**REOFFERING CIRCULAR — COMPOSITE REOFFERING — NOT NEW ISSUES**

On the date of initial issuance and delivery of each series of the Bonds, Chapman and Cutler, as Bond Counsel for each such series, rendered its opinion that, assuming compliance with certain covenants of the Issuer and the Company, interest on the Bonds of such series was not, under then-existing laws, includable in gross income to the owners thereof for federal income tax to the extent, upon the conditions and subject to the limitations described in such opinion. See APPENDICES B‑1 through B‑4 attached hereto for a copy of each such opinion. In connection with the conversion of the interest rate on each series of the Bonds to a weekly interest rate, as described herein, Chapman and Cutler LLP, as Bond Counsel, will render its opinions that such conversions will not adversely affect the tax‑exempt status of the interest on such Bonds. See “TAX EXEMPTION” herein for a more complete discussion.

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| --- |
| **$50,800,000COMPOSITE REOFFERINGPACIFICORP PROJECTS** |
| **$15,000,000SWEETWATER COUNTY, WYOMINGPOLLUTION CONTROLREVENUE BONDS(PACIFICORP PROJECT)SERIES 1984 (NON-AMT)**(CUSIP 870487 CK9[[1]](#footnote-1)) | **$8,500,000CITY OF FORSYTH,ROSEBUD COUNTY, MONTANAFLEXIBLE RATE DEMAND POLLUTIONCONTROL REVENUE BONDS(PACIFICORP COLSTRIP PROJECT)SERIES 1986 (AMT)**(CUSIP 346668 DG81) |
| **$5,300,000CONVERSE COUNTY, WYOMINGENVIRONMENTAL IMPROVEMENTREVENUE BONDS(PACIFICORP PROJECT)SERIES 1995 (AMT)**(CUSIP 212490 AC01) | **$22,000,000LINCOLN COUNTY, WYOMINGENVIRONMENTAL IMPROVEMENTREVENUE BONDS(PACIFICORP PROJECT)SERIES 1995 (AMT)**(CUSIP 533477 AC91) |

The Bonds of each series described in this Reoffering Circular are limited obligations of the applicable Issuer and, except to the extent payable from Bond proceeds and certain other moneys pledged therefor, are payable solely from and secured by a pledge of payments to be made under separate Loan Agreements entered into by the applicable Issuer with, and secured by First Mortgage Bonds issued by,

**PACIFICORP**

On June 3, 2013, the Bonds will be remarketed and will bear interest at a Weekly Interest Rate payable the first Business Day of each month commencing July 1, 2013. The initial Weekly Interest Rate and each subsequent Weekly Interest Rate to be borne by the Bonds of each series will be determined by the applicable Remarketing Agent. Thereafter, the interest rate on the Bonds of each series may be changed from time to time to Daily, Weekly, Flexible or Term Interest Rates, designated and determined in accordance with the separate Indentures entered into between the applicable Issuer and The Bank of New York Mellon Trust Company, N.A., as Trustee. The Bonds of each series are subject to purchase at the option of the owners thereof and, under certain circumstances, are subject to mandatory purchase in the manner and at the times described herein. The Bonds are subject to optional and mandatory redemption prior to maturity as described herein.

The Bonds of each series are issuable as fully registered Bonds, without coupons and will be registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company, New York, New York. DTC initially will act as securities depository for the Bonds. Only beneficial interests in book–entry form are being offered. The Bonds of each series are issuable during any Weekly Interest Rate Period in denominations of $100,000 and any integral multiple thereof (provided that one Bond need not be in a multiple of $100,000 but may be in such denomination greater than $100,000 as is necessary to account for any principal amount of the Bonds not corresponding directly with $100,000 denominations). So long as Cede & Co. is the registered owner of the Bonds of each series, as nominee for DTC, the principal of and premium, if any, and interest on the Bonds of each series will be paid by the Trustee directly to DTC, which will, in turn, remit such payments to DTC participants for subsequent disbursement to the beneficial owners of the Bonds. See “THE BONDS.”

|  |
| --- |
| Price 100% |

Each series of the Bonds is reoffered by the applicable Remarketing Agent referred to below, subject to prior sale, withdrawal or modification of the offer without notice and certain other conditions. At the time of the original issuance and delivery of each series of the Bonds, Chapman and Cutler, Bond Counsel, delivered its opinion as to the legality of such series of Bonds. Each such opinion spoke only as to their respective dates of delivery and will not be reissued in connection with this reoffering. Certain legal matters pertaining to the adjustment of the interest rate determination method on the Bonds will be passed upon by Chapman and Cutler LLP. Certain legal matters in connection with the reoffering will be passed upon for the Company by Paul J. Leighton, Esq., and for the Remarketing Agents by Kutak Rock LLP. It is expected that delivery of the Bonds to DTC will be made through the facilities of DTC on or about June 3, 2013.

|  |  |
| --- | --- |
| **BARCLAYS**as Remarketing Agent for theSweetwater Bonds and Converse Bonds | **MORGAN STANLEY**as Remarketing Agent for theForsyth Bonds and Lincoln Bonds |

Dated: May 22, 2013

|  |
| --- |
| $15,000,000SWEETWATER COUNTY, WYOMINGPOLLUTION CONTROL REVENUE BONDS(PACIFICORP PROJECT)SERIES 1984 (NON-AMT) |
| Issued: December 12, 1984Maturity: December 1, 2014 | Interest Payment Dates: First Business Day of each calendar monthInitial Interest Payment Date: July 1, 2013 |
|  |
| $8,500,000CITY OF FORSYTH, ROSEBUD COUNTY, MONTANAFLEXIBLE RATE DEMANDPOLLUTION CONTROL REVENUE BONDS(PACIFICORP COLSTRIP PROJECT)SERIES 1986 (AMT) |
| Issued: December 29, 1986Maturity: December 1, 2016 | Interest Payment Dates: First Business Day of each calendar monthInitial Interest Payment Date: July 1, 2013 |
|  |
| $5,300,000CONVERSE COUNTY, WYOMINGENVIRONMENTAL IMPROVEMENTREVENUE BONDS(PACIFICORP PROJECT)SERIES 1995 (AMT) |
| Issued: November 17, 1995Maturity: November 1, 2025 | Interest Payment Dates: First Business Day of each calendar monthInitial Interest Payment Date: July 1, 2013 |
|  |
| $22,000,000LINCOLN COUNTY, WYOMINGENVIRONMENTAL IMPROVEMENTREVENUE BONDS(PACIFICORP PROJECT)SERIES 1995 (AMT) |
| Issued: November 17, 1995Maturity: November 1, 2025 | Interest Payment Dates: First Business Day of each calendar monthInitial Interest Payment Date: July 1, 2013 |

The information contained in this Reoffering Circular (which term, whenever used herein, shall be deemed to include the cover, the Table of Contents, and the Appendices to this Reoffering Circular) has been obtained from the Company and other sources deemed reliable. The Issuers have not reviewed nor approved any information in the Reoffering Circular. No representation is made, however, as to the accuracy or completeness of such information and nothing contained in this Reoffering Circular is, or will be relied upon as, a promise or representation by the Issuers or the Remarketing Agents. Each Remarketing Agent has provided the following sentence (but only with respect to the Bonds for which it is Remarketing Agent) for inclusion in this Reoffering Circular: The Remarketing Agent has reviewed the information in this Reoffering Circular in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Remarketing Agent does not guarantee the accuracy or completeness of such information. The Trustee assumes no responsibility for this Reoffering Circular and has not reviewed or undertaken to verify any information contained herein. The information contained in this Reoffering Circular is subject to change without notice, and the delivery of this Reoffering Circular shall not, under any circumstances, create any implication that there have not been changes in the affairs of the Issuers or the Company since the date of this Reoffering Circular.

No broker, dealer, salesperson or any other person has been authorized by the Issuers, the Company or the Remarketing Agents to give any information or to make any representation other than as contained in this Reoffering Circular in connection with the offering described in it and, if given or made, such other information or representation must not be relied upon as having been authorized by any of the foregoing. This Reoffering Circular does not constitute an offer or reoffering of any securities other than those described on the cover page, or an offer to sell or a solicitation of an offer to buy by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

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The Bonds have not been registered under the Securities Act of 1933, as amended, and the Indenture has not been qualified under the Trust Indenture Act of 1939, as amended, in reliance upon exemptions contained in such acts.

In connection with this Reoffering, the Remarketing Agents may overallot or effect transactions that stabilize or maintain the market price of the Bonds at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at anytimE.

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**REOFFERING CIRCULAR**

|  |  |
| --- | --- |
| **$15,000,000SWEETWATER COUNTY, WYOMINGPOLLUTION CONTROL REVENUE BONDS(PACIFICORP PROJECT)Series 1984** | **$8,500,000CITY OF FORSYTH,ROSEBUD COUNTY, MONTANAFLEXIBLE RATE DEMAND POLLUTIONCONTROL REVENUE BONDS(PACIFICORP COLSTRIP PROJECT)Series 1986** |
| **$5,300,000CONVERSE COUNTY, WYOMINGENVIRONMENTAL IMPROVEMENTREVENUE BONDS(PACIFICORP PROJECT)Series 1995** | **$22,000,000LINCOLN COUNTY, WYOMINGENVIRONMENTAL IMPROVEMENTREVENUE BONDS(PACIFICORP PROJECT)Series 1995** |

# INTRODUCTORY STATEMENT

This Reoffering Circular is provided to furnish information in connection with the reoffering on June 3, 2013 (the “Conversion Date”), of four separate issues (each, an “Issue”) of bonds (collectively, the “Bonds”): the $15,000,000 Sweetwater County, Wyoming Pollution Control Revenue Bonds (PacifiCorp Project) Series 1984 (the “Series 1984 Bonds”); the $8,500,000 City of Forsyth, Rosebud County, Montana Flexible Rate Demand Pollution Control Revenue Bonds (PacifiCorp Colstrip Project) Series 1986 (the “Series 1986 Bonds”); the $5,300,000 Converse County, Wyoming Environmental Improvement Revenue Bonds (PacifiCorp Project) Series 1995 (the “Series 1995 Converse County Bonds”); and the $22,000,000 Lincoln County, Wyoming Environmental Improvement Revenue Bonds (PacifiCorp Project) Series 1995 (the “Series 1995 Lincoln County Bonds,” and, together with the Series 1995 Converse County Bonds, the “Series 1995 Bonds”), issued by the hereinafter described issuers (each an “Issuer” and, collectively, the “Issuers”). The Bonds being reoffered hereby will bear interest at a weekly interest rate (the “Weekly Interest Rate”) for each series of the Bonds. The Bonds are subject to optional purchase at the demand of the Owners and, under certain circumstances, are subject to mandatory purchase, as described herein. The Bonds are subject to redemption at the option of the Company and to mandatory redemption prior to their respective dates of maturity, as described herein.

The proceeds of each series of Bonds were used by PacifiCorp, an Oregon corporation (the “Company”), to finance a portion of its share of expenditures, including financing costs, relating to the construction of certain air and water pollution control and solid waste disposal facilities (each, a “Project” and collectively, the “Projects”) at (i) the Jim Bridger coal-fired steam electric generating plant located in Sweetwater County, Wyoming in the case of the Series 1984 Bonds; (ii) the Colstrip Units 3 and 4 of the coal‑fired steam electric generating plant located in Rosebud County, Montana in the case of the Series 1986 Bonds; (iii) the Dave Johnson coal‑fired steam electric generating plant located in Converse County, Wyoming in the case of the Series 1995 Converse County Bonds; and (iv) the Naughton coal‑fired steam electric generating plant located in Lincoln County, Wyoming in the case of the Series 1995 Lincoln County Bonds.

The Bonds were issued pursuant to certain trust indentures described below (together, the “Original Indentures”), each of which has been amended and restated by a separate supplemental indenture, dated as of June 1, 2003 (collectively, the “Supplemental Indentures”), between each of the respective Issuers and The Bank of New York Mellon Trust Company, N.A., as successor trustee under each of the Original Indentures (the “Trustee”). The Original Indentures as amended and restated by the Supplemental Indentures are sometimes referred to herein as the “Indentures.” The proceeds from the sale of the Bonds were loaned to the Company pursuant to certain loan agreements described below (collectively, the “Original Loan Agreements”), each of which has been amended and restated by a First Supplemental Loan Agreement, dated as of June 1, 2003 (collectively, the “Supplemental Loan Agreements”), between each of the respective Issuers and the Company. The Original Loan Agreements as amended and restated by the Supplemental Loan Agreements are sometimes referred to herein as the “Loan Agreements.”

The Series 1984 Bonds were issued pursuant to the Indenture of Trust, dated as of December 1, 1984, as amended and supplemented to the date hereof (the “Series 1984 Indenture”), between Sweetwater County, Wyoming (“Sweetwater County”), and the Trustee, and the proceeds of the Series 1984 Bonds were loaned to the Company pursuant to the Loan Agreement, dated as of December 1, 1984, as amended, between Sweetwater County and the Company.

The Series 1986 Bonds were issued by the City of Forsyth, Rosebud County, Montana (the “City of Forsyth”) pursuant to the Trust Indenture, dated as of December 1, 1986, as amended and supplemented to the date hereof (the “Series 1986 Indenture”), between the City of Forsyth and the Trustee, and the proceeds of the Series 1986 Bonds were loaned to the Company pursuant to the Loan Agreement, dated as of December 1, 1986, as amended, between the City of Forsyth and the Company.

The Series 1995 Converse County Bonds were issued by Converse County, Wyoming (“Converse County”) pursuant to the Trust Indenture, dated as of November 1, 1995, as amended and supplemented to the date hereof (the “Series 1995 Converse County Indenture”), between Converse County and the Trustee, and the proceeds of the Series 1995 Converse County Bonds were loaned to the Company pursuant to the Loan Agreement, dated as of November 1, 1995, as amended, between Converse County and the Company.

The Series 1995 Lincoln County Bonds were issued by Lincoln County, Wyoming (“Lincoln County”) pursuant to the Trust Indenture, dated as of November 1, 1995, as amended and supplemented to the date hereof (the “Series 1995 Lincoln County Indenture”), between Lincoln County and the Trustee, and the proceeds of the Series 1995 Lincoln County Bonds were loaned to the Company pursuant to the Loan Agreement, dated as of November 1, 1995, as amended, between Lincoln County and the Company.

In order to secure the Company’s obligation to repay the loan made to the Company under each Loan Agreement, on June 2, 2003 the Company issued and delivered to the Trustee of each Issue a series of the Company’s First Mortgage Bonds in a principal amount equal to the principal amount of the related Issue as follows (collectively, the “First Mortgage Bonds”):

|  |  |  |
| --- | --- | --- |
| **ISSUE** | **FIRST MORTGAGE BONDS** | **AGGREGATEPRINCIPAL AMOUNT** |
| Series 1984 Bonds | Collateral Bonds, First 2003 Series | $15,000,000 |
| Series 1986 Bonds | Collateral Bonds, Second 2003 Series | 8,500,000 |
| Series 1995 Converse County Bonds | Collateral Bonds, Fifth 2003 Series | 5,300,000 |
| Series 1995 Lincoln County Bonds | Collateral Bonds, Sixth 2003 Series | 22,000,000 |

The First Mortgage Bonds may be released (i) upon delivery of collateral in substitution for the First Mortgage Bonds or (ii) at any time the Bonds are subject to optional redemption provided that certain conditions are met as described below under “THE LOAN AGREEMENTS—Loan Payments; The First Mortgage Bonds.” The First Mortgage Bonds were issued under the Mortgage and Deed of Trust, dated as of January 9, 1989, between the Company and The Bank of New York Mellon Trust Company, N.A., as successor trustee, as trustee (the “Company Mortgage Trustee”), as supplemented and amended by various supplemental indentures, including a Fifteenth Supplemental Indenture, dated as of June 1, 2003 (the “Fifteenth Supplemental Indenture”), all collectively hereinafter referred to as the “Company Mortgage.” As holder of the First Mortgage Bonds, the Trustee will, ratably with the holders of all other first mortgage bonds outstanding under the Company Mortgage, enjoy the benefit of a lien on properties of the Company. See “THE FIRST MORTGAGE BONDS—Security and Priority” for a description of the properties of the Company subject to the lien of the Company Mortgage. The Bonds will not otherwise be secured by a mortgage of, or security interest in, the Projects. The First Mortgage Bonds will be registered in the name of and held by the Trustee for the benefit of the applicable “Owners” of the Bonds and will not be transferable except to a successor trustee under the Indentures. “Owner,” “holder” or “Bondholder” means the registered owner of any Bonds; provided, however, when used in the context of the Tax-Exempt (as hereinafter defined) status of the Bonds, the terms “Owner,” “holder” or “Bondholder” includes each actual purchaser of any Bond (“Beneficial Owner”). See “THE BONDS—Book‑Entry System.”

Pursuant to the applicable provisions of each of the Indentures, the interest rate determination method is being converted to the Weekly Interest Rate for each series of the Bonds. Each such Weekly Interest Rate will apply during the Weekly Interest Rate Period for the applicable series of the Bonds, unless converted or redeemed as described herein.

The Bonds, together with the premium, if any, and interest thereon, will be limited obligations and not general obligations of the Issuer thereof. None of the Indentures, the Loan Agreements or the Bonds constitutes a debt or gives rise to a general obligation or liability of the Issuer thereof or constitutes an indebtedness under any constitutional or statutory debt limitation. The Bonds of each Issue will not constitute or give rise to a pecuniary liability of the Issuer thereof and will not constitute any charge against such Issuer’s general credit or taxing powers; nor will the Bonds of an Issuer constitute an indebtedness of or a loan of credit of such Issuer. The Bonds of each Issue are payable solely from the receipts and revenues to be received from the Company as Loan Payments under the related Loan Agreement, or otherwise on the related First Mortgage Bonds, and from any other moneys pledged therefor. Such receipts and revenues and all of the applicable Issuer’s rights and interests under each Loan Agreement (except as noted under “THE INDENTURES—Pledge and Security” below) are pledged and assigned to the Trustee as security, equally and ratably, for the payment of the Bonds to which the applicable Loan Agreement relates. The payments required to be made by the Company under the Loan Agreement, or otherwise on the First Mortgage Bonds, will be sufficient, together with other funds available for such purpose, to pay the principal and purchase price of and premium, if any, and interest on the Bonds of the Issue to which the Indenture relates. Under no circumstances will any Issuer have any obligation, responsibility or liability with respect to any of the Projects, the Loan Agreements, the Indentures, the Bonds or this Reoffering Circular, except for the special limited obligation set forth in each of the Indentures and the Loan Agreements whereby the Bonds are payable solely from amounts derived from the Company. Nothing contained in the Indentures, the Bonds or the Loan Agreements, or in any other related documents, shall be construed to require any Issuer to operate, maintain or have any responsibility with respect to any of the Projects. The Issuers have no liability in the event of wrongful disbursement by the Trustee or otherwise. No recourse shall be had against any past, present or future commissioner, officer, employee, official or agent of any Issuer under the Indentures, the Bonds, the Loan Agreements or any related document. The Issuers have no responsibility to maintain the Tax‑Exempt status of the Bonds under federal or state law nor any responsibility for any other tax consequences related to the ownership or disposition of the Bonds.

None of the Issuers, the State of Montana or the State of Wyoming is in any event liable for the payment of principal of, premium, if any, or interest on the Bonds, or for the purchase of the Bonds, and neither the Bonds, nor the interest thereon, constitute an indebtedness of any of the Issuers or a loan of credit thereof within the meaning of any constitutional or statutory provisions whatsoever nor constitute or give rise to a pecuniary liability of any of the Issuers or a charge against any of the Issuer’s general credit or taxing power.

Following the conversion to a Weekly Interest Rate, the Bonds of each Issue contain substantially the same terms and provisions as, but will be entirely separate from, the Bonds of each other Issue. The Bonds of one Issue will not be payable from or entitled to any revenues or other security (including First Mortgage Bonds) pledged to the Trustee in respect of the Bonds of any other Issue. Redemption of the Bonds of one Issue may be made in the manner described below without redemption of the Bonds of any other Issue, and a default in respect of the Bonds of one Issue will not, in and of itself, constitute a default in respect of the Bonds of the other Issues; however, the same occurrence may constitute a default with respect to the Bonds of more than one Issue.

Brief descriptions of the Issuers and summaries of certain provisions of, the Bonds, the Loan Agreements, the Indentures and the First Mortgage Bonds are included in this Reoffering Circular, including the Appendices hereto. As the Company has no present intention of providing letters of credit, bond insurance or other third-party security to secure the Bonds, only the relevant provision of the Indentures and the Loan Agreements are set forth herein. Provisions of the Loan Agreements and the Indentures relating to matters such as the establishment of various interest rates and interest rate periods, other than the Weekly Interest Rate Period and the Daily Interest Rate Period, and providing letters of credit are not summarized herein. Information regarding the Company is included or incorporated by reference in Appendix A hereto. Appendices B‑1, B‑2, B‑3 and B‑4 set forth the approving opinions of Chapman and Cutler, Bond Counsel, delivered on the date of original issuance of each series of the Bonds. Appendices C‑1, C‑2, C‑3 and C‑4 set forth the proposed opinions of Chapman and Cutler LLP, Bond Counsel in connection with the change in interest rate determination method on the Bonds, to be delivered at the time the Bonds are reoffered. Included as Appendix D is a copy of the Continuing Disclosure Agreement (the “Continuing Disclosure Agreement”) that the Company will execute and deliver on the Conversion Date.

The descriptions herein of the Loan Agreements, the Indentures and the Company Mortgage are qualified in their entirety by reference to such documents, and the descriptions herein of the Bonds and the First Mortgage Bonds are qualified in their entirety by reference to the forms thereof and the information with respect thereto included in the aforesaid documents. All such descriptions are further qualified in their entirety by reference to laws and principles of equity relating to or affecting the enforcement of creditors’ rights generally. Copies of such documents, except the Company Mortgage, may be obtained from the principal corporate trust office of the Trustee in Chicago, Illinois. The Company Mortgage is available for inspection at the office of the Company and at the principal office of the Company Mortgage Trustee in New York, New York. References herein to each series of the Bonds are qualified in their entirety by reference to the forms thereof included in the related Indentures and the information with respect thereto included in the aforesaid documents. Except as expressly stated herein and unless otherwise defined in this Reoffering Circular, all capitalized terms used herein with respect to a series of the Bonds have the same meaning as those terms have in the related Indenture. All such descriptions are further qualified in their entirety by reference to bankruptcy laws and laws relating to or affecting generally the enforcement of creditors’ rights.

*As this Reoffering Circular is being initially circulated in connection with the adjustment to a Weekly Interest Rate Period, generally only the Daily and Weekly Interest Rate Periods are described herein.*

# THE ISSUERS

**Sweetwater County, Wyoming**

Sweetwater County is a political subdivision duly organized and existing under the laws and Constitution of the State of Wyoming. The Series 1984 Bonds were issued under the authority of Sections 15‑1‑701 through 15‑1‑710, inclusive, of the Wyoming Statutes (1977), as amended and supplemented (the “Wyoming Act”).

**The City of Forsyth, Rosebud County, Montana**

The City of Forsyth is a municipal corporation and political subdivision duly organized and existing under the Constitution and laws of the State of Montana. The Series 1986 Bonds were issued under authority of Sections 90‑5‑101 through 90‑5‑1 14, inclusive, of the Montana Code Annotated, as amended (the “Montana Act”).

**Converse County, Wyoming**

Converse County is a political subdivision, duly organized and existing under the Constitution and laws of the State of Wyoming. The Series 1995 Converse County Bonds were issued under authority of the Wyoming Act.

**Lincoln County, Wyoming**

Lincoln County is a political subdivision, duly organized and existing under the Constitution and laws of the State of Wyoming. The Series 1995 Lincoln County Bonds were issued under the authority of the Wyoming Act.

# THE BONDS

*Each of the four Issues of Bonds is an entirely separate Issue but will contain substantially the same terms and provisions. The following is a summary of certain provisions common to the Bonds of the four Issues. A default in respect of one Issue will not, in and of itself, constitute a default in respect of any other Issue; however, the same occurrence may constitute a default with respect to more than one Issue. No Issue of the Bonds is entitled to the benefits of any payments or other security pledged for the benefit of the other Issues, except that each Issue of the Bonds is secured by a separate series of First Mortgage Bonds which entitle the Owner to share ratably with the holders of all other first mortgage bonds outstanding under the Company Mortgage in the properties of the Company subject to the lien thereof. Optional or mandatory redemption of one Issue of the Bonds may be made in the manner described below without redemption of the other Issues. References to the Issuer, the Trustee, the Paying Agent, the Registrar, the Remarketing Agent, the Bonds, the Plant, the Project, the Indenture, the Loan Agreement and other documents and parties shall be deemed to refer to the Issuer, the Trustee, the Paying Agent, the Registrar, the Remarketing Agent, the Bonds, the Plant, the Project, the Indenture, the Loan Agreement and such other documents and parties, respectively, relating to the applicable Issue of the Bonds.*

**General**

The Bonds have been issued only as fully registered Bonds without coupons in the manner described below. The Bonds were dated as of their initial date of delivery and mature on the date set forth on the inside cover page of this Reoffering Circular. The Bonds may bear interest at Daily, Weekly, Flexible or Term Interest Rates designated and determined from time to time in accordance with the Indenture and, with respect to the Daily and Weekly Interest Rates, as described herein. Following the reoffering of the Bonds on June 3, 2013, the Rate Period (as defined below) for the Bonds will be a Weekly Interest Rate Period. The Bonds are subject to purchase at the option of the holders of the Bonds, and under certain circumstances are subject to mandatory purchase, in the manner and at the times described herein. The Bonds are subject to optional and mandatory redemption prior to maturity in the manner and at the times described herein.

Bonds may be transferred or exchanged for other Bonds in authorized denominations at the principal office of the Trustee as the registrar and paying agent (in such capacities, the “Registrar” and the “Paying Agent”). The Bonds will be issued in authorized denominations of $100,000 or any integral multiple of $100,000 (provided that one Bond need not be in a multiple of $100,000, but may be in such denominations greater than $100,000 as is necessary to account for any principal amount of the Bonds not corresponding directly with $100,000 denominations) when the Bonds bear interest at a Daily or Weekly Interest Rate (the “Authorized Denominations”). Exchanges and transfers will be made without charge to the Owners, except for any applicable tax or other governmental charge.

**Certain Definitions**

“Business Day” means any day except a Saturday, Sunday or other day (a) on which commercial banks located in the cities in which the Principal Office of the Agent Bank (or the Principal Office of the Agent Obligor on an Alternate Liquidity Facility, as the case may be), the Principal Office of the Trustee, the Principal Office of the Remarketing Agent or the Principal Office of the Paying Agent are located are required or authorized by law to remain closed or are closed, or (b) on which The New York Stock Exchange is closed.

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

“Maximum Interest Rate” means 18% per annum; provided that in the event a Standby Purchase Agreement or an Alternate Liquidity Facility is in effect, the “Maximum Interest Rate” will mean the lesser of 18% per annum or any Interest Coverage Rate specified in such Standby Purchase Agreement or Alternate Liquidity Facility.

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

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

“Tax-Exempt” means, with respect to interest on any obligations of a state or local government, including the Bonds, that such interest is not includable in gross income of the owners of such obligations for federal income tax purposes, except for any interest on any such obligations for any period during which such obligations are owned by a person who is a “substantial user” of any facilities financed or refinanced with such obligations or a “related person” within the meaning of Section 103(b)(13) of the Internal Revenue Code of 1954, as amended (the “1954 Code”), for the Series 1984 Bonds, or within the meaning of Section 147(c) of the Internal Revenue Code of 1986, as amended (the “Code”), for the Series 1986 Bonds, the Series 1995 Converse County Bonds and the Series 1995 Lincoln County Bonds, whether or not such interest is includable as an item of tax preference or otherwise includable directly or indirectly for purposes of calculating other tax liabilities, including any alternative minimum tax or environmental tax under the Code.

**Payment of Principal And Interest**

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

Interest on each Bond will be payable on each Interest Payment Date for each such Bond for the period commencing on the immediately preceding Interest Payment Date to, but not including, such Interest Payment Date. Interest will be computed, in the case of any Daily or Weekly Interest Rate Period, on the basis of a 365‑ or 366‑day year, as applicable, for the number of days actually elapsed.

**Rate Periods**

The term of the Bonds will be divided into consecutive Rate Periods, during which such Bonds will bear interest at a Daily Interest Rate, Weekly Interest Rate, Flexible Interest Rate or a Term Interest Rate. The Rate Period applicable to each separate Issue of the Bonds may be established by the Company independently of the Rate Period applicable to any other Issue of the Bonds.

**Weekly Interest Rate Period**

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

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

***Adjustment to Weekly Interest Rate Period****.* The interest rate borne by the Bonds may be adjusted to a Weekly Interest Rate upon receipt by the Issuer, the Trustee, the Paying Agent, the Remarketing Agent and the Bank or the Obligor on an Alternate Credit Facility, as the case may be, of a written notice from the Company. Such notice must specify the effective date of such adjustment to a Weekly Interest Rate, which must be a Business Day not earlier than the twentieth day following the third Business Day after the date of receipt by the Trustee and Paying agent of such notice (or such shorter period after the date of such receipt as is acceptable to the Trustee); provided, however, that if prior to the Company’s making such election, any Bonds have been called for redemption and such redemption has not theretofore been effected, the effective date of such Weekly Interest Rate Period may not precede such redemption date.

***Notice of Adjustment to Weekly Interest Rate Period*.** The Trustee will give notice by mail of an adjustment to a Weekly Interest Rate Period to the Owners not less than 20 days prior to the effective date of such Weekly Interest Rate Period. Such notice must state (a) that the interest rate on the Bonds will be adjusted to a Weekly Interest Rate (subject to the Company’s ability to rescind its election as described below under “—Rescission of Election”), (b) the effective date of such Weekly Interest Rate Period, (c) that such Bonds are subject to mandatory purchase on such effective date, (d) the procedures for such mandatory purchase, (e) the purchase price of such Bonds on the effective date (expressed as a percentage of the principal amount thereof), and (f) that the Owners of such Bonds do not have the right to retain their Bonds on such effective date.

**Daily Interest Rate Period**

***Determination of Daily Interest Rate.***During each Daily Interest Rate Period, the Bonds bear interest at the Daily Interest Rate determined by the Remarketing Agent either on each Business Day for such Business Day or on the next preceding Business Day for any day that is not a Business Day.

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

***Adjustment to Daily Interest Rate Period.*** The interest rate borne by the Bonds may be adjusted to a Daily Interest Rate upon receipt by the Issuer, the Trustee, the Paying Agent, the Remarketing Agent and the Bank or the Obligor on an Alternate Credit Facility, as the case may be, of a written notice from the Company. Such notice must specify the effective date of the adjustment to a Daily Interest Rate, which must be a Business Day not earlier than the twentieth day following the third Business Day after the date of receipt by the Trustee and Paying Agent of such notice (or such shorter period after the date of such receipt as is acceptable to the Trustee); provided, however, that if prior to the Company’s making such election, any Bonds have been called for redemption and such redemption has not theretofore been effected, the effective date of such Daily Interest Rate Period may not precede such redemption date.

***Notice of Adjustment to Daily Interest Rate Period.*** The Trustee will give notice by mail of an adjustment to a Daily Interest Rate Period to the Owners not less than 20 days prior to the effective date of such Daily Interest Rate Period. Such Notice must state (a) that the interest rate on such Bonds will be adjusted to a Daily Interest Rate (subject to the Company’s ability to rescind its election as described below under “—Rescission of Election”), (b) the effective date of such Daily Interest Rate Period, (c) that such Bonds are subject to mandatory purchase on such effective date, (d) the procedures for such mandatory purchase, (e) the purchase price of such Bonds on the effective date (expressed as a percentage of the principal amount thereof), and (f) that the Owners of such Bonds do not have the right to retain their Bonds on such effective date.

**Determination Conclusive**

The determination of the interest rates referred to above is conclusive and binding upon the Remarketing Agent, the Trustee, the Paying Agent, the Issuer, the Company and the Owners of the Bonds.

**Rescission of Election**

The Company may rescind any election by it to adjust to a Rate Period prior to the effective date of such adjustment by giving written notice of rescission to the Issuer, the Trustee, the Paying Agent, the Remarketing Agent and the Bank (or the Obligor on an Alternate Credit Facility, as the case may be) prior to such effective date. At the time the Company gives notice of the rescission, it may also elect in such notice to continue the Rate Period then in effect. If the Trustee receives notice of such rescission prior to the time the Trustee has given notice to the Owners of the change in Rate Periods, then such notice of change in Rate Periods is of no force and effect and will not be given to the Owners. If the Trustee receives notice of such rescission after the Trustee has given notice to the Owners of an adjustment or an attempted adjustment from one Rate Period to another Rate Periods does not become effective for any other reason, then the Rate Period for the Bonds will automatically adjust to or continue in a Daily Interest Rate Period and the Trustee will immediately give notice thereof to the Owners of the Bonds. If a Daily Interest Rate for the first day of any Daily Interest Rate Period to which a Rate Period is adjusted in accordance with this paragraph is not determined as described in “—Daily Interest Rate Period‑*Determination of Daily Interest Rate*,” the Daily Interest Rate for the first day of such Daily Interest Rate Period will be 80% of the most recent One‑Year Note Index theretofore published in *The Bond Buyer* (or, if *The Bond Buyer* is no longer published or no longer publishes the One‑Year Note Index, the one‑year note index contained in the publication determined by the Remarketing Agent as most comparable to *The Bond Buyer*). The Trustee will immediately give written notice of each such automatic adjustment to a Rate Period as described in this paragraph to the Owners.

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

**Optional Purchase**

*Weekly Interest Rate Period*. During any Weekly Interest Rate Period, any Bond (or portions thereof in Authorized Denominations) will be purchased at the option of the owners thereof on any Wednesday, or if such Wednesday is not a Business Day, the next succeeding Business Day at a purchase price equal to 100% of the principal amount thereof plus accrued interest, if any, to the date or purchase upon:

1. delivery to the Trustee at the Delivery Office of the Trustee of an irrevocable written notice or telephonic notice (promptly confirmed by telecopy or other writing) by 5:00 p.m., New York time, on any Business Day, which states the principal amount and certificate number (if the Bonds are not then held in book–entry form) of such Bond to be purchased and the date on which such Bond is to be purchased, which date may not be prior to the seventh day next preceding the date of the delivery of such notice to the Trustee; and
2. except when the Bond is held in book–entry form, delivery of such Bond, accompanied by an instrument of transfer (which may be the form printed on the Bond) executed in blank by its Owner, with such signature guaranteed by a bank, trust company or member firm of the New York Stock Exchange, Inc. to the Delivery Office of the Trustee at or prior to 1:00 p.m., New York time, on the purchase date specified in such notice.

*Daily Interest Rate Period*. During any Daily Interest Rate Period, any Bond (or portions thereof in Authorized Denominations) will be purchased at the option of the owner thereof on any Business Day at a purchase price equal to 100% of the principal amount thereof plus accrued interest, if any, to the date of purchase upon:

1. delivery to the Trustee at the Delivery Office of the Trustee and to the Remarketing Agent at the Principal Office of the Remarketing Agent, not later than 11:00 a.m., New York time, on such Business Day, of an irrevocable written or telephonic notice (promptly confirmed by telecopy or other writing), which states the principal amount and certificate number (if the Bonds are not then held in book–entry form) of such Bond to be purchased and the date of such purchase; and
2. except when the Bond is held in book–entry form, delivery of such Bond, accompanied by an instrument of transfer (which may be the form printed on the Bond) executed in blank by its Owner, with such signature guaranteed by a bank, trust company or member firm of the New York Stock Exchange, Inc., to the Delivery Office of the Trustee at or prior to 1:00 p.m., New York time, on such purchase date.

FOR SO LONG AS THE BONDS ARE HELD IN book–entry form, THE BENEFICIAL OWNER OF THE BONDS THROUGH ITS DIRECT PARTICIPANT (AS HEREINAFTER DEFINED) MUST GIVE NOTICE TO THE TRUSTEE TO ELECT TO HAVE SUCH BONDS PURCHASED, AND MUST EFFECT DELIVERY OF SUCH BONDS BY CAUSING SUCH DIRECT PARTICIPANT TO TRANSFER ITS INTEREST IN THE BONDS EQUAL TO SUCH BENEFICIAL OWNER’S INTEREST ON THE RECORDS OF DTC TO THE TRUSTEE’S PARTICIPANT ACCOUNT WITH DTC. THE REQUIREMENT FOR PHYSICAL DELIVERY OF THE BONDS IN CONNECTION WITH ANY PURCHASE PURSUANT TO THE PROVISIONS DESCRIBED ABOVE ARE DEEMED SATISFIED WHEN THE OWNERSHIP RIGHTS IN THE BONDS ARE TRANSFERRED BY DTC PARTICIPANTS ON THE RECORDS OF DTC. SEE “—THE BOOK–ENTRY SYSTEM.”

**Mandatory Purchase**

The Bonds bearing interest at a Weekly Interest Rate or Daily Interest Rate are subject to mandatory purchase at a purchase price equal to 100% of the principal amount thereof, plus accrued interest to the purchase date described below, on the effective date of any change in a Rate Period.

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

**Purchase of Bonds**

On the date on which Bonds are to be purchased as specified above under “–Optional Purchase” or “–Mandatory Purchase,” the Trustee will pay the purchase price of such Bonds but solely from the following sources in the order of priority indicated, and the Trustee has no obligation to use funds from any other source:

1. moneys furnished by the Company to the Trustee for the purchase of Bonds that are to be cancelled or held by or on behalf of the Company;
2. proceeds from the remarketing and sale of such Bonds;
3. moneys furnished by the Trustee for defeasance of such Bonds, such moneys to be applied only to the purchase of Bonds which are deemed to be defeased; and
4. any other moneys furnished by the Company to the Trustee for purchase of the Bonds;

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

**Remarketing of Bonds**

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

**Optional Redemption of Bonds**

The Bonds may be redeemed at the option of the Company, in whole, or in part by lot, prior to their maturity date on any Business Day during a Daily Interest Rate Period or Weekly Interest Rate Period, at a redemption price equal to 100% of the principal amount thereof plus accrued interest, if any to the date of redemption.

**Extraordinary Optional Redemption of Bonds**

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

1. the Company has determined that the continued operation of the Plant is impracticable, uneconomical or undesirable for any reason;
2. all or substantially all of the Plant has been condemned or taken by eminent domain; or
3. the operation of the Plant has been enjoined or has otherwise been prohibited by, or conflicts with, any order, decree, rule or regulation of any court or of any federal, state or local regulatory body, administrative agency or other governmental body.

**Special Mandatory Redemption of Bonds**

The Bonds are subject to mandatory redemption at 100% of the principal amount thereof plus accrued interest, if any, to the date of redemption upon the occurrence of the following events.

The Bonds will be redeemed in whole within 180 days following a “Determination of Taxability” as defined below; provided that, if in the opinion of nationally recognized bond counsel (“Bond Counsel”) delivered to the Trustee, the redemption of a specified portion of the Bonds outstanding would have the result that interest payable on the Bonds remaining outstanding after such redemption would remain Tax–Exempt, then the Bonds will be redeemed in part by lot (in Authorized Denominations) in such amount as Bond Counsel in such opinion has determined is necessary to accomplish that result. A “Determination of Taxability” is deemed to have occurred if, as a result of an Event of Taxability (as defined below), a final decree or judgment of any federal court or a final action of the Internal Revenue Service determines that interest paid or payable on any Bond is or was includible in the gross income of an owner of the Bonds for federal income tax purposes under the Code (other than an owner who is a “substantial user” or “related person” within the meaning of Section 103(b)(13) of the 1954 Code). However, no such decree or action will be considered final for this purpose unless the Company has been given written notice and, if it is so desired and is legally allowed, has been afforded the opportunity to contest the same, either directly or in the name of any owner of a Bond, and until conclusion of any appellate review, if sought. If the Trustee receives written notice from any owner stating (a) that the owner has been notified in writing by the Internal Revenue Service that it proposes to include the interest on any Bond in the gross income of such owner for the reasons described therein or any other proceeding has been instituted against such owner which may lead to a final decree or action as described in the Loan Agreement, and (b) that such owner will afford the Company the opportunity to contest the same, either directly or in the name of the owner, until a conclusion of any appellate review, if sought, then the Trustee will promptly give notice thereof to the Company, the Issuer and the owner of each Bond then outstanding. If a final decree or action as described above thereafter occurs and the Trustee has received written notice thereof at least 45 days prior to the redemption date, the Trustee will make the required demand for prepayment of the amounts payable under the Loan Agreement for prepayment of the Bonds and give notice of the redemption of the Bonds at the earliest practical date, but not later than the date specified in the Loan Agreement, and in the manner provided by the Indenture. An “Event of Taxability” means the failure of the Company to observe any covenant, agreement or representation in the Loan Agreement, which failure results in a Determination of Taxability.

**Procedure for and Notice of Redemption**

If less than all of the Bonds of an Issue are called for redemption, the particular Bonds or portions thereof to be redeemed will be selected by the Trustee, by lot. In selecting Bonds for redemption, the Trustee will treat each Bond as representing that number of Bonds which is obtained by dividing the principal amount of each Bond by the minimum Authorized Denomination. Any Bonds selected for redemption which are deemed to be paid in accordance with the provisions of the Indenture will cease to bear interest on the date fixed for redemption. Subject to the procedures described below under “–Book–Entry System” for Bonds held in book–entry form, upon presentation and surrender of such Bonds at the place or places of payment, such Bonds shall be paid. Notice of redemption will be given by first–class mail as provided in the Indenture, not less than 30 days and not more than 60 days prior to the redemption date, provided that the failure to duly give notice by mailing to any Owner, or any defect therein, does not affect the validity of any proceedings for the redemption of any other of the Bonds. Such notice will also be sent to the Remarketing Agent, the Company Mortgage Trustee, Moody’s (if the Bonds are then rated by Moody’s), S&P (if the Bonds are then rated by S&P), securities depositories and bond information services.

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

**Book-Entry System**

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

The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully‑registered bonds registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully‑registered Bond certificate will be issued for the Bonds, in the aggregate principal amount of such issue, and will be deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non‑U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book‑entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of bond certificates. Direct Participants include both U.S. and non‑U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly‑owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

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

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

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Redemption notices will be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC’s practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC’s MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.’s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, purchase price and other payments on the Bonds will be made to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. DTC’s practice is to credit Direct Participants’ accounts upon DTC’s receipt of funds and corresponding detail information from Issuer or Agent, on payable date in accordance with their respective holdings shown on DTC’s records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with bonds held for the accounts of customers in bearer form or registered in “street name,” and will be the responsibility of such Participant and not of DTC, the Trustee, or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Issuer or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

A Beneficial Owner shall give notice to elect to have its Bonds purchased or tendered, through its Participant, to the Remarketing Agent, and shall effect delivery of such Bonds by causing the Direct Participant to transfer the Participant’s interest in the Bonds, on DTC’s records, to the Remarketing Agent. The requirement for physical delivery of Bonds in connection with an optional tender or mandatory purchase will be deemed satisfied when the ownership rights in the Bonds are transferred by Direct Participants on DTC’s records and followed by book-entry credit of tendered Bonds to the Remarketing Agent’s DTC account.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the Issuer or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Bonds are required to be printed and delivered.

The Issuer, at the direction of the Company, may decide to discontinue use of the system of book‑entry‑only transfers through DTC (or a successor bonds depository). In that event, Bonds will be printed and delivered to DTC.

The information in this section concerning DTC and DTC’s book-entry system has been obtained from sources that Issuer believes to be reliable, but Issuer takes no responsibility for the accuracy thereof.

NONE OF THE ISSUER, THE COMPANY OR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO SUCH PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT AS NOMINEES WITH RESPECT TO THE PAYMENTS TO OR THE PROVIDING OF NOTICE FOR THE DIRECT PARTICIPANTS, OR THE INDIRECT PARTICIPANTS, OR THE BENEFICIAL OWNERS. SO LONG AS CEDE & CO., AS NOMINEE OF DTC, IS THE REGISTERED OWNER OF THE BONDS, REFERENCES HEREIN TO THE REGISTERED OWNERS OF THE BONDS SHALL MEAN CEDE & CO. AND SHALL NOT MEAN THE BENEFICIAL OWNERS.

Unless otherwise noted, portions of the information contained under this caption have been obtained from DTC. No representation is made by the Issuers, the Company or the Remarketing Agents as to the completeness or the accuracy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof.

# THE LOAN AGREEMENTS

*Each Loan Agreement will operate independently of each other Loan Agreement. A default under one Loan Agreement will not necessarily constitute a default under the other Loan Agreements. The Loan Agreements contain substantially identical terms, and the following is a summary of certain provisions common to the Loan Agreements. All references in this summary to the Issuer, the Loan Agreement and payments thereunder, the Indenture, the Bonds, the Project, the First Mortgage Bonds and other documents and parties shall be deemed to refer to the Issuer, the Loan Agreement and such payments, the Indenture, the Bonds, the Project, the First Mortgage Bonds and such other documents and parties, respectively, relating to each Issue of the Bonds.*

**Issuance of the Bonds**

The Issuer issued the Bonds for the purpose of loaning the proceeds thereof to the Company to finance or refinance a portion of the costs of the Projects.

**Loan Payments; the First Mortgage Bonds**

As and for repayment of the loan made to the Company by the Issuer, the Company will pay to the Trustee, for the account of the Issuer, an amount equal to the principal of, and premium, if any, and interest on the Bonds when due on the dates, in the amounts and in the manner provided in the Indenture for the payment of the principal of, and premium, if any, and interest on the Bonds, whether at maturity, upon redemption, acceleration or otherwise (the “Loan Payments”); provided, however, that the obligation of the Company to make any such Loan Payment will be reduced by the amount of any moneys held by the Trustee under the Indenture and available for such payment; and provided further that the obligations of the Company to make any prepayment under the Loan Agreement will be deemed to be satisfied and discharged to the extent of the corresponding payment, if any, made by the Company of principal of, premium, or interest on the First Mortgage Bonds.

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

The Company’s obligation to repay the loan made to it by the Issuer will be secured by First Mortgage Bonds delivered to the Trustee equal in principal amount to, and bearing interest at the same rate and maturing on the same date as, the Bonds. The payments to be made by the Company pursuant to the Loan Agreement and the First Mortgage Bonds will be pledged under the Indenture by the Issuer to the Trustee, and the Company is to make all payments thereunder and thereon directly to the Trustee. See “THE FIRST MORTGAGE BONDS—General” below.

Pursuant to the Loan Agreement, the Company may provide for the release of its First Mortgage Bonds by delivering to the Trustee collateral in substitution for the First Mortgage Bonds (“Substitute Collateral”), but only if the Company, on the date of delivery of such Substitute Collateral, simultaneously delivers to the Trustee (a) an opinion of Bond Counsel stating that delivery of such Substitute Collateral and release of the First Mortgage Bonds complies with the terms of the Loan Agreement and will not adversely affect the Tax‑Exempt status of the Bonds; (b) written evidence from the Insurer, if any, and from each Bank, if any, to the effect that they have reviewed the proposed Substitute Collateral and find it to be acceptable; and (c) written evidence from Moody’s, if the Bonds are then rated by Moody’s, and from S&P, if the Bonds are then rated by S&P, in each case to the effect that such rating agency has reviewed the Substitute Collateral and that the release of the First Mortgage Bonds and the substitution of the Substitute Collateral for the First Mortgage Bonds will not, by itself, result in a reduction, suspension or withdrawal of such rating agency’s rating or ratings of the Bonds.

Pursuant to the Loan Agreement, the Company may provide for the release of its First Mortgage Bonds at any time the Bonds are subject to optional redemption. See “THE BONDS—Optional Redemption of Bonds.”

**Payments of Purchase Price**

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

**Obligation Absolute**

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

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

**Tax Covenants; Tax-Exempt Status of Bonds**

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

The Company covenants that it has not taken, and will not take, or permit to be taken on its behalf, any action which would adversely affect the Tax-Exempt status of the Bonds and will take, or require to be taken, such actions as may, from time to time, be required under applicable law or regulation to continue to cause the Bonds to be Tax‑Exempt. See “TAX EXEMPTION.”

**Other Covenants of the Company**

***Maintenance of Existence; Conditions Under Which Exceptions Permitted*.** The Company will maintain in good standing its corporate existence as a corporation organized under the laws of one of the states of the United States or the District of Columbia and will remain duly qualified to do business in the States of Montana and Wyoming, as applicable, will not dissolve or otherwise dispose of all or substantially all of its assets and will not consolidate with or merge into another corporation; provided, however, that the Company may, without violating the foregoing, undertake from time to time any one or more of the following, if, prior to the effective date thereof, there has been delivered to the Trustee an opinion of Bond Counsel stating that the contemplated action will not adversely affect the Tax‑Exempt status of the Bonds: (a) consolidate with or merge into another domestic corporation (i.e., a corporation incorporated and existing under the laws of one of the states of the United States or of the District of Columbia), or sell or otherwise transfer to another domestic corporation all or substantially all of its assets as an entirety and thereafter dissolve, provided the resulting, surviving or transferee corporation, as the case may be, must be the Company or a corporation qualified to do business in the States of Montana and Wyoming, as applicable, as a foreign corporation or incorporated and existing under the laws of the States of Montana and Wyoming, as applicable, which, as a result of the transaction, has assumed (either by operation of law or in writing) all of the obligations of the Company under the Loan Agreement and the First Mortgage Bonds; or (b) convey all or substantially all of its assets to one or more wholly‑owned subsidiaries of the Company so long as the Company remains in existence and primarily liable on all of its obligations under the Loan Agreement and the First Mortgage Bonds and the subsidiary or subsidiaries to which such assets have been conveyed have guaranteed in writing the performance of all of the Company’s obligations under the Loan Agreement and the First Mortgage Bonds.

***Assignment.***The Company’s interest in the Loan Agreement may be assigned in whole or in part by the Company to another entity, subject, however, to the conditions that no assignment may (a) adversely affect the Tax‑Exempt status of the Bonds or (b) relieve (other than as described in the preceding paragraph) the Company from primary liability for its obligations to pay the First Mortgage Bonds or to make the Loan Payments or to make payments to the Trustee for the purchase of Bonds or for any other of its obligations under the Loan Agreement; and subject further to the condition that the Company delivers to the Trustee (i) an opinion of counsel to the Company that such assignment complies with the foregoing provisions and (ii) an opinion of Bond Counsel to the effect that the proposed assignment will not impair the validity of the Bonds under either the Wyoming Act or the Montana Act, respectively, or adversely affect the Tax-Exempt status of the Bonds. The Company must, within 30 days after the delivery thereof, furnish to the Issuer and the Trustee a true and complete copy of the agreements or other documents effectuating any such assignment.

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

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

The Company will cause insurance to be taken out and continuously maintained in effect with respect to the Plant in accordance with standard industry practice.

Anything in the Loan Agreement to the contrary notwithstanding, the Company will have the right at any time to cause the operation of the Plant to be terminated if the Company has determined or concurred in a determination that the continued operation of the Project or the Plant is uneconomical for any reason.

**Defaults**

Each of the following events constitutes an “Event of Default” under the Loan Agreements:

1. a failure by the Company to make when due any Loan Payment and any payment on the First Mortgage Bonds, or any payment required to be made to the Trustee for the purchase of Bonds, which failure has resulted in an “Event of Default” as described herein in paragraphs (a), (b) or (c) under “THE INDENTURES—Defaults;”
2. a failure by the Company to pay when due any amount required to be paid under the Loan Agreement or to observe and perform any other covenant, condition or agreement on the Company’s part to be observed or performed under the Loan Agreement (other than a failure described in clause (a) above), which failure continues for a period of 60 days (or such longer period as the Issuer and the Trustee may agree to in writing) after written notice given to the Company by the Trustee or to the Company and the Trustee by the Issuer; provided, however, that if such failure is other than for the payment of money and cannot be corrected within the applicable period, such failure will not constitute an Event of Default under the Loan Agreement so long as the Company institutes corrective action within the applicable period and such action is being diligently pursued; or
3. certain events of bankruptcy, dissolution, liquidation or reorganization of the Company.

The Loan Agreement provides that, with respect to any Event of Default described in clause (b) above if, by reason of acts of God, strikes, lockouts or other industrial disturbances, acts of public enemies, orders of political bodies, certain natural disasters, civil disturbances and certain other events specified in the Loan Agreement, or any cause or event not reasonably within the control of the Company, the Company is unable in whole or in part to carry out one or more of its agreements or obligations contained in the Loan Agreement (other than certain obligations specified in the Loan Agreement, including its obligations to make when due Loan Payments or otherwise on the First Mortgage Bonds, to make payments to the Trustee for the purchase of Bonds, to pay certain expenses and taxes, to indemnify the Issuer, the Trustee and others against certain liabilities, to discharge liens and to maintain its existence), the Company will not be deemed in default by reason of not carrying out such agreement or agreements or performing such obligations during the continuance of such inability.

**Remedies**

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

Upon the occurrence and continuance of any Event of Default arising from a “Default” as such term is defined in the Company Mortgage, the Trustee, as holder of the First Mortgage Bonds, will, subject to the provisions of the Indenture, have the rights provided in the Company Mortgage. Any waiver made in accordance with the Indenture of a “Default” under the Company Mortgage and a rescission and annulment of its consequences will constitute a waiver of the corresponding Event or Events of Default under the Loan Agreement and a rescission and annulment of the consequences thereof.

Upon the occurrence and continuance of any Event of Default under the Loan Agreement, the Issuer may (i) take any action at law or in equity to collect any payments then due and thereafter to become due, or to seek injunctive relief or specific performance of any obligation, agreement or covenant of the Company under the Loan Agreement and (ii) pursue any remedy available under the First Mortgage Bonds.

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

**Amendments**

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

# THE INDENTURES

*Each Indenture will operate independently of each other Indenture. A default under one Indenture will not necessarily constitute a default under the other Indentures. The Indentures contain substantially identical terms, and the following is a summary of certain provisions common to the Indentures. All references in this summary to the Issuer, the Loan Agreement and payments thereunder, the Indenture, the Bonds, the Bond Fund and other documents and parties are to the Issuer, the Loan Agreement and such payments, the Indenture, the Bonds, the Bond Fund and such other documents and parties, respectively, relating to each Issue of Bonds.*

**Pledge and Security**

Pursuant to the Indenture, the Loan Payments have been pledged by the Issuer to secure the payment of the principal of, and premium, if any, and interest on, the Bonds. The Issuer has also pledged and assigned to the Trustee all its rights and interests under the Loan Agreement (other than its rights to indemnification and reimbursement of expenses and certain other rights), including the Issuer’s right to delivery of the First Mortgage Bonds, and has pledged to the Trustee all moneys and obligations deposited or to be deposited in the Bond Fund established with the Trustee; provided that the Trustee, the Remarketing Agent, the Paying Agent and the Registrar will have a prior claim on the Bond Fund for the payment of their compensation and expenses and for the repayment of any advances (plus interest thereon) made by them to effect performance of certain covenants in the Indenture if the Company has failed to make any payment which results in an Event of Default under the Loan Agreement.

**Application of Proceeds of the Bond Fund**

The proceeds from the sale of the Bonds, excluding accrued interest, if any, were used to finance or refinance a portion of the Company’s share of expenditures, including financing costs, of the Projects. There was created under the Indenture, a Bond Fund to be held by the Trustee and therein established a Principal Account and an Interest Account. Payments made by the Company under the Loan Agreement and otherwise on the First Mortgage Bonds in respect of the principal of, and premium, if any, and interest on, the Bonds and certain other amounts specified in the Indenture are to be deposited in the appropriate account in the Bond Fund. While any Bonds are outstanding and except as provided in the Indenture and a Tax Exemption Certificate and Agreement among the Trustee, the Issuer and the Company (the “Tax Certificate”), moneys in the Bond Fund will be used solely for the payment of the principal of, and premium, if any, and interest on, the Bonds as the same become due and payable at maturity, upon redemption or upon acceleration of maturity, subject to the prior claim of the Trustee, the Remarketing Agent, the Paying Agent and the Registrar, to the extent described above in “Pledge and Security.”

**Investment of Funds**

Subject to the provisions of the Tax Certificate, moneys in the Bond Fund will, at the direction of the Company, be invested in securities or obligations specified in the Indenture. Gains from such investments will be credited, and any loss will be charged, to the particular fund or account from which the investments were made.

**Defaults**

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

1. a failure to pay the principal of, or premium, if any, on any of the Bonds when the same becomes due and payable at maturity, upon redemption or otherwise;
2. a failure to pay an installment of interest on any of the Bonds for a period of one day after such interest has become due and payable;
3. a failure to pay amounts due in respect of the purchase price of Bonds as described under the captions “THE BONDS—Optional Purchase” and “—Mandatory Purchase;”
4. a failure by the Issuer to observe and perform any covenant, condition, agreement or provision contained in the Bonds or the Indenture (other than a failure described in clauses (a), (b) or (c) above), which failure continues for a period of 90 days after written notice has been given to the Issuer and the Company by the Trustee, which notice may be given at the discretion of the Trustee and must be given at the written request of the Owners of not less than 25% in principal amount of Bonds then outstanding, unless such period is extended prior to its expiration by the Trustee, or by the Trustee and the Owners of a principal amount of Bonds not less than the principal amount of Bonds the Owners of which requested such notice, as the case may be; provided, however*,* that the Trustee, or the Trustee and the Owners of such principal amount of Bonds, as the case may be, will be deemed to have agreed to an extension of such period if corrective action is initiated by the Issuer, or the Company on behalf of the Issuer, within such period and is being diligently pursued;
5. an “Event of Default” under the Loan Agreement; or
6. a “Default” under the Company Mortgage.

**Remedies**

Upon the occurrence (without waiver or cure) of an Event of Default described in clauses (a), (b), (c) or (f) under “—Defaults” above or an Event of Default described in clause (e) under “—Defaults” resulting from an “Event of Default” under the Loan Agreement as described under clauses (a) or (c) of “THE LOAN AGREEMENTS—Defaults” herein, and further on the condition that, if in accordance with the terms of the Company Mortgage, the First Mortgage Bonds have become immediately due and payable pursuant to any provision of the Company Mortgage, then the Bonds will, without further action become immediately due and payable, whereupon the Bonds will, without further action, become immediately due and payable; provided that any waiver of any “Default” under the Company Mortgage and a rescission and annulment of its consequences will constitute a waiver of the corresponding Event or Events of Default under the Indenture and rescission and annulment of the consequences thereof.

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

Upon the occurrence and continuance of any Event of Default under the Indenture, the Trustee may, and upon the written direction of the Owners of not less than 25% in principal amount of the Bonds outstanding and receipt of indemnity to its satisfaction (except against gross negligence or willful misconduct) must, pursue any available remedy to enforce the rights of the Owners of the Bonds and to require the Company or the Issuer to carry out any agreements, bring suit upon the Bonds or enjoin any acts or things which may be unlawful or in violation of the rights of the Owners of the Bonds. The Trustee is not required to take any action in respect of an Event of Default (other than, in certain circumstances, to declare the Bonds to be immediately due and payable, to make certain payments with respect to the Bonds or to enforce the trusts created by the Indenture) except upon the written request of the Owners of not less than 25% in principal amount of the Bonds then outstanding and receipt of indemnity satisfactory to it.

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

No Owner of any Bond will have any right to institute any suit, action or proceeding in equity or at law for the execution of any trust or power of the Trustee unless such Owner has previously given the Trustee written notice of an Event of Default and unless the Owners of not less than 25% in principal amount of the Bonds then outstanding have made written request of the Trustee so to do, and unless satisfactory indemnity (except against gross negligence or willful misconduct) has been offered to the Trustee and the Trustee has not complied with such request within a reasonable time.

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

**Defeasance**

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

1. the Bonds or portions thereof have been selected for redemption and the Trustee has given, or the Company has given to the Trustee in form satisfactory to it, irrevocable instructions to give, notice of redemption of such Bonds or portions thereof;
2. there has been deposited with the Trustee moneys in an amount sufficient (without relying on any investment income) to pay when due the principal of, and premium, if any, and interest due and to become due (which amount of interest to become due will be calculated at the Maximum Interest Rate unless the interest rate borne by all of such Bonds is not subject to adjustment prior to the maturity or redemption thereof, in which case the amount of interest will be calculated at the rate borne by such Bonds) on such Bonds or portions thereof on and prior to the redemption date or maturity date thereof, as the case may be;
3. in the event such Bonds or portions thereof do not mature and are not to be redeemed within the next succeeding 60 days, the Issuer at the direction of the Company has given the Trustee in form satisfactory to it irrevocable instructions to give, as soon as practicable in the same manner as a notice of redemption is given pursuant to the Indenture, a notice to the Owners of such Bonds or portions thereof that the deposit required by clause (b) above has been made with the Trustee and that such Bonds or portions thereof are deemed to have been paid and stating the maturity or redemption date upon which moneys are to be available for the payment of the principal of, and premium, if any, and interest on such Bonds or portions thereof;
4. the Issuer, the Company, the Trustee, Moody’s, if the Bonds are then rated by Moody’s, and S&P, if the Bonds are then rated by S&P, have received an opinion of an independent public accountant of nationally recognized standing, selected by the Company (an “Accountant’s Opinion”), to the effect that the requirements set forth in clause (b) above have been satisfied;
5. the Issuer, the Company and the Trustee have received written evidence from Moody’s, if the Bonds are then rated by Moody’s, and S&P, if the Bonds are then rated by S&P, that such action will not result in a reduction, suspension or withdrawal of the rating; and
6. the Issuer, the Company, the Trustee, Moody’s, if the Bonds are then rated by Moody’s, and S&P, if the Bonds are then rated by S&P, have received an opinion of Bond Counsel to the effect that such deposit will not adversely affect the Tax–Exempt status of the Bonds (“Bond Counsel’s Opinion”).

Moneys deposited with the Trustee as described above may not be withdrawn or used for any purpose other than, and will be held in trust for, the payment of the principal of, and premium, if any, and interest on such Bonds or portions thereof, or for the payment of the purchase price of Bonds in accordance with the Indenture; provided that such moneys, if not then needed for such purpose, will, to the extent practicable, be invested and reinvested in direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed as to full and timely payment by, the United States of America, which are not subject to redemption or prepayment prior to stated maturity (“Government Obligations”) maturing on or prior to the earlier of (a) the date moneys may be required for the purchase of Bonds or (b) the Interest Payment Date next succeeding the date of investment or reinvestment, and interest earned from such investments will be paid over to the Company, as received by the Trustee, free and clear of any trust, lien or pledge.

The provisions of the Indenture relating to (a) the registration and exchange of Bonds and (b) the delivery of Bonds to the Trustee for purchase and the related obligations of the Trustee with respect thereto will remain in full force and effect with respect to all Bonds until the maturity date of the Bonds or the last date fixed for redemption of all Bonds prior to maturity, notwithstanding that all or any portion of the Bonds are deemed to be paid; provided, however, that the provisions with respect to registration and exchange of Bonds will continue to be effective until the maturity or the last date fixed for redemption of all Bonds.

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

Any Bond will be deemed to be paid within the meaning of the Indenture when (a) payment of the principal of, and premium, if any, on such Bond, plus interest thereon to the due date thereof (whether such due date is by reason of maturity or acceleration or upon redemption as provided in the Indenture) either (i) will have been made or caused to be made in accordance with the terms thereof or (ii) will have been provided for by irrevocably depositing with the Trustee in trust and irrevocably set aside exclusively for such payment, (1) moneys sufficient to make such payment and/or (2) Government Obligations maturing as to principal and interest in such amount and at such time as will insure, without reinvestment, the availability of sufficient moneys to make such payment; (b) all necessary and proper fees, compensation and expenses of the Issuer, the Trustee and the Registrar pertaining to the Bonds with respect to which such deposit is made will have been paid or the payment thereof provided for to the satisfaction of the Trustee; and (c) an accountant’s opinion to the effect that such moneys and/or Government Obligations will insure, without reinvestment, the availability of sufficient moneys to make such payment, and a Favorable Opinion of Bond Counsel with respect to such deposit will have been delivered to the Trustee. The provisions of this paragraph will apply only if (x) the Bond with respect to which such deposit is made is to mature or be called for redemption prior to the next succeeding date on which such Bond is subject to purchase as described herein under the captions “THE BONDS—Optional Purchase” and “—Mandatory Purchase” and (y) the Company waives, to the satisfaction of the Trustee, its right to convert the interest rate borne by such Bond.

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

**Removal of Trustee**

The Trustee may be removed at any time by filing with the Trustee so removed, and with the Issuer, the Company, the Registrar and the Remarketing Agent, an instrument or instruments in writing executed by the Owners of not less than a majority in principal amount of the Bonds then outstanding. The Trustee may also be removed by the Issuer under certain circumstances.

**Modifications and Amendments**

The Indenture may be modified or amended by the Issuer and the Trustee by supplemental indentures without the consent of the Owners of the Bonds for any of the following purposes: (a) to cure any formal defect, omission, inconsistency or ambiguity in the Indenture; (b) to add to the covenants and agreements of the Issuer contained in the Indenture or of the Company contained in any document, other covenants or agreements thereafter to be observed, or to assign or pledge additional security for any of the Bonds, or to surrender any right or power reserved or conferred upon the Issuer or the Company which does not materially adversely affect the interests of the Owners of the Bonds; (c) to confirm, as further assurance, any pledge of or lien on the Revenues or any other moneys, securities or funds subject or to be subjected to the lien of the Indenture; (d) to comply with the requirements of the Trust Indenture Act of 1939, as amended; (e) to modify, alter, amend or supplement the Indenture or any supplemental indentures in any other respect which in the judgment of the Trustee is not materially adverse to the Owners of the Bonds; (f) to implement a conversion of the interest rate on the Bonds or to evidence or give effect to or facilitate the delivery and administration of letters of credit, standby bond purchase agreements, bond insurance policies, lines of credit, first mortgage bonds or other instrument of credit enhancement or liquidity support or any combination thereof for the Bonds; (g) to provide for a depository to accept Bonds in lieu of the Trustee; (h) to modify or eliminate the book‑entry registration system for any of the Bonds; (i) to provide for uncertificated Bonds or for the issuance of coupons and bearer Bonds or Bonds registered only as to principal, but only to the extent that such would not adversely affect the Tax–Exempt status of the Bonds; (j) to secure or maintain ratings for the Bonds from Moody’s and/or S&P in both the highest short-term or commercial paper debt rating category and also in either of the two highest long-term debt rating categories of the applicable rating agency or agencies, which changes will not restrict, limit or reduce the obligation of the Issuer to pay the principal of and premium, if any, and interest on the Bonds or otherwise adversely affect the Owners; (k) to provide demand purchase obligations to cause the Bonds to be authorized purchases for investment companies; (l) to provide for any Substitute Collateral and the release of any First Mortgage Bonds; (m) to provide for the appointment of a successor Trustee, Registrar or Paying Agent; (n) to provide the procedures required to permit any Owner to separate the right to receive interest on the Bonds from the right to receive principal thereof and to sell or dispose of such right as contemplated by Section 1286 of the Code; (o) to provide for any additional procedures, covenants or agreements necessary to maintain the Tax–Exempt status of the Bonds; and (p) to modify, alter, amend or supplement the Indenture in any other respect (which in the judgment of the Trustee is not materially adverse to the Owners), including amendments that would otherwise require the consent of the Owners, if the effective date of such supplement or amendment is a date on which all of the Bonds affected thereby are subject to mandatory purchase and are so purchased.

Before the Issuer and the Trustee may enter into any supplemental indenture as described above, there must have been delivered to the Trustee and the Company an opinion of Bond Counsel stating that such supplemental indenture is authorized or permitted by the Indenture and will, upon the execution and delivery thereof, be valid and binding upon the Issuer in accordance with its terms and will not impair the validity of the Bonds under the Wyoming Act or Montana Act, as applicable, or adversely affect the Tax‑Exempt status of the Bonds. Neither the Issuer nor the Trustee will be obligated to enter into any such supplemental indenture that would materially alter their respective rights, duties, or immunities under the Indentures, under the Loan Agreement or otherwise.

The Trustee will provide written notice of any supplemental indenture to Moody’s, S&P, and the Owners of all Bonds then outstanding at least 15 days prior to the effective date of such supplemental indenture. Such notice will state the effective date of such supplemental indenture, will briefly describe the nature of such supplemental indenture and will state that a copy thereof is on file at the principal office of the Trustee for inspection by the parties mentioned in the preceding sentence.

Except for any supplemental indenture entered into for the purposes described in the third preceding paragraph, the Indenture will not be modified, altered, amended, supplemented or rescinded without the consent of the Owners of a majority of the aggregate principal amount of Bonds outstanding, who will have the right to consent to and approve any supplemental indenture; provided that, unless approved in writing by the Owners of all the Bonds then affected thereby, there will not be permitted (a) a change in the times, amounts or currency of payment of the principal of, or premium, if any, or interest on any Bond, a change in the terms of the purchase thereof by the Trustee, or a reduction in the principal amount or redemption price thereof or the rate of interest thereon, (b) the creation of a claim or lien on or a pledge of the receipts and revenues of the Issuer under the Loan Agreement ranking prior to or on a parity with the claim, lien or pledge created by the Indenture, or (c) a reduction in the aggregate principal amount of Bonds the consent of the Owners of which is required to approve any such supplemental indenture or which is required to approve any modification, alteration, amendment or supplement to the Loan Agreement. No such amendment of the Indenture will be effective without the prior written consent of the Company.

**Amendment of the Loan Agreement**

Without the consent of or notice to the Owners of the Bonds, the Issuer and the Company may modify, alter, amend or supplement the Loan Agreement, and the Trustee may consent thereto, as may be required (a) by the provisions of the Loan Agreement and the Indenture; (b) for the purpose of curing any formal defect, omission, inconsistency or ambiguity therein; (c) in connection with any other change therein which in the judgment of the Trustee is not materially adverse to the Owners of the Bonds; (d) to secure or maintain ratings for the Bonds from Moody’s and/or S&P in both the highest short‑term or commercial paper debt rating category and also in either of the two highest long‑term debt rating categories of the applicable rating agency or agencies, which changes will not restrict, limit or reduce the obligation of the Issuer to pay the principal of and premium, if any, and interest on the Bonds or otherwise materially adversely affect the Owners; (e) in connection with the delivery and substitution of any Substitute Collateral and the release of any First Mortgage Bonds; (f) to add to the covenants and agreements of the Issuer contained in the Loan Agreement or of the Company contained in any document, other covenants or agreements thereafter to be observed, or to assign or pledge additional security for any of the Bonds, or to facilitate the delivery and administration under the Indenture of letters of credit, standby bond purchase agreements, bond insurance policies, lines of credit, first mortgage bonds or other instruments of credit enhancement or liquidity support or any combination thereof for the Bonds, or to surrender any right or power reserved or conferred upon the Issuer or the Company, which will not materially adversely affect the interest of the Owners of the Bonds; (g) to provide demand purchase obligations to cause the Bonds to be authorized purchases for investment companies; (h) to provide the procedures required to permit any Owner to separate the right to receive interest on the Bonds from the right to receive principal thereof and to sell or dispose of such right as contemplated by Section 1286 of the Code; (i) to provide for any additional procedures, covenants or agreements necessary to maintain the Tax-Exempt status of interest on the Bonds; and (j) to modify, alter, amend or supplement the Loan Agreement in any other respect (which in the judgment of the Trustee is not materially adverse to the Owners), including amendments which would otherwise be described in the next succeeding paragraph, if the effective date of such supplement or amendment is a date on which all of the Bonds affected thereby are subject to mandatory purchase and are so purchased.

The Issuer and the Trustee will not consent to any other amendment, change or modification of the Loan Agreement without the written approval or consent of the Owners of a majority of the aggregate principal amount of the Bonds at the time outstanding; provided*,* however, that, unless approved in writing by the Owners of all Bonds affected thereby, nothing in the Indenture permits, or may be construed as permitting, a change in the obligations of the Company to make Loan Payments or payments to the Trustee for the purchase of Bonds.

Before the Issuer may enter into, and the Trustee may consent to, any modification, alteration, amendment or supplement to the Loan Agreement as described in the two immediately preceding paragraphs, there must have been delivered to the Issuer and the Trustee an opinion of Bond Counsel stating that such modification, alteration, amendment or supplement is authorized or permitted by the Loan Agreement or the Indenture and the Wyoming Act or Montana Act, as applicable, complies with their respective terms, will, upon the execution and delivery thereof, be valid and binding upon the Issuer in accordance with its terms and will not adversely affect the Tax‑Exempt status of the Bonds.

# THE FIRST MORTGAGE BONDS

*Pursuant to the provisions of the Indentures and four separate Pledge Agreements each dated as of June 1, 2003 between the Company and the Trustee (individually, a “Pledge Agreement” and, collectively, the “Pledge Agreements”), a series of First Mortgage Bonds will be issued by the Company to secure its obligations under each Loan Agreement relating to one of the four Issues of Bonds. The following summary of certain provisions of the First Mortgage Bonds and the Company Mortgage referred to below does not purport to be complete and is qualified in its entirety by reference thereto and includes capitalized terms defined in the Company Mortgage. All reference in this summary to the Trustee, the Bonds, the Indenture, the Loan Agreement, the First Mortgage Bonds and the Pledge Agreement shall be deemed to refer to the Trustee, the Bonds, the Indenture, the Loan Agreement, the First Mortgage Bonds, the Pledge Agreement and such other documents and parties, respectively, relating to each Issue of the Bonds.*

**General**

The First Mortgage Bonds will be issued in the same principal amount and will mature on the same dates as the Bonds. In addition, the First Mortgage Bonds will be subject to redemption prior to maturity upon the same terms as the Bonds, so that upon any redemption of the Bonds, an equal aggregate principal amount of First Mortgage Bonds will be redeemed. The First Mortgage Bonds will bear interest at the same rate, and be payable at the same times, as the Bonds. See “THE LOAN AGREEMENTS—Loan Payments; The First Mortgage Bonds” above.

The Company Mortgage provides that in the event of the merger or consolidation of another electric utility company with or into the Company or the conveyance or transfer to the Company by another such company of all or substantially all of such company’s property that is of the same character as Property Additions under the Company Mortgage, an existing mortgage constituting a first lien on operating properties of such other company may be designated by the Company as a Class “A” Mortgage. Any bonds thereafter issued pursuant to such additional mortgage would be Class “A” Bonds and could provide the basis for the issuance of Company Mortgage Bonds (as defined below) under the Company Mortgage.

The Company will receive a credit against its obligations to make any payment of principal of or premium, if any, or interest on the First Mortgage Bonds and such obligations will be deemed fully or partially, as the case may be, satisfied and discharged, in an amount equal to the amount, if any, paid by the Company under the Loan Agreement, or otherwise satisfied or discharged, in respect of the principal of or premium, if any, or interest on the Company Mortgage Bonds. The obligations of the Company to make such payments with respect to the First Mortgage Bonds will be deemed to have been reduced by the amount of such credit.

Pursuant to the provisions of the Indenture, the Loan Agreement and the Pledge Agreement, the First Mortgage Bonds will be registered in the name of and held by the Trustee for the benefit of the Owners and will not be transferable except to a successor trustee under the Indenture. At the time any Bonds cease to be outstanding under the Indenture, the Trustee will surrender to the Company Mortgage Trustee an equal aggregate principal amount of First Mortgage Bonds.

**Security and Priority**

The First Mortgage Bonds and any other first mortgage bonds now or hereafter outstanding under the Company Mortgage (“Company Mortgage Bonds”) are or will be, as the case may be, secured by a first mortgage Lien on certain utility property owned from time to time by the Company and by Class “A” Bonds held by the Company Mortgage Trustee, if any. All Company Mortgage Bonds, including the First Mortgage Bonds, issued and outstanding under the Company Mortgage are equally and ratably secured.

The Lien of the Company Mortgage is subject to Excepted Encumbrances, including tax and construction liens, purchase money liens and certain other exceptions.

There are excepted from the Lien of the Company Mortgage all cash and securities (except those specifically deposited); equipment, materials or supplies held for sale or other disposition; any fuel and similar consumable materials and supplies; automobiles, other vehicles, aircraft and vessels; timber, minerals, mineral rights and royalties; receivables, contracts, leases and operating agreements; electric energy, gas, water, steam, ice and other products for sale, distribution or other use; natural gas wells; gas transportation lines or other property used in the sale of natural gas to customers or to a natural gas distribution or pipeline company, up to the point of connection with any distribution system; the Company’s interest in the Wyodak Facility; and all properties that have been released from the discharged Company Mortgages and Deeds of Trust, as supplemented, of Pacific Power & Light Company and Utah Power & Light Company and that PacifiCorp, a Maine corporation, or Utah Power & Light Company, a Utah corporation, contracted to dispose of, but title to which had not passed at the date of the Company Mortgage. The Company has reserved the right, without any consent or other action by holders of Bonds of the Eighth Series or any subsequently created series of Company Mortgage Bonds (including the First Mortgage Bonds), to amend the Company Mortgage in order to except from the Lien of the Company Mortgage allowances allocated to steam‑electric generating plants owned by the Company, or in which the Company has interests, pursuant to Title IV of the Clean Air Act Amendments of 1990, as now in effect or as hereafter supplemented or amended.

The Company Mortgage contains provisions subjecting after‑acquired property to the Lien thereof. These provisions may be limited, at the option of the Company, in the case of consolidation or merger (whether or not the Company is the surviving corporation), conveyance or transfer of all or substantially all of the utility property of another electric utility company to the Company or sale of substantially all of the Company’s assets. In addition, after‑acquired property may be subject to a Class “A” Mortgage, purchase money mortgages and other liens or defects in title.

The Company Mortgage provides that the Company Mortgage Trustee shall have a lien upon the mortgaged property, prior to the holders of Company Mortgage Bonds, for the payment of its reasonable compensation and expenses and for indemnity against certain liabilities.

**Release and Substitution of Property**

Property subject to the Lien of the Company Mortgage may be released upon the basis of:

1. the release of such property from the Lien of a Class “A” Mortgage;
2. the deposit of cash or, to a limited extent, purchase money mortgages;
3. Property Additions, after making adjustments for certain prior lien bonds outstanding against Property Additions; and/or
4. waiver of the right to issue Company Mortgage Bonds.

Cash may be withdrawn upon the bases stated in (1), (3) and (4) above. Property that does not constitute Funded Property may be released without funding other property. Similar provisions are in effect as to cash proceeds of such property. The Company Mortgage contains special provisions with respect to certain prior lien bonds deposited and disposition of moneys received on deposited prior lien bonds.

**Issuance of Additional Company Mortgage Bonds**

The maximum principal amount of Company Mortgage Bonds that may be issued under the Company Mortgage is not limited. Company Mortgage Bonds of any series may be issued from time to time on the basis of:

1. 70% of qualified Property Additions after adjustments to offset retirements;
2. Class “A” Bonds (which need not bear interest) delivered to the Company Mortgage Trustee;
3. retirement of Company Mortgage Bonds or certain prior lien bonds; and/or
4. deposits of cash.

With certain exceptions in the case of clauses (2) and (3) above, the issuance of Company Mortgage Bonds is subject to Adjusted Net Earnings of the Company for 12 consecutive months out of the preceding 15 months, before income taxes, being at least twice the Annual Interest Requirements on all Company Mortgage Bonds at the time outstanding, all outstanding Class “A” Bonds held other than by the Company Mortgage Trustee or by the Company, and all other indebtedness secured by a lien prior to the Lien of the Company Mortgage. In general, interest on variable interest bonds, if any, is calculated using the rate then in effect.

Property Additions generally include electric, gas, steam and/or hot water utility property but not fuel, securities, automobiles, other vehicles or aircraft, or property used principally for the production or gathering of natural gas.

The issuance of Company Mortgage Bonds on the basis of Property Additions subject to prior liens is restricted. Company Mortgage Bonds may, however, be issued against the deposit of Class “A” Bonds.

**Certain Covenants**

The Company Mortgage contains a number of covenants by the Company for the benefit of holders of the Company Mortgage Bonds, including provisions requiring the Company to maintain the Company Mortgaged and Pledged Property as an operating system or systems capable of engaging in all or any of the generating, transmission, distribution or other utility businesses described in the Company Mortgage.

**Dividend Restrictions**

The Company Mortgage provides that the Company may not declare or pay dividends (other than dividends payable solely in shares of common stock) on any shares of common stock if, after giving effect to such declaration or payment, the Company would not be able to pay its debts as they become due in the usual course of business. Reference is made to the notes to the audited consolidated financial statements included in the Company’s Annual Report on Form 10-K incorporated by reference herein for information relating to other restrictions.

**Foreign Currency Denominated Company Mortgage Bonds**

The Company Mortgage authorizes the issuance of Company Mortgage Bonds denominated in foreign currencies, provided, however*,* that the Company deposit with the Company Mortgage Trustee a currency exchange agreement with an entity having, at the time of such deposit, a financial rating at least as high as that of the Company that, in the opinion of an independent expert, gives the Company at least as much protection against currency exchange fluctuation as is usually obtained by similarly situated borrowers. The Company believes that such a currency exchange agreement will provide effective protection against currency exchange fluctuations. However, if the other party to the exchange agreement defaults and the foreign currency is valued higher at the date of maturity than at the date of issuance of the relevant Company Mortgage Bonds, holders of such Company Mortgage Bonds would have a claim on the assets of the Company which is greater than that to which holders of dollar‑denominated Company Mortgage Bonds issued at the same time would be entitled.

**The Company Mortgage Trustee**

The Bank of New York Mellon Trust Company, N.A., serves as trustee under the Indentures and other indentures and agreements involving the Company and its affiliates.

**Modification**

The rights of holders of the Company Mortgage Bonds may be modified with the consent of holders of 60% of the Company Mortgage Bonds, or, if less than all series of Company Mortgage Bonds are adversely affected, the consent of the holders of 60% of the series of Company Mortgage Bonds adversely affected. In general, no modification of the terms of payment of principal, premium, if any, or interest and no modification affecting the Lien or reducing the percentage required for modification is effective against any holder of the Company Mortgage Bonds without the consent of such holder.

Unless there is a Default under the Company Mortgage, the Company Mortgage Trustee generally is required to vote Class “A” Bonds held by it, if any, with respect to any amendment of the applicable Class “A” Company Mortgage proportionately with the vote of the holders of all Class “A” Bonds then actually voting.

**Defaults and Notices Thereof**

Each of the following will constitute a “Default” under the Company Mortgage with respect to the First Mortgage Bonds:

1. default in payment of principal;
2. default for 60 days in payment of interest or an installment of any fund required to be applied to the purchase or redemption of any Company Mortgage Bonds;
3. default in payment of principal or interest with respect to certain prior lien bonds;
4. certain events in bankruptcy, insolvency or reorganization;
5. default in other covenants for 90 days after notice;
6. the existence of any default under a Class “A” Company Mortgage which permits the declaration of the principal of all of the bonds secured by such Class “A” Company Mortgage and the interest accrued thereupon due and payable; or
7. an “Event of Default” as described in clauses (a), (b) or (c) under the caption “THE INDENTURES—Defaults” above.

An effective default under any Class “A” Mortgage or under the Company Mortgage will result in an effective default under all such mortgages. The Company Mortgage Trustee may withhold notice of default (except in payment of principal, interest or funds for retirement of Company Mortgage Bonds) if it determines that it is not detrimental to the interests of the holders of the Company Mortgage Bonds.

The Company Mortgage Trustee or the holders of 25% of the Company Mortgage Bonds may declare the principal and interest due and payable on Default, but a majority may annul such declaration if such Default has been cured. No holder of Company Mortgage Bonds may enforce the Lien of the Company Mortgage without giving the Company Mortgage Trustee written notice of a Default and unless the holders of 25% of the Company Mortgage Bonds have requested the Company Mortgage Trustee to act and offered it reasonable opportunity to act and indemnity satisfactory to it against the costs, expenses and liabilities to be incurred thereby and the Company Mortgage Trustee shall have failed to act. The holders of a majority of the Company Mortgage Bonds may direct the time, method and place of conducting any proceedings for any remedy available to the Company Mortgage Trustee or exercising any trust or power conferred on the Company Mortgage Trustee. The Company Mortgage Trustee is not required to risk its funds or incur personal liability if there is reasonable ground for believing that repayment is not reasonably assured.

The Company must give the Company Mortgage Trustee an annual statement as to whether or not the Company has fulfilled its obligations under the Company Mortgage throughout the preceding calendar year.

**Voting of the First Mortgage Bonds**

So long as no Event of Default under the Indenture has occurred and is continuing, the Trustee, as holder of the First Mortgage Bonds, shall vote or consent proportionately with what officials of or inspectors of votes at any meeting of bondholders under the Company Mortgage, or the Company Mortgage Trustee in the case of consents without such a meeting, reasonably believe will be the vote or consent of the holders of all other outstanding Company Mortgage Bonds; provided, however, that the Trustee shall not vote in favor of, or consent to, any modification of the Company Mortgage which, if it were a modification of the Indenture, would require approval of the Owners of Bonds.

**Defeasance**

Under the terms of the Company Mortgage, the Company will be discharged from any and all obligations under the Company Mortgage in respect of the Company Mortgage Bonds of any series if the Company deposits with the Company Mortgage Trustee, in trust, moneys or Government Obligations, in an amount sufficient to pay all the principal of, premium (if any) and interest on, the Company Mortgage Bonds of such series or portions thereof, on the redemption date or maturity date thereof, as the case may be. The Company Mortgage Trustee need not accept such deposit unless it is accompanied by an Opinion of Counsel to the effect that (a) the Company has received from, or there has been published by, the Internal Revenue Service a ruling or (b) since the date of the Company Mortgage, there has been a change in applicable federal income tax law, in either case to the effect that, and based thereon such Opinion of Counsel shall confirm that, the holders of such Company Mortgage Bonds or the right of payment of interest thereon (as the case may be) will not recognize income, gain or loss for federal income tax purposes as a result of such deposit, and/or ensuing discharge and will be subject to federal income tax on the same amount and in the same manner and at the same times, as would have been the case if such deposit, and/or discharge had not occurred.

Upon such deposit, the obligation of the Company to pay the principal of (and premium, if any) and interest on such series of Company Mortgage Bonds shall cease, terminate and be completely discharged.

In the event of any such defeasance and discharge of Company Mortgage Bonds of such series, holders of Company Mortgage Bonds of such series would be able to look only to such trust fund for payment of principal of (and premium, if any) and interest, if any, on the Company Mortgage Bonds of such series.

# REMARKETING

**General**

Each of the Remarketing Agents, Barclays Capital Inc. and Morgan Stanley & Co. LLC, has agreed with the Company, subject to the terms and provisions of two separate Remarketing Agreements, each dated May 22, 2013, between the Company and each of the Remarketing Agents, to use its best efforts, as remarketing agent, to determine the rates of interest on the applicable Bonds and use its best efforts to remarket all tendered Bonds. The Company will compensate each Remarketing Agent for its services in conjunction with the reoffering described by this Reoffering Circular and for the setting of the Weekly Interest Rate and the remarketing of tendered Bonds during the Weekly Interest Rate Period. The Company also has agreed to indemnify each of the Remarketing Agents against certain liabilities and expenses, including liabilities arising under federal and state securities laws, or to contribute to payments the Remarketing Agents may be required to make in respect thereof, in connection with the reoffering of the Bonds. *All further references under this heading to the Remarketing Agent, the Remarketing Agreement and the Bonds shall be deemed to refer to the Remarketing Agent, the Remarketing Agreement and the Bonds respectively relating to each Issue of the Bonds.*

The Company intends to purchase all of the Bonds on the Conversion Date, whether or not tendered by the existing Bondholders, and deliver them to the Remarketing Agent for remarketing.

The Remarketing Agent intends to reoffer the Bonds to the public initially at the reoffering price set forth on the cover page of this Reoffering Circular. After the Bonds are initially reoffered to the public, the Remarketing Agent may offer and sell Bonds at prices lower than the public offering price stated on the cover page hereof.

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

**Special Considerations**

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

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

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

*The Ability to Sell the Bonds Other Than Through the Tender Process May be Limited; No Assurance of Ability to Remarket*. The Remarketing Agent may buy and sell Bonds other than through the tender process. However, it is not obligated to do so and may cease doing so at any time without notice and may require Holders that wish to tender their Bonds to do so through the Trustee with appropriate notice. Thus, investors who purchase the Bonds, whether in a remarketing or otherwise, should not assume that they will be able to sell their Bonds other than by tendering the Bonds in accordance with the tender process. Moreover, there is no assurance that the Remarketing Agent will be able to remarket Bonds tendered for purchase. The only source of funds to purchase Bonds not remarketed is as described under “THE BONDS—Purchase of Bonds,” and no letter of credit or other external credit is available. No Beneficial Owner of any Bond shall have any rights or claims against the Issuer, the Trustee or the Remarketing Agent as a result of the Remarketing Agent not purchasing the Bonds.

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

# TAX EXEMPTION

**The Series 1984 Bonds**

In connection with the original issuance and delivery of the Series 1984 Bonds, Chapman and Cutler, as Bond Counsel, rendered an opinion that based on then existing law, including current rulings and official interpretations of law by the Internal Revenue Service, interest on the Series 1984 Bonds would not be includable in the federal gross income of the Owners of such Series 1984 Bonds and consequently would be exempt from then-existing federal income taxation, except with respect to interest on any Series 1984 Bond for any period during which such Series 1984 Bond is held by a person who is a substantial user of the Facilities (as defined in such opinion) or any person considered to be related to such person (within the meaning of Section 103(b)(13) of the 1954 Code).

Bond Counsel also rendered an opinion that, under then-existing laws of the State of Wyoming, the State of Wyoming imposes no income taxes which would be applicable to the Series 1984 Bonds.

*A copy of the opinion letter provided by Bond Counsel in connection with the original issuance and delivery of the Series 1984 Bonds is set forth in Appendix B‑1, but inclusion of such copy of the opinion letter is not to be construed as a reaffirmation of the opinions contained therein. The opinion letter speaks only as of its date.*

Chapman and Cutler LLP will deliver an opinion in connection with conversion of the Series 1984 Bonds to the Weekly Interest Rate to the effect that such conversion (1) is authorized or permitted by the Series 1984 Indenture and the Wyoming Act and (2) will not, in and of itself, adversely affect the Tax–Exempt status of interest on the Series 1984 Bonds. Except as necessary to render the foregoing opinion (and the related opinion dated May 8, 2013), Chapman and Cutler LLP has not reviewed any factual or legal matters relating to the prior opinion of Bond Counsel or the Series 1984 Bonds subsequent to their date of issuance other than in connection with (a) the adjustment of the interest rate described in the opinion dated May 2, 2003, (b) the execution and delivery of the First Supplemental Trust Indenture, described in the opinion dated March 3, 2003, and (c) the execution and delivery of the Second Supplemental Indenture and the First Supplemental Loan Agreement, described in the opinion dated June 2, 2003. The proposed form of such opinion is set forth in Appendix C‑1.

**The Series 1986 Bonds**

In connection with the original issuance and delivery of the Series 1986 Bonds, Chapman and Cutler, as Bond Counsel, rendered an opinion that assuming compliance with certain covenants made by the Issuer and the Company to satisfy pertinent requirements of then-existing law, interest on the Series 1986 Bonds would not be, under then‑existing law, includable in the gross income of the Owners thereof for federal income tax purposes, and therefore would be exempt from then-existing federal income taxation, (i) except for interest on any Series 1986 Bond for any period during which such Series 1986 Bond is owned by a person who is a substantial user of the Colstrip Units 3 and 4 Pollution Control Facilities (as defined in the Series 1986 Indenture) or any person considered to be related to such person (within the meaning of Section 147(a) of the Code) and (ii) except that interest on the Series 1986 Bonds would be included as an item of tax preference in computing the alternative minimum tax for individuals and corporations, in computing the environmental tax imposed on certain corporations and in computing the “branch profits tax” imposed on certain foreign corporations, but interest on the Series 1986 Bonds would not be taken into account in computing an adjustment used in determining the corporate alternative minimum tax.

Bond Counsel also rendered an opinion that, under then-existing Montana laws, the Series 1986 Bonds, the transfer thereof and any income therefrom, would be exempt from taxation within the State of Montana, except for gift, estate, succession or inheritance taxes or any other taxes not levied or assessed directly on the Series 1986 Bonds, the transfer thereof, the income therefrom or any profits made on the sale thereof.

*A copy of the opinion letter provided by Bond Counsel in connection with the original issuance and delivery of the Series 1986 Bonds is set forth in Appendix B‑2, but inclusion of such copy of the opinion letter is not to be construed as a reaffirmation of the opinions contained therein. The opinion letter speaks only as of its date.*

Chapman and Cutler LLP will deliver an opinion in connection with conversion of the Series 1986 Bonds to the Weekly Interest Rate to the effect that such conversion is (1) authorized or permitted by the Series 1986 Indenture and the Montana Act and (2) will not, in and of itself, adversely affect the Tax–Exempt status of interest on the Series 1986 Bonds. Such opinion also addresses the exemption of interest on the Series 1986 Bonds from the Montana individual income tax. Except as necessary to render the foregoing opinion (and the related opinion dated May 8, 2013), Chapman and Cutler LLP has not reviewed any factual or legal matters relating to the prior opinion of Bond Counsel or the Series 1986 Bonds subsequent to their date of issuance other than with respect to (a) the adjustment of the interest rate described in the opinions dated September 3, 2002, and May 2, 2003, (b) the execution and delivery of the First Supplemental Trust Indenture, described in the opinion dated March 3, 2003, and (c) the execution and delivery of the Second Supplemental Indenture and the First Supplemental Loan Agreement, described in the opinion dated June 2, 2003. The proposed form of such opinion is set forth in Appendix C‑2.

**The Series 1995 Converse County Bonds**

In connection with the original issuance and delivery of the Series 1995 Converse County Bonds, Chapman and Cutler, as Bond Counsel, rendered an opinion that subject to compliance by the Company, Converse County and Lincoln County with certain covenants made to satisfy pertinent requirements of the Code, under then‑existing law, interest on the Series 1995 Converse County Bonds would not be includable in the gross income of the Owners thereof for federal income tax purposes, except for interest on any Series 1995 Converse County Bond for any period during which such Series 1995 Converse County Bond is owned by a person who is a substantial user of the Project or the Plant or any person considered to be related to such person (within the meaning of Section 147(a) of the Code). The interest on the Series 1995 Converse County Bonds would be included, however, as an item of tax preference in computing the federal alternative minimum tax for individuals and corporations under the Code.

Bond Counsel also rendered an opinion that, under then-existing Wyoming law, the State of Wyoming imposed no income taxes which would be applicable to the Series 1995 Converse County Bonds. Bond Counsel expressed no opinion with respect to any other taxes imposed by the State of Wyoming or any political subdivision thereof. Ownership of the Series 1995 Converse County Bonds may result in other Wyoming tax consequences to certain taxpayers, and Bond Counsel expressed no opinion regarding any such collateral consequences arising with respect to the Series 1995 Converse County Bonds.

*A copy of the opinion letter provided by Bond Counsel in connection with the original issuance and delivery of the Series 1995 Converse County Bonds is set forth in Appendix B‑3, but inclusion of such copy of the opinion letter is not to be construed as a reaffirmation of the opinions contained therein. The opinion letter speaks only as of its date.*

Chapman and Cutler LLP will deliver an opinion in connection with conversion of the Series 1995 Converse County Bonds to the Weekly Interest Rate to the effect that such conversion (1) is authorized or permitted by the Series 1995 Converse County Indenture and Wyoming Act and (2) will not, in and of itself, adversely affect the Tax–Exempt status of the interest on Series 1995 Converse County Bonds. Except as necessary to render the foregoing opinion (and the related opinion dated May 8, 2013), Chapman and Cutler LLP has not reviewed any factual or legal matters relating to the prior opinion of Bond Counsel or the Series 1995 Converse County Bonds subsequent to their date of issuance other than with respect to (a) the adjustment of the interest rate described in the opinion dated May 2, 2003, (b) the execution and delivery of the First Supplemental Trust Indenture, described in the opinion dated March 3, 2003, and (c) the execution and delivery of the Second Supplemental Indenture and the First Supplemental Loan Agreement, described in the opinion dated June 2, 2003. The proposed form of such opinion is set forth in Appendix C‑3.

**The Series 1995 Lincoln County Bonds**

In connection with the original issuance and delivery of the Series 1995 Lincoln County Bonds, Chapman and Cutler, as Bond Counsel, rendered an opinion that subject to compliance by the Company, Lincoln County and Converse County with certain covenants made to satisfy pertinent requirements of the Code, under then‑existing law, interest on the Series 1995 Lincoln County Bonds would not be includable in the gross income of the Owners thereof for federal income tax purposes, except for interest on any Bond for any period during which such Bond is owned by a person who is a substantial user of the Project or the Plant or any person considered to be related to such person (within the meaning of Section 147(a) of the Code). The interest on the Series 1995 Lincoln County Bonds would be included, however, as an item of tax preference in computing the federal alternative minimum tax for individuals and corporations under the Code.

Bond Counsel also rendered an opinion that, under then‑existing Wyoming law, the State of Wyoming imposed no income taxes which would be applicable to the Series 1995 Lincoln County Bonds. Bond Counsel expressed no opinion with respect to any other taxes imposed by the State of Wyoming or any political subdivision thereof. Ownership of the Series 1995 Lincoln County Bonds may result in other Wyoming tax consequences to certain taxpayers, and Bond Counsel expressed no opinion regarding any such collateral consequences arising with respect to the Series 1995 Lincoln County Bonds.

*A copy of the opinion letter provided by Bond Counsel in connection with the original issuance and delivery of the Series 1995 Lincoln County Bonds is set forth in Appendix B‑4, but inclusion of such copy of the opinion letter is not to be construed as a reaffirmation of the opinions contained therein. The opinion letter speaks only as of its date.*

Chapman and Cutler LLP will deliver an opinion in connection with conversion of the Series 1995 Lincoln County Bonds to the Weekly Interest Rate to the effect that such conversion (1) is authorized or permitted by the Series 1995 Lincoln County Indenture and the Wyoming Act and (2) will not adversely affect the Tax–Exempt status of interest on the Series 1995 Lincoln County Bonds. Except as necessary to render the foregoing opinion (and the related opinion dated May 8, 2013), Chapman and Cutler LLP has not reviewed any factual or legal matters relating to the prior opinion of Bond Counsel or the Series 1995 Lincoln County Bonds subsequent to their date of issuance other than with respect to (a) the adjustment of the interest rate described in the opinion dated May 2, 2003, (b) the execution and delivery of the First Supplemental Trust Indenture, described in the opinion dated March 3, 2003 and (c) the execution and delivery of the Second Supplemental Indenture and the First Supplemental Loan Agreement, described in the opinion dated June 2, 2003. The proposed form of such opinion is set forth in Appendix C‑4.

**All Bonds**

In rendering opinions, Bond Counsel relied upon certifications of the Company with respect to certain material facts solely with the Company’s knowledge relating to the Projects and application of the proceeds of the Bonds and, in certain cases, the proceeds of related issues of Bonds or previously issued bonds. Neither the Bond Counsel nor any other law firm has verified or will verify that the Company has complied with such certifications.

From time to time, there are legislative proposals in the Congress of the United States that, if enacted, could alter or amend the federal tax matters referred to above or adversely affect the market value of the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to bonds issued prior to enactment. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal tax legislation. Bond counsel expresses no opinion regarding any pending or proposed federal tax legislation.

# CONTINUING DISCLOSURE

On the Conversion Date, the Company will enter into a Continuing Disclosure Agreement (the “Undertaking”) for the benefit of the Beneficial Owners of the Bonds to send certain information annually and to provide notice of certain events to certain information repositories pursuant to the requirements of Section (b)(5) of Rule 15c2‑12 (the “Rule”) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended. The information to be provided on an annual basis, the events which will be noticed on an occurrence basis and other terms of the Undertaking, including termination, amendment and remedies, are set forth in Appendix D—Form of Continuing Disclosure Undertaking.

A failure by the Company to comply with the Undertaking will not constitute an Event of Default under the Indentures or the Loan Agreements, and Beneficial Owners of the Bonds are limited to the remedies described in the Undertaking. A failure by the Company to comply with the Undertaking must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

The Company is in compliance with each and every continuing disclosure undertaking previously entered into by it pursuant to the Rule.

# CERTAIN LEGAL MATTERS

Certain legal matters in connection with the remarketing will be passed upon by Chapman and Cutler LLP, as Bond Counsel to the Company. Certain legal matters will be passed upon for the Company by Paul J. Leighton, Esq., as counsel for the Company. Certain legal matters will be passed upon for the Remarketing Agents by Kutak Rock LLP.

**APPENDIX A**

**PACIFICORP**

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

The Company, which includes PacifiCorp and its subsidiaries, is a United States regulated electric company serving 1.8 million retail customers, including residential, commercial, industrial, irrigation and other customers in portions of the states of Utah, Oregon, Wyoming, Washington, Idaho and California. The Company owns, or has interests in, 75 thermal, hydroelectric, wind‑powered and geothermal generating facilities, with a net owned capacity of 10,579 megawatts. The Company also owns, or has interests in, electric transmission and distribution assets, and transmits electricity through approximately 16,200 miles of transmission lines. PacifiCorp also buys and sells electricity on the wholesale market with other utilities, energy marketing companies, financial institutions and other market participants to balance and optimize the economic benefits of electricity generation, retail loads and existing wholesale transactions. The Company is subject to comprehensive state and federal regulation. The Company’s subsidiaries support its electric utility operations by providing coal mining services. The Company is an indirect subsidiary of MidAmerican Energy Holdings Company (“MEHC”), a holding company based in Des Moines, Iowa, that owns subsidiaries principally engaged in energy businesses. MEHC is a consolidated subsidiary of Berkshire Hathaway Inc. MEHC controls substantially all of the Company voting securities, which include both common and preferred stock.

The Company’s operations are exposed to risks, including general economic, political and business conditions, as well as changes in laws and regulations affecting the Company or the related industries; changes in, and compliance with, environmental laws, regulations, decisions and policies that could, among other items, increase operating and capital costs, reduce generating facility output, accelerate generating facility retirements or delay generating facility construction or acquisition; the outcome of rate cases and other proceedings conducted by regulatory commissions or other governmental and legal bodies and the Company’s ability to recover costs in rates in a timely manner; changes in economic, industry or weather conditions, as well as demographic trends and new technologies, that could affect customer growth and usage, electricity supply or the Company’s ability to obtain long‑term contracts with customers; a high degree of variance between actual and forecasted load that could impact the Company’s hedging strategy and the costs of balancing its generation resources with its retail load obligations; performance and availability of the Company’s generating facilities, including the impacts of outages and repairs, transmission constraints, weather, including wind and hydroelectric conditions, and operating conditions; hydroelectric conditions and the cost, feasibility and eventual outcome of hydroelectric relicensing proceedings, that could have a significant impact on generating capacity and cost and the Company’s ability to generate electricity; changes in prices, availability and demand for wholesale electricity, coal, natural gas, other fuel sources and fuel transportation that could have a significant impact on generation capacity and energy costs; the financial condition and creditworthiness of the Company’s significant customers and suppliers; changes in business strategy or development plans; availability, terms and deployment of capital, including reductions in demand for investment‑grade commercial paper, debt securities and other sources of debt financing and volatility in the London Interbank Offered Rate, the base interest rate for the Company’s credit facilities; changes in the Company’s credit ratings; the impact of certain contracts used to mitigate or manage volume, price and interest rate risk, including increased collateral requirements, and changes in commodity prices, interest rates and other conditions that affect the fair value of certain contracts; the impact of inflation on costs and the Company’s ability to recover such costs in rates; increases in employee healthcare costs, including the implementation of the Affordable Care Act; the impact of investment performance and changes in interest rates, legislation, healthcare cost trends, mortality and morbidity on the Company's pension and other postretirement benefits expense and funding requirements; unanticipated construction delays, changes in costs, receipt of required permits and authorizations, ability to fund capital projects and other factors that could affect future generating facilities and infrastructure additions; the impact of new accounting guidance or changes in current accounting estimates and assumptions on consolidated financial results; other risks or unforeseen events, including the effects of storms, floods, fires, landslides, litigation, wars, terrorism, embargoes and other catastrophic events; and other business or investment considerations that may be disclosed from time to time in the Company’s filings with the United States Securities and Exchange Commission (the “Commission”) or in other publicly disseminated written documents. See the Incorporated Documents under “Incorporation of Certain Documents by Reference.”

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

**Available Information**

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

**Incorporation of Certain Documents by Reference**

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

1. Annual Report on Form 10‑K for the fiscal year ended December 31, 2012.

2. Quarterly Report on Form 10‑Q for the fiscal quarter ended March 31, 2013.

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

All documents filed by the Company pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act after the filing of the Annual Report on Form 10‑K for the fiscal year ended December 31, 2012 and before the termination of the reoffering made by this Reoffering Circular (the “Reoffering Circular”) shall be deemed to be incorporated by reference in this Reoffering Circular and to be a part hereof from the date of filing such documents (such documents and the documents enumerated above, being hereinafter referred to as the “Incorporated Documents”), provided, however, that the documents enumerated above and the documents subsequently filed by the Company pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act in each year during which the reoffering made by this Reoffering Circular is in effect before the filing of the Company’s Annual Report on Form 10‑K covering such year shall not be Incorporated Documents or be incorporated by reference in this Reoffering Circular or be a part hereof from and after such filing of such Annual Report on Form 10‑K.

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

The Incorporated Documents are not presented in this Reoffering Circular or delivered herewith. The Company hereby undertakes to provide without charge to each person to whom a copy of this Reoffering Circular has been delivered, on the written or oral request of any such person, a copy of any or all of the Incorporated Documents, other than exhibits to such documents, unless such exhibits are specifically incorporated by reference therein. Requests for such copies should be directed to PacifiCorp, Suite 1900, 825 N.E. Multnomah, Portland, Oregon 97232, telephone number (503) 813‑5608. The information relating to the Company contained in this Reoffering Circular does not purport to be comprehensive and should be read together with the information contained in the Incorporated Documents.

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**APPENDIX B-1**

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| Theodore S. Chapman1877-1943 Henry E. Cutler1879-1959 | Law Offices ofCHAPMAN AND CUTLER50 South Main Street, Salt Lake City, Utah 84144-0402Telephone (801) 533-0066Facsimile (801) 533-9595 | Chicago111 West Monroe Street Chicago, Illinois 60603 (312) 845-3000 |

December 12, 1984

Re: $15,000,000 Sweetwater County, Wyoming, Pollution,

Control Revenue Bonds (PacifiCorp Project) Series 1984

We hereby certify that we have examined certified copy of the proceedings of record of the Board of County Commissioners of Sweetwater County, Wyoming (the “*County*”), a political subdivision organized and existing under the laws of the State of Wyoming, preliminary to the issuance by the County of its Pollution Control Revenue Bonds (PacifiCorp Project) Series 1984, in the aggregate principal amount of $15,000,000 (the “*Bonds*”). The Bonds are being issued pursuant to the provisions of Sections 15‑1‑701 to 15‑17‑10, inclusive, Wyoming Statutes, as amended and supplemented (the “*Act*”), for the purpose of financing a portion of the cost of an undivided interest (the “*Project*”) of PacifiCorp, a Maine corporation (the “*Company*”), in certain pollution control facilities (the “*Facilities*”) to be acquired and improved as part of the Jim Bridger coal‑fired steam electric generating plant (the “*Plant*”) located in the County, and for the purpose of paying costs and expenses incidental to the issuance of the Bonds.

The Bonds mature on December 1, 2014, bear interest from time to time computed as set forth in each of the Bonds and are subject to redemption prior to maturity at the times, in the manner and upon the terms set forth in each of the Bonds. The Bonds are issuable as fully registered Bonds in the denomination of $100,000 or any integral multiple thereof (except that upon conversion of the interest borne by the Bonds to a fixed interest rate, as permitted by the hereinafter defined Indenture, the Bonds are issuable as fully registered bonds in the denomination of $5,000 or any integral multiple thereof).

From such examination of the proceedings of the Board of County Commissioners of the County referred to above and from an examination of the Act, we are of the opinion that such proceedings show lawful authority for said issue of Bonds under the laws of the State of Wyoming now in force.

Pursuant to a Loan Agreement by and between the Company and the County, dated as of December 1, 1984 (the “*Loan Agreement*”), the County has agreed to loan the proceeds from the sale of the Bonds to the Company to pay a portion of the costs of the Project incurred by the Company, and the Company has agreed to pay amounts at least sufficient to pay the principal of, premium, if any, and interest on the Bonds when due, whether at stated maturity, call for redemption or acceleration. The Loan Agreement (an executed counterpart of which has been examined by us) has, in our opinion, been duly authorized, executed and delivered by the County, and, assuming the due authorization, execution and delivery by the Company, is a valid and binding obligation of the County, enforceable in accordance with its terms, subject to the qualification that the enforcement thereof may be limited by bankruptcy, insolvency and other laws affecting creditors’ rights generally or usual equity principles in the event equitable remedies should be sought.

We have also examined an executed counterpart of the Indenture of Trust, dated as of December 1, 1984 (the “*Indenture*”), by and between the County and Irving Trust Company, as Trustee (the “*Trustee*”), securing the Bonds and setting forth the covenants and undertakings of the County in connection with the Bonds and making provision under certain conditions for the purchase of the Bonds by a Remarketing Agent (the “*Remarketing Agent*”) or the Trustee and for the establishing of the rate of interest borne by the Bonds. Under the Indenture, the revenues and receipts derived by the County under the Loan Agreement (except for certain fees and expenses and indemnification proceeds), together with certain of the rights of the County thereunder, are pledged and assigned to the Trustee as security for the Bonds. From such examination, we are of the opinion that the proceedings of the Board of County Commissioners of the County referred to above show lawful authority for the execution and delivery of the Indenture, that the Indenture is a valid and binding obligation of the County, enforceable in accordance with its terms, subject to the qualification that the enforcement thereof may be limited by bankruptcy, insolvency, and other laws affecting creditors’ rights generally or usual equity principles in the event equitable remedies should be sought, and that the Bonds have been validly issued under the Indenture and that all requirements under the Indenture precedent to delivery of the Bonds have been satisfied.

In connection with the Company’s obligation to make payments to the County under the Loan Agreement, the Company has caused to be delivered to the Trustee an irrevocable Letter of Credit (the “*Letter of Credit*”) of The Sumitomo Bank, Limited, Seattle Branch (the “*Bank*”) under which the Trustee is permitted under certain conditions to draw an amount sufficient to pay the principal of the Bonds and up to 62 days’ interest accrued on the Bonds calculated at the maximum rate of interest permitted on the Bonds. Delivery of the Letter of Credit, however, does not release the Company from its payment obligation under the Loan Agreement. The Letter of Credit expires at the earlier of December 27, 1994, or the occurrence of certain events specified therein, except that under the terms thereof the Letter of Credit may be extended as provided therein.

We further certify that we have examined an executed and authenticated Bond of said issue and find the same in due form of law and in our opinion the Bonds, to the amount named, are valid and legally binding upon the County according to the import thereof and, as provided in the Indenture and the Bonds, are payable by the County solely out of payments to be made by the Company under the Loan Agreement, except to the extent paid from moneys drawn by the Trustee under the Letter of Credit or from the proceeds of the sale of the Bonds and income from the investment thereof.

In our opinion, based on existing law, including current rulings and official interpretations of law by the Internal Revenue Service, interest on the Bonds is not includable in the Federal gross income of the owners of the Bonds and consequently is exempt from present Federal income taxation, except with respect to interest on any Bond for any period during which such Bond is owned by a person who is a substantial user of the Facilities or any person considered to be related to such person within the meaning of Section 103 of the Internal Revenue Code of 1954, as amended (the “*Code*”). In concluding that the interest on the Bonds is exempt from present Federal income taxes, we have relied upon certificates of the Company with respect to the application of the proceeds of the Bonds and with respect to certain material facts solely within the Company’s knowledge regarding the Facilities.

In our opinion, under existing laws of the State of Wyoming, the State of Wyoming imposes no income taxes which would be applicable to the Bonds.

We are not passing upon the Letter of Credit or action taken by the Bank in connection therewith. The validity of the Letter of Credit has been passed upon by Tanaka & Takahashi and by Davis, Wright, Todd, Riese & Jones.

Stoel, Rives, Boley, Fraser & Wyse, counsel to the Company, has delivered an opinion of even date herewith concerning the obligations of the Company under the Loan Agreement. In rendering this opinion we have relied upon said opinion with respect to, among other things: (i) the due organization of the Company, (ii) the good standing of the Company in the State of Wyoming and in the State of Maine, (iii) the approval of the execution and delivery by the Company of the Loan Agreement by all necessary regulatory authorities exercising jurisdiction over the Company, (iv) the corporate power of the Company to enter into, and the due execution by the Company of, the Loan Agreement, and (v) the binding effect of the Loan Agreement on the Company.

Leonard A. Kaumo, County Attorney, has delivered an opinion of even date herewith with respect to the obligations of the County under the Bonds, the Loan Agreement and the Indenture.

We express no opinion as to the title to, the description of, or the existence of any liens, charges or encumbrances on the Project, the Facilities or the Plant of which they are a part.

CHAPMAN AND CUTLER

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**APPENDIX B-2**

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| Theodore S. Chapman1877-1943 Henry E. Cutler1879-1959 | Law Offices ofCHAPMAN AND CUTLER50 South Main Street, Salt Lake City, Utah 84144-0402Telephone (801) 533-0066Facsimile (801) 533-9595 | Chicago111 West Monroe Street Chicago, Illinois 60603 (312) 845-3000 |

December 29, 1986

Re: $8,500,000 Flexible Rate Demand Pollution Control Bonds

 (PacifiCorp Colstrip Project), Series 1986, of the City of Forsyth, Rosebud

 County, Montana

We hereby certify that we have examined certified copy of the proceedings of record of the City Council of the City of Forsyth, Rosebud County, Montana (the “*Issuer*”), a municipal corporation and political subdivision of the State of Montana, created by and existing under the laws of the State of Montana, preliminary to the issuance by the Issuer of its Flexible Rate Demand Pollution Control Revenue Bonds (PacifiCorp Colstrip Project), Series 1986, in the aggregate principal amount of $8,500,000 (the “*Bonds*”). The Bonds are being issued pursuant to the provisions of Sections 90‑5‑101 to 90‑5‑114, inclusive, Montana Code Annotated, as amended and supplemented (the “*Act*”), for the purpose of financing a portion of the cost of the undivided interest (the “*Project*”) of PacifiCorp, a Maine corporation (the “*Company*”), in certain pollution control and solid waste disposal facilities (the “*Colstrip Units 3 and 4 Pollution Control Facilities*”) acquired and improved as part of Units 3 and 4 of the coal‑fired steam electric generating plant (the “*Colstrip Units 3 and 4 Project*”) located near Colstrip, in Rosebud County, Montana.

The Bonds mature on December 1, 2016, bear interest from time to time computed as set forth in each of the Bonds and are subject to redemption prior to maturity at the times, in the manner and upon the terms set forth in each of the Bonds. The Bonds are issuable only as fully registered Bonds without coupons in the denomination of $100,000 or any integral multiple thereof (except that upon conversion of the interest rate borne by the Bonds to a Fixed Rate, as defined in the hereinafter defined Indenture, the Bonds are issuable in the denomination of $5,000 or any integral multiple thereof).

From such examination of the proceedings of the City Council of the Issuer referred to above and from an examination of the Act, we are of the opinion that such proceedings show lawful authority for said issue of Bonds under the laws of the State of Montana now in force.

Pursuant to a Loan Agreement by and between the Company and the Issuer, dated as of December 1, 1986 (the “Loan Agreement”), the Issuer has agreed to loan the proceeds from the sale of the Bonds to the Company to provide the moneys necessary for the financing of a portion of the cost of the Project, and the Company has agreed to pay amounts at least sufficient to pay the principal of, premium, if any, and interest on the Bonds when due, whether at stated maturity, call for redemption or acceleration. The Loan Agreement (an executed counterpart of which has been examined by us) has, in our opinion, been duly authorized, executed and delivered by the Issuer, and, assuming the due authorization, execution and delivery by the Company, is a legal, valid and binding obligation of the Issuer enforceable in accordance with its terms, subject to the qualification that the enforcement thereof may be limited by bankruptcy, insolvency, reorganization and other similar laws relating to the enforcement of creditors’ rights.

We have also examined executed counterparts of the Trust Indenture, dated as of December 1, 1986 (the “*Indenture*”), by and between the Issuer and The First National Bank of Chicago, as Trustee (the “*Trustee*”), securing the Bonds and setting forth the covenants and undertakings of the Issuer in connection with the Bonds and making provision under certain conditions for the purchase of the Bonds by a Placement Agent (the “*Placement Agent*”), for the fixing of a Short‑Term Rate (as defined in the Indenture) to be borne by the Bonds, which Short‑Term Rate may be a Daily Rate, a Weekly Rate, a Monthly Rate or a Variable‑Term Rate (each as defined in the Indenture), and for the conversion of the interest rate borne by the Bonds to a different Short‑Term Rate or to a Medium‑Term Rate (as defined in the Indenture) or a Fixed Rate under certain conditions. The Indenture provides that the Bonds bear interest at the Daily Rate until the interest rate borne by the Bonds is converted to a different Short‑Term Rate or to a Medium‑Term Rate or a Fixed Rate. Under the Indenture, the revenues derived by the Issuer under the Loan Agreement, together with certain of the rights of the Issuer thereunder, are pledged and assigned to the Trustee as security for the Bonds. From such examination, we are of the opinion that the proceedings of the City Council of the Issuer referred to above show lawful authority for the execution and delivery of the Indenture, that the Indenture is a legal, valid and binding obligation of the Issuer, enforceable in accordance with its terms, subject to the qualification that the enforcement thereof may be limited by bankruptcy, insolvency, reorganization and other similar laws relating to the enforcement of creditors’ rights, that the Bonds have been validly issued under the Indenture and that all requirements under the Indenture precedent to delivery of the Bonds have been satisfied.

In connection with the Company’s obligation to make payments to the Issuer under the Loan Agreement, the Company has caused to be delivered to the Trustee an irrevocable Letter of Credit (the “*Letter of Credit*”) of The Mitsubishi Bank, Ltd., acting through its Los Angeles Agency (the “Bank”), under which the Trustee, the Paying Agent (as defined in the Indenture) or Morgan Guaranty Trust Company of New York, as Tender Agent (the “*Tender Agent*”) are permitted under certain conditions to draw up to (a) an amount equal to the principal of the outstanding Bonds (i) to pay the principal of the Bonds when due upon redemption or acceleration or (ii) to enable the Tender Agent to pay the purchase price or portion of the purchase price equal to the principal amount of Bonds delivered to it for purchase and not placed, plus (b) an amount equal to 123 days’ accrued interest on the outstanding Bonds (i) to pay interest on the Bonds or (ii) to enable the Tender Agent to pay the portion of the purchase price of the Bonds delivered to it equal to the accrued interest, if any, on such Bonds. Delivery of the Letter of Credit, however, does not release the Company from its payment obligation under the Loan Agreement. The Letter of Credit expires on December 29, 1991, except that under the terms thereof the Letter of Credit may be extended as provided therein.

We further certify that we have examined the form of bond prescribed in the Indenture and find the same in due form of law and in our opinion the Bonds, to the amount named, are valid and legally binding upon the Issuer according to the import thereof and, as provided in the Indenture and the Bonds, are payable by the Issuer solely out of payments to be made by the Company under the Loan Agreement, except to the extent paid from moneys drawn by the Trustee, the Tender Agent or the Paying Agent under the Letter of Credit.

It is our opinion that, assuming compliance with certain covenants made by the Issuer and the Company to satisfy pertinent requirements of present law, interest on the Bonds is not, under present law, includible in gross income of the owners thereof for federal income tax purposes, and therefore is exempt from present federal income taxation, except for interest on any Bond for any period during which such Bond is owned by a person who is a substantial user of the Colstrip Units 3 and 4 Pollution Control Facilities or any person considered to be related to such person (within the meaning of Section 147(a) of the Internal Revenue Code of 1986) and except that interest on the Bonds will be included as an item of tax preference in computing the alternative minimum tax for individuals and corporations, in computing the environmental tax imposed on certain corporations and in computing the “branch profits tax” imposed on certain foreign corporations, but interest on the Bonds will not be taken into account in computing an adjustment used in determining the corporate alternative minimum tax.

In concluding that the Colstrip Units 3 and 4 Pollution Control Facilities constitute “solid waste disposal facilities” or “air or water pollution control facilities” within the meaning of Section 103(b)(4)(E) and (F) of the Internal Revenue Code of 1954, as amended, we have requested and reviewed a certificate of the Company and an engineering report by Russell B. MacPherson, P.E. and Charles E. Wagner, P.E., describing, among other things, the function and costs of the Project and the Colstrip Units 3 and 4 Pollution Control Facilities and their relation to the Colstrip Units 3 and 4 Project. Our review of the certificate and report included discussions with Russell B. MacPherson, P.E. and Charles E. Wagner, P.E., who represented they were familiar with the Project and the Colstrip Units 3 and 4 Pollution Control Facilities and their relationship to the Colstrip Units 3 and 4 Project. Insofar as our opinion as to whether the Colstrip Units 3 and 4 Pollution Control Facilities constitute solid waste disposal facilities or air or water pollution control facilities is dependent upon engineering facts or conclusions and other matters solely within the knowledge of the Company and Russell B. MacPherson, P.E. and Charles E. Wagner, P.E., we have relied upon the certificate and report.

In our opinion, under present Montana laws, the Bonds, their transfer and any income therefrom, are exempt from taxation within the State of Montana, except for gift, estate, succession or inheritance taxes or any other taxes not levied or assessed directly on the Bonds, the transfer thereof, the income therefrom or any profits made on the sale thereof.

We are not passing upon the Letter of Credit or action taken by the Bank in connection therewith. The validity of the Letter of Credit has been passed upon by Towne, Dolgin, Sawyier & Horton and by Braun, Moriya, Hoashi & Kubota.

Stoel, Rives, Boley, Fraser & Wyse, counsel to the Company, have delivered an opinion of even date herewith concerning the obligations of the Company under the Loan Agreement. In rendering this opinion we have relied upon said opinion with respect to, among other things: (i) the due organization of the Company, (ii) the good standing of the Company in the State of Montana and in the State of Maine, (iii) the approval of the execution and delivery by the Company of the Loan Agreement by all necessary regulatory authorities exercising jurisdiction over the Company, (iv) the corporate power of the Company to enter into, and the due execution by the Company of, the Loan Agreement, and (v) the binding effect of the Loan Agreement on the Company.

William F. Meisburger, City Attorney, has delivered an opinion of even date herewith with respect to the obligations of the Issuer under the Bonds, the Loan Agreement and the Indenture.

The opinions described above are in form satisfactory to us, both in scope and content.

We express no opinion as to the title to, the description of, or the existence of any liens, charges or encumbrances on the Project, the Colstrip Units 3 and 4 Pollution Control Facilities or the Colstrip Units 3 and 4 Project of which they are a part.

CHAPMAN AND CUTLER

**APPENDIX B-3**

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| --- | --- | --- |
| Theodore S. Chapman1877-1943 Henry E. Cutler1879-1959 | Law Offices ofCHAPMAN AND CUTLER50 South Main Street, Salt Lake City, Utah 84144-0402Telephone (801) 533-0066Facsimile (801) 533-9595 | Chicago111 West Monroe Street Chicago, Illinois 60603 (312) 845-3000 |

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November 17, 1995

Re: $5,300,000 Converse County, Wyoming,

Environmental Improvement Revenue Bonds

(PacifiCorp Project) Series 1995

We hereby certify that we have examined certified copy of the proceedings of record of the Board of County Commissioners of Converse County, Wyoming (the “*Issuer*”), a political subdivision of the State of Wyoming, preliminary to the issuance by the Issuer of its Environmental Improvement Revenue Bonds (PacifiCorp Project) Series 1995, in the aggregate principal amount of $5,300,000 (the “*Bonds*”). The Bonds are being issued pursuant to the provisions of Sections 15‑1‑701 to 15‑1‑710, inclusive, Wyoming Statutes (1977), as amended and supplemented (the “*Act*”), for the purpose of financing a portion of the cost of acquiring and improving certain solid waste disposal facilities (the “*Project*”) at the Dave Johnston Plant (the “*Plant*”) in Converse County, Wyoming, which is owned and operated by PacifiCorp, an Oregon corporation (the “*Company*”). The Bonds are being issued simultaneously with another issue of environmental improvement revenue bonds being issued by Lincoln County, Wyoming (the “*Other Issuer*”), for the benefit of the Company.

The Bonds mature on November 1, 2025, bear interest from time to time computed as set forth in each of the Bonds and are subject to purchase and redemption prior to maturity at the times, in the manner and upon the terms set forth in each of the Bonds. The Bonds are issuable in authorized denominations as provided in the hereinafter‑defined Indenture as fully-registered Bonds without coupons.

From such examination of the proceedings of the Board of County Commissioners of the Issuer referred to above and from an examination of the Act, we are of the opinion that such proceedings show lawful authority for such issue of Bonds under the laws of the State of Wyoming now in force.

Pursuant to a Loan Agreement, dated as of November 1, 1995 (the “*Loan Agreement*”), between the Company and the Issuer, the Issuer has agreed to loan the proceeds from the sale of the Bonds to the Company for the purpose of financing a portion of the cost of the Project, and the Company has agreed to pay amounts at least sufficient to pay the principal of, premium, if any, and interest on the Bonds when due, whether at stated maturity, call for redemption or acceleration. The Loan Agreement (an executed counterpart of which has been examined by us) has, in our opinion, been duly authorized, executed and delivered by the Issuer, and, assuming the due authorization, execution and delivery by the Company, is a valid and binding obligation of the Issuer, enforceable in accordance with its terms, subject to the qualification that the enforcement thereof may be limited by bankruptcy, insolvency, reorganization and other similar laws relating to the enforcement of creditors’ rights generally or usual equity principles in the event equitable remedies should be sought.

We have also examined an executed counterpart of the Trust Indenture, dated as of November 1, 1995 (the “*Indenture*”), between the Issuer and The First National Bank of Chicago, as trustee (the “*Trustee*”), securing the Bonds and setting forth the covenants and undertakings of the Issuer in connection with the Bonds and making provision under certain conditions for the remarketing of the Bonds by a Remarketing Agent (the “*Remarketing Agent*”), for the determination of the interest rate to be borne by the Bonds from time to time, which interest rate may be a Daily Interest Rate, a Weekly Interest Rate, a Flexible Interest Rate or a Term Interest Rate (each as defined in the Indenture), and for the conversion of the interest rate determination method under certain conditions. The Indenture provides that the Bonds will initially bear interest at a Daily Interest Rate until conversion to a different interest rate determination method. Under the Indenture, the revenues derived by the Issuer under the Loan Agreement, together with certain of the rights of the Issuer thereunder, are pledged and assigned to the Trustee as security for the Bonds. From such examination, we are of the opinion that the proceedings of the Board of County Commissioners of the Issuer referred to above show lawful authority for the execution and delivery of the Indenture, that the Indenture is a valid and binding obligation of the Issuer, enforceable in accordance with its terms, subject to the qualification that the enforcement thereof may be limited by bankruptcy, insolvency, reorganization and other similar laws relating to the enforcement of creditors’ rights generally or usual equity principles in the event equitable remedies should be sought, that the Bonds have been validly issued under the Indenture, and that all requirements under the Indenture precedent to delivery of the Bonds have been satisfied.

We further certify that we have examined the form of bond prescribed in the Indenture and find the same in due form of law and in our opinion the Bonds, to the amount named, are valid and legally binding upon the Issuer according to the import thereof and, as provided in the Indenture and the Bonds, are payable by the Issuer solely out of payments to be made by the Company under the Loan Agreement and all moneys and investments held by the Trustee under the Indenture or otherwise available to the Trustee for the payment thereof.

It is our opinion that, subject to compliance by the Company, the Issuer and the Other Issuer with certain covenants made to satisfy pertinent requirements of the Internal Revenue Code of 1986, as amended (the “*Code*”), under present law, interest on the Bonds is not includible in gross income of the owners thereof for federal income tax purposes, except for interest on any Bond for any period during which such Bond is owned by a person who is a substantial user of the Project or the Plant or any person considered to be related to such person (within the meaning of Section 147(a) of the Code); however, such interest on the Bonds is included as an item of tax preference in computing the federal alternative minimum tax for individuals and corporations under the Code. Failure to comply with certain of such covenants could cause the interest on the Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds. Ownership of the Bonds may result in other federal tax consequences to certain taxpayers, and we express no opinion regarding any such collateral consequences arising with respect to the Bonds. In rendering this opinion, we have relied upon certifications of the Company with respect to certain material facts solely within the Company’s knowledge relating to the Project, the Plant and the application of the proceeds of the Bonds.

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

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

CHAPMAN AND CUTLER

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**APPENDIX B-4**

|  |  |  |
| --- | --- | --- |
| Theodore S. Chapman1877-1943 Henry E. Cutler1879-1959 | Law Offices ofCHAPMAN AND CUTLER50 South Main Street, Salt Lake City, Utah 84144-0402Telephone (801) 533-0066Facsimile (801) 533-9595 | Chicago111 West Monroe Street Chicago, Illinois 60603 (312) 845-3000 |

November 17, 1995

Re: $22,000,000 Lincoln County, Wyoming,

Environmental Improvement Revenue Bonds

(PacifiCorp Project) Series 1995

We hereby certify that we have examined certified copy of the proceedings of record of the Board of County Commissioners of Lincoln County, Wyoming (the “*Issuer*”), a political subdivision of the State of Wyoming, preliminary to the issuance by the Issuer of its Environmental Improvement Revenue Bonds (PacifiCorp Project) Series 1995, in the aggregate principal amount of $22,000,000 (the “*Bonds*”). The Bonds are being issued pursuant to the provisions of Sections 15‑1‑701 to 15‑1‑710, inclusive, Wyoming Statutes (1977), as amended and supplemented (the “*Act*”), for the purpose of financing a portion of the cost of acquiring and improving certain solid waste disposal facilities (the “*Project*”) at the Naughton Plant (the “*Plant*”) in Lincoln County, Wyoming, which is owned and operated by PacifiCorp, an Oregon corporation (the “*Company*”). The Bonds are being issued simultaneously with another issue of environmental improvement revenue bonds being issued by Converse County, Wyoming (the “Other Issuer”), for the benefit of the Company.

The Bonds mature on November 1, 2025, bear interest from time to time computed as set forth in each of the Bonds and are subject to purchase and redemption prior to maturity at the times, in the manner and upon the terms set forth in each of the Bonds. The Bonds are issuable in authorized denominations as provided in the hereinafter-defined Indenture as fully-registered Bonds without coupons.

From such examination of the proceedings of the Board of County Commissioners of the Issuer referred to above and from an examination of the Act, we are of the opinion that such proceedings show lawful authority for such issue of Bonds under the laws of the State of Wyoming now in force.

Pursuant to a Loan Agreement, dated as of November 1, 1995 (the “Loan Agreement”), between the Company and the Issuer, the Issuer has agreed to loan the proceeds from the sale of the Bonds to the Company for the purpose of financing a portion of the cost of the Project, and the Company has agreed to pay amounts at least sufficient to pay the principal of, premium, if any, and interest on the Bonds when due, whether at stated maturity, call for redemption or acceleration. The Loan Agreement (an executed counterpart of which has been examined by us) has, in our opinion, been duly authorized, executed and delivered by the Issuer, and, assuming the due authorization, execution and delivery by the Company, is a valid and binding obligation of the Issuer, enforceable in accordance with its terms, subject to the qualification that the enforcement thereof may be limited by bankruptcy, insolvency, reorganization and other similar laws relating to the enforcement of creditors’ rights generally or usual equity principles in the event equitable remedies should be sought.

We have also examined an executed counterpart of the Trust Indenture, dated as of November 1, 1995 (the “*Indenture*”), between the Issuer and The First National Bank of Chicago, as trustee (the “*Trustee*”), securing the Bonds and setting forth the covenants and undertakings of the Issuer in connection with the Bonds and making provision under certain conditions for the remarketing of the Bonds by a Remarketing Agent (the “*Remarketing Agent*”), for the determination of the interest rate to be borne by the Bonds from time to time, which interest rate may be a Daily Interest Rate, a Weekly Interest Rate, a Flexible Interest Rate or a Term Interest Rate (each as defined in the Indenture), and for the conversion of the interest rate determination method under certain conditions. The Indenture provides that the Bonds will initially bear interest at a Daily Interest Rate until conversion to a different interest rate determination method. Under the Indenture, the revenues derived by the Issuer under the Loan Agreement, together with certain of the rights of the Issuer thereunder, are pledged and assigned to the Trustee as security for the Bonds. From such examination, we are of the opinion that the proceedings of the Board of County Commissioners of the Issuer referred to above show lawful authority for the execution and delivery of the Indenture, that the Indenture is a valid and binding obligation of the Issuer, enforceable in accordance with its terms, subject to the qualification that the enforcement thereof may be limited by bankruptcy, insolvency, reorganization and other similar laws relating to the enforcement of creditors’ rights generally or usual equity principles in the event equitable remedies should be sought, that the Bonds have been validly issued under the Indenture, and that all requirements under the Indenture precedent to delivery of the Bonds have been satisfied.

We further certify that we have examined the form of bond prescribed in the Indenture and find the same in due form of law and in our opinion the Bonds, to the amount named, are valid and legally binding upon the Issuer according to the import thereof and, as provided in the Indenture and the Bonds, are payable by the Issuer solely out of payments to be made by the Company under the Loan Agreement and all moneys and investments held by the Trustee under the Indenture or otherwise available to the Trustee for the payment thereof.

It is our opinion that, subject to compliance by the Company, the Issuer and the Other Issuer with certain covenants made to satisfy pertinent requirements of the Internal Revenue Code of 1986, as amended (the “*Code*”), under present law, interest on the Bonds is not includible in gross income of the owners thereof for federal income tax purposes, except for interest on any Bond for any period during which such Bond is owned by a person who is a substantial user of the Project or the Plant or any person considered to be related to such person (within the meaning of Section 147(a) of the Code); however, such interest on the Bonds is included as an item of tax preference in computing the federal alternative minimum tax for individuals and corporations under the Code. Failure to comply with certain of such covenants could cause the interest on the Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds. Ownership of the Bonds may result in other federal tax consequences to certain taxpayers, and we express no opinion regarding any such collateral consequences arising with respect to the Bonds. In rendering this opinion, we have relied upon certifications of the Company with respect to certain material facts solely within the Company’s knowledge relating to the Project, the Plant and the application of the proceeds of the Bonds.

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

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

CHAPMAN AND CUTLER

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**APPENDIX C-1**

**Proposed Form of Opinion of Bond Counsel for Change in**

**Rate Determination Method of the Series 1984 Bonds**

[Letterhead of Chapman and Cutler LLP]

[To be Dated the Closing Date]

|  |  |
| --- | --- |
| The Bank of New York Mellon Trust Company, N.A., as trustee, placement agent and tender agent2 North LaSalle Street, Suite 1020Chicago, Illinois 60602Attn: Richard C. Tarnas | Sweetwater County, WyomingCounty Courthouse80 West Flaming Gorge WayGreen River, Wyoming 82935Attn: Chairman, Board of CountyCommissioners |
| PacifiCorp825 N.E. Multnomah Street, Suite 1900Portland, Oregon 97232-4116Attn: Treasurer | Barclays Capital Inc.745 Seventh AvenueNew York, New York 10019Attn: Municipal Short‑Term Desk |

Re: Conversion to Weekly Interest Rate Period

$15,000,000 Sweetwater County, Wyoming

Pollution Control Revenue Bonds

(PacifiCorp Project) Series 1984 (the *“Bonds”*)

Ladies and Gentlemen:

This opinion is being furnished at the request of PacifiCorp (the *“Company”*) to (a) The Bank of New York Mellon Trust Company, N.A. (as successor to Bank One Trust Company, NA), as trustee, placement agent and tender agent (the *“Trustee”*), under the Indenture of Trust, dated as of December 1, 1984, as amended and restated as of June 1, 2003 (the *“Indenture”*), between Sweetwater County, Wyoming (the *“Issuer”*), and the Trustee, pertaining to the Bonds; (b) the Issuer; (c) Barclays Capital Inc., as remarketing agent (the *“Remarketing Agent”*) under that certain Remarketing Agreement, dated as of May 22, 2013 (the *“Remarketing Agreement”*), between the Remarketing Agent and PacifiCorp (the *“Company”*) and (d) the Company in order to satisfy certain requirements of Section 5(a)(v)(C)(2) of the Remarketing Agreement. Pursuant to Section 2.02(c)(ii) of the Indenture, the Company has determined to convert the interest rate on the Bonds from a Term Interest Rate Period to a Weekly Interest Rate Period effective on the date hereof (the *“Conversion Date”*). The terms used herein denoted by initial capitals and not otherwise defined shall have the meanings specified in the Indenture.

We have examined the law and such documents and matters as we have deemed necessary to provide this opinion letter. As to questions of fact material to the opinions expressed herein, we have relied upon the provisions of the Indenture and related documents, and upon representations made to us without undertaking to verify the same by independent investigation.

Based upon the foregoing, as of the date hereof, we are of the opinion that the conversion of the interest rate on the Bonds:

 (i) is authorized or permitted by the Indenture and the Act; and

 (ii) will not, in and of itself, adversely affect the Tax-Exempt status of interest on the Bonds.

At the time of the issuance of the Bonds, we rendered our approving opinion relating to, among other things, the validity of the Bonds and the exclusion from federal income taxation of interest on the Bonds. We have not been requested, nor have we undertaken, to make an independent investigation to confirm that the Company and the Issuer have complied with the provisions of the Indenture, the Loan Agreement, the Tax Certificate and other documents relating to the Bonds, or to review any other events that may have occurred since such approving opinion was rendered other than with respect to the Company in connection with (a) the adjustment of the interest rate described in our opinion dated May 2, 2003, (b) the execution and delivery of the First Supplemental Trust Indenture, described in our opinion dated March 3, 2003, (c) the execution and delivery of the Second Supplemental Indenture and the First Supplemental Loan Agreement, described in our opinion dated June 2, 2003 and (d) the adjustment of the interest rate described herein and in our opinion dated May 8, 2013. Accordingly, we do not express any opinion with respect to the Bonds, except as described above.

In rendering this opinion, we have relied upon certifications of the Issuer and the Company with respect to certain material facts solely within the Issuer’s and the Company’s knowledge. Our opinion represents our legal judgment based upon our review of the law and the facts that we deem relevant to render such opinion and is not a guarantee of a result. This opinion is given as of the date hereof and we assume no obligation to review or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

We express no opinion herein as to the adequacy, accuracy or completeness of any information of furnished to any person in connection with any offer or sale of the Bonds.

Respectfully submitted,

**APPENDIX C-2**

**Proposed Form of Opinion of Bond Counsel for Change in**

**Rate Determination Method of the Series 1986 Bonds**

[Letterhead of Chapman and Cutler LLP]
[To be Dated the Closing Date]

|  |  |
| --- | --- |
| The Bank of New York Mellon Trust Company, N.A., as trustee, placement agent and tender agent2 North LaSalle Street, Suite 1020Chicago, Illinois 60602Attn: Richard C. Tarnas | City of Forsyth, Rosebud County, MontanaCity Hall247 North Ninth StreetForsyth, Montana 59327Attn: Mayor |
| PacifiCorp825 N.E. Multnomah Street, Suite 1900Portland, Oregon 97232-4116Attn: Treasurer | Morgan Stanley & Co. LLC1585 BroadwayNew York, New York 10036Attn: Municipal Short‑Term Products |

Re: Conversion to Weekly Interest Rate Period

$8,500,000 City of Forsyth, Rosebud County, Montana

Flexible Rate Demand Pollution Control Revenue Bonds

(PacifiCorp Colstrip Project) Series 1986 (the *“Bonds”*)

Ladies and Gentlemen:

This opinion is being furnished at the request of PacifiCorp (the *“Company”*) to (a) The Bank of New York Mellon Trust Company, N.A. (as successor to Bank One Trust Company, NA), as trustee, placement agent and tender agent (the *“Trustee”*), under the Trust Indenture, dated as of December 1, 1986, as amended and restated as of June 1, 2003 (the *“Indenture”*), between the City of Forsyth, Rosebud County, Montana (the *“Issuer”*), and the Trustee, pertaining to the Bonds; (b) the Issuer; (c) Morgan Stanley & Co. LLC, as remarketing agent (the *“Remarketing Agent”*) under that certain Remarketing Agreement, dated as of May 22, 2013 (the *“Remarketing Agreement”*), between the Remarketing Agent and PacifiCorp (the *“Company”*) and (d) the Company in order to satisfy certain requirements of Section 5(a)(v)(C)(2) of the Remarketing Agreement. Pursuant to Section 2.02(c)(ii) of the Indenture, the Company has determined to convert the interest rate on the Bonds from a Term Interest Rate Period to a Weekly Interest Rate Period effective on the date hereof (the *“Conversion Date”*). The terms used herein denoted by initial capitals and not otherwise defined shall have the meanings specified in the Indenture.

We have examined the law and such documents and matters as we have deemed necessary to provide this opinion letter. As to questions of fact material to the opinions expressed herein, we have relied upon the provisions of the Indenture and related documents, and upon representations made to us without undertaking to verify the same by independent investigation.

Based upon the foregoing, as of the date hereof, we are of the opinion that the conversion of the interest rate on the Bonds:

 (i) is authorized or permitted by the Indenture and the Act; and

 (ii) will not, in and of itself, adversely affect the Tax-Exempt status of interest on the Bonds.

At the time of the issuance of the Bonds, we rendered our approving opinion relating to, among other things, the validity of the Bonds and the exclusion from federal income taxation of interest on the Bonds. We have not been requested, nor have we undertaken, to make an independent investigation to confirm that the Company and the Issuer have complied with the provisions of the Indenture, the Loan Agreement, the Tax Certificate and other documents relating to the Bonds, or to review any other events that may have occurred since such approving opinion was rendered other than with respect to the Company in connection with (a) the adjustment of the interest rate described in our opinions dated September 3, 2002, and May 2, 2003, (b) the execution and delivery of the First Supplemental Trust Indenture, described in our opinion dated March 3, 2003, (c) the execution and delivery of the Second Supplemental Indenture and the First Supplemental Loan Agreement, described in our opinion dated June 2, 2003 and (d) the adjustment of the interest rate described herein and in our opinion dated May 8, 2013. Accordingly, we do not express any opinion with respect to the Bonds, except as described above.

In rendering this opinion, we have relied upon certifications of the Issuer and the Company with respect to certain material facts solely within the Issuer’s and the Company’s knowledge. Our opinion represents our legal judgment based upon our review of the law and the facts that we deem relevant to render such opinion and is not a guarantee of a result. This opinion is given as of the date hereof and we assume no obligation to review or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

We express no opinion herein as to the adequacy, accuracy or completeness of any information of furnished to any person in connection with any offer or sale of the Bonds.

Respectfully submitted,

**APPENDIX C-3**

**PROPOSED FORM OF OPINION OF BOND COUNSEL FOR CHANGE IN**

**RATE DETERMINATION METHOD OF THE SERIES 1995 CONVERSE COUNTY BONDS**

[Letterhead of Chapman and Cutler LLP]
[To be Dated the Closing Date]

|  |  |
| --- | --- |
| The Bank of New York Mellon Trust Company, N.A., as trustee, placement agent and tender agent2 North LaSalle Street, Suite 1020Chicago, Illinois 60602Attn: Richard C. Tarnas | Converse County, Wyoming107 North 5th StreetDouglas, Wyoming 82633Attn: Chairman, Board of CountyCommissioners |
| PacifiCorp825 N.E. Multnomah Street, Suite 1900Portland, Oregon 97232-4116Attn: Treasurer | Barclays Capital Inc.745 Seventh AvenueNew York, New York 10019Attn: Municipal Short‑Term Desk |

Re: Conversion to Weekly Interest Rate Period

$5,300,000 Converse County, Wyoming

Environmental Improvement Revenue Bonds

(PacifiCorp Project) Series 1995 (the *“Bonds”*)

Ladies and Gentlemen:

This opinion is being furnished at the request of PacifiCorp (the *“Company”*) to (a) The Bank of New York Mellon Trust Company, N.A. (as successor to Bank One Trust Company, NA), as trustee, placement agent and tender agent (the *“Trustee”*), under the Trust Indenture, dated as of November 1, 1995, as amended and restated as of June 1, 2003 (the *“Indenture”*), between Converse County, Wyoming (the *“Issuer”*), and the Trustee, pertaining to the Bonds; (b) the Issuer; (c) Barclays Capital Inc., as remarketing agent (the *“Remarketing Agent”*) under that certain Remarketing Agreement, dated as of May 22, 2013 (the *“Remarketing Agreement”*), between the Remarketing Agent and PacifiCorp (the *“Company”*) and (d) the Company in order to satisfy certain requirements of Section 5(a)(v)(C)(2) of the Remarketing Agreement. Pursuant to Section 2.02(c)(ii) of the Indenture, the Company has determined to convert the interest rate on the Bonds from a Term Interest Rate Period to a Weekly Interest Rate Period effective on the date hereof (the *“Conversion Date”*). The terms used herein denoted by initial capitals and not otherwise defined shall have the meanings specified in the Indenture.

We have examined the law and such documents and matters as we have deemed necessary to provide this opinion letter. As to questions of fact material to the opinions expressed herein, we have relied upon the provisions of the Indenture and related documents, and upon representations made to us without undertaking to verify the same by independent investigation.

Based upon the foregoing, as of the date hereof, we are of the opinion that the conversion of the interest rate on the Bonds:

 (i) is authorized or permitted by the Indenture and the Act; and

 (ii) will not, in and of itself, adversely affect the Tax-Exempt status of interest on the Bonds.

At the time of the issuance of the Bonds, we rendered our approving opinion relating to, among other things, the validity of the Bonds and the exclusion from federal income taxation of interest on the Bonds. We have not been requested, nor have we undertaken, to make an independent investigation to confirm that the Company and the Issuer have complied with the provisions of the Indenture, the Loan Agreement, the Tax Certificate and other documents relating to the Bonds, or to review any other events that may have occurred since such approving opinion was rendered other than with respect to the Company in connection with (a) the adjustment of the interest rate described in our opinion dated May 2, 2003, (b) the execution and delivery of the First Supplemental Trust Indenture, described in our opinion dated March 3, 2003, (c) the execution and delivery of the Second Supplemental Indenture and the First Supplemental Loan Agreement, described in our opinion dated June 2, 2003 and (d) the adjustment of the interest rate described herein and in our opinion dated May 8, 2013. Accordingly, we do not express any opinion with respect to the Bonds, except as described above.

In rendering this opinion, we have relied upon certifications of the Issuer and the Company with respect to certain material facts solely within the Issuer’s and the Company’s knowledge. Our opinion represents our legal judgment based upon our review of the law and the facts that we deem relevant to render such opinion and is not a guarantee of a result. This opinion is given as of the date hereof and we assume no obligation to review or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

We express no opinion herein as to the adequacy, accuracy or completeness of any information of furnished to any person in connection with any offer or sale of the Bonds.

Respectfully submitted,

**APPENDIX C-4**

**PROPOSED FORM OF OPINION OF BOND COUNSEL FOR CHANGE IN**

**RATE DETERMINATION METHOD OF THE SERIES 1995 LINCOLN COUNTY BONDS**

[Letterhead of Chapman and Cutler LLP]

[To be Dated the Closing Date]

|  |  |
| --- | --- |
| The Bank of New York Mellon Trust Company, N.A., as trustee, placement agent and tender agent2 North LaSalle Street, Suite 1020Chicago, Illinois 60602Attn: Richard C. Tarnas | Lincoln County, WyomingLincoln County Courthouse925 Sage AvenueKemmerer, Wyoming 83101Attn: Chairman, Board of CountyCommissioners |
| PacifiCorp825 N.E. Multnomah Street, Suite 1900Portland, Oregon 97232-4116Attn: Treasurer | Morgan Stanley & Co. LLC1585 BroadwayNew York, New York 10036Attn: Municipal Short‑Term Products |

Re: Conversion to Weekly Interest Rate Period

$22,000,000 Lincoln County, Wyoming

Environmental Improvement Revenue Bonds

(PacifiCorp Project) Series 1995 (the *“Bonds”*)

Ladies and Gentlemen:

This opinion is being furnished at the request of PacifiCorp (the *“Company”*) to (a) The Bank of New York Mellon Trust Company, N.A. (as successor to Bank One Trust Company, NA), as trustee, placement agent and tender agent (the *“Trustee”*), under the Trust Indenture, dated as of November 1, 1995, as amended and restated as of June 1, 2003 (the *“Indenture”*), between Lincoln County, Wyoming (the *“Issuer”*), and the Trustee, pertaining to the Bonds; (b) the Issuer; (c) Morgan Stanley & Co. LLC, as remarketing agent (the *“Remarketing Agent”*) under that certain Remarketing Agreement, dated as of May 22, 2013 (the *“Remarketing Agreement”*), between the Remarketing Agent and PacifiCorp (the *“Company”*) and (d) the Company in order to satisfy certain requirements of Section 5(a)(v)(C)(2) of the Remarketing Agreement. Pursuant to Section 2.02(c)(ii) of the Indenture, the Company has determined to convert the interest rate on the Bonds from a Term Interest Rate Period to a Weekly Interest Rate Period effective on the date hereof (the *“Conversion Date”*). The terms used herein denoted by initial capitals and not otherwise defined shall have the meanings specified in the Indenture.

We have examined the law and such documents and matters as we have deemed necessary to provide this opinion letter. As to questions of fact material to the opinions expressed herein, we have relied upon the provisions of the Indenture and related documents, and upon representations made to us without undertaking to verify the same by independent investigation.

Based upon the foregoing, as of the date hereof, we are of the opinion that the conversion of the interest rate on the Bonds:

 (i) is authorized or permitted by the Indenture and the Act; and

 (ii) will not, in and of itself, adversely affect the Tax‑Exempt status of interest on the Bonds.

At the time of the issuance of the Bonds, we rendered our approving opinion relating to, among other things, the validity of the Bonds and the exclusion from federal income taxation of interest on the Bonds. We have not been requested, nor have we undertaken, to make an independent investigation to confirm that the Company and the Issuer have complied with the provisions of the Indenture, the Loan Agreement, the Tax Certificate and other documents relating to the Bonds, or to review any other events that may have occurred since such approving opinion was rendered other than with respect to the Company in connection with (a) the adjustment of the interest rate described in our opinion dated May 2, 2003, (b) the execution and delivery of the First Supplemental Trust Indenture, described in our opinion dated March 3, 2003, (c) the execution and delivery of the Second Supplemental Indenture and the First Supplemental Loan Agreement, described in our opinion dated June 2, 2003 and (d) the adjustment of the interest rate described herein and in our opinion dated May 8, 2013. Accordingly, we do not express any opinion with respect to the Bonds, except as described above.

In rendering this opinion, we have relied upon certifications of the Issuer and the Company with respect to certain material facts solely within the Issuer’s and the Company’s knowledge. Our opinion represents our legal judgment based upon our review of the law and the facts that we deem relevant to render such opinion and is not a guarantee of a result. This opinion is given as of the date hereof and we assume no obligation to review or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

We express no opinion herein as to the adequacy, accuracy or completeness of any information of furnished to any person in connection with any offer or sale of the Bonds.

Respectfully submitted,

**APPENDIX D
FORM OF CONTINUING DISCLOSURE AGREEMENT**

This Continuing Disclosure Agreement (this “Agreement”) is executed and delivered by PacifiCorp (the “Company”) in consideration of the reoffering of the four Issues of Bonds identified by Schedule I hereto in conjunction with the remarketing thereof by Barclays Capital Inc. and Morgan Stanley & Co. LLC, as Remarketing Agents.

**Section 1.** The Company does hereby covenant and agree and enter into a written undertaking for the benefit of the holders and beneficial Owners of the Bonds as required by Section (b)(5)(i) of Securities and Exchange Commission Rule 15c2‑12 under the Securities Exchange Act of 1934, as amended (17 C.F.R. § 240.15c2‑12) (the “Rule”). Capitalized terms used in this Agreement and not otherwise defined in the respective Indenture of Trust and Trust Indentures (collectively, the “Indenture”) identified by such Schedule I between the respective Issuers identified by such Schedule I, in its capacity as Trustee for each Issue of Bonds, The Bank of New York Mellon Trust Company, N.A. (in each case, as successor to the original Trustee) (collectively, the “Trustee”) shall have the meanings assigned such terms in Section 4 hereof. This Agreement shall be construed in accordance with the written interpretative guidance and no‑action letters published from time to time by the Securities and Exchange Commission and its staff with respect to the Rule.

**Section 2.** The Company undertakes to provide the following information in accordance with this Agreement as required by the Rule:

* 1. Annual Financial Information;
	2. Audited Financial Statements, if any; and
	3. Material Event Notices.

**Section 3.**

* 1. The Company shall, while any Bonds are Outstanding, provide the Annual Financial Information on or before the date which is 180 days after the end of each fiscal year of the Company (the “Report Date”) to the Municipal Securities Rulemaking Board (the “MSRB”) in an electronic format accompanied by identifying information as prescribed by the MSRB. The Company shall include with each submission of Annual Financial Information a written statement to the effect that the Annual Financial Information is the Annual Financial Information required by this Agreement and that it complies with the applicable requirements of this Agreement and that it has been provided to the MSRB. If the Company changes its fiscal year, it shall provide written notice of the change of fiscal year to the MSRB. It shall be sufficient if the Company provides to the MSRB any or all of the Annual Financial Information by specific reference to documents previously provided to the MSRB or filed with the Securities and Exchange Commission and, if such a document is a final official statement within the meaning of the Rule, available from the MSRB.
	2. If not provided as part of the Annual Financial Information, the Company shall provide the Audited Financial Statements when and if available while any Bonds are Outstanding to the MSRB.
	3. If a Material Event occurs while any Bonds are Outstanding, the Company shall provide a Material Event Notice in a timely manner, not in excess of 10 business days after the occurrence of the event, to the MSRB. Each Material Event Notice shall be so captioned and shall prominently state the date, title and CUSIP numbers of the Bonds.
	4. The Company shall provide in a timely manner to the MSRB notice of any failure by the Company while any Bonds are Outstanding to provide to the MSRB Annual Financial Information on or before the Report Date.
	5. Any filing or report under this Agreement may be made solely by transmitting such filing or report to the MSRB in an electronic format accompanied by identifying information as prescribed by the MSRB.

**Section 4.** The following are the definitions of the capitalized terms used in this Agreement not otherwise defined in this Agreement or the Indenture:

* 1. “*Annual Financial Information*” means the financial information or operating data with respect to the Company, provided at least annually, of the type incorporated by reference under APPENDIX A—“PACIFICORP—AVAILABLE INFORMATION” of the Reoffering Circular dated May 22, 2013 with respect to the Bonds. The consolidated financial statements included in the Annual Financial Information shall be prepared in accordance with generally accepted accounting principles (“GAAP”) as prescribed by the Financial Accounting Standards Board (“FASB”). Such consolidated financial statements may, but are not required to be, Audited Financial Statements.
	2. “*Audited Financial Statements*” means the Company’s annual consolidated financial statements, prepared in accordance with GAAP as prescribed by FASB, which consolidated financial statements shall have been audited by an independent auditor or firm of independent auditors as shall be then retained by the Company.
	3. “*Material Event*” means any of the following events with respect to the Bonds:
1. Principal and interest payment delinquencies;
2. Nonpayment‑related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701‑TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
7. Modifications to rights of holders of the Bonds, if material;
8. Bond calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution or sale of property securing repayment of the Bonds, if material;
11. Rating changes;
12. Bankruptcy, insolvency, receivership or similar event of the Company;
13. The consummation of a merger, consolidation or acquisition involving the Company or the sale of all or substantially all of the assets of the Company, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material, and
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material.
	1. “Material Event Notice” means electronic notice of a Material Event.
	2. “*MSRB*” means the Municipal Securities Rulemaking Board, and any successor thereto. On July 1, 2009, the MSRB became the sole repository to which the Company must electronically submit Annual Financial Information, Audited Financial Statements, if any, and Material Event Notices pursuant to this Agreement. Reference is made to Securities and Exchange Commission Release No. 34 59062, December 8, 2008 (the “Release”) relating to the MSRB’s Electronic Municipal Market Access (“EMMA”) system for municipal securities disclosure, which became effective on July 1, 2009. To the extent applicable to this Agreement, the Company shall comply with the Release and with EMMA, as amended or supplemented from time to time.

**Section 5.**

1. The continuing obligation hereunder of the Company to provide Annual Financial Information, Audited Financial Statements, if any, and Material Event Notices shall terminate immediately once the Bonds no longer are Outstanding. This Agreement, or any provision hereof, shall be null and void if the Company obtains an opinion of nationally recognized bond counsel to the effect that those portions of the Rule which require this Agreement, or any such provision, are invalid, have been repealed retroactively or otherwise do not apply to the Bonds, provided that the Company shall have provided notice of such delivery and the cancellation of this Agreement to the MSRB.
2. This Agreement may be amended, without the consent of the Bondholders, but only upon the Company obtaining and providing to the Trustee an opinion of nationally recognized bond counsel to the effect that such amendment, and giving effect thereto, will not adversely affect the compliance of this Agreement and by the Company with the Rule, provided that the Company shall have provided notice of such delivery and of the amendment to the MSRB. Any such amendment shall satisfy, unless otherwise permitted by the Rule, the following conditions:
3. The amendment may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law or change in the identity, nature or status of the Company or type of business conducted;
4. This Agreement, as amended, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances, and
5. The amendment does not materially impair the interests of Bondholders, as determined either by parties unaffiliated with the Company (such as nationally recognized bond counsel) or by approving vote of Bondholders pursuant to the terms of the Indenture at the time of the amendment.

The initial Annual Financial Information after the amendment shall explain, in narrative form, the reasons for the amendment and the effect of the change, if any, in the type of operating data or financial information being provided.

1. The Company shall not transfer its obligations under the Agreement unless the transferee agrees to assume all obligations of the Company hereunder or to execute a continuing disclosure undertaking under the Rule.

**Section 6**. Any failure by the Company to perform in accordance with this Agreement shall not constitute an Event of Default with respect to the Bonds. If the Company fails to comply herewith, any Bondholder or beneficial owner may take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the Company to comply with its obligations hereunder.

Dated: June 3, 2013.

PACIFICORP

By

Name

Title

**SCHEDULE I
TO CONTINUING DISCLOSURE AGREEMENT**

|  |  |  |  |
| --- | --- | --- | --- |
| **Bond Issues** | **Issuers****(each, an “Issuer”)**  | **Indentures** | **Trustees****(each, a “Trustee”)** |
| $15,000,000Sweetwater County, WyomingPollution Control Revenue Bonds(PacifiCorp Project)Series 1984 | Sweetwater County, Wyoming | Indenture of Trust between Issuer and Trustee dated as of December 1, 1984, as supplemented by the First Supplemental Indenture of Trust between Issuer and Trustee dated as of December 1, 2002 and the Second Supplemental Indenture of Trust between Issuer and Trustee dated as of June 1, 2003 | The Bank of New York Mellon Trust Company, N.A., successor to Bank One Trust Company, NA (as successor to The Bank of New York, as successor to Irving Trust Company) |
| $8,500,000City of Forsyth, Rosebud County, MontanaFlexible Rate Demand Pollution ControlRevenue Bonds(PacifiCorp Colstrip Project)Series 1986 | City of Forsyth, Rosebud County, Montana | Trust Indenture between Issuer and Trustee dated as of December 1, 1986, as supplemented by the First Supplemental Trust Indenture between Issuer and Trustee dated as of December 1, 2002 and the Second Supplemental Trust Indenture between Issuer and Trustee dated as of June 1, 2003 | The Bank of New York Mellon Trust Company, N.A., successor to Bank One Trust Company, NA (formerly known as The First National Bank of Chicago) |
|  |  |  |  |
| $5,300,000Converse County, WyomingEnvironmental Improvement Revenue Bonds(PacifiCorp Project)Series 1995 | Converse County, Wyoming | Trust Indenture between Issuer and Trustee dated as of November 1, 1995, as supplemented by the First Supplemental Trust Indenture between Issuer and Trustee dated as of December 1, 2002 and the Second Supplemental Trust Indenture between Issuer and Trustee dated as of June 1, 2003 | The Bank of New York Mellon Trust Company, N.A., successor to Bank One Trust Company, NA (formerly known as The First National Bank of Chicago) |
| $22,000,000Lincoln County, WyomingEnvironmental Improvement Revenue Bonds(PacifiCorp Project)Series 1995 | Lincoln County, Wyoming | Trust Indenture between Issuer and Trustee dated as of November 1, 1995, as supplemented by the First Supplemental Trust Indenture between Issuer and Trustee dated as of December 1, 2002 and the Second Supplemental Trust Indenture between Issuer and Trustee dated as of June 1, 2003 | The Bank of New York Mellon Trust Company, N.A., successor to Bank One Trust Company, NA (formerly known as The First National Bank of Chicago) |

1. Copyright, American Bankers Association. CUSIP data herein is provided by Standard and Poor’s CUSIP Service Bureau, a division of The McGraw‑Hill Companies, Inc. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Service. CUSIP numbers are provided for convenience of reference only. None of the Issuers, the Company or the Remarketing Agents take any responsibility for the accuracy of such numbers. [↑](#footnote-ref-1)