement*” means any of the foregoing as the context may require.

“*S&P*” means Standard & Poor’s Ratings Services, a division of The McGraw-Hill Companies, Inc.

“*ScottishPower*” means Scottish Power plc, a public limited company incorporated under the laws of Scotland.

“*Share*” means, with respect to any Bank, the percentage set forth opposite such Bank’s name on Schedule I hereto, as adjusted from time to time pursuant to Section 2.14.

“*Stated Termination Date*” means November 29, 2010, the date that is 5 years from the Execution Date, as such date may be extended in accordance with Section 2.17.

“*Subsidiary*” means any corporation or other entity of which securities or other ownership interests having ordinary voting power to elect a majority of the board of directors or other persons performing similar functions are at the time directly or indirectly owned by the Company.

“*Supplement to Official Statement*” means any supplement (including any “sticker” or “wrap”) to any Official Statement prepared in connection with the issuance and delivery or extension of the Letters of Credit.

“*Sweetwater Series 1988A Bonds*” has the meaning assigned to that term in the Preliminary Statements.

“*Sweetwater Series 1988B Bonds*” has the meaning assigned to that term in the Preliminary Statements.

“*Sweetwater Series 1990A Bonds*” has the meaning assigned to that term in the Preliminary Statements.

“*Sweetwater Series 1995 Bonds*” has the meaning assigned to that term in the Preliminary Statements.

“*Sweetwater Series 1988A Letter of Credit*” has the meaning assigned to that term in the Preliminary Statements.

“*Sweetwater Series 1988B Letter of Credit*” has the meaning assigned to that term in the Preliminary Statements.

“*Sweetwater Series 1990A Letter of Credit*” has the meaning assigned to that term in the Preliminary Statements.

“*Sweetwater Series 1995 Letter of Credit*” has the meaning assigned to that term in the Preliminary Statements.

“Tangible Net Worth” means at any date the consolidated shareholders’ equity of the Company and its Consolidated Subsidiaries less their Intangible Assets, all determined as of such date. For purposes of this definition **“Intangible Assets”** means the amount (to the extent reflected in determining such shareholders’ equity) of (i) all write-ups (other than write-ups resulting from foreign currency translations and write-ups of assets of a going concern business made within twelve months after the acquisition of such business) subsequent to March 31, 2005 in the book value of any asset owned by the Company or its Consolidated Subsidiaries, (ii) unamortized debt discount and expense and unamortized deferred charges, but only to the extent that such costs are not recoverable by the Company through inclusion in the Company’s utility rates and (iii) goodwill, patents, trademarks, service marks, trade names, copyrights, organization or developmental expenses and other intangible items.

“Taxes” has the meaning assigned to that term in Section 2.16(a).

“Tender Advance” has the meaning assigned to that term in Section 2.04(a).

“Tender Draft” means a Liquidity Drawing under the Letter of Credit to pay the purchase price of Bonds delivered or deemed delivered to the applicable Trustee or the applicable Remarketing Agent pursuant to the applicable Indenture and not placed by the Remarketing Agent on the date such Bonds are to be purchased.

“Total Capitalization” at any date means, without duplication and after intercompany eliminations among the Company and its Consolidated Subsidiaries, the sum of (i) all Debt of the Company and its Consolidated Subsidiaries, (ii) preferred stock of the Company and (iii) common stock equity of the Company, all determined as of such date; provided that Qualifying Junior Subordinated Debt shall be included in Total Capitalization only if and to the extent that the inclusion thereof does not cause the aggregate amount of all preferred stock and Qualifying Junior Subordinated Debt to exceed 15% of Total Capitalization.

“Total Debt” at any date means, without duplication and after intercompany eliminations among the Company and its Consolidated Subsidiaries, the sum of (i) all Debt of the Company and its Consolidated Subsidiaries (other than Qualifying Junior Subordinated Debt) and (ii) any portion of mandatorily redeemable preferred stock of the Company or any of its Consolidated Subsidiaries that is a current liability, all determined as of such date.

“Trustee” means J.P. Morgan Trust Company, National Association, in its capacity as successor trustee to Bank One Trust Company, NA (formerly known as The First National Bank of Chicago) for each of (a) the Sweetwater Series 1988A Bonds; (b) the Sweetwater Series 1988B Bonds; (c) the Sweetwater Series 1995 Bonds; (d) the Emery Series 1991 Bonds; (e) the Forsyth Series 1988 Bonds; (f) the Sweetwater Series 1990A Bonds; and (g) the Gillette Series 1988 Bonds.

“Umbrella Mortgage” means the Indenture of Mortgage and Deed of Trust dated as of January 9, 1989 between the Company and JPMorgan Chase Bank, as successor to

Morgan Guaranty Trust Company of New York, as Trustee, as amended or supplemented from time to time.

“Unfunded Liabilities” means, with respect to any Plan at any time, the amount (if any) by which (i) the present value of all benefits under such Plan exceeds (ii) the fair market value of all Plan assets allocable to such benefits (excluding any accrued but unpaid contributions), all determined as of the then most recent valuation date for such Plan, but only to the extent that such excess represents a potential liability of a member of the Controlled Group to the PBGC or any other Person under Title IV of ERISA.

SECTION 1.02. Computation of Time Periods.

In this Agreement, in the computation of a period of time from a specified date to a later specified date, the word **“from”** means **“from and including”** and the words **“to”** and **“until”** each means **“to but excluding”**.

SECTION 1.03. Accounting Terms.

Unless otherwise specified herein, all accounting terms used herein shall be interpreted, all accounting determinations hereunder shall be made, and all financial statements required to be delivered hereunder shall be prepared in accordance with generally accepted accounting principles as in effect from time to time, applied on a basis consistent (except for changes concurred in by the Company’s independent public accountants) with the most recent audited financial statements of the Company delivered to the Banks; provided that, if the Company notifies the Banks that the Company wishes to amend any covenant in Article V to eliminate the effect of any change in generally accepted accounting principles on the operation of such covenant (or if the Majority Banks notify the Company that the Banks wish to amend Article V for such purpose), then the Company’s compliance with such covenant shall be determined on the basis of generally accepted accounting principles in effect immediately before the relevant change in generally accepted accounting principles became effective, until either such notice is withdrawn or such covenant is amended in a manner satisfactory to the Company and the Majority Banks; provided further that the effects of application of Statement of Financial Accounting Standards No. 133, “Accounting for Derivative Instruments and Hedging Activities”, with respect to unsettled power purchase and power sale contracts of the Company shall be eliminated in determining the Company’s compliance with the covenants contained in Article V. Unless the context otherwise requires, all references to financial statements of the Company shall mean consolidated financial statements of the Company and its Consolidated Subsidiaries.

SECTION 1.04. Interpretation.

The following rules shall apply to the construction of this Agreement unless the context requires otherwise: (a) the singular includes the plural and the plural the singular; (b) words importing any gender include the other genders; (c) references to statutes are to be construed as including all statutory provisions consolidating, amending or replacing the statute to which reference is made, and all regulations adopted and publications promulgated pursuant to such statutes; (d) references to **“writing”** include printing, photocopy, typing, lithography and other means of reproducing words in a tangible visible form; (e) the words **“including”**, **“includes”**

and “*include*” shall be deemed to be followed by the words “*without limitation*”; (f) references to articles, sections (or sub-divisions of sections), exhibits, appendices, annexes or schedules are to those of this Agreement unless otherwise indicated; (g) references to agreements and other contractual instruments shall be deemed to include all subsequent amendments and other modifications to such instruments, but only to the extent that such amendments and other modifications are permitted or not limited by the terms of this Agreement; and (h) references to Persons include their respective permitted successors and assigns.

ARTICLE II

AMOUNT AND TERMS OF THE LETTERS OF CREDIT

SECTION 2.01. The Letters of Credit.

Upon the satisfaction of the conditions precedent set forth in Section 3.01, on the Execution Date (a) Barclays, as an L/C Issuer hereunder, will (i) amend the Sweetwater Series 1988A Letter of Credit by issuing the First Amendment thereto in the form of Exhibit H hereto, and (ii) amend the Sweetwater Series 1988B Letter of Credit by issuing the First Amendment thereto in the form of Exhibit I hereto, (iii) amend the Sweetwater Series 1990A Letter of Credit by issuing the First Amendment thereto in the form of Exhibit J hereto, (iv) amend the Sweetwater Series 1995 Letter of Credit by issuing the First Amendment thereto in the form of Exhibit K hereto and (v) amend the Gillette Series 1988 Letter of Credit by issuing the First Amendment thereto in the form of Exhibit L hereto; (b) BNP, as an L/C Issuer hereunder, will (i) amend the Emery Series 1991 Letter of Credit by issuing the First Amendment thereto in the form of Exhibit M hereto and (ii) amend the Forsyth Series 1988 Letter of Credit by issuing the First Amendment thereto in the form of Exhibit N hereto.

SECTION 2.02. Letter of Credit Fees.

(a) The Company hereby agrees to pay the fees specified in the Fee Letters, to the parties, at the times and in the amounts set forth therein.

(b) The Company agrees to pay to the Administrative Agent for the account of the Banks, ratably in accordance with their respective Shares, a letter of credit fee on the Maximum Credit Amount for each Letter of Credit, computed at a rate per annum equal to the Applicable Participation Fee Rate from the Date of Issuance to the applicable Credit Termination Date of each Letter of Credit, payable quarterly in arrears on the last day of December, 2005 and on the last day of each March, June, September and December thereafter and on each applicable Credit Termination Date.

(c) On the Execution Date, the Company shall pay (i) to the Administrative Agent for the ratable account of the Banks then party to the Existing Reimbursement Agreement, the accrued and unpaid fees under the Existing Reimbursement Agreement through the Execution Date and (ii) to the L/C Issuers, any other amounts accrued and unpaid under the Existing Reimbursement Agreement.

(d) Any amount of fees not paid when due shall bear interest, from the date such amount of fees was due until the date of payment in full, at the Default Rate, payable on demand and on the date of payment in full of such amount.

SECTION 2.03. Reimbursement.

Except as otherwise specified in Section 2.04(a), Company hereby agrees to pay to the Administrative Agent for the account of applicable L/C Issuer any amount drawn under a Letter of Credit immediately after (and on the same Business Day as) such drawing is paid by an L/C Issuer, plus interest at the Default Rate payable on demand and on the date of payment in full on any such amount remaining unpaid from the date such amount becomes due and payable until payment in full. Each L/C Issuer will pay to the Administrative Agent, for the account of the Banks, all amounts received by it from the Company for application in payment, in whole or in part, of the Reimbursement Obligation in respect of Letters of Credit issued by such L/C Issuer, but only to the extent such Bank has made payment to the Administrative Agent, for the account of such L/C Issuer, in respect of such Letters of Credit pursuant to Section 2.12.

SECTION 2.04. Tender Advances.

(a) If any L/C Issuer shall make any payments under a Letter of Credit pursuant to a Tender Draft to pay the purchase price of Bonds being purchased upon a tender thereof, and the conditions set forth in Section 3.03 shall have been fulfilled, such payments shall automatically be deemed to constitute and shall be an advance made by such L/C Issuer to the Company on the date and in the amount of such payment, each such advance being a “*Tender Advance*” and collectively the “*Tender Advances*”.

(b) Subject to Sections 2.07 and 6.02, the principal amount of each Tender Advance, together with all accrued and unpaid interest thereon, shall be due and payable on the earlier of (i) the date the is thirty (30) days after the making of such Advance (of if such date is not a Business Day, the next succeeding Business Day) and (ii) the Stated Termination Date.

SECTION 2.05. Interest on Advances.

(a) General. The Company shall pay to the Administrative Agent, for the account of the Banks in proportion to their respective Shares, interest on the unpaid principal amount of each Tender Advance from the date of such Advance until such principal amount is paid in full at the applicable rate set forth below.

(b) Base Rate. The Company shall pay to the Administrative Agent, for the account of the Banks in proportion to their respective Shares, interest on each Advance from the date of such Advance until the date the principal amount of such Advance becomes due or is prepaid, payable quarterly in arrears and on the date such Advance becomes due or is prepaid, at a fluctuating interest rate per annum in effect from time to time equal to the sum of (i) the Base Rate in effect from time to time, plus (ii) 1.00%.

(c) Default Interest. The Company shall pay to the Administrative Agent, for the account of the Banks in proportion to their respective Shares, interest on the unpaid principal amount of each Advance that is not paid when due and, to the extent permitted by law, on the

unpaid amount of all interest, fees and other amounts payable hereunder that is not paid when due whether at maturity, by acceleration or otherwise, payable on demand, at a rate per annum equal at all times to (i) in the case of any amount of principal of Advances, the greater of (x) 2% per annum above the rate per annum required to be paid on such Advance immediately prior to the date on which such amount became due and (y) 2% per annum above the Base Rate in effect from time to time, and (ii) in the case of all other amounts, 2% per annum above the Base Rate in effect from time to time (the “*Default Rate*”).

(d) Notice to Trustee. At any time that Bonds are held under a Pledge Agreement, the L/C Bank, at the request of the applicable Trustee, shall notify such Trustee of the rate of interest applicable to, and interest payment dates for, outstanding Advances relating to such Pledged Bonds.

SECTION 2.06. Payment of Advances.

Each Tender Advance shall be due and payable as specified in Section 2.04(b).

SECTION 2.07. Prepayments; Reinstatement of Letter of Credit Amounts.

(a) The Company may, upon same-day notice to the Administrative Agent, prepay the outstanding amount of any Advance in whole or in part with accrued interest to the date of such prepayment on the amount prepaid.

(b) Prior to or simultaneously with the resale or redemption of Bonds acquired by any Trustee with the proceeds of one or more draws under the Letters of Credit related to such Bonds by one or more Tender Drafts, or if any Pledged Bonds shall be determined to be invalid, the Company shall prepay or cause the applicable Trustee on behalf of the Company to prepay the then outstanding Tender Advances resulting from such draw or draws (in the order in which they were made) and accrued interest thereon, if any, by paying (or causing to be paid) to the Administrative Agent (if such prepayment is being made by the Company), for the account of the Banks in proportion to their respective Shares, or to the applicable L/C Issuer (if such prepayment is being made by any Trustee), for the account of the Banks in proportion to their respective Shares, an amount equal to the sum of (i) the aggregate principal amount of the Bonds being resold or to be resold or being redeemed or that have been determined to be invalid, plus (ii) accrued interest thereon, for application to the prepayment of such Advances. With respect to payments of Tender Advances made by any Trustee to any L/C Issuer, such payments, when such L/C Issuer shall also have received certificates completed and signed by the applicable Trustee in substantially the form of Annex F to the applicable Letters of Credit, shall be applied by the Administrative Agent in reimbursement of such drawings (and as prepayment of Tender Advances resulting from such drawings in the manner described above). Each of the Company and the Banks irrevocably authorizes the L/C Issuers to rely on such certificate and to reinstate the applicable Letters of Credit in accordance therewith, and otherwise to reinstate the applicable Letters of Credit at the times and in the manner specified therein.

SECTION 2.08. Increased Costs.

(a) If any Bank determines that, as a result of any Regulatory Change other than a Regulatory Change that would be governed by Section 2.16 of this Agreement, the amount of

capital required or expected to be maintained by such Bank is increased based upon the existence of a Letter of Credit or such Bank's commitment to make or participate in Advances hereunder, then, upon demand by such Bank, the Company shall immediately pay, from time to time as specified by such Bank, such amounts as such Bank may reasonably determine to be necessary to compensate such Bank for any additional costs or for any reduction in such Bank's rate of return on its capital to the extent that such Bank reasonably determines that such additional costs or such reduction in such Bank's rate of return on its capital is attributable to the maintenance by such Bank of capital in respect of a Letter of Credit and such Bank's commitment to make or participate in Advances hereunder. Notwithstanding the foregoing, the Company shall only be obligated to compensate such Bank for any amount arising or accruing during (i) the period commencing 90 days prior to the date on which such Bank gave notice to the Company pursuant to Section 2.08(b) of the event entitling such Bank to such compensation and (ii) any period during which, because of the retroactive application of such Regulatory Change, such Bank did not know that such amount would arise or accrue.

(b) Each Bank will notify the Company of any Regulatory Change that will entitle such Bank to compensation pursuant to this Section 2.08 as promptly as practicable. Each Bank will furnish to the Company a certificate setting forth in reasonable detail the basis for the amount of each request by such Bank for compensation. Determinations by each Bank of the amounts required to compensate such Bank shall be conclusive, absent manifest error.

SECTION 2.09. Payments and Computations.

(a) The Company shall make each payment hereunder without condition or deduction for any counterclaim, defense, recoupment or setoff (i) in the case of amounts due pursuant to Section 2.03 and 2.07(b), not later than 2:00 P.M. (New York City time), and (ii) in all other cases, not later than 12:00 Noon (New York City time) on the day when due in lawful money of the United States of America to the Administrative Agent, for the account of the applicable L/C Issuer or the Banks, as appropriate, at its address referred to in Section 8.02, in same day funds, except that payments pursuant to Sections 2.08, 2.16, 8.06 and 8.07 shall be made directly to the Person entitled thereto. The Administrative Agent shall distribute any such payments received by it for the account of any other Person to the appropriate recipient promptly following receipt thereof. Computations of the fees hereunder and the Base Rate (if calculated on the basis of the Administrative Agent's prime rate) and Default Rate shall be made by the Administrative Agent on the basis of a 365/366 day year, as the case may be, for the actual number of days (including the first day but excluding the last day) elapsed. Computations of the Base Rate (if calculated on the basis of the Federal Funds Rate) shall be made by the Administrative Agent on the basis of a 360 day year for the actual number of days (including the first day but excluding the last day) elapsed.

(b) If, after the Administrative Agent has paid to any L/C Issuer or any Bank any amount pursuant to subsection (a) above, such payment is rescinded or must otherwise be returned or must be paid over by the Administrative Agent or any L/C Issuer to any Person, whether pursuant to any bankruptcy or insolvency law, or otherwise, such Bank shall, at the request of the Administrative Agent or such L/C Issuer promptly repay to the Administrative Agent or such L/C Issuer, as the case may be, an amount equal to its ratable share of such payment, together with any interest required to be paid by the Administrative Agent or such L/C

Issuer with respect to such payment. Upon each Bank's repayment in full of its ratable share of such payment, the Company agrees that to the extent of such repayment, such Bank shall be deemed to be a direct creditor of the Company.

SECTION 2.10. Non-Business Days.

Whenever any payment to be made hereunder shall be stated to be due on a day which is not a Business Day, such payment shall be made on the next succeeding Business Day, and such extension of time shall in such case be included in the computation of payment of interest or commission, as the case may be.

SECTION 2.11. Evidence of Debt.

On the Execution Date, the Company shall issue Notes payable to the order of any Bank that shall request such Note. The Administrative Agent shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of the Company resulting from each drawing under a Letter of Credit and from each Advance made from time to time hereunder and the amounts of principal and interest payable and paid from time to time hereunder and of the respective Shares of the Reimbursement Obligations of the Banks. In any legal action or proceeding in respect of this Agreement, the entries made in such account or accounts shall, in the absence of manifest error, be conclusive evidence of the existence and amounts of the obligations of the Company therein recorded. Upon the written request of the Company, the Administrative Agent agrees to provide to the Company a statement of the amounts owed the Banks under this Agreement.

SECTION 2.12. Syndication; Reimbursement of L/C Issuers.

(a) Each L/C Issuer hereby sells and transfers to each Bank, and each Bank hereby purchases and acquires from each L/C Issuer, an undivided interest and participation, to the extent of such Bank's Share in and to the Letters of Credit issued by such L/C Issuer, including the obligations of such L/C Issuer under and in respect thereof, the Tender Advances and the Reimbursement Obligations; *provided that* such L/C Issuer shall remain the sole party obligated to make payments under the Letters of Credit issued by such L/C Issuer.

(b) In the event that any L/C Issuer shall make any payment under a Letter of Credit and the Company shall not reimburse such L/C Issuer immediately on the same Business Day and in full for such payment (the difference between the amount of such payment and the amount reimbursed by the Company being the "***Principal Amount***"), the Administrative Agent will promptly notify each of the other Banks of such Principal Amount and each such Bank will immediately and unconditionally pay to the Administrative Agent (i) on the same Business Day if the Administrative Agent provides such Bank with telephonic notice received not later than 3:00 P.M. (New York City time) on such Business Day, or (ii) not later than 12:00 Noon (New York City time) on the Business Day next succeeding the Business Day such notice is received, if such notice is received after 3:00 P.M. (New York City time) on a Business Day, an amount equal to its Share of the Principal Amount in United States dollars and in same day funds in payment for its Share of the Reimbursement Obligations with respect to such Principal Amount, plus compensation, payable on demand, from and including the date when such Principal

Amount becomes outstanding to, but not including, the date such Bank's Share of the Principal Amount is paid at the Effective Federal Funds Rate plus any applicable amounts pursuant to the Rules of Interbank Compensation of the Council on International Banking or the New York Clearinghouse Compensation Committee, as the case may be, in effect from time to time. "**Effective Federal Funds Rate**" means, for any day, the weighted average of the rates on overnight Federal Funds transactions with members of the Federal Reserve System, as published for such day by the Federal Reserve Bank of New York. Upon payment in full for its Share of such Reimbursement Obligations pursuant to this Section 2.12(b), the Company agrees that to the extent of such payment, such Bank shall be deemed to be a direct creditor of the Company.

(c) If any Bank shall default in the payment when due of its Share of any Reimbursement Obligations, in addition to any other claim or remedy the applicable L/C Issuer may have against such Bank, such Bank shall not be entitled to receive any payments pursuant to this Agreement or otherwise have any other rights hereunder until all amounts due and payable by such Bank to such L/C Issuer hereunder shall have been paid in full. In furtherance of the foregoing, if any Bank shall fail to make any payment to any L/C Issuer in accordance with subsection (b) above, and such failure shall continue for five Business Days following written notice of such failure from such L/C Issuer to such Bank, such L/C Issuer may acquire, or, subject to Section 2.14, transfer to a third party in exchange for the sum or sums due from such Bank, such Bank's interest in the related Reimbursement Obligations and all other rights of such Bank hereunder in respect thereof, without, however, relieving such Bank from any liability for damages and reasonable costs and expenses suffered by such L/C Issuer as a result of such failure. The purchaser of any such interest shall be deemed to have acquired an interest senior to the interest of such Bank and shall be entitled to receive all subsequent payments which such L/C Issuer or the Administrative Agent would otherwise have made hereunder to such Bank in respect of such interest.

SECTION 2.13. Obligations Absolute.

The payment obligations of the Company under this Agreement to reimburse the L/C Issuers for drawings made under the Letters of Credit and the obligations of the Banks under Section 2.12 shall be unconditional and irrevocable, and shall be paid strictly in accordance with the terms of this Agreement under all circumstances, including the following circumstances:

(i) any lack of validity or enforceability of the Operative Documents, the Letters of Credit, the Remarketing Agreements, the Pledge Agreements, the Control Agreements, the Fee Letters, or any other agreement, certificate or instrument relating thereto;

(ii) any amendment or waiver of or any consent to departure from all or any of the Operative Documents;

(iii) the existence of any claim, set-off, defense or other right which the Company may have at any time against any Trustee or any other beneficiary, or any transferee, of the Letters of Credit (or any Persons for whom any Trustee, any such beneficiary or any such transferee may be acting), the Banks, or any other Person whether

in connection with this Agreement, the transactions contemplated herein or in the Operative Documents, or any unrelated transaction;

(iv) any statement, draft, demand, certificate or any other document presented under the Letters of Credit proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect;

(v) payment by the L/C Issuers under the Letters of Credit against presentation of a draft or certificate which does not comply with the terms of such Letter of Credit; and

(vi) any other circumstance or happening whatsoever, whether or not similar to any of the foregoing.

SECTION 2.14. Assignments and Participations.

(a) Each Bank may assign to one or more Eligible Assignees all or a percentage interest of its rights and obligations under this Agreement but if less than all, then such assignment shall be in an amount equal to \$5,000,000 or an integral multiple thereof and such assigning Bank shall continue to hold a Share of at least \$5,000,000, *provided that* (i) no assignment by any Bank may be made to any Eligible Assignee, except with the prior written consent of (A) the Company, which consent shall not be unreasonably withheld or delayed and (1) in the case of an assignment to a Bank, an Affiliate of a Bank or an Approved Fund, or (2) if an Event of Default shall have occurred and be continuing, shall not be required and (B) the L/C Issuers, which consent may be given or withheld in the sole discretion of the L/C Issuers; (ii) the L/C Issuers may not assign their direct obligations under the Letters of Credit, and (iii) each such assignment shall be of a constant, and not a varying, percentage of the assignor's rights and obligations under this Agreement. The parties to each such assignment shall execute and deliver to the Administrative Agent an instrument of assignment in form and substance satisfactory to the Administrative Agent and the Company, and a processing fee of \$3,500, and the Administrative Agent will record in a register maintained for such purpose the name of the assignee and the percentage participation interest assigned by the assignor and assumed by the assignee for purposes of the determination of such assignor's and assignee's respective Shares. Upon such execution, delivery, fee payment, acceptance and recording, from and after the effective date specified in each assignment, which effective date shall be at least five Business Days after the delivery thereof to the Administrative Agent, the assignee shall, to the extent of such assignment, become a party hereto and have all of the rights and obligations of a Bank hereunder and, to the extent of such assignment, such assigning Bank shall be released from its obligations hereunder but shall continue to be entitled to the benefits of Sections 2.08, 2.16, 8.05, 8.06 and 8.07 (without relieving such Bank from any liability for damages, costs and expenses suffered by the Administrative Agent, the L/C Issuers or the Company as a result of the failure by such Bank to perform its obligations hereunder).

(b) Each Bank may grant participations to one or more Persons in all or any part of, or any interest (undivided or divided) in, such Bank's rights and/or obligations under this Agreement (any such Person being referred to herein as a "***Participant***"); *provided, however*, that (i) such Bank's obligations under this Agreement shall remain unchanged; (ii) such Bank shall

remain solely responsible to the other parties hereto for the performance of such obligations; (iii) in no event shall such Bank be obligated to the Participant to take or refrain from taking any action hereunder, except that such Bank may agree with the Participant that it will not, without the consent of the Participant, agree to (A) the extension of the Stated Termination Date or of any date fixed for the payment of principal of or interest, fees (if the Participant is entitled to any part thereof) or any other payment (if the Participant is entitled to any part thereof) pursuant to this Agreement or the Reimbursement Obligations, (B) the reduction of any payment of principal thereof, or (C) the reduction of the rate at which either interest is payable thereon or (if the Participant is entitled to any part thereof) the reduction of the fees payable hereunder to a level below the rate at which the Participant is entitled to receive interest or such fees (as the case may be) in respect to such participation; (iv) the Company, the L/C Issuers and the Administrative Agent shall continue to deal solely and directly with such Bank in connection with such Bank's rights and obligations under this Agreement; and (v) such Participant shall be entitled to the cost protection provisions provided for in Sections 2.08 and 2.16; *provided, further*, that the amount of such cost protection shall not exceed the amount of cost protection to which such Bank selling such participation would have been entitled under Section 2.08 or 2.16, as the case may be. Promptly after any Bank grants any such participation, such Bank shall inform the Company of the identity of the Participant and the amount of such participation.

(c) Notwithstanding any other provision set forth in this Agreement, any Bank may at any time create a security interest in all or any portion of its rights under this Agreement (including the Advances owed to it) in favor of any Federal Reserve Bank in accordance with Regulation A of the Board of Governors of the Federal Reserve System.

SECTION 2.15. Changes in Respect of Rating Services.

If, prior to the Stated Termination Date, the rating system of either Moody's or S&P shall change, the parties hereto agree to amend this Agreement to incorporate the revised rating system of Moody's or S&P as applicable. If, prior to the Stated Termination Date, either Moody's or S&P shall cease to issue ratings of the Company's senior unsecured non-credit enhanced long-term debt or no senior unsecured long-term debt of the Company shall be outstanding, the parties hereto agree to amend this Agreement, as appropriate (i) to designate a successor rating agency or agencies and to incorporate the rating system or systems of such successor rating agency or agencies or (ii) to make such other modifications as the parties shall agree.

SECTION 2.16. Taxes.

(a) For the purposes of this Section 2.16, the following terms have the following meanings:

“*Taxes*” means any and all present or future taxes, duties, levies, imposts, deductions, charges or withholdings with respect to any payment by the Company pursuant to this Agreement, and all liabilities with respect thereto, excluding (i) in the case of each Bank and Administrative Agent, net income taxes imposed by the United States and franchise, income, or similar taxes, and sales, gross receipts, value added, or similar taxes, imposed on it by a jurisdiction under the laws of which such Bank or Administrative Agent (as the case may be), is organized or does business, or any political subdivision thereof, in which its principal executive

office is located or, in the case of each Bank, in which its Domestic Lending Office is located and (ii) in the case of each Bank, any United States withholding tax imposed with respect to any payment by the Company pursuant to this Agreement, but only up to the rate (if any) at which United States withholding tax would apply to such payments to such Bank at the time such Bank first becomes a party to this Agreement.

“*Other Taxes*” means any present or future stamp or documentary taxes and any other excise or property taxes, or similar charges or levies, which arise from any payment made pursuant to this Agreement or from the execution or delivery of, or otherwise with respect to, this Agreement.

(b) Any and all payments by the Company to or for the account of any Bank, any L/C Issuer or the Administrative Agent hereunder shall be made without deduction for any Taxes or Other Taxes; *provided that*, if the Company shall be required by law to deduct any Taxes or Other Taxes from any such payments, (i) the sum payable shall be increased as necessary so that after making all required deductions for any Taxes or Other Taxes (including deductions applicable to additional sums payable under this Section) such Bank, such L/C Issuer or the Administrative Agent (as the case may be) receives an amount equal to the sum it would have received had no such deductions been made, (ii) the Company shall make such deductions, (iii) the Company shall pay the full amount deducted to the relevant taxation authority or other authority in accordance with applicable law and (iv) the Company shall furnish to the Administrative Agent, at its address referred to in Section 8.02, the original or a certified copy of a receipt evidencing payment thereof.

(c) The Company agrees to indemnify each Bank and the Administrative Agent for the full amount of Taxes or Other Taxes (including any Taxes or Other Taxes imposed or asserted by any jurisdiction on amounts payable under this Section) paid by such Bank or Administrative Agent (as the case may be) and any liability (including penalties, interest and expenses) arising therefrom or with respect thereto. This indemnification shall be paid within 30 days after such Bank or Administrative Agent (as the case may be) makes demand therefor. Such demand shall be made as promptly as practicable.

(d) Each Bank organized under the laws of a jurisdiction outside the United States shall provide the Company and the Administrative Agent with Internal Revenue Service Form W-8BEN, W-8ECI, or other type of W-8, as appropriate, or any successor form prescribed by the Internal Revenue Service: (i) on or prior to the date of its execution and delivery of this Agreement in the case of each Bank listed on the signature pages hereof and on or prior to the date on which it becomes a Bank in the case of each other Bank, (ii) before the end of each third calendar year thereafter, and (iii) at any time that a change of circumstances occurs that makes any information on the form so provided incorrect, certifying that such Bank is entitled to benefits under an income tax treaty to which the United States is a party which exempts such Bank from United States withholding tax or reduces the rate of withholding tax on payments under this Agreement or certifying that the income receivable pursuant to this Agreement is effectively connected with the conduct of a trade or business in the United States. Further, each such Bank that is not an exempt recipient listed in § 6049(b)(4) of the Internal Revenue Code shall provide the Company and the Administrative Agent with Internal Revenue Service Form

W-8 or W-9, as appropriate, or other successor form prescribed by the Internal Revenue Service, certifying that it is exempt from United States back-up withholding.

(e) For any period with respect to which a Bank has failed to provide the Company or the Administrative Agent with the appropriate forms pursuant to Section 2.16(d) (unless such failure is due to a change in treaty, law or regulation occurring subsequent to the date on which such form originally was required to be provided), the Company shall not gross up the payments as provided under Section 2.16(b), and such Bank shall not be entitled to indemnification under Section 2.16(c) with respect to Taxes imposed by the United States; *provided that* if a Bank, which is otherwise exempt from or subject to a reduced rate of withholding tax, becomes subject to Taxes because of its failure to deliver a form required hereunder, the Company shall take such steps as such Bank shall reasonably request to assist such Bank to recover such Taxes.

(f) If the Company is required to pay additional amounts to or for the account of any Bank pursuant to this Section, then such Bank will change the jurisdiction of its Domestic Lending Office if, in the judgment of such Bank, such change (i) will eliminate or reduce any such additional payment which may thereafter accrue and (ii) is not otherwise disadvantageous to such Bank.

(g) Without prejudice to the survival of any other agreement of the Company hereunder, the agreements and obligations of the Company contained in this Section 2.16 shall survive the payment in full of principal and interest hereunder.

SECTION 2.17. Extension of the Stated Termination Date.

At least 60 but not more than 90 days before the initial Stated Termination Date, the Company may request the Banks in writing (each such request being irrevocable) to extend the Stated Termination Date for purposes of this Agreement and the Letters of Credit for an additional 364 days. Notice of such request shall be given by the Company to the Administrative Agent, which shall give notice thereof to each of the Banks. If the Company shall make such a request, the Administrative Agent shall, on or before the 45th day after receipt of such request, notify the Company in writing whether or not all of the Banks (including the L/C Issuers) consent to such request and, if all of the Banks (including the L/C Issuers) do so consent, the conditions of such consent (including conditions relating to legal documentation and the consent of the applicable Trustee). If the Administrative Agent shall not so notify the Company, the Banks (including the L/C Issuers) shall be deemed not to have consented to such request. If all of the Banks (including the L/C Issuers) consent to such an extension request and the conditions of such consent are satisfied, the L/C Issuers shall deliver to the applicable Trustee amendments to the Letters of Credit that extend the Stated Termination Date thereof.

SECTION 2.18. Substitution of Bank.

If any Bank has demanded compensation under Section 2.08 or 2.16, the Company shall have the right at its sole expense, with the assistance of the Administrative Agent, to seek one or more mutually satisfactory Eligible Assignees (which may be one or more of the Banks) to purchase for cash the Share of such Bank in the outstanding Advances and the Commitment and to assume all of such Bank's other rights and obligations hereunder pursuant to an instrument of

assignment in form and substance reasonably acceptable to the Administrative Agent and otherwise in accordance with the provisions of Section 2.14(a); provided that (i) any such assignment shall be without recourse to the assigning Bank, (ii) such assigning Bank shall have received payment of an amount equal to the outstanding principal of its Advances, accrued interest thereon, accrued fees and all other amounts payable to it hereunder, from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Company (in the case of all other amounts) and (iii) such assignment will result in a reduction of such compensation.

ARTICLE III

CONDITIONS OF ISSUANCE AND ADVANCES

SECTION 3.01. Conditions Precedent to the Issuance of the Letters of Credit.

The obligations of all the L/C Issuers to amend the Letters of Credit are subject to the condition precedent that the Administrative Agent shall have received, with sufficient copies for each Bank (except in the case of the Notes, for which only one copy of each requested Note shall be required), on or before the date of such amendment and restatement and such issuance, the following in form and substance satisfactory to the L/C Issuers and the Administrative Agent (it being contemplated that all of such conditions shall be satisfied on the Execution Date):

(a) Certified copies of (i) the resolutions of the Board of Directors of the Company approving this Agreement and the other matters contemplated hereby and (ii) all other documents evidencing other necessary corporate action and governmental approvals, if any, with respect to this Agreement.

(b) A certificate of the Secretary, an Assistant Secretary or an Associate Secretary of the Company certifying the names and true signatures of the officers of the Company authorized to sign this Agreement and the other documents to be delivered by it hereunder.

(c) Counterparts of the Agreement duly executed by or behalf of the Company and each other party thereto.

(d) An opinion of (i) the General Counsel of the Company in substantially the form of Exhibit O-1 hereto; (ii) Stoel Rives LLP, counsel for the Company, in substantially the form of Exhibit O-2 hereto and as to such other matters as the Administrative Agent may reasonably request; and (iii) Chapman and Cutler LLP, bond counsel, as to such matters as the Administrative Agent may reasonably request.

(e) Copies of the Operative Documents, in each case as amended to date, certified by the Company as being true and complete and in full force and effect all of which shall be in form and substance reasonably satisfactory to the Administrative Agent.

(f) For the account of the parties entitled thereto, payment of all fees and other amounts payable pursuant to the Fee Letters.

(g) A certificate of each Trustee as to the principal amount of Bonds outstanding in respect of which it is acting as Trustee.

(h) Copies of letters from Moody's and S&P to the effect that, upon the issuance of the amendments to the Letters of Credit, the Bonds shall be rated at least Aa2/P-1 (or Aa2/VMIG 1) and AA/A-1+, respectively, such letters to be in form and substance reasonably satisfactory to the Administrative Agent; provided, that, with respect to the Sweetwater Series 1990A Bonds, a letter from S&P shall not be required.

(i) A certificate of an authorized officer of each Trustee certifying the names, true signatures and incumbency of the officers of such Trustee authorized to make drawings under the Letter of Credit issued in favor of such Trustee and as to such other matters as the Administrative Agent may reasonably request.

(j) Notes, duly executed by or behalf of the Company and made payable to each of the Banks that has requested such Note.

SECTION 3.02. Additional Conditions Precedent to Issuance of Amendments to the Letters of Credit.

The obligations of the L/C Issuers to amend the Existing Letters of Credit shall be subject to the further conditions precedent that on the Execution Date:

(a) The following statements shall be true and the L/C Issuers shall have received an Officer's Certificate, dated the Execution Date, stating that:

(i) The representations and warranties contained in Section 4.01 of this Agreement are correct on and as of the Execution Date as though made on and as of such date; and

(ii) The representations and warranties of the Company contained in the Operative Documents, except for changes that would not materially adversely affect the ability of the Company to meet its obligations hereunder and under the Pledge Agreements, are correct on and as of the Execution Date as though made on and as of such date; and

(iii) No event has occurred and is continuing, or would result from the amendment or extension of the Letters of Credit, that constitutes a Default or an Event of Default.

(b) The Administrative Agent shall have received such other approvals, opinions or documents as any Bank may reasonably request.

SECTION 3.03. Conditions Precedent to Each Advance.

Each payment made by any L/C Issuer under the Letters of Credit pursuant to a Tender Draft shall constitute an Advance hereunder only if on the date of such payment the following statements shall be true and correct:

(i) The representations and warranties contained in Sections 4.01 (other than those contained in Section 4.01(a)(ii) hereof) are correct on and as of the date of such Advance, before and after giving effect to such Advance and to the application of the proceeds therefrom, as though made on and as of such date;

(ii) The representations and warranties of the Company contained in the Operative Documents are correct on and as of the date of such Advance, before and after giving effect to such Advance and to the application of the proceeds therefrom, as though made on and as of such date, except for changes that would not materially adversely affect the ability of the Company to meet its obligations hereunder and under the Pledge Agreements; and

(iii) No event has occurred and is continuing, or would result from such Advance or from the application of the proceeds therefrom, that constitutes a Default or an Event of Default.

Unless the Company shall have previously advised the Administrative Agent in writing or the Administrative Agent has actual knowledge that one or more of the above statements is no longer true, the Company shall be deemed to have represented and warranted, on the date of each payment by any L/C Issuer under the Letters of Credit pursuant to a Tender Draft, and on the date of making any Advance, that on the date of such payment the above statements are true.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES

SECTION 4.01. Representations and Warranties of the Company.

In order to induce the Banks to enter into this Agreement, the Company represents and warrants to each of the Administrative Agent, the L/C Issuers and the Banks as follows:

(a) Financial Condition.

(i) The consolidated balance sheet of the Company and its Subsidiaries as at March 31, 2005 and the related audited statements of consolidated income and retained earnings and of consolidated cash flows for the fiscal year then ended, reported on by PricewaterhouseCoopers LLP, and set forth in the Company's 2005 Form 10-K, a copy of which has been delivered to each of the Banks, fairly present, in conformity with generally accepted accounting principles, the consolidated financial position of the Company and its Subsidiaries as at such date, and their consolidated results of operations and cash flows for such fiscal year; and the unaudited consolidated balance sheet of the Company and its Subsidiaries as of June 30, 2005 and the related unaudited statements of consolidated income and retained earnings and of consolidated cash flows for the fiscal quarter then ended, set forth in the Company's 2005 Form 10-Q, a copy of which has been delivered to each of the Banks, fairly present, in conformity with generally accepted accounting principles, the consolidated financial position of the Company and its

Subsidiaries as at such date, and their consolidated results of operations and cash flows for such fiscal quarter, subject to normal year end adjustments.

(ii) There has since September 30, 2005 been no change in the business, financial position, results of operations or prospects of the Company which would materially adversely affect the ability of the Company to meet its obligations hereunder and under the Operative Documents.

(b) Corporate Existence and Power. The Company is a corporation duly incorporated and validly existing under the laws of the State of Oregon. The Company has all corporate powers and all material governmental licenses, authorizations, consents and approvals required to carry on its business as now conducted and to execute, deliver and perform this Agreement, the Pledge Agreements and the Operative Documents to which it is a party.

(c) Due Authorization, Etc. The execution, delivery and performance by the Company of this Agreement, Pledge Agreements and the other Operative Documents to which it is a party will not (i) require any consent or approval of the shareholders of the Company, (ii) violate any provision of any law, rule, regulation (including Regulation T, U, or X of the Board of Governors of the Federal Reserve System), order, writ, judgment, injunction, decree, determination or award presently in effect having applicability to the Company or of the charter or by-laws of the Company, (iii) result in a breach of or constitute a default under the Company's articles of incorporation, by-laws or any indenture or loan or credit agreement or any other agreement, lease or instrument to which the Company is a party or by which it or its properties may be bound or affected, or (iv) result in, or require, the creation or imposition of any Lien (other than the Lien of the Pledge Agreements and the Control Agreements) upon or with respect to any of the properties now owned or hereafter acquired by the Company.

(d) Government Authorization. No authorization or approval of, or other action by, and no notice to or filing with, any Governmental Authority (including pursuant to the Public Utility Holding Company Act of 1935, as amended) is required to be obtained or made by the Company for the due execution, delivery and performance by the Company of this Agreement, the Pledge Agreements or the Operative Documents to which it is a party, other than such as have been obtained and are in full force and effect or such as may be necessary under the blue sky laws of any jurisdiction.

(e) Federal Regulations. No portion of the proceeds of the Bonds, the Letter of Credit or any Advance will be used to purchase or carry any margin stock (as defined in Regulation U of the Board of Governors of the Federal Reserve System) or to extend credit to others for the purpose of purchasing or carrying any such margin stock.

(f) Enforceable Obligations. Each of this Agreement, the Pledge Agreements and each other Operative Document to which the Company is a party constitutes (assuming due authorization, execution and delivery by the other parties hereto and thereto) a legal, valid and binding obligation of the Company enforceable against the Company in accordance with its terms, except as (i) the foregoing may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally and (ii) rights of acceleration and the availability of equitable remedies may be limited by equitable principles of

general applicability. The obligations of the Company to the Banks hereunder to pay all amounts paid by the Banks under the Letters of Credit, interest thereon as provided herein and all other fees, expenses and amounts hereunder constitute “Senior Indebtedness” for purposes of the Indenture dated as of May 1, 1995 between the Company and The Bank of New York, as Trustee.

(g) Not an Investment Company; Subsidiary of Public Utility Holding Company. The Company is not an “investment company” within the meaning of the Investment Company Act of 1940, as amended; and the Company is a “subsidiary company” and an “affiliate” of a “holding company” within the meaning of the Public Utility Holding Company Act of 1935, as amended.

(h) No Litigation. No litigation, investigation or proceeding of or before any arbitrator or Governmental Authority is pending or, to the knowledge of the Company, threatened by or against the Company or against any of its properties or revenues (i) with respect to this Agreement, or any Operative Document or any of the transactions contemplated hereby or thereby, or (ii) in which there is a reasonable possibility of an adverse determination which would materially adversely affect the ability of the Company to meet its obligations hereunder and under the Operative Documents (except as described in the Company’s Annual Report on Form 10-K for the fiscal year ended March 31, 2005 or the Quarterly Report on Form 10-Q for the quarters ended June 30, 2005 and September 30, 2005 filed with the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended).

(i) Taxes. The Company has filed all United States Federal income tax returns and all other material tax returns which are required to be filed by it and has paid all taxes due pursuant to such returns or pursuant to any assessment received by the Company. The charges, accruals and reserves on the books of the Company in respect of taxes or other governmental charges are, in the reasonable opinion of the Company, adequate.

(j) ERISA. Each member of the Controlled Group has fulfilled its obligations under the minimum funding standards of ERISA and the Code with respect to each Plan and is in compliance in all material respects with the presently applicable provisions of ERISA and the Code with respect to each Plan. No member of the Controlled Group has (i) failed to make any contribution or payment to any Plan or Multiemployer Plan, or made any amendment to any Plan, which has resulted or would result in the imposition of a Lien or the posting of a bond or other security under ERISA or the Code or (ii) incurred any liability under Title IV of ERISA other than a liability to the PBGC for premiums under Section 4007 of ERISA, except where such failure or incurrence would not have a material adverse effect on the ability of the Company to meet its commitments hereunder.

(k) Pledge. The pledge of the Bonds pursuant to the Pledge Agreements and the Control Agreements has been or will, upon execution of the Pledge Agreements and the Control Agreements, be duly created and perfected, with the priority contemplated by the Pledge Agreements and the Control Agreements.

(l) No Default. The Company is not in default in any respect under or with respect to any material contract, agreement, arrangement or instrument to which it is a party or by which it

or any of its assets may be bound or affected. The Company is not in default under any material order, award or decree of any court, arbitrator, or other Governmental Authority or other Person binding upon or affecting it or by which any of its assets may be bound or affected. The Company is not subject to any order, award or decree which could reasonably be expected to materially adversely affect its ability to carry on its businesses as presently conducted or as proposed to be conducted or to perform its obligations under any other order, award or decree.

(m) Official Statement. The information contained in the Official Statement and all written information provided to the Banks in connection with this Agreement as of their respective dates is correct in all material respects and does not contain an untrue statement of a material fact or omit to state a material fact necessary to make the statements made in the Official Statement, in light of the circumstances under which they were made, not misleading. The Company makes no representation as to information in the Official Statement relating to any Bank and provided by a Bank for inclusion in the Official Statement or summarizing the contents of documents.

(n) Environmental Matters. The Company conducts in the ordinary course of its business a review of the effect of existing Environmental Laws on its business, operations and properties, and as a result thereof has reasonably concluded that such Environmental Laws are unlikely to have a material adverse effect on the ability of the Company to meet its commitments hereunder or under any of the Operative Documents.

(o) Insurance. The properties and operations of the Company of a character usually insured by Persons of established reputation engaged in the same or a similar business, similarly situated, are adequately insured both as to type of insurance and amount by financially sound and reputable insurers, and the Company carries with such insurers adequate other insurance, including public liability and product liability insurance, as is usually carried by Persons of established reputation engaged in the same or a similar business, similarly situated.

(p) Bonds Validly Issued. The Bonds have been duly authorized, authenticated and issued and delivered, and are the legal, valid and binding obligations of the applicable Issuer, and are not in default.

(q) Taxability. The performance of this Agreement and the transactions contemplated herein will not affect the status of the interest on the Bonds as exempt from Federal income tax.

(r) Title to Real Property. The Company has good and sufficient title to all of the real property it purports to own, free and clear of Liens other than Liens permitted pursuant to Section 5.02(d) and other than minor defects and irregularities customarily found in properties of like size and character that do not materially impair the use of the property affected thereby and the operation of the business of the Company.

(s) Accuracy of Information. No exhibit, schedule, report or other written information provided by or on behalf of the Company or its agents to the Administrative Agent, the L/C Issuers or the Banks in connection with the negotiation, execution and closing of this Agreement (including the Official Statement) knowingly contained when made any material misstatement of fact or knowingly omitted to state any material fact necessary to make the

statements contained therein not misleading in light of the circumstances under which they were made.

(t) Solvency. (i) The Company's assets do not constitute unreasonable small capital to carry out its business as now conducted or as proposed to be conducted; (ii) the Company does not intend to incur debt beyond its ability to pay such debts as they mature (taking into account the timing and amounts of cash to be received by it and the amounts to be payable on or in respect of its obligations); and (iii) the Company does not believe that final judgments against it in actions for money damages presently pending will be rendered at a time when, or in an amount such that, it will be unable to satisfy any such judgments promptly in accordance with their terms (taking into account the maximum reasonable amount of such judgments in any such actions and the earliest reasonable time at which such judgments might be rendered). The Company's cash flow and other resources available to the Company, after taking into account all other anticipated uses of its cash (including the payments on or in respect of debt referred to in clause (ii) above), will at all times be sufficient to pay all such judgments promptly in accordance with their terms.

ARTICLE V

COVENANTS OF THE COMPANY

SECTION 5.01. Affirmative Covenants.

So long as a drawing is available under the Letters of Credit or any L/C Issuer or the Banks shall have any Commitment hereunder or the Company shall have any obligation to pay any amount to the Banks, the L/C Issuers or the Administrative Agent hereunder, the Company will, unless the Majority Banks shall otherwise consent in writing:

(a) Financial Statements of the Company. Deliver to the Banks:

(i) as soon as available and in any event within 60 days after the end of each of the first three quarters of each fiscal year of the Company, a consolidated balance sheet of the Company and its Consolidated Subsidiaries as of the end of such quarter, the related statement of consolidated income and retained earnings for such quarter and for the portion of the Company's fiscal year ended at the end of such quarter and the related statement of cash flows for the portion of the Company's fiscal year ended at the end of such quarter, setting forth in each case (except for the consolidated balance sheet of the Company and its Consolidated Subsidiaries as of the end of such quarter) in comparative form the figures for the corresponding quarter and the corresponding portion of the Company's previous fiscal year, all certified (subject to normal year-end adjustments) as to fairness of presentation, generally accepted accounting principles and consistency by an Authorized Officer;

(ii) as soon as available and in any event within 120 days after the end of each fiscal year of the Company, a consolidated balance sheet of the Company and its Consolidated Subsidiaries as of the end of such fiscal year and the related statements of consolidated income and retained earnings and cash flows for such fiscal year, setting forth in each case in comparative form the figures for the previous fiscal year, all reported

on in a manner acceptable to the Securities and Exchange Commission by PricewaterhouseCoopers LLP or other independent public accountants of nationally recognized standing;

(iii) simultaneously with the delivery of each set of financial statements referred to in clauses (i) and (ii) above, a certificate of an Authorized Officer (i) setting forth in detail satisfactory to the Administrative Agent the calculations required to establish whether the Company was in compliance with the requirements of Section 5.02(c) and Section 5.02(d)(xi) on the date of such financial statements and (ii) stating whether any Default exists on the date of such certificate and, if any Default then exists, setting forth the details thereof and the action which the Company is taking or proposes to take with respect thereto;

(iv) simultaneously with the delivery of each set of financial statements referred to in clause (ii) above, a statement of the firm of independent public accountants which reported on such statements whether anything has come to their attention or cause them to believe that any Default existed on the date of such statements;

(v) forthwith upon the occurrence of any Default, a certificate of an Authorized Officer setting forth the details thereof and the action which the Company is taking or proposes to take with respect thereto;

(vi) promptly upon the mailing thereof to the shareholders of the Company generally, copies of all financial statements, reports and proxy statements so mailed;

(vii) promptly upon transmission thereof, copies of all such reports which it files with the Securities and Exchange Commission (or any governmental body or agency succeeding to the functions of the Securities and Exchange Commission) under the Securities Exchange Act of 1934, as amended;

(viii) if and when any member of the Controlled Group (i) gives or is required to give notice to the PBGC of any "reportable event" (as defined in Section 4043 of ERISA), for which the requirement of notice to the PBGC within 30 days has not been waived, with respect to any Plan which might constitute grounds for a termination of such Plan under Title IV of ERISA, or knows that the plan administrator of any Plan has given or is required to give notice of any such reportable event, a copy of the notice of such reportable event given or required to be given to the PBGC; (ii) receives notice of complete or partial withdrawal liability under Title IV of ERISA in excess of \$10,000,000 or notice that any Multiemployer Plan is in reorganization, is insolvent or has been terminated, which reorganization, insolvency or termination is reasonably expected to result in a current payment obligation of one or more members of the Controlled Group in excess of \$10,000,000, a copy of such notice; (iii) receives notice from the PBGC under Title IV of ERISA of an intent to terminate, impose liability (other than for premiums under Section 4007 of ERISA) in respect of, or appoint a trustee to administer, any Plan, a copy of such notice; (iv) applies for a waiver of the minimum funding standard under Section 412 of the Code, a copy of such application; (v) gives notice of intent to terminate any Plan under Section 4041(c) of ERISA, a copy of such notice and other information

filed with the PBGC; (vi) gives notice of withdrawal from any Plan pursuant to Section 4063 of ERISA, a copy of such notice; or (vii) fails to make any payment or contribution to any Plan or Multiemployer Plan, or makes any amendment to any Plan, which has resulted or would result in the imposition of a Lien or the posting of a bond or other security, an Officer's Certificate setting forth details as to such occurrence and action, if any, which the Company or applicable member of the Controlled Group is required or proposes to take; and

(ix) from time to time such additional information regarding the financial position or business of the Company as the Administrative Agent, at the request of any Bank, may reasonably request.

The Banks are hereby authorized to deliver a copy of the financial statements delivered to it pursuant to this Section 5.01 to any regulatory body having jurisdiction over it.

(b) Inspection. Subject to contractual or statutory limitations regarding confidential or proprietary information, the Company covenants that it will permit, at any reasonable time and from time to time, the Banks or any agents or representatives thereof to examine and make copies of and abstracts from the records and books of account of, and visit the properties of, the Company and discuss the general business affairs of the Company with any of its officers; *provided* that the Company reserves the right to restrict access to any of its facilities in accordance with reasonably adopted procedures relating to safety and security; and *provided* further that the costs and expenses incurred by the Banks or its agents or representatives in connection with any such examinations, copies, abstracts, visits or discussions shall be for the account of each Bank, unless such costs and expenses were so incurred during the continuance of a Default or Event of Default in which case they shall be for the account of the Company.

(c) Preservation of Corporate Existence, Etc. The Company covenants that it will preserve and maintain its corporate existence, rights, franchises and privileges in the jurisdiction of its incorporation, and qualify and remain qualified as a foreign corporation in each jurisdiction in which such qualification is required by law to conduct its business.

(d) Compliance with Laws, Etc. The Company will comply in all respects with all applicable laws, ordinances, rules, regulations and requirements of governmental authorities (including Environmental Laws and ERISA and the rules and regulations thereunder) except where the necessity of compliance therewith is contested in good faith by appropriate proceedings or where non-compliance therewith would not have a material adverse effect on the ability of the Company to meet its commitments hereunder.

(e) Maintenance of Property; Insurance. The Company covenants that it will keep all property useful and necessary in its business in good working order and condition, ordinary wear and tear expected, and that it will maintain insurance with responsible and reputable insurance companies (or through its own program of self-insurance) in such amounts, with such deductibles and covering such risks as is usually maintained by companies engaged in similar businesses and owning similar properties.

(f) Certain Notices. The Company covenants that it will furnish to the Administrative Agent a copy of any notice, certification, demand or other writing or communication given by any Issuer to the Company or by the Company to any Issuer under or in connection with the Bonds or any of the Operative Documents, in each case promptly after the receipt or giving of the same.

(g) Maintenance of Trustee. The Company will maintain in place a Trustee in accordance with the provisions of each Indenture.

(h) Official Statement. The Company will not include, or permit to be included, any material or reference relating to any Bank in any Official Statement or any tombstone advertisement, unless such material or reference is approved in writing by such Bank prior to its inclusion therein; and will not distribute, or permit to be distributed or used, any Official Statement unless copies of such Official Statement are furnished to such Bank.

(i) Remarketing. The Company will not suffer or permit the Remarketing Agent to remarket any Bonds at a price less than the principal amount thereof plus accrued interest, if any, thereon to the respective dates of remarketing. Upon written notice from the Administrative Agent that any Remarketing Agent is failing to reprice or remarket the applicable Bonds in the manner contemplated by the applicable Remarketing Agreement (including in the event at any time no person is serving as Remarketing Agent for any Bonds), the Company will take all appropriate action available to the Company to remedy such failure.

(j) Substitute Letter of Credit. The Company will not substitute another letter of credit for any Letter of Credit unless prior to or simultaneously with such substitution, there shall be repaid to the Banks in full in cash all amounts owing hereunder with respect to such Letter of Credit and such Letter of Credit shall be cancelled.

(k) Remarketing Agent. The Company will maintain in place a Remarketing Agent in respect of each of the Bonds in accordance with the provisions of the applicable Indenture. Without the prior written approval of the Majority Banks (which approval shall not be unreasonably withheld), the Company will not appoint or permit or suffer to be appointed any successor Remarketing Agent.

(l) Redemption or Defeasance of Bonds. The Company shall use its reasonable best efforts to cause the applicable Trustee, upon redemption or defeasance of all of the Bonds pursuant to any Indenture, to surrender the Letter of Credit issued in respect of such Bonds to the applicable L/C Issuer for cancellation.

(m) Registration of Bonds. The Company shall cause all Bonds which it acquires, or which it has had acquired for its account, to be registered forthwith in accordance with the applicable Indenture in the name of the Company or its nominee (the name of any such nominee to be disclosed to the applicable Trustee and the Administrative Agent).

SECTION 5.02. Negative Covenants.

(a) Amendment of Agreements. The Company covenants that it will not amend, modify or terminate, or agree to amend, modify or terminate, any Operative Document, except with the prior written consent of the Majority Banks.

(b) Consolidation; Merger; Sale of Assets. The Company covenants that it will not sell, lease or otherwise transfer, directly or indirectly, all or substantially all of the assets of the Company, or consolidate or merge with any other Person unless, immediately thereafter, the Company shall be the surviving corporation and, after giving effect to such transaction, no Default or Event of Default shall have occurred and be continuing.

(c) Total Debt. The Company covenants that at no time will the Total Debt of the Company exceed 65% of the Total Capitalization of the Company.

(d) Negative Pledge. The Company will not create, assume or suffer to exist any Lien on any asset now owned or hereafter acquired by it, except:

(i) the Lien of the Pledge Agreements and the Control Agreements;

(ii) the Lien of the Umbrella Mortgage;

(iii) any Lien that qualifies as an “Excepted Encumbrance” under Section 1.06 of the Umbrella Mortgage, *provided* that foreclosure of any Liens for taxes, assessments or other governmental charges so qualifying shall have been effectively stayed;

(iv) any Lien on the Company’s interest in facilities securing Debt incurred or assumed for the purpose of financing all or any part of the cost of acquiring such facilities, *provided* that the interest on such Debt is exempt from tax under the Code as in effect when such Debt is incurred or assumed;

(v) any Lien on the Company’s interest in Pollution Bonds or cash or cash equivalents securing (i) the obligation of the Company to reimburse the issuer of a Pollution LC for a drawing on such Pollution LC for the purpose of purchasing Pollution Bonds or (ii) the obligation of the Company to reimburse or repay amounts advanced under any facility entered into to provide liquidity or credit support for any issue of Pollution Bonds;

(vi) any Lien on any asset securing Debt of the Company incurred or assumed for the purpose of financing all or any part of the cost of acquiring such asset, *provided* that such Lien attaches to such asset concurrently with or within 90 days after the acquisition thereof;

(vii) any Lien on any asset of any corporation existing at the time such corporation is merged or consolidated with or into the Company and not created in contemplation of such event;

(viii) any Lien existing on any asset prior to the acquisition thereof by the Company and not created in contemplation of such acquisition;

(ix) any Lien arising out of the refinancing, extension, renewal or refunding of any Debt of the Company secured by any Lien permitted by any of the foregoing clauses (iii) through (viii), inclusive, of this Section, provided that such Debt is not increased and is not secured by any additional assets;

(x) Liens incidental to the conduct of its business or the ownership of its assets which (a) do not secure Debt or obligations under Hedging Agreements, (b) do not secure any single obligation (or series of related obligations) in an amount exceeding \$100,000,000 and (c) do not in the aggregate materially detract from the value of its assets or materially impair the use thereof in the operation of its business;

(xi) Liens on cash and cash equivalents securing obligations under Hedging Agreements; *provided* that the aggregate amount of cash and cash equivalents subject to Liens permitted by this clause (xi) shall at no time exceed \$75,000,000;

(xii) Liens not otherwise permitted by the foregoing clauses of this Section securing Debt of the Company and Liens not permitted by clause (xi) above on cash and cash equivalents securing obligations under Hedging Agreements; *provided* that the sum of (a) the aggregate principal amount of Debt secured by such Liens and (b) the aggregate amount of cash and cash equivalents subject to Liens not permitted by clause (xi) above securing obligations under Hedging Agreements shall not at any time exceed 7.5% of Tangible Net Worth;

(xiii) the right of the counterparty to two or more Hedging Agreements with the Company to close out such Hedging Agreements if applicable margin or other requirements are not met and apply any proceeds thereof to any resulting balance due;

(xiv) Liens on cash and letters of credit securing obligations under Commodity Forward Contracts; and

(xv) the right of the counterparty to two or more Commodity Forward Contracts to close out such Commodity Forward Contracts if applicable margin or other requirements are not met and apply any proceeds thereof to any resulting balance due.

(e) Guaranties. The Company will not enter into any Guaranty of any Debt or other obligation of any Subsidiary, except (i) any such Guaranties of Debt or other obligations that (a) have been approved by appropriate orders from the utility regulatory authorities to which the Company is at the time subject and (b) pertain solely to Debt or other obligations substantially all of the net proceeds of which are loaned by such Subsidiary to the Company and (ii) any such Guaranties of other obligations which Guaranties are not material to the financial position of the Company either individually or in the aggregate.

ARTICLE VI

EVENTS OF DEFAULT

SECTION 6.01. Events of Default.

The occurrence of any of the following events shall be an “*Event of Default*” hereunder:

- (a) the Company shall fail to pay when due any amount paid by the Administrative Agent, any L/C Issuer or any Bank under the Letter of Credit or any principal of any Tender Advance or shall fail to pay, within five days of the due date thereof, any interest or any fees payable hereunder; or
- (b) the Company shall fail to pay any other amount claimed by the Administrative Agent, any L/C Issuer or any Bank under this 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 \$100,000, and (iii) the aggregate of all such unpaid claimed amounts does not exceed \$300,000; or
- (c) any representation or warranty made by the Company in Article IV hereof, in any Pledge Agreement or any Control Agreement or in any certificate, financial or other statement furnished by the Company pursuant to this Agreement or any Pledge Agreement or any Control Agreement shall prove to have been incorrect in any material respect when made or deemed made; or
- (d) for any reason (other than release by the Administrative Agent), any Pledge Agreement or any Control Agreement shall cease to be in full force and effect or any Pledge Agreement or any Control Agreement shall cease to constitute a first and prior lien on all Bonds pledged pursuant to such Pledge Agreement or Control Agreement or if the Company shall not be liable under or any Pledge Agreement or any Control Agreement or shall so assert; or
- (e) the Company shall fail to perform or observe (i) any of the provisions of Sections 5.01(c) and 5.02(b) through (f) hereof, or (ii) any other term, covenant or agreement contained in this Agreement, any Pledge Agreement or any Control Agreement and any such failure under this clause (ii) shall remain unremedied for 15 days after written notice thereof shall have been given to the Company by the Administrative Agent; or
- (f) any material provision of this Agreement, any Pledge Agreement or any Control 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 or the Company shall deny that it has any or further liability or obligation under this Agreement, any Pledge Agreement or any Control Agreement; or
- (g) the Company shall fail to make any payment in respect of any Material Debt or Material Hedging Obligations when due or within any applicable grace period; or

(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 or any requisite percentage of the holders of such Material Debt or any Person acting on such holder's behalf to accelerate the maturity thereof; or

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

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

(k) the Company or any member of the Controlled Group shall fail to pay when due an amount or amounts aggregating in excess of \$25,000,000 which it shall have become liable to pay to the PBGC or to a Plan under Title IV of ERISA; or notice of intent to terminate a Material Plan shall be filed under Title IV of ERISA by any member of the Controlled Group, any plan administrator or any combination of the foregoing; or the PBGC shall institute proceedings under Title IV of ERISA to terminate, to impose liability in excess of \$25,000,000 (other than for premiums under Section 4007 of ERISA) in respect of, or to cause a trustee to be appointed to administer any Material Plan or a proceeding shall be instituted by a fiduciary of any Multiemployer Plan against any member of the Controlled Group to enforce Section 515 or 4219(c)(5) of ERISA in respect of an amount or amounts aggregating in excess of \$25,000,000, and such proceeding shall not have been dismissed within 30 days thereafter; or a condition shall exist by reason of which the PBGC would be entitled to obtain a decree adjudicating that any Material Plan must be terminated; or there shall occur a complete or partial withdrawal from, or a default, within the meaning of Section 4219(c)(5) of ERISA, with respect to, one or more Multiemployer Plans which would cause one or more members of the Controlled Group to incur a current payment obligation in excess of \$25,000,000;

(l) 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

(m) An Acceptable Parent shall fail to own (directly or indirectly through one or more Subsidiaries) at least 80% of the outstanding shares of common stock of the Company; any person or group of persons (within the meaning of Section 13 or 14 of the Securities Exchange Act of 1934, as amended), except Berkshire Hathaway Inc. or any wholly-owned subsidiary

thereof, shall acquire beneficial ownership (within the meaning of Rule 13d-3 promulgated by the Securities and Exchange Commission under said Act) of 35% or more of the outstanding shares of common stock of an Acceptable Parent; or, during (i) the period commencing on the date of this Agreement and ending on the date immediately preceding the date of election of new directors in connection with the completion of the acquisition by MidAmerican of 100% of the common stock of the Company pursuant to the Stock Purchase Agreement dated as of May 23, 2005 or (ii) any period of 14 consecutive calendar months thereafter, individuals who were directors of the Company on the first day of such period and any new director whose election by the board of directors of the Company or nomination for election by the Company's shareholders was approved by a vote of at least a majority of the directors then still in office who either were directors at the beginning of the applicable period or whose election or nomination for election was previously so approved, shall cease to constitute a majority of the board of directors of the Company; or

- (n) the occurrence of an event of default as defined in any Operative Document.

SECTION 6.02. Upon an Event of Default.

If any Event of Default shall have occurred and be continuing, then, and in any such event, the Administrative Agent may, and upon written instructions from the Majority Banks, shall, (i) by notice to the Company declare all Tender Advances and all interest accrued thereon and all other amounts due hereunder 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 Sections 6.01(i) and (j), 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 hereby waived by the Company, (ii) give written notice to the applicable Trustee as contemplated by clause (e) of Section 9.01 of the applicable Indenture (or for the Sweetwater Series 1995 Bonds, clause (f) of Section 9.01 of the Sweetwater 1995 Indenture), that an Event of Default has occurred, (iii) by notice sent to the Company, require the immediate deposit of cash collateral in an amount equal to the Letter of Credit Amount and all unpaid Tender Advances, and the same shall thereupon become and be immediately due and payable by the Company; *provided, however*, that the Administrative Agent shall cause such cash collateral to be deposited in a separate account which shall not be debited to make any payment directly to a beneficiary of a Letter of Credit pursuant to a draw by such beneficiary under such Letter of Credit, and (iv) pursue all remedies available to it at law, by contract, at equity or otherwise, including all remedies under the Pledge Agreements and the Control Agreements. The Company hereby pledges, assigns and grants to the Administrative Agent, on behalf of and for the ratable benefit of the Banks and any L/C Issuer, a security interest in all of the Company's right, title and interest in and to all funds which may from time to time be on deposit in such cash collateral account to secure the prompt and complete payment and performance of the Company's obligations hereunder (including, without limitation, any and all Reimbursement Obligations and any other amounts as shall become due and payable by the Company to the Banks or any L/C Issuer under this Agreement, any Pledge Agreement or any Control Agreement), and the Administrative Agent may at any time or from time to time after funds are deposited in the such cash collateral account, apply such funds to the payment of any such obligations.

ARTICLE VII

THE AGENTS AND THE L/C ISSUERS

SECTION 7.01. Authorization and Action.

Each Bank hereby appoints and authorizes the Administrative Agent to take such action as Administrative Agent on its behalf and to exercise such powers under this Agreement as are delegated to the Administrative Agent by the terms hereof, together with such powers as are reasonably incidental thereto. As to any matters not expressly provided for by this Agreement (including enforcement or collection of the Reimbursement Obligations), the Administrative Agent shall not be required to exercise any discretion or take any action, but shall be required to act or to refrain from acting (and shall be fully protected in so acting or refraining from acting) upon the instructions of the Majority Banks, and such instructions shall be binding upon all Banks; *provided, however*, that the Administrative Agent shall not be required to take any action that exposes the Administrative Agent to personal liability or that is contrary to this Agreement or applicable law. The Administrative Agent agrees to give to each Bank prompt notice of each notice given to it by the Company, any Trustee or any L/C Issuer pursuant to the terms of this Agreement.

SECTION 7.02. Administrative Agent's Reliance, Etc.

Neither the Administrative Agent, the L/C Issuers nor any of their directors, officers, agents or employees shall be liable for any action taken or omitted to be taken by it or them under or in connection with this Agreement or any Operative Document, except for its or their own gross negligence or willful misconduct as finally determined by a court of competent jurisdiction. Without limiting the generality of the foregoing, each of the Administrative Agent and the L/C Issuers: (i) may consult with legal counsel (including counsel for the Company), independent public accountants and other experts selected by it and shall not be liable for any action taken or omitted to be taken in good faith by it in accordance with the advice of such counsel, accountants or experts; (ii) makes no warranty or representations to any Bank and shall not be responsible to any Bank for any statements, warranties or representations (whether written or oral) made in or in connection with this Agreement or any Operative Documents; (iii) shall not have any duty to ascertain or to inquire as to the performance or observance of any of the terms, covenants or conditions of this Agreement or any Operative Document on the part of the Company or to inspect the property (including the books and records) of the Company; (iv) shall not be responsible to any Bank for the due execution, legality, validity, enforceability, genuineness, sufficiency or value of this Agreement or any Operative Document or any other instrument or document furnished pursuant hereto or thereto; and (v) shall incur no liability under or in respect of this Agreement or any Operative Document by acting upon any notice, consent, certificate or other instrument or writing (which may be by telecopier or telegram) believed by it to be genuine and signed or sent by the proper party or parties. Notwithstanding any provision to the contrary contained elsewhere in this Agreement or in any other Operative Document, the Administrative Agent shall have no duties or responsibilities, except those expressly set forth herein, nor shall the Administrative Agent have or be deemed to have any fiduciary relationship with any Bank and no implied covenants, functions, responsibilities, duties,

obligations or liabilities shall be read into this Agreement or any other Operative Document or otherwise exist against the Administrative Agent.

SECTION 7.03. Bank Independent Credit Decision.

Each Bank, including any Bank executing and delivering an assignment, confirms and agrees hereto as follows: (i) neither the Administrative Agent or any L/C Issuer makes any representation or warranty or assumes any responsibility with respect to any statements, warranties or representations made in or in connection with this Agreement or the execution, legality, validity, enforceability, genuineness, sufficiency or value of this Agreement or any other instrument or document furnished pursuant hereto; (ii) neither the Administrative Agent or any L/C Issuer makes any representation or warranty or assumes any responsibility with respect to the financial condition of the Company or the performance or observance by the Company of any of its obligations under this Agreement or any other instrument or document furnished pursuant hereto; (iii) each Bank confirms that it and its legal counsel have received a copy of this Agreement and the Exhibits hereto, together with copies of such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Agreement, and acknowledges that it is satisfied with the form and substance of this Agreement and the Exhibits hereto; (iv) each Bank will, independently and without reliance upon the Administrative Agent, any L/C Issuer or any other Bank and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement, and will not rely on the Administrative Agent or any L/C Issuer (x) to check or inquire on its behalf into the adequacy, accuracy or completeness of any information provided by the Company under or in connection with this Agreement or the transactions herein contemplated (whether or not such information has been or is hereafter distributed by the Administrative Agent) or (y) to assess or keep under review on its behalf the financial condition, creditworthiness, condition, affairs, status or nature of the Company; (v) each Bank appoints and authorizes the Administrative Agent to take such action as agent on its behalf and to exercise such powers under this Agreement as are delegated to such Administrative Agent by the terms hereof, together with such powers as are reasonably incidental thereto; and (vi) each Bank agrees that it will perform in accordance with their terms all of the obligations which by the terms of this Agreement are required to be performed by it as a Bank.

SECTION 7.04. Indemnification.

The Banks agree to indemnify the Administrative Agent and the L/C Issuers (to the extent not reimbursed by the Company), ratably according to their respective Shares determined at the time such indemnification is sought, from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever that may be imposed on, incurred by, or asserted against the Administrative Agent or any L/C Issuer in their respective capacities as such in any way relating to or arising out of this Agreement or any action taken or omitted by the Administrative Agent or any L/C Issuer under this Agreement or the Operative Documents; *provided* that no Bank shall be liable for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting from the Administrative Agent's or the L/C Issuers' gross negligence or willful misconduct as finally determined by a court of competent jurisdiction. Without limitation of the foregoing, each Bank agrees to reimburse the Administrative Agent and

the L/C Issuers promptly upon demand for its ratable share (determined at the time such unreimbursed expenses are sought) of any out of pocket expenses (including reasonable counsel fees) incurred by the Administrative Agent or any L/C Issuer in connection with the administration, modification, amendment or enforcement (whether through negotiations, legal proceedings or otherwise) of, or legal advice in respect of rights or responsibilities under this Agreement, to the extent that the Administrative Agent or any L/C Issuer is not reimbursed for such expenses by the Company. This provision shall survive the termination of this Agreement.

SECTION 7.05. Barclays and Affiliates.

With respect to its Share and the Reimbursement Obligations held by it, Barclays shall have the same rights and powers under this Agreement as any other Bank and may exercise the same as though it were not the Administrative Agent; and the term “Bank” or “Banks” shall, unless otherwise expressly indicated, include Barclays in its individual capacity. Barclays and its affiliates may accept deposits from, lend money to, act as trustee under indentures of, and generally engage in any kind of business with, the Company, any of its Subsidiaries and any Person who may do business with the Company or any of its Subsidiaries, all as if Barclays were not the Administrative Agent and without any duty to account therefor to the Banks.

SECTION 7.06. Successor Administrative Agent.

The Administrative Agent may resign at any time by giving written notice thereof to the Banks and the Company and may be removed at any time with cause by the Majority Banks. Upon any such resignation or removal, the Majority Banks shall have the right to appoint a successor Administrative Agent subject to the approval of the Company (not to be unreasonably withheld). If no successor Administrative Agent shall have been so appointed by the Majority Banks, and shall have accepted such appointment, within 30 days after the retiring Administrative Agent’s giving notice of resignation or the Majority Banks removal of the retiring Administrative Agent, then the retiring Administrative Agent after consultation with the Company may, on behalf of the Banks, appoint a successor Administrative Agent, which shall be a commercial bank organized or licensed under the laws of the United States of America or of any State thereof and having a combined capital and surplus of at least \$50,000,000.00. Upon the acceptance of any appointment as Administrative Agent hereunder by a successor Administrative Agent, such successor Administrative Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring Administrative Agent, and the retiring Administrative Agent shall be discharged from its duties and obligations under this Agreement. After any retiring Administrative Agent’s resignation or removal hereunder as Administrative Agent, the provisions of this Article VII shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Administrative Agent under this Agreement.

ARTICLE VIII

MISCELLANEOUS

SECTION 8.01. Amendments, Etc.

No amendment or waiver of any provision of this Agreement, nor consent to any departure by the Company therefrom, shall in any event be effective unless the same shall be in writing and signed by the L/C Issuers, the Administrative Agent, the Majority Banks and the Company, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; *provided, however*, that no amendment, waiver or consent shall, unless in writing and signed by all the Banks, do any of the following: (a) waive any of the conditions specified in Section 3.03, (b) increase the amount of the Commitment, extend the Stated Termination Date then in effect or subject any Banks to any additional obligations, (c) reduce the principal of, or interest on, the Reimbursement Obligations or any fees or other amounts payable hereunder (except fees payable for the account of the L/C Issuers or Administrative Agent), (d) postpone any date fixed for any payment of principal of, or interest on, the Reimbursement Obligations or any fees or other amounts payable hereunder (except fees payable for the account of the L/C Issuers or Administrative Agent), (e) change the percentage of the Reimbursement Obligations or of the Shares or the number of Banks that shall be required for the Banks or any of them to take any action hereunder, (f) alter the ratable application of payments or prepayments of principal, interest or other amounts hereunder among the Banks, (g) release any of the Pledged Bonds except upon reimbursement for the drawings related to such Pledged Bonds or as otherwise provided in this Agreement or any of the Pledge Agreements or (h) amend, waive, supplement or otherwise modify this Section 8.01, Section 8.04(b) or Section 8.04(c); *provided, further*, that no amendment, waiver or consent shall, unless in writing and signed by the Administrative Agent or the L/C Issuers, in addition to the Banks required above to take such action, affect the rights or duties of the Administrative Agent or the L/C Issuers, respectively, under this Agreement.

SECTION 8.02. Notices, Etc.

All notices and other communications provided for hereunder shall be in writing (including telecopy notice) and mailed, sent, telecopied or delivered, if to the Company, to its street address at 825 N.E. Multnomah St., Portland, Oregon 97232, and, in the case of telecopy, to telecopy no. (503) 813-5673, in each case to Attention: Treasurer; if to the Administrative Agent or to Barclays, as an L/C Issuer, in the case of deliveries or mailings, to its address at 200 Park Avenue, New York, New York 10166 and, in case of telecopy, to telecopy no. (212) 412-6709, in each case to Attention: Sydney G. Dennis, Power and Utilities Group, with a copy to Attention: May Huang, Customer Service Unit, at 200 Park Avenue, New York, New York 10166, and, in case of telecopy, to telecopy no. (212) 412-5306; if to BNP, as an L/C Issuer, in the case of deliveries or mailings, to its address at 919 Third Avenue, Third Floor, New York, New York 10022, and, in case of telecopy, to telecopy no. (212) 471-6996, in each case to Attention: Johnnie Etheridge, with a copy to Attention: Manoj Khatri, at 787 7th Avenue, New York, New York 10019, and, in case of telecopy, to telecopy no. (212) 841-2555; and if to any other Bank, at its address specified on Schedule I hereto or to the address designated by such Bank in the assignment agreement executed by such Bank pursuant to Section 2.14(a); or as to

each party, at such other address as shall be designated by such party in a written notice to the other parties. All such notices and communications shall be effective when mailed or sent, addressed as aforesaid, except that notices to any L/C Issuer or the Administrative Agent pursuant to the provisions of Article II shall not be effective until received by such L/C Issuer or the Administrative Agent, as appropriate.

SECTION 8.03. No Waiver; Remedies.

No failure on the part of any Bank or the Administrative Agent to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right hereunder preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

SECTION 8.04. Right of Set-off; Sharing of Payments.

(a) In addition to any rights now or hereafter granted under applicable law and not by way of limitation of any such rights, during the continuance of any Event of Default, each Bank is hereby authorized at any time and from time to time, without notice to the Company or to any other person or entity, any such notice being hereby expressly waived, to set-off and to appropriate and apply any and all deposits (general or special) and any other indebtedness at any time held or owing by such Bank to or for the credit or the account of the Company against and on account of the obligations and liabilities of the Company to such Bank under this Agreement, and any Letter of Credit, including all claims of any nature or description arising out of or connected with this Agreement and/or the Letters of Credit, irrespective of whether or not such Bank shall have made any demand hereunder and although such obligations may be contingent or unmatured.

(b) Each Bank agrees promptly to notify the Company after any such set-off and application referred to in subsection (a) above, provided that the failure to give such notice shall not affect the validity of such set-off and application. The rights of the Banks under this Section are in addition to other rights and remedies (including other rights of set-off) that the Banks may have.

(c) If any Bank shall obtain any payment (whether voluntary, involuntary, through the exercise of any right of set-off, or otherwise, but excluding all proceeds received by assignments or sales of participations in accordance with Section 2.14) on account of the Reimbursement Obligations in excess of its ratable share of payments on account of such Reimbursement Obligations obtained by all the Banks, such Bank shall forthwith purchase from the other Banks a participation in the portions of such Reimbursement Obligations owing to them as shall be necessary to cause such purchasing Bank to share the excess payment ratably with each of them; *provided, however*, that if all or any portion of such excess payment is thereafter recovered from such purchasing Bank, such purchases shall be rescinded and the other Banks shall repay to the purchasing Bank the purchase price to the extent of such recovery together in each case with an amount equal to such Bank's ratable share (according to the proportion of (i) the amount of the such Bank's required repayment to (ii) the total amount so recovered from the purchasing Bank)

of any interest or other amount paid or payable by the purchasing Bank in respect of the total amount so recovered.

(d) Notwithstanding the foregoing, if any Bank shall obtain any such excess payment involuntarily, such Bank may, in lieu of purchasing participations from the other Banks in accordance with subsection (c) above, on the date of receipt of such excess payment, return such excess payment to the Administrative Agent for distribution in accordance with Section 2.09.

SECTION 8.05. Indemnification.

The Company hereby indemnifies and holds the Administrative Agent, each L/C Issuer, each Bank and their respective officers, directors, employees and affiliates harmless from and against any and all claims, damages, losses, liabilities, costs or expenses that the Administrative Agent, such L/C Issuer or such Bank, as the case may be, may incur or which may be claimed against the Administrative Agent, any L/C Issuer or any Bank by any person or entity:

(a) By reason of or in connection with the initial offering and sale of the Bonds or the subsequent remarketing and transfer from time to time of the Bonds, *provided, however*, that, in the case of any action or proceeding alleging an inaccuracy in a material respect, or an untrue statement, with respect to information supplied by and describing the L/C Issuer in Appendix B to the Official Statement for the Bonds in any Supplement to Official Statement (the “**Bank Information**”), or an omission to state therein a material fact necessary to make the statements in the Bank Information, in the light of the circumstances under which they were made, not misleading, (i) indemnification by the Company pursuant to this Section 8.05(a) shall be limited to the costs and expenses of the Administrative Agent, each L/C Issuer or each Bank (including fees and expenses of such party’s counsel) of defending such allegation, (ii) if in any such action or proceeding it is finally determined that the Bank Information contained an inaccuracy in a material respect or an untrue statement of a material fact or omitted to state therein a material fact necessary to make the statements contained therein, in the light of the circumstances under which they were made, not misleading, then the Company shall not be required to indemnify the Administrative Agent, each L/C Issuer or each Bank pursuant to this Section 8.05(a) for any claims, damages, losses, liabilities, costs or expenses to the extent caused by such inaccuracy or untrue statement or omission, and (iii) if any such action or proceeding shall be settled by the Administrative Agent, such L/C Issuer or such Bank without there being a final determination to the effect described in the preceding clause (ii), then the Company shall be required to indemnify the Administrative Agent, such L/C Issuer or such Bank pursuant to this Section 8.05(a) only if such action or proceeding is settled with the Company’s consent; or

(b) By reason of or in connection with the execution, delivery or performance of this Agreement or any Operative Document or any transaction contemplated by this Agreement or any Operative Document; or

(c) By reason of or in connection with the execution and delivery or transfer of, or payment or failure to make payment under, the Letters of Credit; *provided, however*, that the Company shall not be required to indemnify any L/C Issuer pursuant to this Section 8.05(c) for any claims, damages, losses, liabilities, costs or expenses to the extent caused by (i) such L/C Issuer’s willful misconduct or gross negligence, as finally determined by a court of competent

jurisdiction, in determining whether documents presented under a Letter of Credit comply with the terms of such Letter of Credit or (ii) such L/C Issuer's willful failure to make lawful payment under a Letter of Credit after the presentation to it by the applicable Trustee or a successor trustee of a draft and certificate strictly complying with the terms and conditions of such Letter of Credit.

The Company also agrees not to assert any claim against the Administrative Agent, any L/C Issuer, any Bank or any of their Affiliates, or any of their respective officers, directors, employees, attorneys and agents, on any theory of liability, for special, indirect, consequential or punitive damages arising out of or relating to the actual or proposed use of the proceeds of any Letter of Credit, any Operative Document, or any of the transactions contemplated thereby. Nothing in this Section 8.05 is intended to limit the Company's obligations contained in Article II. Without prejudice to the survival of any other obligation of the Company hereunder, the indemnities and obligations of the Company contained in this Section 8.05 shall survive the payment in full of amounts payable pursuant to Article II and the termination of the Letters of Credit.

SECTION 8.06. Liability of the Banks.

Unless expressly set forth to the contrary herein, the Company assumes all risks of the acts or omissions of each Trustee and any other beneficiary or transferee of the Letters of Credit with respect to its use of the Letters of Credit. Neither the L/C Issuers, the Banks nor any of their officers or directors shall be liable or responsible for: (a) the use that may be made of the Letters of Credit or any acts or omissions of any Trustee and any other beneficiary or transferee in connection therewith; (b) the validity, sufficiency or genuineness of documents, or of any endorsement thereon, even if such documents should prove to be in any or all respects invalid, insufficient, fraudulent or forged; (c) payment by any L/C Issuer against presentation of documents that do not comply with the terms of a Letter of Credit, including failure of any documents to bear any reference or adequate reference to such Letter of Credit; or (d) any other circumstances whatsoever in making or failing to make payment, under the Letter of Credit, except that the Company shall have a claim against an L/C Issuer, and such L/C Issuer shall be liable to the Company, to the extent of any direct, as opposed to consequential, damages suffered by the Company that the Company proves were caused by (i) such L/C Issuer's gross negligence or willful misconduct, as finally determined by a court of competent jurisdiction, in determining whether documents presented under a Letter of Credit comply with the terms of such Letter of Credit or (ii) such L/C Issuer's willful failure to make lawful payment under a Letter of Credit after the presentation to it by the applicable Trustee or a successor trustee of a draft and certificate strictly complying with the terms and conditions of a Letter of Credit. In furtherance and not in limitation of the foregoing, the L/C Issuers may accept documents that appear on their face to be in order, without responsibility for further investigation, regardless of any notice or information to the contrary.

SECTION 8.07. Costs and Expenses.

The Company agrees to pay on demand all costs and expenses in connection with the execution, delivery, filing, recording, administration and amendment of this Agreement and any other documents that may be delivered in connection with this Agreement or the transactions

contemplated hereby, including reasonable fees and out-of-pocket expenses of counsel for the Administrative Agent and the L/C Issuers and with respect to advising the Administrative Agent and the L/C Issuers as to its rights and responsibilities under this Agreement and all costs and expenses including reasonable counsel fees and expenses of the Administrative Agent and the L/C Issuers in connection with (i) the enforcement of this Agreement, the Operative Documents and such other documents that may be delivered in connection herewith or therewith (and, in the event of a Default or Event of Default, all such costs and expenses of the other Banks) or (ii) any action or proceeding relating to a court order, injunction, or other process or decree restraining or seeking to restrain any L/C Issuer from paying any amount under a Letter of Credit. In addition, the Company shall pay any and all stamp and, except as otherwise provided in Section 2.16, other similar taxes and fees payable or determined to be payable in connection with the execution, delivery, filing and recording of this Agreement, the Operative Documents or the Letters of Credit or any such other documents, and agrees to save the Administrative Agent, each Bank and each L/C Issuer harmless from and against any and all liabilities with respect to or resulting from any delay in paying or omission to pay such taxes and fees.

SECTION 8.08. Binding Effect; Entire Agreement.

This Agreement shall become effective when it shall have been executed by the Company, the Banks, the Administrative Agent and the L/C Issuers and thereafter shall be binding upon and inure to the benefit of each of them and their respective successors and assigns, except that the Company shall not have the right to assign its rights hereunder or any interest herein without the prior written consent of the Banks.

SECTION 8.09. Confidentiality.

The Administrative Agent and each Bank agrees to exercise all reasonable efforts to keep any proprietary or financial information delivered or made available by the Company to it, confidential from anyone other than (x) the officers, directors and employees of the Administrative Agent or any Bank who have a need to know such information in accordance with customary banking practices and (y) agents of, or persons retained by, the Administrative Agent or any Bank who are or are expected to become engaged in evaluating, approving, structuring or administering any Letter of Credit, and who, in the case of (x) and (y), receive such information having been made aware of the restrictions set forth in this Section; *provided* that nothing herein shall prevent the Administrative Agent or any Bank from disclosing such information (i) upon the order of any court or administrative agency or otherwise pursuant to subpoena or similar procedure in accordance with law, (ii) upon the request or demand of any regulatory agency or authority having jurisdiction over the Administrative Agent or any Bank or any self-regulatory body having or claiming authority to regulate or oversee any aspect of the Administrative Agent's, any L/C Issuer's or any Bank's business or that of any of its Affiliates, (iii) which has been publicly disclosed, (iv) to the extent reasonably required in connection with any litigation to which the Administrative Agent or any Bank may be a party, (v) to the Administrative Agent's or any Bank's legal counsel and independent auditors, (vi) to any actual or proposed Participant which has agreed in writing to be bound by the provisions of this Section 8.09, (vii) any Person to (or through) whom any Bank assigns or transfers (or may potentially assign or transfer) all or any of its rights and obligations under this Agreement and to any Person with (or through) whom any Bank enters into (or may potentially enter into) any sub-

participation, any hedge agreement, any securitization or other agreement in relation to, or any transaction under which payments are to be made by reference to, this Agreement, (viii) in connection with the exercise of any remedy hereunder or (ix) with the prior written consent of the Company. The Administrative Agent and each Bank shall attempt in good faith, to the extent permitted by applicable law, (i) to notify the Company of any disclosure of such information referred to in clause (i) of the preceding sentence and (ii) upon a reasonable and timely request by the Company, apply (at the Company's expense) for an appropriate protective order to preserve the confidentiality of such information or limit the disclosure thereof.

SECTION 8.10. Severability.

Any provision of this Agreement which is prohibited, unenforceable or not authorized in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition, unenforceability or non-authorization without invalidating the remaining provisions hereof or affecting the validity, enforceability or legality of such provision in any other jurisdiction.

SECTION 8.11. GOVERNING LAW.

THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

SECTION 8.12. Waiver of Jury Trial.

Each of the Company, the Administrative Agent, the L/C Issuers and the Banks hereby irrevocably waives all right to trial by jury in any action, proceeding or counterclaim arising out of or relating to this Agreement, any of the Operative Documents or the transactions contemplated hereby or thereby.

SECTION 8.13. Consent to Jurisdiction.

(a) THE COMPANY IRREVOCABLY (i) AGREES THAT ANY SUIT, ACTION OR OTHER LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT, ANY PLEDGE AGREEMENT, ANY CONTROL AGREEMENT OR THE OTHER OPERATIVE DOCUMENTS MAY BE BROUGHT IN A COURT OF RECORD IN THE COUNTY OF NEW YORK IN THE STATE OF NEW YORK OR IN THE COURTS OF THE UNITED STATES OF AMERICA LOCATED IN SUCH STATE, (ii) CONSENTS TO THE JURISDICTION OF EACH SUCH COURT IN ANY SUCH SUIT, ACTION OR PROCEEDING AND (iii) WAIVES ANY OBJECTION WHICH IT MAY HAVE TO THE LAYING OF VENUE OF ANY SUCH SUIT, ACTION OR PROCEEDING IN ANY OF SUCH COURTS AND ANY CLAIM THAT ANY SUCH SUIT, ACTION OR PROCEEDING HAS BEEN BROUGHT IN AN INCONVENIENT FORUM. THE COMPANY AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW.

(b) TO THE EXTENT THAT THE ADMINISTRATIVE AGENT, ANY L/C ISSUER, ANY BANK OR THE COMPANY HAS OR HEREAFTER MAY ACQUIRE ANY IMMUNITY FROM JURISDICTION OF ANY COURT OF FROM ANY LEGAL PROCESS

(WHETHER THROUGH SERVICE OR NOTICE, ATTACHMENT PRIOR TO JUDGMENT, ATTACHMENT IN AID OF EXECUTION OR OTHERWISE) WITH RESPECT TO ITSELF OR ITS PROPERTY, SUCH PERSON HEREBY IRREVOCABLY WAIVES SUCH IMMUNITY IN RESPECT OF ITS OBLIGATIONS UNDER THIS AGREEMENT, THE LETTERS OF CREDIT AND THE OTHER OPERATIVE DOCUMENTS.

(c) Nothing in this Section 8.13 shall affect the right of the Administrative Agent or any Bank to bring any suit, action or proceeding against the Company or its property in the courts of any other jurisdiction.

SECTION 8.14. Headings.

Section headings in this Agreement are included herein for convenience of reference only and shall not constitute a part of this Agreement for any other purpose.

SECTION 8.15. Execution in Counterparts.

This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. One or more counterparts of this Agreement may be delivered via telecopier with the intention that they shall have the same effect as an original executed counterpart hereof.

SECTION 8.16. Prior Agreements Superseded.

This Agreement, the Letters of Credit, the Pledge Agreements and the Fee Letters together represent the final and complete agreement of the parties hereto with respect to the subject matter hereof, and except as otherwise expressly stated, supersede all prior or contemporaneous agreements and understandings of such persons, written or oral, relating to the subject matter hereof.

SECTION 8.17. Patriot Act.

Each Bank hereby notifies the Company that pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "Act"), it is required to obtain, verify and record information that identifies each borrower, guarantor or grantor (the "Loan Parties"), which information includes the name and address of each Loan Party and other information that will allow such Bank to identify such Loan Party in accordance with the Act.

¶Signature Pages to Follow¶

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first written above.

PACIFICORP

By Bruce N Williams

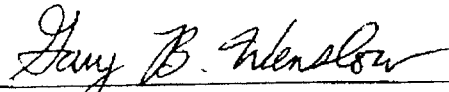
Name: Bruce N. Williams

Title: Treasurer

Federal Tax Identification Number:

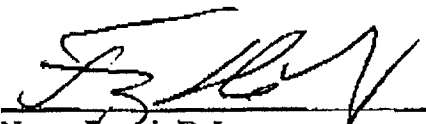
93-0246090

BARCLAYS BANK PLC, as Administrative
Agent, Co-Syndication Agent, a L/C Issuer and as a
Bank

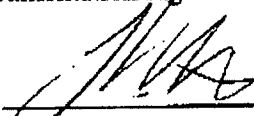
By 
Name: Gary B. Wenslow
Title: Associate Director

BNP PARIBAS, NEW YORK BRANCH, as Co-Syndication Agent, a L/C Issuer and as a Bank

By 
Name: Mark Renaud
Title: Managing Director

By 
Name: Francis DeLaney
Title: Managing Director

THE BANK OF NOVA SCOTIA, as Co-
Documentation Agent and as a Bank

By 
Name: Thane Rattew
Title: Managing Director

THE BANK OF TOKYO-MITSUBISHI, LTD.,
SEATTLE BRANCH, as Co-Documentation Agent
and as a Bank

By




Name: Hiroiyuki Nozawa


Title: Deputy General Manager

THE ROYAL BANK OF SCOTLAND PLC, as Co-Documentation Agent and as a Bank


By Belinda Wheeler
Name: Belinda Wheeler
Title: Vice President


BAYERISCHE LANDESBANK, as a Managing
Agent and as a Bank

By 
Name: Michael Jakob
Title: Vice President


By 
Name: Edward J. Cripps
Title: Vice President

COMMERZBANK AG, NEW YORK AND
GRAND CAYMAN BRANCHES, as a Managing
Agent and as a Bank

By 
Name: Andrew Campbell
Title: Senior Vice President

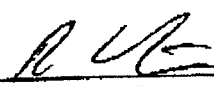
By 
Name: Andrew Kjoller
Title: Vice President

DEUTSCHE BANK AG NEW YORK BRANCH,
as a Managing Agent and as a Bank

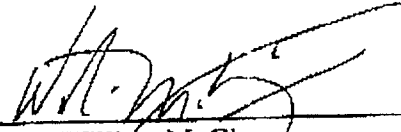
By 
Name: Marcus Tarkington
Title: Director

By 
Name: Rainer Meier
Title: Assistant Vice President

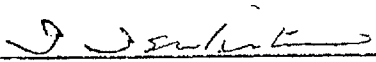
MIZUHO CORPORATE BANK (USA), as a
Managing Agent and as a Bank

By 
Name: Raymond Ventura
Title: Senior Vice President

SUMITOMO MITSUI BANKING
CORPORATION, as a Managing Agent and as a
Bank

By 
Name: William M. Ginn
Title: General Manager

THE NORINCHUKIN BANK, NEW YORK
BRANCH, as a Managing Agent and as a Bank

By 
Name: Toshifumi Tsukitani
Title: General Manager

US BANK NATIONAL ASSOCIATION, as a
Managing Agent and as a Bank

By 

Name: Janice T. Thede

Title: Vice President

NOV. 29. 2005 9:12AM

NO. 2746 P. 2


10-11-00 03:02pm

From-CITIGROUP CORP. AND INVESTMENT BANKING


+212 816 8088

T-680 P.002/002 F-808

CITIBANK, N.A., as a Bank

By 
Name: Stuart Glen
Title: STUART J. GLEN
Director

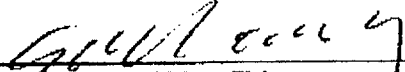
WELLS FARGO BANK, N.A., as a Bank

By 

Name: Steven J. Anderson

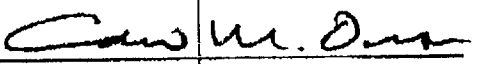
Title: Senior Vice President

FIRST COMMERCIAL BANK, LOS ANGELES
BRANCH, as a Bank

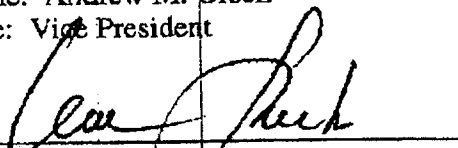
By 
Name: Shang-Shing Chiang
Title: VP & General Manager

The undersigned Departing Bank hereby acknowledges and agrees that, from and after the Execution Date, it is no longer a party to the Existing Reimbursement Agreement.

BANCO ESPIRITO SANTO S.A., NASSAU BRANCH, as a Departing Bank

By 

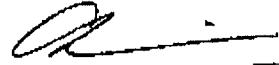
Name: Andrew M. Orsen
Title: Vice President

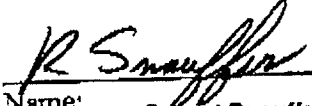
By 

Name: Leon Stark
Title: Senior Vice President & Deputy General Manager

The undersigned Departing Bank hereby acknowledges and agrees that, from and after the Execution Date, it is no longer a party to the Existing Reimbursement Agreement.

KBC BANK N.V., as a Departing Bank

By 
Name: **ERIC RASKIN**
Title: **VICE PRESIDENT**

By 
Name: **Robert Snauffer**
Title: **First Vice President**


The undersigned Departing Bank hereby acknowledges and agrees that, from and after the Execution Date, it is no longer a party to the Existing Reimbursement Agreement.

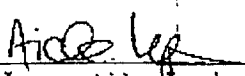
UFJ BANK LIMITED, as a Departing Bank

By 
Name: Toshiko Boyd
Title: Vice President

The undersigned Departing Bank hereby acknowledges and agrees that, from and after the Execution Date, it is no longer a party to the Existing Reimbursement Agreement.

ALLIED IRISH BANKS, P.L.C., as a Departing Bank

By 
Name: Vaughn Buck
Title: Director

By 
Name: Aidan Lanigan
Title: Vice President

The undersigned Departing Bank hereby acknowledges and agrees that, from and after the Execution Date, it is no longer a party to the Existing Reimbursement Agreement.

KEYBANK NATIONAL ASSOCIATION, as a Departing Bank

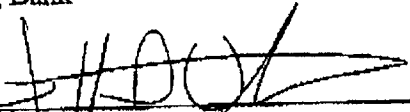
By 

Name: Keven D. Smith

Title: Vice President

The undersigned Departing Bank hereby acknowledges and agrees that, from and after the Execution Date, it is no longer a party to the Existing Reimbursement Agreement.

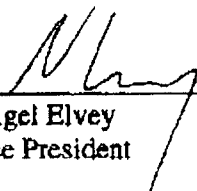
NATIONAL AUSTRALIA BANK LIMITED, as a Departing Bank

By 
Name: Jeff White
Title: Senior Vice President

The undersigned Departing Bank hereby acknowledges and agrees that, from and after the Execution Date, it is no longer a party to the Existing Reimbursement Agreement.

SOCIETE GENERALE, as a Departing Bank

By


Name: Nigel Elvey
Title: Vice President

The undersigned Departing Bank hereby acknowledges and agrees that, from and after the Execution Date, it is no longer a party to the Existing Reimbursement Agreement.

BANCA DI ROMA SPA, as a Departing Bank

By Thomas C. Woodruff
Name: Thomas C. Woodruff
Title: Vice President

By Luca Balestra
Name: Luca Balestra
Title: SVP and Manager

SCHEDULE I**SHARES AND ADDRESSES FOR NOTICES**

<u>Bank</u>	<u>Share</u>	<u>Operations Contact</u>
Barclays Bank PLC	8.737%	May Wong 222 Broadway New York, NY 10038 Telephone: 212-412-2716 Facsimile: 212-412-5306
BNP Paribas, New York Branch	8.737%	Landsworth Tulloch 919 Third Avenue New York, NY 10019 Telephone: 212-471-6649 Facsimile: 212-471-6697
The Bank of Nova Scotia	7.747%	Frank Sandler Scotia Capital One Liberty Plaza, 26th Floor New York, NY 10006 Telephone: 212-225-5670 Facsimile: 212-255-5480
The Bank of Tokyo-Mitsubishi, Ltd., Seattle Branch	7.747%	Mr. Hiroki Nakazawa c/o 2300 Pacwest Center 1211 S.W. Fifth Avenue Portland, OR 97204 Telephone: 503-222-5130 Facsimile: 503-222-0215
The Royal Bank of Scotland plc	7.747%	Belinda Wheeler 101 Park Avenue New York, New York 10178 Telephone: 212 401-3496 Facsimile: 212-401-3456
Bayerische Landesbank	6.737%	Patricia Sanchez Vice President 560 Lexington Avenue New York, NY 10022 Telephone: 212-310-9810 Facsimile: 212-310-9930

<u>Bank</u>	<u>Share</u>	<u>Operations Contact</u>
Commerzbank AG, New York and Grand Cayman Branches	6.737%	Andrew Kjoller 2 World Financial Center New York, NY 10281-1050 Telephone: 212-266-7287 Facsimile: 212-266-7530
Deutsche Bank AG New York Branch	6.737%	Joe Cusmai Deal Closers 90 Hudson Street, Floor 1 Jersey City, NJ 07302 Telephone: 201 593-2202 Facsimile: 212-593-2313
Mizuho Corporate Bank (USA)	6.737%	Lan Ying Lau 1800 Plaza Ten Jersey City, NJ 07311 Telephone: 201-626-9292 Facsimile: 201-626-9941
Sumitomo Mitsui Banking Corporation	6.737%	Kyle Blake 277 Park Avenue New York, NY 10172 Telephone: 212-224-4189 Facsimile: 212-224-5222
The Norinchukin Bank, New York Branch	6.737%	Kenji Kawashima 245 Park Avenue, 29th Floor New York, NY 10167-0104 Telephone: 212-808-4195 Facsimile: 212-697-5754
US Bank National Association	6.737%	Janice T. Thede 555 S.W. Oak Street, PL-4 Portland, OR 97204 Telephone: 503-275-4942 Facsimile: 503-275-5428
Citibank, N.A.	4.379%	Stuart Glen 388 Greenwich Street, 21st Floor New York, NY 10012 Telephone: 212-816-8553 Facsimile: 212-816-8098

<u>Bank</u>	<u>Share</u>	<u>Operations Contact</u>
Wells Fargo Bank, N.A.	4.379%	<p>Lisa Larpenteur VP & Relationship Mgr. Wells Fargo U.S. Corporate Banking 1300 SW 5th Ave, 7th Floor MAC P6101-076 Portland, OR 97201 Telephone: 503-886-2216 Facsimile: 503-886-2211</p>
First Commercial Bank, Los Angeles Branch	4.379%	<p>Alicia Chiang 515 South Flower Street, Suite 1050 Los Angeles, CA 90071 Telephone: 213 405-1123 Facsimile: 213 362-0219</p>