Oregon PUC Public Utility Commission

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REPORT NAME: Informational Notice of Removal of Credit Support, Replacement of Remarketing Agent and Substitution of Credit Provider

COMPANY NAME: PacifiCorp

DOES REPORT CONTAIN CONFIDENTIAL INFORMATION? ☐No ☒Yes

If yes, please submit only the cover letter electronically. Submit confidential information as directed in OAR 860-001-0070 or the terms of an applicable protective order.

If known, please select designation: ☒RE (Electric) ☐RG (Gas) ☐RW (Water) ☐RO (Other)

Report is required by: ☐OAR
☐Statute
☐Order 03-135
☐Other

Is this report associated with a specific docket/case? ☐No ☒Yes

If yes, enter docket number: RE 76, UF 4195

List applicable Key Words for this report to facilitate electronic search:
PCRB, Reoffering Circular

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- Annual Fee Statement form and payment remittance or
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Please file the above reports according to their individual instructions.

825 NE Multnomah, Suite 2000
Portland, Oregon 97232

April 22, 2015

VIA ELECTRONIC FILING
AND OVERNIGHT DELIVERY

Public Utility Commission of Oregon
3930 Fairview Industrial Drive SE
Salem, OR 97302-1166

Attn: Filing Center

Re: Docket Nos. RE 76 and UF 4195, Order No. 03-135
Informational Notice of Removal of Credit Support, Replacement of Remarketing Agent and Substitution of Credit Provider

On March 19, 2015, five series of pollution control revenue bonds were remarketed after the termination of letters of credit that had supported the bonds. The remarketing agent for two of the series was replaced and letters of credit for three of the series were substituted. For informational purposes, PacifiCorp d/b/a Pacific Power (PacifiCorp or Company) submits to the Commission a confidential original and a redacted copy for publishing of each of the following documents:

Converse 1994 Series and Lincoln 1994 Series – termination of letters of credit and new remarketing agent:

1. Reoffering Circular dated March 11, 2015
2. Remarketing Agreement dated March 18, 2015

City of Forsyth 1988 Series, Sweetwater Series 1994 and Emery County 1994 – substitution of letters of credit:

1. Reoffering Circular dated March 11, 2015
2. Reimbursement Agreements dated March 19, 2015

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

Confidential material in support of this filing is provided in accordance with OAR 860-01-0070.

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

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

Sincerely,

Tanya Sacks
Assistant Treasurer

Enclosures

COMPOSITE REOFFERING — NOT NEW ISSUES

SUPPLEMENT, DATED MARCH 11, 2015, TO REOFFERING CIRCULAR, DATED NOVEMBER 11, 2008

The separate opinion of Chapman and Cutler, Bond Counsel, with respect to each issue of the Bonds delivered on November 17, 1994, stated that, subject to compliance by the Company and the Issuer with certain covenants, in the opinion of Chapman and Cutler, Bond Counsel, under then-existing law (a) interest on the Bonds is not includible in gross income of the owners thereof for federal income tax purposes, except for interest on any Bond for any period during which such Bond is owned by a person who is a substantial user of the related Facilities or any person considered to be related to such person (within the meaning of Section 103(b)(13) of the Internal Revenue Code of 1954, as amended) and (b) interest on the Bonds will not be treated as an item of tax preference in computing the alternative minimum tax for individuals and corporations. However, such interest will be taken into account in computing the corporate alternative minimum tax. Such opinion of Bond Counsel was also to the effect that under then-existing law, the State of Wyoming imposes no income taxes that would be applicable to interest on the Bonds. Such opinion has not been updated as of the date hereof. In the opinion of Bond Counsel to be delivered in connection with the Terminations (defined below), the Terminations will not adversely affect the treatment of interest on the Bonds for federal income tax purposes. See “TAX EXEMPTION” herein for a more complete discussion.

COMPOSITE REOFFERING
$23,250,000
POLLUTION CONTROL REVENUE REFUNDING BONDS
(PacifiCorp Projects)

$8,190,000
Converse County, Wyoming
Series 1994 (Non-AMT)
(CUSIP 212491 AM6[1])

$15,060,000
Lincoln County, Wyoming
Series 1994 (Non-AMT)
(CUSIP 533485 AZ1[1])

Purchase Date: March 18, 2015 **Due: November 1, 2024**

The Bonds of each issue are limited obligations of the applicable Issuer payable solely from and secured by a pledge of payments to be made under a separate Loan Agreement for each issue entered into by the applicable Issuer with, and secured by First Mortgage Bonds issued by

PACIFICORP

The Bonds of each issue are currently supported by separate Letters of Credit issued by Wells Fargo Bank, National Association, (each, an “Existing Letter of Credit”). On March 19, 2015, each Existing Letter of Credit will be terminated (collectively, the “Terminations”) and thereafter the Bonds will not have the benefit of the Existing Letters of Credit or any other third party credit or liquidity facility.

The Bonds bear and, subject to the right under the Indenture of PacifiCorp to cause the interest rate on the Bonds to be converted to other interest rate determination methods, will continue to bear interest at a Weekly Interest Rate. The Bonds bearing interest at a Weekly Interest Rate are issuable as fully registered Bonds without coupons, initially in the denomination of $100,000 and integral multiples of $100,000 in excess thereof (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). Interest on the Bonds of each issue will be payable on the Interest Payment Date applicable to such issue of Bonds. The Depository Trust Company, New York, New York (“DTC”), will continue to act as a securities depository for the Bonds. The Bonds are registered in the name of Cede & Co., as registered owner and nominee of DTC, and, except for the limited circumstances described herein, beneficial owners of interests in the Bonds will not receive certificates representing their interests in the Bonds. Payments of principal of, and premium, if any, and interest on the Bonds will be made through DTC and its Participants and disbursements of such payments to purchasers will be the responsibility of such Participants.

Certain legal matters related to the Terminations will be passed upon by Chapman and Cutler LLP, Bond Counsel to PacifiCorp. Certain legal matters will be passed upon for PacifiCorp by Paul J. Leighton, Esq., counsel to PacifiCorp, and for the Remarketing Agent by its counsel, Kutak Rock LLP.

Price 100%
(Plus Accrued Interest)

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

MORGAN STANLEY
as Remarketing Agent

March 11, 2015

[1] CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by Standard & Poor’s Financial Services LLC on behalf of the American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP services. CUSIP numbers are provided for convenience of reference only. None of the Issuers, PacifiCorp or the Remarketing Agent takes any responsibility for the accuracy of such numbers.

No broker, dealer, salesman or other person has been authorized to give any information or to make any representations other than those contained in this Supplement to Reoffering Circular in connection with the reoffering made hereby, and, if given or made, such information or representations must not be relied upon as having been authorized by the Issuers, PacifiCorp or the Remarketing Agent. Neither the delivery of this Supplement to Reoffering Circular nor any sale hereunder shall under any circumstances create any implication that there has been no change in the affairs of the Issuers or PacifiCorp since the date hereof. The Issuers have not and will not assume any responsibility as to the accuracy or completeness of the information in this Supplement to Reoffering Circular. The Bonds are not registered under the United States Securities Act of 1933, as amended. Neither the United States Securities and Exchange Commission nor any other federal, state or other governmental entity has passed upon the accuracy or adequacy of this Supplement to Reoffering Circular.

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

The Remarketing Agent has provided the following sentence for inclusion in this Supplement to Reoffering Circular: The Remarketing Agent has reviewed the information in this Supplement to 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 the transaction, but the Remarketing Agent does not guarantee the accuracy or completeness of such information.

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$23,250,000
POLLUTION CONTROL
REVENUE REFUNDING BONDS
(PacifiCorp Projects)

$8,190,000	**$15,060,000**
Converse County, Wyoming	**Lincoln County, Wyoming**
Series 1994	**Series 1994**

GENERAL INFORMATION

THE REOFFERING CIRCULAR DATED NOVEMBER 11, 2008, A COPY OF WHICH IS ATTACHED HERETO AS APPENDIX SB (THE "ORIGINAL REOFFERING CIRCULAR" AND, TOGETHER WITH THIS SUPPLEMENT TO REOFFERING CIRCULAR, THE "REOFFERING CIRCULAR"), WAS PREPARED IN CONNECTION WITH THE REOFFERING OF SIX SEPARATE ISSUES OF BONDS RELATING TO PACIFICORP. THIS SUPPLEMENT TO REOFFERING CIRCULAR RELATES ONLY TO THE TWO ISSUES OF BONDS DESCRIBED ON THE COVER PAGE OF THIS SUPPLEMENT TO REOFFERING CIRCULAR, AND SUPERSEDES AND REPLACES THE SUPPLEMENT DATED MARCH 27, 2013 (THE "2013 SUPPLEMENT") TO THE ORIGINAL REOFFERING CIRCULAR INSOFAR AS THE 2013 SUPPLEMENT RELATES TO SUCH BONDS.

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

This Supplement to Reoffering Circular is provided to furnish certain information with respect to the reoffering of two separate issues of pollution control revenue refunding bonds (collectively, the "Bonds") in the aggregate principal amount of $23,250,000, issued by the respective issuers (individually, the "Issuer," and collectively, the "Issuers"), as follows:

(i) $8,190,000 aggregate principal amount of Converse County, Wyoming Pollution Control Revenue Refunding Bonds (PacifiCorp Project), Series 1994 (the "Converse Bonds"); and

(ii) $15,060,000 aggregate principal amount of Lincoln County, Wyoming Pollution Control Revenue Refunding Bonds (PacifiCorp Project), Series 1994 (the "Lincoln Bonds").

Each issue of the Bonds was issued pursuant to a Trust Indenture, dated as of November 1, 1994, as amended and restated by a separate First Supplemental Trust Indenture dated as of October 1, 2008 (individually, an "Indenture," and collectively, the "Indentures"), between the respective Issuer and The Bank of New York Mellon Trust Company, N.A. (successor in interest to The First National Bank of Chicago), as Trustee (the "Trustee"). The proceeds from the sale of the Bonds were loaned to PacifiCorp (the "Company") pursuant to the terms of a separate Loan Agreement for each issue of the Bonds, each dated as of November 1, 1994, as amended and restated by a separate First Supplemental Loan Agreement dated as of

October 1, 2008 (individually, an "Agreement," and collectively, the "Agreements"), each between the respective Issuer and the Company. Under each Agreement, the Company is unconditionally obligated to pay amounts sufficient to provide for payment of the principal of, premium, if any, and interest on the related Bonds and for payment of the purchase price of the related Bonds. The proceeds of the Bonds, together with certain other moneys of the Company, were used for the purposes set forth in the Original Reoffering Circular.

In order to secure the Company's obligation to repay the loans made to it by the Issuers under the Agreements, the Company has issued and delivered to the Trustee for each issue of the Bonds its Series 1994-1 First Mortgage and Collateral Trust Bonds (the "First Mortgage Bonds,") in the principal amount of the related series of the Bonds. See "THE FIRST MORTGAGE BONDS" in the Original Reoffering Circular for a description of the First Mortgage Bonds and certain related matters.

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

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

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

The Company has exercised its right under the Agreements and the Indentures to terminate the two separate Letters of Credit, each dated November 19, 2008 (individually, an "Existing Letter of Credit" and collectively, the "Existing Letters of Credit") and issued by Wells Fargo Bank, National Association, which have supported payment of the principal of, interest and purchase price of the Bonds since the date of the Existing Letters of Credit. Pursuant to the Indentures, the Company has elected to terminate each Existing Letter of Credit on March 19, 2015 (collectively, the "Terminations") and, **after March 19, 2015, none of the Bonds will have the benefit of a Letter of Credit or any other third party credit or liquidity facility**.

The letters of credit described in the Original Reoffering Circular are no longer in effect as of March 19, 2015 and the information in the Original Reoffering Circular with respect thereto and their issuing bank should be disregarded.

As of the date hereof, the Bonds bear interest at a Weekly Interest Rate. Following the Terminations, the Bonds will continue to bear interest at a Weekly Interest Rate, subject, in each case, to the right of the Company to cause the interest rate on the corresponding issue of Bonds to be converted to other interest rate determination methods as described in the Reoffering Circular.

Reference is hereby made to the Bonds in their entirety for the detailed provisions thereof.

Brief descriptions of the Issuers, the Bonds, the Agreements, the Indentures and the First Mortgage Bonds are included in this Supplement to Reoffering Circular, including the Original Reoffering Circular attached as Appendix SB hereto. Information regarding the business, properties and financial condition of the Company is included in Appendix SA attached hereto. The descriptions herein of the Agreements, the Indentures and the First Mortgage Bonds are qualified in their entirety by reference to such documents, and the descriptions herein of the Bonds are qualified in their entirety by reference to the forms thereof and the information with respect thereto included in the aforesaid documents. All such descriptions are further qualified in their entirety by reference to laws and principles of equity relating to or affecting the enforcement of creditors' rights generally. Copies of such documents may be obtained from the principal corporate trust office of the Trustee in Chicago, Illinois and at the principal offices of the Remarketing Agent in New York, New York.

REMARKETING AGENT

General. Effective on March 18, 2015, Morgan Stanley & Co. LLC (the "Remarketing Agent") is remarketing agent for the Bonds. Subject to certain conditions, the Remarketing Agent has agreed under a Remarketing Agreement for the Bonds dated March 18, 2015 (the "Remarketing Agreement") between the Company and the Remarketing Agent, to determine the rates of interest on the Bonds and use its best efforts to remarket all tendered Bonds.

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

Morgan Stanley, parent company of the Remarketing Agent, has entered into a retail distribution arrangement with its affiliate Morgan Stanley Smith Barney LLC. As part of the distribution arrangement, the Remarketing Agent may distribute municipal securities to retail investors through the financial advisor network of Morgan Stanley Smith Barney LLC. As part of this arrangement, the Remarketing Agent may compensate Morgan Stanley Smith Barney LLC for its selling efforts with respect to the Bonds.

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 Agreement), all as further described in this Reoffering Circular. The Remarketing Agent is appointed by the Company and paid by the Company for its services. As a result, the interests of the Remarketing Agent may differ from those of existing Holders and potential purchasers of Bonds.

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

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

account, it may, in its sole discretion in a secondary market transaction outside the tender process, offer such Bonds on any date, including the interest rate determination date, at a discount to par to some investors.

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

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

TAX EXEMPTION

The separate opinions of Chapman and Cutler delivered on November 17, 1994 with respect to each issue of the Bonds stated that, subject to compliance by the Company and the applicable Issuer with certain covenants made to satisfy pertinent requirements of the United States Internal Revenue Code of 1954, as amended (the "1954 Code") and the United States Internal Revenue Code of 1986, as amended, under then-existing law, interest on the Bonds is not includible in gross income of the owners thereof for federal income tax purposes, except for interest on any Bond for any period during which such Bond is owned by a person who is a substantial user of the related Facilities (as defined in the Indenture) or any person considered to be related to such person (within the meaning of Section 103(b)(13) of the 1954 Code), and the interest on the Bonds will not be treated as an item of tax preference in computing the alternative minimum tax for individuals and corporations (because the Prior Bonds, as defined in the Original Reoffering Circular, were issued prior to August 8, 1986). Such interest will be taken into account, however, in computing an adjustment used in determining the alternative minimum tax for certain corporations. As indicated in such opinions, the failure to comply with certain of such covenants of the applicable Issuer and the Company could cause the interest on the Bonds to be included in gross income retroactive to the date of issuance of the Bonds. Chapman and Cutler LLP ("Bond Counsel") has made no independent investigation to confirm that such covenants have been complied with.

Bond Counsel will deliver an opinion for the Converse Bonds in connection with the Termination affecting the Converse Bonds, in substantially the form attached hereto as Appendix SC-1, to the effect that the Termination (x) complies with the terms of the Agreement for the Converse Bonds and (y) will not adversely affect the Tax-Exempt status (as defined in the Indenture for the Converse Bonds) of the Converse Bonds. Bond Counsel will deliver an opinion for the Lincoln Bonds in connection with the Termination affecting the Lincoln Bonds, in substantially the form attached hereto as Appendix SC-2, to the effect that the Termination (x) complies with the terms of the Agreement for the Lincoln Bonds and (y) will not adversely affect the Tax-Exempt (as defined in the Indenture for the Lincoln Bonds) status of the Lincoln

Bonds. Except with respect to (a) the delivery of a Standby Bond Purchase Agreement for each of the Bonds, described in its opinions dated November 15, 2002, (b) the delivery of an amendment to the applicable Standby Bond Purchase Agreement, described in its opinions dated January 21, 2005, (c) the delivery of an Amended and Restated Standby Bond Purchase Agreement for each of the Bonds, described in its opinions dated February 22, 2006, (d) the amendment and restatement of the Indenture and the Loan Agreement and delivery of the Existing Letters of Credit, described in its opinion dated November 19, 2008 and (e) as necessary to render the foregoing opinions, Bond Counsel has not reviewed any factual or legal matters relating to the Bonds subsequent to their date of issuance. The opinions delivered in connection with the Terminations are not to be interpreted as a reissuance of any of the original approving opinions dated November 17, 1994 as of the date of this Supplement to Reoffering Circular.

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

MISCELLANEOUS

This Supplement to Reoffering Circular has been approved by the Company for distribution by the Remarketing Agent to current Bondholders and potential purchasers of the Bonds. **THE ISSUERS MAKE NO REPRESENTATION WITH RESPECT TO AND HAVE NOT PARTICIPATED IN THE PREPARATION OF ANY PORTION OF THIS SUPPLEMENT TO REOFFERING CIRCULAR.**

APPENDIX SA

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, vertically integrated electric utility 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. PacifiCorp owns, or has interests in, 75 thermal, hydroelectric, wind-powered and geothermal generating facilities, with a net owned capacity of 11,136 megawatts. PacifiCorp also owns, or has interests in, electric transmission and distribution assets, and transmits electricity through approximately 16,400 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 customer 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 Berkshire Hathaway Energy Company ("BHE"), a holding company based in Des Moines, Iowa, that owns subsidiaries principally engaged in energy businesses. BHE is a consolidated subsidiary of Berkshire Hathaway Inc. BHE controls substantially all of the Company's 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, and compliance with, laws and regulations, including reliability and safety standards, affecting the Company's operations or 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, new technologies and various conservation, energy efficiency and distributed generation measures and programs, that could affect customer growth and usage, electricity supply or the Company's ability to obtain long-term contracts with customers and suppliers; a high degree of variance between actual and forecasted load or generation that could impact the Company's hedging strategy and the cost 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; 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 generating capacity and energy costs; 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; the effects of catastrophic and other unforeseen events, which may be caused by factors beyond the Company's control or by a breakdown or failure of the Company's operating assets, including storms, floods, fires, earthquakes, explosions, landslides, mining accidents, litigation, wars, terrorism and embargoes; 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 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 the Company's consolidated financial results; 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 Street, Portland, Oregon 97232; the telephone number is (503) 813-5608. The Company was initially incorporated in 1910 under the laws of the state of Maine under the name Pacific Power & Light Company. In 1984, Pacific Power & Light Company changed its name to PacifiCorp. In 1989, it merged with Utah Power and Light Company, a Utah corporation, in a transaction wherein both corporations merged into a newly formed Oregon corporation. The resulting Oregon corporation was re-named PacifiCorp, which is the operating entity today.

AVAILABLE INFORMATION

The Company is subject to the informational requirements of the United States 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, 2014.

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

All documents filed by the Company pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act after the filing of the Annual Report on Form 10-K for the fiscal year ended December 31, 2014 and before the termination of the reoffering made by this Supplement to Reoffering Circular (the "Supplement") shall be deemed to be incorporated by reference in this Supplement and to be a part hereof from the date of filing such documents (such documents and the documents enumerated above, being hereinafter referred to as the "Incorporated Documents"), provided, however, that the documents enumerated above and the documents subsequently filed by the Company pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act in each year during which the reoffering made by this Supplement is in effect before the filing of the Company's Annual Report on Form 10-K covering such year shall not be Incorporated Documents or be incorporated by reference in this Supplement or be a part hereof from and after such filing of such Annual Report on Form 10-K.

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

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

APPENDIX SB

REOFFERING CIRCULAR DATED NOVEMBER 11, 2008

NOT NEW ISSUES
Book-Entry Only

The opinions of Chapman and Cutler, Bond Counsel, delivered on November 17, 1994, state that, subject to compliance by the Company and the Issuers with certain covenants, in the opinion of Chapman and Cutler, Bond Counsel, under then existing law (a) interest on the Bonds is not includible in gross income of the owners thereof for federal income tax purposes, except for interest on any Bond for any period during which such Bond is owned by a person who is a substantial user of the Facilities or any person considered to be related to such person (within the meaning of Section 103(b)(13) of the Internal Revenue Code of 1954, as amended), and (b) interest on the Bonds is not treated as an item of tax preference in computing the alternative minimum tax for individuals and corporations. However, such interest is taken into account in computing the corporate alternative minimum tax. Such opinions of Bond Counsel were also to the effect that under then existing law (a) interest on the Emery Bonds and Carbon Bonds is exempt from taxes imposed by the Utah Individual Income Tax Act, (b) the State of Wyoming imposes no income taxes that would be applicable to interest on the Converse Bonds, the Lincoln Bonds or the Sweetwater Bonds and (c) interest on the Moffat Bonds is not included in Colorado taxable income for purposes of the income tax imposed by the State of Colorado pursuant to Article 22 of Title 39 of the Colorado Revised Statutes, as amended. Such opinions have not been updated as of the date hereof. See "TAX EXEMPTION" herein for a more complete discussion.

COMPOSITE REOFFERING
$216,470,000
POLLUTION CONTROL REVENUE REFUNDING BONDS
(PACIFICORP PROJECTS)
SERIES 1994

Dated: Original Date of Delivery **Due: See Inside Cover**

The Bonds of each issue described in this Reoffering Circular are limited obligations of the respective Issuers 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 respective Issuers with, and secured by First Mortgage Bonds issued by,

PacifiCorp

On November 19, 2008, the Bonds of each issue will be remarketed and will bear interest at a Weekly Interest Rate payable the first Business Day of each month commencing December 1, 2008. The initial Weekly Interest Rate and each subsequent Weekly Interest Rate to be borne by the each issue of the Bonds will be determined by the applicable Remarketing Agent. Thereafter, the interest rate on the Bonds may be changed from time to time to Daily, Weekly, Flexible or Term Interest Rates, designated and determined as described herein. The Bonds are subject to purchase at the option of the owners thereof and, under certain circumstances, are subject to mandatory purchase in the manner and at the times described herein. The Bonds are subject to optional and mandatory redemption prior to maturity as described herein.

Following the remarketing of the Bonds on November 19, 2008, the payment of the principal of and interest on each issue of the Bonds and the payment of the purchase price of each issue of the Bonds tendered for purchase and not remarketed will be supported by a separate irrevocable Letter of Credit issued by Wells Fargo Bank, National Association, to The Bank of New York Mellon Trust Company, N.A., as Trustee, for the benefit of the registered holders of the related Bonds.

Wells Fargo Bank, National Association

Each Letter of Credit will expire by its terms on November 19, 2009, unless it expires earlier in accordance with its terms. Each Letter of Credit will be automatically extended to November 19, 2010, unless the Trustee receives notice of the Bank's election not to extend on or before October 20, 2009. Each Letter of Credit may be replaced by an Alternate Credit Facility as permitted under the separate Indentures and Loan Agreements. Unless a Letter of Credit is extended before its scheduled expiration date, the related Bonds will be subject to mandatory tender for purchase prior to such expiration date. THIS REOFFERING CIRCULAR ONLY PERTAINS TO THE BONDS WHILE THEY ARE SECURED BY THE LETTERS OF CREDIT PROVIDED BY THE BANK.

The Bonds are issuable as fully registered Bonds without coupons and will be registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company, New York, New York. DTC initially will act as securities depository for the Bonds. Only beneficial interests in book-entry form are being offered. The Bonds are issuable during any 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, as nominee for DTC, the principal of and premium, if any, and interest on the Bonds will be paid by the Trustee directly to DTC, which will, in turn, remit such amounts to DTC participants for subsequent disbursement to the beneficial owners of the Bonds. See "THE BONDS—Book-Entry System."

Price 100%

The Bonds of each issue are reoffered by the Remarketing Agents referred to below, subject to withdrawal or modification of the offer without notice and certain other conditions. At the time of the original issuance and delivery of each issue of the Bonds, Chapman and Cutler, Bond Counsel to the Company, delivered its opinion as to the legality of such issue of Bonds. Such opinions spoke only as to their respective dates of delivery and will not be reissued in connection with this reoffering. Certain legal matters in connection with the reoffering will be passed upon by Chapman and Cutler LLP, Bond Counsel to the Company. Certain legal matters in connection with the remarketing will be passed upon for PacifiCorp by Paul J. Leighton, Esq., counsel to the Company. Certain legal matters will be passed upon for the Remarketing Agents by King & Spalding LLP. It is expected that delivery of the Bonds will be made through the facilities of DTC in New York, New York, on or about November 19, 2008.

Banc of America Securities LLC **Morgan Stanley**

Wells Fargo Brokerage Services, LLC

November 11, 2008

COMPOSITE REOFFERING
POLLUTION CONTROL REVENUE REFUNDING BONDS
(PACIFICORP PROJECTS)
SERIES 1994

$9,365,000
Carbon County, Utah
Series 1994
Due: November 1, 2024

$8,190,000
Converse County, Wyoming
Series 1994
Due: November 1, 2024

$121,940,000
Emery County, Utah
Series 1994
Due: November 1, 2024

$15,060,000
Lincoln County, Wyoming
Series 1994
Due: November 1, 2024

$40,655,000
Moffat County, Colorado
Series 1994
Due: May 1, 2013

$21,260,000
Sweetwater County, Wyoming
Series 1994
Due: November 1, 2024

This reoffering is for six issues with separate Issuers and Remarketing Agents in respect of each issue as follows:

ISSUER	AMOUNT	REMARKETING AGENT	CUSIP
Carbon County	$ 9,365,000	Morgan Stanley & Co. Incorporated	140890 AD6
Converse County	8,190,000	Banc of America Securities LLC	212491 AM6
Emery County	121,940,000	Wells Fargo Brokerage Services, LLC	291147 CE4
Lincoln County	15,060,000	Banc of America Securities LLC	533485 AZ1
Moffat County	40,655,000	Morgan Stanley & Co. Incorporated	607874 CM4
Sweetwater County	21,260,000	Morgan Stanley & Co. Incorporated	870487 CP0

No broker, dealer, salesman or other person has been authorized to give any information or to make any representations other than those contained in this Reoffering Circular in connection with the offering made hereby, and, if given or made, such information or representations must not be relied upon as having been authorized by Carbon County, Utah, Converse County, Wyoming, Emery County, Utah, Lincoln County, Wyoming, Moffat County, Colorado or Sweetwater County, Wyoming (sometimes referred to individually as an *"Issuer"* and collectively as the *"Issuers"*), PacifiCorp, or the Remarketing Agents. Neither the delivery of this Reoffering Circular nor any sale hereunder shall under any circumstances create any implication that there has been no change in the affairs of the Issuers or the Company any since the date hereof. This Reoffering Circular does not constitute an offer or solicitation in any jurisdiction in which such offer or solicitation is not authorized, or in which the person making such offering or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation. None of the Issuers has assumed or will assume any responsibility as to the accuracy or completeness of the information in this Reoffering Circular, other than that relating to itself under the caption "THE ISSUERS." Upon issuance, the Bonds will not be registered under the Securities Act of 1933, as amended, and will not be listed on any stock or other securities exchange. Neither the Securities and Exchange Commission nor any other federal state, municipal or other governmental entity will have passed upon the accuracy or adequacy of this Reoffering Circular or, other than the Issuers, approved the Bonds for sale.

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

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COMPOSITE REOFFERING
POLLUTION CONTROL REVENUE REFUNDING BONDS
(PACIFICORP PROJECTS)
SERIES 1994

$9,365,000 **Carbon County, Utah** **Series 1994** **Due: November 1, 2024**	**$8,190,000** **Converse County, Wyoming** **Series 1994** **Due: November 1, 2024**	**$121,940,000** **Emery County, Utah** **Series 1994** **Due: November 1, 2024**
$15,060,000 **Lincoln County, Wyoming** **Series 1994** **Due: November 1, 2024**	**$40,655,000** **Moffat County, Colorado** **Series 1994** **Due: May 1, 2013**	**$21,260,000** **Sweetwater County, Wyoming** **Series 1994** **Due: November 1, 2024**

INTRODUCTORY STATEMENT

This Reoffering Circular, including the Appendices hereto and the documents incorporated by reference herein, is provided to furnish certain information with respect to the reoffering by the Issuers of six separate issues of Pollution Control Revenue Refunding Bonds (PacifiCorp Projects) Series 1994 (collectively, the *"Bonds"*), as follows:

(a) $9,365,000 principal amount of Carbon County, Utah Pollution Control Revenue Refunding Bonds (PacifiCorp Project) Series 1994 (the *"Carbon Bonds"*);

(b) $8,190,000 principal amount of Converse County, Wyoming Pollution Control Revenue Refunding Bonds (PacifiCorp Project) Series 1994 (the *"Converse Bonds"*);

(c) $121,940,000 principal amount of Emery County, Utah Pollution Control Revenue Refunding Bonds (PacifiCorp Project) Series 1994 (the *"Emery Bonds"*);

(d) $15,060,000 principal amount of Lincoln County, Wyoming Pollution Control Revenue Refunding Bonds (PacifiCorp Project) Series 1994 (the *"Lincoln Bonds"*);

(e) $40,655,000 principal amount of Moffat County, Colorado Pollution Control Revenue Refunding Bonds (PacifiCorp Project) Series 1994 (the *"Moffat Bonds"*); and

(f) $21,260,000 principal amount of Sweetwater County, Wyoming Pollution Control Revenue Refunding Bonds (PacifiCorp Project) Series 1994 (the *"Sweetwater Bonds"*).

The Carbon Bonds, the Converse Bonds, the Emery Bonds, the Lincoln Bonds, the Moffat Bonds and the Sweetwater Bonds have been issued under separate Trust Indentures dated as of November 1, 1994 (each a *"Trust Indenture"* and collectively, the *"Trust Indentures"*) between Carbon County, Utah (*"Carbon County"*), Converse County, Wyoming (*"Converse County"*), Emery County, Utah (*"Emery County"*), Lincoln County, Wyoming (*"Lincoln County"*), Moffat County, Colorado (*"Moffat County"*), and Sweetwater County, Wyoming (*"Sweetwater County"*), as applicable (each an *"Issuer"* and collectively, the *"Issuers"*), and The Bank of New York Mellon Trust Company, N.A., as successor trustee (the *"Trustee"*), each as amended and restated by a separate First Supplemental Trust Indenture, dated as of October 1, 2008, (each a *"First Supplemental Indenture"* and collectively, the *"First Supplemental Indentures"*), between each of the respective Issuers and the Trustee, and under resolutions of the governing bodies of the respective Issuers. The Trust Indentures, as amended and restated by the First Supplemental Indentures, are sometimes referred to herein as the *"Indentures."* Pursuant to separate Loan Agreements between PacifiCorp (the *"Company"*) and each of the respective Issuers (each an *"Original Loan Agreement"* and collectively the *"Original Loan Agreements"*), each as amended and restated by a First Supplemental Loan Agreement, dated as of October 1, 2008, between the Company and each of the respective Issuers (each a *"First Supplemental Loan Agreement"* and collectively the *"First Supplemental Loan Agreements"*), the respective Issuers have lent the proceeds from the original sale of the Bonds to the Company. The Original Loan Agreements, as amended and restated by the First Supplemental Loan Agreements, are sometimes referred to herein as the *"Loan Agreements."*

The proceeds of the Bonds were used, together with certain other moneys of the Company, to refund all of the outstanding (a) $9,365,000 principal amount of Carbon County, Utah, Pollution Control Revenue Bonds (Utah Power & Light Company Project) Series A of 1974 due February 1, 2004 (the *"Prior Carbon Bonds"*); (b) $8,190,000 principal amount of Converse County, Wyoming Collateralized Pollution Control Revenue Bonds (Pacific Power & Light Company Project) Series 1977 (the *"Prior Converse Bonds"*); (c) $13,190,000 principal amount of Emery County, Utah, Pollution Control Revenue Bonds (Utah Power & Light Company Project) Series A of 1974 due February 1, 2004 (the *"Prior Emery 1974 Bonds"*); (d) $50,000,000 principal amount of Emery County, Utah, Pollution Control Revenue Bonds, 6-3/8% Series due November 1, 2006 (Utah Power & Light Company Project) (the *"Prior Emery 6-3/8% Bonds"*); (e) $42,000,000 principal amount of Emery County, Utah, Pollution Control Revenue Bonds, 5.90% Series due April 1, 2008 (Utah Power & Light Company Project) (the *"Prior Emery 5.90% Bonds"*); (f) $16,750,000 principal amount of Emery County, Utah, Pollution Control Revenue Bonds (Utah Power & Light Company Project), 10.70% Series due September 1, 2014 (the *"Prior Emery 10.70% Bonds"*); (g) $15,060, 000 principal amount of Lincoln County, Wyoming, Pollution Control Revenue Bonds (Utah Power & Light Company Project) Series A of 1974 (the *"Prior Lincoln Bonds"*); (h) $40,655,000 principal amount of Moffat County, Colorado, Pollution Control Revenue Bonds, Series 1978 (Colorado-Ute Electric Association, Inc. Project) (the *"Prior Moffat Bonds"*); and (i) $21,260,000 principal amount of Sweetwater County, Wyoming, Taxable Pollution Control Revenue Refunding Bonds

(PacifiCorp Project) Series 1994T (the *"Prior Sweetwater 1994T Bonds"*). These obligations have been assumed by the Company as the surviving corporation in its 1989 merger with Utah Power & Light Company, a Utah corporation, and PacifiCorp, a Maine corporation or, in the case of the Prior Moffat Bonds, under that certain Assignment and Assumption Agreement, dated April 15, 1992, between Colorado-Ute Electric Association, Inc. (*"Colorado-Ute"*) and the Company.

The Prior Emery 1974 Bonds, the Prior Emery 6-3/8% Bonds, the Prior Emery 5.90% Bonds and the Prior Emery 10.70% Bonds are hereinafter collectively referred to as the *"Prior Emery Bonds."* The Prior Carbon Bonds, the Prior Converse Bonds, the Prior Emery Bonds, the Prior Lincoln Bonds, the Prior Moffat Bonds and the Prior Sweetwater 1994T Bonds are hereinafter collectively referred to as the *"Prior Bonds."* The Prior Bonds were issued to finance various qualifying solid waste disposal facilities and air and water pollution control facilities as described herein. See "THE FACILITIES."

In order to secure the Company's obligation to repay the loans made to it by the Issuers under the Loan Agreements, the Company has issued and delivered to the Trustee for each issue its Series 1994-1 First Mortgage and Collateral Trust Bonds (the *"First Mortgage Bonds"*) in a principal amount equal to the principal amount of such issue of the Bonds. The First Mortgage Bonds may be released upon delivery of collateral in substitution for the First Mortgage Bonds 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 (the *"Company Mortgage Trustee"*), as supplemented and amended by various supplemental indentures, including a Tenth Supplemental Indenture dated as of August 1, 1994 (the *"Tenth 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" 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 Facilities (as hereinafter defined). The First Mortgage Bonds will be registered in the name of and held by the Trustee for the benefit of the *"Owners"* of the applicable series of the Bonds and will not be transferable except to a successor trustee under the Indentures. *"Owner"* means the registered owner of any Bond; *provided, however,* when used in the context of the Tax-Exempt (as hereinafter defined) status of the Bonds, the term *"Owner"* includes each actual purchaser of any Bond (*"Beneficial Owner"*).

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 Bonds or the Loan Agreements constitutes a debt or gives rise to a general obligation or liability of any of the Issuers 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 are payable solely from the receipts and revenues to be received from the Company

as payments under the related Loan Agreements, or otherwise on the First Mortgage Bonds, and from any other moneys pledged therefor. Such receipts and revenues and all of the Issuers' rights and interests under the Loan Agreements (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 related series of the Bonds. The payments required to be made by the Company under the Loan Agreements, or otherwise on the First Mortgage Bonds, will be sufficient, together with other funds available for such purpose, to pay the principal of and premium, if any, and interest on the related series of the Bonds. Under no circumstances will any Issuer have any obligation, responsibility or liability with respect to the Facilities, the Loan Agreements, the Indentures, the Bonds or this Reoffering Circular, except for the special limited obligation set forth in the Indentures and the Loan Agreements whereby each series of the Bonds are payable solely from amounts derived from the Company and the applicable Letter of Credit (or Alternate Credit Facility (as hereinafter defined), as the case may be). Nothing contained in the Indentures, the Bonds or the Loan Agreements, or in any other related documents may be construed to require any Issuer to operate, maintain or have any responsibility with respect to any of the Facilities (as hereinafter defined). The Issuers have no liability in the event of wrongful disbursement by the Trustee or otherwise. No recourse may 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.

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 delivered 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.

Each issue of the Bonds will be supported by a separate irrevocable Letter of Credit (each a *"Letter of Credit"* and, collectively, the *"Letters of Credit"*) to be issued by Wells Fargo Bank, National Association (the *"Bank"*) in favor of the Trustee, as beneficiary. The Letters of Credit have substantially identical terms.

Under each of the Letters of Credit, the Trustee will be entitled to draw, upon a properly presented and conforming drawing, up to an amount sufficient to pay one hundred percent (100%) of the principal amount of the applicable Bonds on the date of the draw (whether at maturity, upon acceleration, mandatory or optional purchase or redemption, plus 48 days' accrued interest on the applicable Bonds, at a rate of up to the maximum interest rate of twelve percent (12%) per annum calculated on the basis of a year of 365 days for the actual days elapsed, so long as the Bonds bear interest at the Weekly Interest Rate or the Daily Interest Rate. The Company has agreed to reimburse the Bank for drawings made under the Letter of Credit and to make certain other payments to the Bank. The Letters of Credit will expire on

November 19, 2009, unless extended or earlier terminated in accordance with their terms. See "THE LETTERS OF CREDIT."

Banc of America Securities LLC has been appointed by the Company as Remarketing Agent with respect to the Converse Bonds and the Lincoln Bonds. Morgan Stanley & Co. Incorporated has been appointed by the Company as Remarketing Agent with respect to the Carbon Bonds, the Moffat Bonds and the Sweetwater Bonds. Wells Fargo Brokerage Services, LLC has been appointed by the Company as Remarketing Agent with respect to the Emery Bonds. Banc of America Securities LLC, Morgan Stanley & Co. Incorporated and Wells Fargo Brokerage Services, LLC, are referred to herein as the *"Remarketing Agents."* The Company will enter into a separate Remarketing Agreement with the Remarketing Agent with respect to the Bonds to be remarketed by such Remarketing Agent.

Under certain circumstances described in the applicable Loan Agreement, a Letter of Credit may be replaced by an alternate credit facility supporting payment of the principal of and interest on the applicable Bonds when due and for the payment of the purchase price of tendered or deemed tendered Bonds (each an *"Alternate Credit Facility"*). The entity or entities, as the case may be, obligated to make payment on an Alternate Credit Facility are referred to herein as the *"Obligor on an Alternate Credit Facility."* In addition, a Letter of Credit may be replaced by a substitute letter of credit (a *"Substitute Letter of Credit"*). The replacement of a Letter of Credit or an Alternate Credit Facility, including with a Substitute Letter of Credit, will result in the mandatory purchase of Bonds. See "THE LOAN AGREEMENTS—The Letter of Credit; Alternate Credit Facility" and "—Substitute Letter of Credit."

Concurrently with the issuance of the Bonds, AMBAC Indemnity Corporation (*"Ambac"*) issued a municipal bond insurance policy with respect to the Bonds of each issue (each, an *"Ambac Insurance Policy"* and, collectively, the *"Ambac Insurance Policies"*). In connection with the delivery of the Letters of Credit, Ambac, the Company, the Trustee, each of the Issuers and the Company, acting as owner of Bonds, will enter into separate Release Agreements, pursuant to which Ambac will be released from all liabilities under each Ambac Insurance Policy, will surrender any and all rights under the Trust Indentures and payment of principal of and interest on the Bonds when due will no longer be guaranteed by Ambac under the Ambac Insurance Policies. Purchasers of the Bonds will be deemed to have consented to the provisions of the Release Agreements. See "TERMINATION OF BOND INSURANCE."

Brief descriptions of the Issuers, the Facilities and the Bank and summaries of certain provisions of the Bonds, the Loan Agreements, the Letters of Credit, the Indentures and the First Mortgage Bonds are included in this Reoffering Circular, including the Appendices hereto. Information regarding the business, properties and financial condition of the Company is included in and incorporated by reference in Appendix A hereto. A brief description of the Bank is included as Appendix B hereto. Appendices C-1 through C-6 set forth the approving opinions of Chapman and Cutler, Bond Counsel, delivered on the date of original issuance of each issue of the Bonds.

The descriptions herein of the Loan Agreements, the Indentures, the Company Mortgage and the Letters of Credit 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.

This Reoffering Circular provides certain information with respect to the Bank, the terms of, and security for the Bonds and other related matters. While certain information relating to the Company is included and incorporated within, the Bonds are being remarketed on the basis of their Letters of Credit and the financing strength of the Bank and are not being remarketed on the basis of the financial strength of the Issuers, the Company or any other security. This Reoffering Circular does not describe the financial condition of the Company and no representation is made concerning the financial status or prospects of the Company or the value or financial viability of the Project.

THE ISSUERS

CARBON COUNTY

Carbon County is a political subdivision, duly organized and existing under the Constitution and laws of the State of Utah (*"Utah"*). Pursuant to the Utah Industrial Facilities and Development Act, Title 11, Chapter 17, Utah Code Annotated 1953, as amended (the *"Utah Act"*), Carbon County was and is authorized to issue the Carbon Bonds, to enter into the Indenture and the Loan Agreement to which it is a party and to secure the Carbon Bonds by a pledge to the Trustee of the payments to be made by the Company under such Loan Agreement and the First Mortgage Bonds.

CONVERSE COUNTY

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

EMERY COUNTY

Emery County is a political subdivision, duly organized and existing under the Constitution and laws of Utah. Pursuant to the Utah Act, Emery County was and is authorized to issue the Emery Bonds, to enter into the Indenture and the Loan Agreement to which it is a party

and to secure the Emery Bonds by a pledge to the Trustee of the payments to be made by the Company under such Loan Agreements and the First Mortgage Bonds.

LINCOLN COUNTY

Lincoln County is a political subdivision, duly organized and existing under the Constitution and laws of Wyoming. Pursuant to the Wyoming Act, Lincoln County was and is authorized to issue the Lincoln Bonds, to enter into the Indenture and the Loan Agreement to which it is a party and to secure the Lincoln Bonds by a pledge to the Trustee of the payments to be made by the Company under such Loan Agreement and the First Mortgage Bonds.

MOFFAT COUNTY

Moffat County is a public body corporate and politic, duly organized and existing under the Constitution and laws of the State of Colorado (*"Colorado"*). Pursuant to the County and Municipality Development Revenue Bond Act, Title 29, Article 3, Colorado Revised Statutes 1973, as amended (the *"Colorado Act"*), Moffat County was and is authorized to issue the Moffat Bonds, to enter into the Indenture and the Loan Agreement to which it is a party and to secure the Moffat Bonds by a pledge to the Trustee of the payments to be made by the Company under such Loan Agreement and the First Mortgage Bonds.

SWEETWATER COUNTY

Sweetwater County is a political subdivision, duly organized and existing under the Constitution and laws of Wyoming. Pursuant to the Wyoming Act, Sweetwater County was and is authorized to issue the Sweetwater Bonds, to enter into the Indenture and the Loan Agreement to which it is a party and to secure the Sweetwater Bonds by a pledge to the Trustee of the payments to be made by the Company under such Loan Agreement and the First Mortgage Bonds.

THE FACILITIES

The Prior Carbon Bonds were issued by Carbon County to finance qualifying solid waste disposal facilities or air or water pollution control facilities (the *"Carbon Facilities"*) for the Carbon coal-fired electric generating plant (the *"Carbon Plant"*) located in Carbon County.

The Prior Converse Bonds were issued to finance qualifying air and water pollution control facilities (the *"Dave Johnston Facilities"*) for the Dave Johnston coal-fired electric generating plant (the *"Dave Johnston Plant"*) located near the town of Glenrock, Wyoming.

The Prior Emery 1974 Bonds were issued by Emery County to finance qualifying solid waste disposal facilities or air or water pollution control facilities (the *"Huntington Facilities"*) for the Huntington coal-fired electric generating plant (the *"Huntington Plant"*) located in Emery County.

The Prior Emery 6-3/8% Bonds were issued to finance qualifying solid waste disposal facilities or air or water pollution control facilities (the *"Emery 1 Facilities"*) for the second unit of the Huntington Plant and the Emery generating plant, which is now known as the Hunter coal-fired steam electric generating plant (the *"Hunter Plant"*), each of which is located in Emery County.

The Prior Emery 5.90% Bonds were issued to finance qualifying water and air pollution control facilities (the *"Emery 2 Facilities"*) for the second unit of the Huntington Plant and the Hunter Plant in Emery County.

The Prior Emery 10.70% Bonds were issued to refund the Emery County, Utah $16,750,000 Pollution Control Revenue Bonds (Utah Power & Light Company Project), dated May 11, 1984 (the *"Emery May 1984 Bonds"*), that were issued to finance qualifying air or water pollution control facilities (the *"Hunter Facilities"*) for Unit 3 of the Hunter Plant located in Emery County.

The Prior Lincoln Bonds were issued to finance qualifying solid waste disposal facilities or air pollution control facilities (the *"Naughton Facilities"*) for the Naughton coal-fired electric generating plant (the *"Naughton Plant"*) located in Lincoln County.

The Prior Moffat Bonds were issued to finance Colorado-Ute's undivided 29% interest in air and water pollution control facilities (the *"Craig Facilities"*) in connection with electric generating units 1 and 2 of the Craig Station (the *"Craig Station"*) located in Moffat County. The Prior Moffat Bonds had been in default prior to the time the Company assumed an obligation to make payments with respect to the Prior Moffat Bonds in connection with the Company's acquisition of its interest in the Craig Facilities.

The Prior Sweetwater 1994T Bonds were issued to temporarily refund the $21,260,000 principal amount of Sweetwater County, Wyoming, Pollution Control Revenue Bonds (Pacific Power & Light Company Project) Series 1973 (the *"Sweetwater 1973 Bonds"*), which were issued to finance the Company's undivided 66-2/3% interest in the qualifying air and water pollution control facilities (the *"Jim Bridger Facilities"*) for the Jim Bridger coal-fired steam electric generating plant (the *"Jim Bridger Plant"*) located in Sweetwater County.

The Carbon Plant, the Dave Johnston Plant, the Huntington Plant, the Hunter Plant, the Naughton Plant, the Craig Station and the Jim Bridger Plant are hereinafter referred to collectively as the *"Plants"* and the Carbon Facilities, the Huntington Facilities, the Dave Johnston Facilities, the Emery 1 Facilities, the Emery 2 Facilities, the Hunter Facilities, the Naughton Facilities, the Craig Facilities and the Jim Bridger Facilities are hereinafter referred to collectively as the *"Facilities."* The interest of the Company in each of the Facilities is hereinafter referred to as the *"Project."*

USE OF PROCEEDS

The proceeds from the initial sale of the Bonds, together with funds of the Company, were applied to the redemption of the principal amount of the Prior Bonds outstanding immediately prior to redemption on January 15, 1995.

THE BONDS

The six issues of Bonds are each an entirely separate issue but contain substantially the same terms and provisions. The following is a summary of certain provisions common to the Bonds of the six 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. Optional or mandatory redemption of one issue of the Bonds may be made in the manner described below without redemption of the other issues. Reference is hereby made to the forms of the Bonds in their entirety for the detailed provisions thereof. References to the Issuer, the Trustee, the Bank, the Paying Agent, the Registrar, the Remarketing Agent, the Bonds, the Prior Bonds, the Plant, the Facilities, the Project, the Indenture, the Loan Agreement, the Letter of Credit and other documents and parties are deemed to refer to the Issuer, the Trustee, the Bank, the Paying Agent, the Registrar, the Remarketing Agent, the Bonds, the Prior Bonds, the Plant, the Facilities, the Project, the Indenture, the Loan Agreement, the Letter of Credit and such other documents and parties, respectively, relating to each issue of the Bonds. Initially capitalized terms used herein and not otherwise defined are used as defined in the Indenture.

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 dates set forth on the inside front 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 as described herein. Following the reoffering of the Bonds on November 19, 2008, the Rate Period (as defined below) for the Bonds of each issue 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 denomination 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; $100,000 or any integral

multiple of $5,000 in excess of $100,000, when the Bonds bear interest at a Flexible Interest Rate; and $5,000 or any integral multiple thereof, when the Bonds bear interest at a Term Interest Rate (collectively, *"Authorized Denominations"*). Exchanges and transfers will be made without charge to the Owners, except for any applicable tax or other governmental charge.

A *"Business Day"* is a day except a Saturday, Sunday or other day (a) on which commercial banks located in the cities in which the principal office of the Bank or the principal office of the Obligor on an Alternate Credit 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, Inc. is closed.

"Interest Payment Date" means (a) with respect to any Daily or Weekly Interest Rate Period, the first Business Day of each calendar month, (b) 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, (c) with respect to any Flexible Segment, the Business Day next succeeding the last day of such Flexible Segment, (d) with respect to any Rate Period, the Business Day next succeeding the last day thereof and (e) with respect to any Bond when it bears interest at a Flexible Interest Rate, any date on which there is a mandatory purchase of the Bond as described in subparagraph (c) of the first paragraph under "—Mandatory Purchase" and (f) with respect to any Pledged Bond bearing interest at a Flexible Interest Rate, regardless of the duration of the Flexible Segment, the date on which such Pledged Bond is remarketed pursuant to the Indenture.

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

"Record Date" means (a) 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 (b) 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 includible 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"*), whether or not such interest is includible as an item of tax preference or otherwise includible directly or indirectly for purposes of calculating other tax liabilities, including any alternative minimum tax or environmental tax under the Internal Revenue Code of 1986, as amended (the *"Code"*).

PAYMENT OF PRINCIPAL AND INTEREST

The principal of and premium, if any, on the Bonds is 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 is payable (i) by bank check or draft mailed by first class mail on the Interest Payment Date to the Owners as of the Record Date or (ii) during any Rate Period other than a Term Interest Rate Period, in immediately available funds (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 in 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 who has provided wire transfer instructions to the Paying Agent prior to the close of business on such Record Date.

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

RATE PERIODS

The term of the Bonds is divided into consecutive Rate Periods, during which such Bonds bear interest at a Daily Interest Rate, Weekly Interest Rate, Flexible Interest Rate or Term Interest Rate, as described below. At any time the Rate Period applicable to any issue of Bonds may be different from that applicable to any other issue of Bonds.

WEEKLY INTEREST RATE PERIOD

Determination of Weekly Interest Rate. During each Weekly Interest Rate Period, the Bonds of an issue bear interest at the Weekly Interest Rate determined by the Remarketing Agent no later than the first day of such Weekly Interest Rate Period and thereafter no later than Tuesday of each week during such Weekly Interest Rate Period, unless any such Tuesday is not a Business Day, in which event the Weekly Interest Rate will be determined by the Remarketing Agent no later than the Business Day 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 lesser of 12% per annum or the rate specified in any Letter of Credit or Alternate Credit Facility then in effect (initially 12% per annum).

Adjustment to Weekly Interest Rate Period. The interest rate borne by Bonds of an issue 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 (a) must specify the effective date of such adjustment to a Weekly Interest Rate, which must be (i) 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), (ii) in the case of an adjustment from a Term Interest Rate Period, a day on which the Bonds could be redeemed at the option of the Company or the day immediately following the last day of the then-current Term Interest Rate Period, and (iii) in the case of an adjustment from a Flexible Interest Rate Period, either the day immediately following the last day of the then-current Flexible Interest Rate Period or the day immediately following the last day of the last Flexible Segment for each Bond in the then-current Flexible Interest Rate Period, all as determined in accordance with clause (a) or (b), respectively, under "—Flexible Interest Rate Period-Adjustment from Flexible Interest Rates;" *provided, however*, that if prior to the Company's making such election, any Bonds 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; and (b) if the adjustment is from a Term Interest Rate Period having a duration in excess of one year, must be accompanied by an opinion of nationally recognized bond counsel (*"Bond Counsel"*) to the effect that such adjustment (i) is authorized or permitted by the Indenture and the Utah Act, the Wyoming Act or the Colorado Act, as applicable, and (ii) will not adversely affect the Tax-Exempt status of the interest on the Bonds.

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 such Bonds will be adjusted to a Weekly Interest Rate (subject to the Company's ability to rescind its election as described below under *"Rescission of Election"*), (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 of an issue 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 lesser of 12% per annum or the rate specified in any Letter of Credit or Alternate Credit Facility then in effect (initially 12% per annum).

Adjustment to Daily Interest Rate Period. The interest rate borne by Bonds of an issue 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 (a) must specify the effective date of the adjustment to a Daily Interest Rate, which must be (i) 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), (ii) in the case of an adjustment from a Term Interest Rate Period, a day on which the Bonds could be redeemed at the option of the Company or the day immediately following the last day of the then-current Term Interest Rate Period, and (iii) in the case of an adjustment from a Flexible Interest Rate Period, either the day immediately following the last day of the then-current Flexible Interest Rate Period or the day immediately following the last day of the last Flexible Segment for each Bond in the then-current Flexible Interest Rate Period, all as determined in accordance with clause (a) or (b), respectively, under "—Flexible Interest Rate Period-Adjustment from Flexible Interest Rates;" *provided, however*, that if prior to the Company's making such election, any Bonds 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; and (b) if the adjustment is from a Term Interest Rate Period having a duration in excess of one year, is accompanied by an opinion of Bond Counsel to the effect that such adjustment (i) is authorized or permitted by the Indenture and the Utah Act, the Wyoming Act or the Colorado Act, as applicable, and (ii) will not adversely affect the Tax-Exempt status of the interest on the Bonds.

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.

TERM INTEREST RATE PERIOD

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

The Term Interest Rate is the rate determined by the Remarketing Agent on such date, and communicated on such date to the Trustee, the Paying Agent, the Company and the Bank (or the Obligor on an Alternate Credit Facility, as the case may be), as being the lowest rate (based on an examination of Tax-Exempt obligations comparable to the Bonds known by the Remarketing Agent to have been priced or traded under then prevailing market conditions) which would enable the Remarketing Agent to sell the Bonds on the effective date of such Term Interest Rate Period at a price (without regard to accrued interest) equal to 100% of the principal amount thereof. If, for any reason, a Term Interest Rate for any Term Interest Rate Period has not be determined or effective, then (a) if the then-current Term Interest Rate Period is for one year or less, the Rate Period for such Bonds will automatically convert to a Daily Interest Rate Period and (b) if the then-current Term Interest Rate Period is for more than one year, the Rate Period for the Bonds will automatically adjust to a Term Interest Rate Period of one year and one day; *provided, however,* that if the last day of any successive Term Interest Rate Period is not a day immediately preceding a Business Day, then such successive Term Interest Rate Period will end on the first day immediately preceding the Business Day next succeeding such day or, if such Term Interest Rate Period would end after the day prior to the final maturity date of the Bonds, the next succeeding Rate Period will be a Term Interest Rate Period ending on the day prior to the final maturity date of the Bonds; *provided*, further, that in the case of clause (b) above, if the Company delivers to the Trustee an approving opinion of Bond Counsel prior to the end of the then-effective Term Interest Rate Period, the Rate Period for the Bonds will adjust to a Daily Interest Rate Period. If the Daily Interest Rate for the first day of any such Daily Interest Rate Period is not determined as described under "—Daily Interest Rate Period-Determination of Daily Interest Rate," the Daily Interest Rate for the first day of such Daily Interest Rate Period will be 80% of the most recent One-Year Note Index theretofore published in *The Bond Buyer* (or, if *The Bond Buyer* is no longer published or no longer publishes the One-Year Note Index, the one-year note index contained in the publication determined by the Remarketing Agent as most comparable to *The Bond Buyer*). If a Term Interest Rate for any such Term Interest Rate Period described in clause (b) above is not determined as described in the second preceding sentence, the Term Interest Rate for such Term Interest Rate Period will be 100% of the most recent One-Year Note Index theretofore published in *The Bond Buyer* (or, if *The Bond Buyer* is no longer published or no longer publishes the One-Year Note Index, the one-year note index contained in the publication determined by the Remarketing Agent as most comparable to *The Bond Buyer*). In no event may any Term Interest Rate exceed the lesser of 12% per annum or the rate specified in any Alternate Credit Facility then in effect.

Adjustment to or Continuation of Term Interest Rate Period. The interest rate borne by Bonds of an issue may be adjusted to or continued as a Term 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, which notice specifies the duration of the Term Interest Rate Period during which the Bonds bear, or continue to bear, interest at a Term Interest Rate. Such notice may specify two or more consecutive Term Interest Rate Periods and, if it so specifies, must specify the duration of each such Term Interest Rate Period as provided in this paragraph. Such notice must specify the effective date of each Term Interest Rate Period, which must be (a) a Business Day not earlier than the twentieth day following the third Business Day after the date of receipt by the Trustee and Paying Agent of such notice (or such shorter period after the date of such receipt as is acceptable to the Trustee), (b) in the case of an adjustment from or continuation of a Term Interest Rate Period, a day on which the Bonds could be redeemed at the option of the Company or the day immediately following the last day of the then-current Term Interest Rate Period, and (c) in the case of an adjustment from a Flexible Interest Rate Period, either the day immediately following the last day of the then-current Flexible Interest Rate Period or the day immediately following the last day of the last Flexible Segment for each Bond in the then-current Flexible Interest Rate Period, all as determined in accordance with clause (a) or (b), respectively, under "—Flexible Interest Rate Period-Adjustment from Flexible Interest Rates;" *provided, however,* that if prior to the Company's making such election, any Bonds have been called for redemption and such redemption has not been effected, the effective date of such Term Interest Rate Period may not precede such redemption date. Such notice must also specify (i) the last day of such Term Interest Rate Period (which is either the day preceding the maturity date of the Bonds or a day which both immediately precedes a Business Day and is at least one year after such effective date) and (ii) unless such Term Interest Rate Period immediately succeeds a Term Interest Rate Period of the same duration and is subject to the same optional redemption rights, is accompanied by an opinion of Bond Counsel to the effect that such adjustment (A) is authorized or permitted by the Indenture and the Utah Act, the Wyoming Act or the Colorado Act, as applicable, and (B) will not adversely affect the Tax-Exempt status of the interest on the Bonds.

If, by 20 days prior to the end of the then-current Term Interest Rate Period, the Trustee has not received the Company's notice of an adjustment to a Daily Interest Rate Period, a Weekly Interest Rate Period, a Term Interest Rate Period or a Flexible Interest Rate Period, accompanied by appropriate opinions of Bond Counsel, then (a) in the event the then-current Term Interest Rate Period is for one year or less, the Rate Period for the Bonds will automatically convert to a Daily Interest Rate Period and (b) in the event the current Term Interest Rate Period is for more than one year, the Rate Period for the Bonds will automatically adjust to a Term Interest Rate Period of one year and one day; *provided, however,* that if the last day of any successive Term Interest Rate Period will not be a day immediately preceding a Business Day, then such successive Term Interest Rate Period will end on the first day immediately preceding the Business Day next succeeding such day or, if such Term Interest Rate Period would end after the day prior to the final maturity date of the Bonds, the next succeeding Rate Period will be a Term Interest Rate Period ending on the day prior to the final maturity date of the Bonds; *provided,* further, that in the case of clause (b) above, if the Company delivers to the Trustee an approving opinion of Bond Counsel prior to the end of the then-effective Term Interest Rate Period, the Rate Period for the Bonds will adjust to a Daily Interest Rate Period. If

the Daily Interest Rate for the first day of any such Daily Interest Rate Period is not determined as described under "—Daily Interest Rate Period-Determination of Daily Interest Rate," the Daily Interest Rate for the first day of such Daily Interest Rate Period will be 80% of the most recent One-Year Note Index theretofore published in *The Bond Buyer* (or, if *The Bond Buyer* is no longer published or no longer publishes the One-Year Note Index, the one-year note index contained in the publication determined by the Remarketing Agent as most comparable to *The Bond Buyer*). If a Term Interest Rate for any such Term Interest Rate Period described in clause (b) above is not determined as described in the second preceding sentence, the Term Interest Rate for such Term Interest Rate Period will be 100% of the most recent One-Year Note Index theretofore published in *The Bond Buyer* (or, if *The Bond Buyer* is no longer published or no longer publishes the One-Year Note Index, the one-year note index contained in the publication determined by the Remarketing Agent as the most comparable to *The Bond Buyer*).

The notice of an adjustment to or continuation of a Term Interest Rate may specify that such Term Interest Rate Period will be automatically renewed for successive Term Interest Rate Periods each having the same duration as the Term Interest Rate Period so specified; *provided, however*, that such election must be accompanied by an opinion of Bond Counsel to the effect that such continuing automatic renewals of such Term Interest Rate Period (a) are authorized or permitted by the Indenture and the Utah Act, the Wyoming Act or the Colorado Act, as applicable, and (b) will not adversely affect the Tax-Exempt status of interest on the Bonds. If such election is made, no opinion of Bond Counsel is required in connection with the commencement of each successive Term Interest Rate Period determined in accordance with such election. At the same time the Company elects to have the Bonds bear interest at a Term Interest Rate, or to continue to bear interest at a Term Interest Rate, the Company may also specify in the notice to the Trustee optional redemption prices and periods different from those set forth in the Indenture during the Term Interest Rate Period(s) with respect to which such election is made; *provided, however,* that such notice is accompanied by an opinion of Bond Counsel to the effect that such changes are authorized or permitted by the Utah Act, the Wyoming Act or the Colorado Act, as applicable, and the Indenture and will not adversely affect the Tax-Exempt status of the Bonds.

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

FLEXIBLE INTEREST RATE PERIOD

Determination of Flexible Segments and Flexible Interest Rates. During each Flexible Interest Rate Period, each Bond bears interest during each Flexible Segment for such Bond at the Flexible Interest Rate for such Bond. Each Flexible Segment for any Bond will be a period ending on a day immediately preceding a Business Day, of not less than one nor more than 365 days determined by the Remarketing Agent to be, in its judgment, the period which, together with all other Flexible Segments for all Bonds of such issue then outstanding, is likely to result in the lowest overall net interest expense on such Bonds. Any Bond purchased on behalf of the Company and remaining unsold by the Remarketing Agent as of the close of business on the effective date of the Flexible Segment for such Bond will have a Flexible Segment of one day or, if such Flexible Segment would not end on a day immediately preceding a Business Day, a Flexible Segment of more than one day ending on the day immediately preceding the next Business Day. No Flexible Segment may extend beyond the final maturity date of the Bonds.

The Flexible Interest Rate for each Flexible Segment for each Bond 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) no later than the first day of such Flexible Segment (and in the case of a Flexible Segment of one day, no later than 12:30 p.m. New York time, on such date) to be the lowest rate which would enable the Remarketing Agent to sell the Bonds on the effective date of such rate at a price (without regard to accrued interest) equal to 100% of the principal amount thereof. If a Flexible Segment or a Flexible Interest Rate for a Flexible Segment is not determined or effective, the Flexible Segment for such Bond will be a Flexible Segment of one day, and the interest rate for such Flexible Segment of one day 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*). In no event may any Flexible Interest Rate exceed the lesser of 12% per annum or the rate specified in any Alternate Credit Facility then in effect.

Adjustment to Flexible Interest Rate Period. The interest rate borne by Bonds of an issue may be adjusted to Flexible Interest Rates 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 (a) must specify the effective date of the Flexible Interest Rate Period which must be (i) 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) and (ii) in the case of an adjustment from a Term Interest Rate Period, a day on which the Bonds could be redeemed at the option of the Company or the day immediately following the last day of the then-current Term Interest Rate Period; *provided, however,* that if prior to the Company's making such election any Bonds have been called for redemption and such redemption has not theretofore been effected, the effective date of the Flexible Interest Rate Period may not precede such redemption date and (b) in the case of an adjustment from a Term Interest Rate Period having a duration in excess of one year, is accompanied by an opinion of Bond Counsel to the effect that such adjustment (i) is authorized or permitted by the Indenture

and the Utah Act, the Wyoming Act or the Colorado Act, as applicable, and (ii) will not adversely affect the Tax-Exempt status of the interest on the Bonds. During each Flexible Interest Rate Period commencing on the date so specified (provided that the opinion of Bond Counsel described in clause (b) above, if required, is reaffirmed as of such date) and ending on the day immediately preceding the effective date of the next succeeding Rate Period, each Bond will bear interest at a Flexible Interest Rate during each Flexible Segment for such Bond.

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

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

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

(b) determine Flexible Segments of such duration that will, in the judgment of the Remarketing Agent, best promote an orderly transition to the next succeeding Rate Period beginning not earlier than the eleventh day following the third Business Day (or such shorter period acceptable to the Trustee) after the receipt by the Trustee and Paying Agent of such notice.

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

DETERMINATION CONCLUSIVE

The determination of the various interest rates referred to above is conclusive and binding upon the Remarketing Agent, the Trustee, the Paying Agent, the Issuer, the Company, the Owners of the Bonds and the Bank (or the Obligor on an Alternate Credit Facility, as the case may be).

RESCISSION OF ELECTION

The Company may rescind any election by it to adjust to or, in the case of a Term Interest Rate Period, continue a Rate Period prior to the effective date of such adjustment or continuation by giving written notice of rescission to the Issuer, the Trustee, the Paying Agent 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; *provided, however,* that if the Rate Period then in effect is a Term Interest Rate Period, the subsequent Term Interest Rate Period may not be of a different duration than the Term Interest Rate Period then in effect unless the Company provides to the Trustee an approving opinion of Bond Counsel prior to the expiration of the then-current Term Interest Rate Period. If the Trustee receives notice of such rescission prior to the time the Trustee has given notice to the Owners of the change in or continuation of Rate Periods, then such notice of change in or continuation of Rate Periods 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 from other than a Term Interest Rate Period in excess of one year or an attempted adjustment from one Rate Period (other than a Term Interest Rate Period in excess of one year) to another Rate Period does not become effective for any other reason and if the Company does not elect to continue the Term Interest Rate Period then in effect, then the Rate Period for the Bonds 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 the Trustee receives notice of such rescission after the Trustee has given notice to the Owners of an adjustment from a Term Interest Rate Period in excess of one year to another Rate Period (including a Term Interest Rate Period of a different duration), or if an attempted adjustment from a Term Interest Rate Period in excess of one year to another Rate Period (including a Term Interest Rate Period of a different duration) does not become effective for any reason and if the Company does not elect to continue the Term Interest Rate Period then in effect, then the Rate Period for the Bonds will continue to be a Term Interest Rate Period of the same duration as the immediately preceding Term Interest Rate Period, subject to the second proviso contained in the paragraph above under "—Term Interest Rate Period-Determination of Term Interest Rate;" *provided* that if the Company delivers to the Trustee an approving opinion of Bond Counsel prior to the end of the then effective Term Interest Rate Period, the Rate Period for the Bonds will be as directed by the Company in writing. If a Daily Interest Rate for the first day of any Daily Interest Rate Period to which a Rate Period is adjusted in accordance with this paragraph is not determined as described in "-Daily Interest Rate Period-Determination of Daily Interest Rate," the Daily Interest Rate for the first day of such Daily Interest Rate Period 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 adjust 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

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:

(a) 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 in 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

(b) except when the Bond is held in book-entry form, delivery of such Bond, accompanied by an instrument of transfer (which may be the form printed on the Bond) executed in blank by its Owner, with such signature guaranteed by a 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.

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 owner thereof on any Wednesday, or if such Wednesday is not a Business Day, the next succeeding Business Day at a purchase price equal to 100% of the principal amount thereof plus accrued interest, if any, to the date of purchase upon:

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

(b) except when the Bond is held in book-entry form, delivery of such Bond, accompanied by an instrument of transfer (which may be the form printed on the Bond) executed in blank by its Owner, with such signature guaranteed by a 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.

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

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

(b) except when the Bond is held in book-entry form, delivery of such Bond, accompanied by an instrument of transfer (which may be the form printed on the Bond) executed in blank by its Owner, with such signature guaranteed by a 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 date of such purchase.

FOR SO LONG AS THE BONDS ARE HELD IN BOOK-ENTRY FORM, THE BENEFICIAL OWNER OF THE BONDS THROUGH ITS DIRECT PARTICIPANT (AS HEREINAFTER DEFINED) 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 "— BOOK-ENTRY SYSTEM."

MANDATORY PURCHASE

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

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

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

(c) as to all Bonds of an issue, on the Business Day preceding an Expiration of the Term of the Letter of Credit or an Expiration of the Term of an Alternate Credit Facility; or

(d) as to all of the Bonds of an issue, on the next succeeding Business Day following the day that the Trustee receives notice from the Bank or the Obligor on an Alternate Credit Facility, as the case may be, that, following a drawing on the Letter of Credit or the Alternate Credit Facility on an Interest Payment Date for the payment of unpaid interest on the Bonds, the Letter of Credit or the Alternate Credit Facility will not be reinstated in accordance with its terms.

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

If the Bonds are subject to mandatory purchase in accordance with the provisions described in subparagraph (c) of the second preceding paragraph, the Trustee will give notice by mail to the Remarketing Agent and the Owners of the Bonds of the Expiration of the Term of the Letter of Credit or the Expiration of the Term of an Alternate Credit Facility, as the case may be, not less than 15 days prior to such Expiration, which notice must (a) describe generally any Letter of Credit or any Alternate Credit Facility in effect prior to such Expiration, and any Substitute Letter of Credit or Alternate Credit Facility to be in effect upon such Expiration and state the name of the provider thereof; (b) state the date of the Expiration of the Term of the Letter of Credit or the Expiration of the Term of an Alternate Credit Facility, as the case may be; (c) state the rating or ratings, if any, which the Bonds are expected to receive from any rating agency following such Expiration; (d) state that the Bonds are subject to mandatory purchase; (e) state the purchase date; and (f) except when the Bonds are held in book-entry form, state that the Bonds must be delivered to the New York office designated by the Trustee as the "Delivery Office of the Trustee."

If the Bonds are subject to mandatory purchase in accordance with the provisions described in subparagraph (d) of the third preceding paragraph, the Trustee shall, immediately upon receipt of notice from the Bank or the Obligor on a Alternate Credit Facility, as the case may be, that the Letter of Credit or the Alternate Credit Facility will not be reinstated in accordance with its terms, give Electronic Notice and notice by overnight mail service to the Remarketing Agent and to the Owners of the Bonds at their addresses shown on the registration books kept by the Registrar, which notice shall (a) describe generally any Letter of Credit or any Alternate Credit Facility in effect prior to such mandatory purchase; (b) state that the Letter of

Credit or the Alternate Credit Facility, as the case may be, is not being reinstated in accordance with its terms; (c) state that the Bonds are subject to mandatory purchase; (d) state the purchase date; and (e) except when the Bonds are held in book-entry form, state that the Bonds must be delivered to the New York office designated by the Trustee as the "Delivery Office of the Trustee."

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 ANY 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 ARE DEEMED SATISFIED WHEN THE OWNERSHIP RIGHTS IN THE BONDS ARE TRANSFERRED BY DIRECT PARTICIPANTS ON THE RECORDS OF DTC. SEE "BOOK-ENTRY SYSTEM."

PURCHASE OF BONDS

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

(a) Available Moneys (as hereinafter defined) furnished by the Company to the Trustee for the purchase of Bonds;

(b) proceeds of the sale of such Bonds (other than Bonds sold to the Company, any subsidiary of the Company, any guarantor of the Company, the Issuer or any "insider" (as defined in the United States Bankruptcy Code) of any of the aforementioned) by the Remarketing Agent;

(c) Available Moneys or moneys provided pursuant to the Letter of Credit or an Alternate Credit Facility, as the case may be, for the payment of the purchase price of the Bonds furnished by the Trustee pursuant to the Indenture for the purchase of Bonds deemed paid in accordance with the defeasance provisions of the Indenture;

(d) moneys furnished pursuant to the Letter of Credit or an Alternate Credit Facility, as the case may be, to the Trustee for the payment of the purchase price of the Bonds; and

(e) 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 may be derived only from the sources described in (c) above, in such order of priority.

"Available Moneys" means (a) during such time as a Letter of Credit or an Alternate Credit Facility is in effect, (i) moneys on deposit in trust with the Trustee as agent and bailee for the Owners of the Bonds for a period of at least 123 days prior to and during which no petition in bankruptcy or similar insolvency proceeding has been filed by or against the Company or the Issuer (or any subsidiary of the Company, any guarantor of the Company or any insider (as defined in the United States Bankruptcy Code), to the extent that such moneys were deposited by any of such subsidiary, guarantor or insider) or is pending (unless such petition has been dismissed and such dismissal is final and not subject to appeal) and (ii) (A) proceeds of the issuance of refunding bonds (including proceeds from the investment thereof), and (B) any other moneys, if, in the written opinion of nationally recognized counsel experienced in bankruptcy matters selected by the Company (which opinion is in a form acceptable to the Trustee, to Moody's, if the Bonds are then rated by Moody's and to S&P, if the Bonds are then rated by S&P, and is delivered to the Trustee at or prior to the time of the deposit of such proceeds with the Trustee), the deposit and use of such proceeds or other moneys will not constitute a voidable preference under Section 547 of the United States Bankruptcy Code in the event either the Issuer or the Company were to become a debtor under the United States Bankruptcy Code (the *"Preference Opinion Condition"*), and (b) at any time that a Letter of Credit or an Alternate Credit Facility is not in effect, any moneys on deposit with the Trustee as agent and bailee for the Owners of the Bonds and proceeds from the investment thereof.

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.

Anything in the Indenture to the contrary notwithstanding, at any time during which the Letter of Credit or an Alternate Credit Facility, as the case may be, is in effect, there will be no sales of Bonds as described in the preceding paragraph, if (a) there has occurred and has not been cured or waived an Event of Default described in paragraphs (a), (b) or (c) under the caption "THE INDENTURES—Defaults" of which the Remarketing Agent and the Trustee have actual knowledge or (b) the Bonds have been declared to be immediately due and payable as described under the caption "THE INDENTURES—Remedies" and such declaration has not been rescinded pursuant to the Indenture.

OPTIONAL REDEMPTION OF BONDS

Bonds of any issue may be redeemed at the option of the Company (but only with the consent of the Bank (or, if applicable, by the Obligor on an Alternate Credit Facility, if required by the Alternate Credit Facility)), in whole, or in part by lot, prior to their maturity date as follows:

(a) On any Business Day during a Daily Interest Rate Period or Weekly Interest Rate Period, the Bonds of an issue may be redeemed at a redemption price equal

to 100% of the principal amount thereof plus accrued interest, if any, to the date of redemption.

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

(c) During any Term Interest Rate Period and on the day next succeeding the last day of each Term Interest Rate Period, the Bonds of an issue may be redeemed during the periods specified below, in whole or in part at any time, at the redemption prices set forth below plus accrued interest, if any, to the redemption date:

LENGTH OF TERM INTEREST RATE PERIOD	REDEMPTION DATES AND PRICES
Greater than 13 years	At any time on or after the 10th anniversary of the effective date of the Term Interest Rate Period at 102% declining 1% annually to 100%
Greater than 10 and less than or equal to 13 years	At any time on or after the 5th anniversary of the effective date of the Term Interest Rate Period at 102% declining 1% annually to 100%
Greater than 7 and less than or equal to 10 years	At any time on or after the 3rd anniversary of the effective date of the Term Interest Rate Period at 102% declining 1% annually to 100%
Greater than 4 and less than or equal to 7 years	At any time on or after the 2nd anniversary of the effective date of the Term Interest Rate Period at 101% declining 1/2% annually to 100%
Greater than 2 and less than or equal to 4 years	At any time on or after the 2nd anniversary of the effective date of the Term Interest Rate Period at 101% declining 1/2% each six months thereafter to 100%
Greater than 1 and less than or equal to 2 years	At any time on or after the 1st anniversary of the effective date of the Term Interest Rate Period at 100-1/2% declining 1/2% six months thereafter to 100%
Less than or equal to 1 year	Not redeemable

With respect to any Term Interest Rate Period, the Company may specify in the notice described above in the third paragraph under "—Term Interest Rate Period-Adjustment to or Continuation of Term Interest Rate Period" redemption provisions, prices and periods other than those set forth above; *provided, however*, that such notice is accompanied by an opinion of Bond Counsel to the effect that such changes are authorized or permitted by the Utah Act, the Wyoming Act or the Colorado Act, as applicable, and the Indenture and will not adversely affect the Tax-Exempt status of the Bonds.

EXTRAORDINARY OPTIONAL REDEMPTION OF BONDS

At any time, the Bonds of an issue 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 (but only with the consent of the Bank (or, if applicable, by the Obligor on an Alternate Credit Facility, if required by the Alternate Credit Facility)) stating that any of the following events has occurred and that the Company therefore intends to exercise its option to prepay the payments due under the Loan Agreement in whole or in part and thereby effect the redemption of the Bonds of an issue in whole or in part to the extent of such prepayments:

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

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

(c) all or substantially all of the Project or the Plant has been condemned or taken by eminent domain; or

(d) the operation of the Project or 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 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 Insurer, the Bank (or the Obligor on an Alternate Credit Facility, as the case may be), the Issuer and the owner of each Bond then outstanding. If a final decree or action as described above thereafter occurs and the Trustee has received written notice thereof at least 45 days prior to the redemption date, the Trustee 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 Agreements, 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. Notwithstanding the foregoing provisions, Pledged Bonds shall be redeemed prior to any other Bonds. 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 will be paid and redeemed. Notice of redemption will be given by mail as provided in the Indenture, at least 30 days and not more than 60 days prior to the redemption date, provided that the failure to duly give notice by mailing to any Owner, or any defect therein, 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 Insurer, the Bank or the Obligor on an Alternative Credit Facility, as the case may be, the Company Mortgage Trustee, Moody's, 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 Available Moneys

sufficient to pay the principal of, premium, if any, and interest on such Bonds to be redeemed. If such Available 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.

SPECIAL CONSIDERATIONS RELATING TO THE BONDS

The Remarketing Agents are Paid By the Company. The Remarketing Agents' 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 applicable Indenture and the Remarketing Agreement), all as further described in this Reoffering Circular. The Remarketing Agents are appointed by the Company and paid by the Company for their services. As a result, the interests of the Remarketing Agents may differ from those of existing Holders and potential purchasers of Bonds.

The Remarketing Agents May Purchase Bonds for their Own Accounts. The Remarketing Agents act as remarketing agents for a variety of variable rate demand obligations and, in their sole discretion, may purchase such obligations for their own accounts. The Remarketing Agents are permitted, but not obligated, to purchase tendered Bonds for their own accounts and, in their 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 Agents are not obligated to purchase Bonds, and may cease doing so at any time without notice. The Remarketing Agents 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 Agents are not required to make a market in the Bonds. The Remarketing Agents may also sell any Bonds they have purchased to one or more affiliated investment vehicles for collective ownership or enter into derivative arrangements with affiliates or others in order to reduce their exposure to the Bonds. The purchase of Bonds by the Remarketing Agents may create the appearance that there is greater third party demand for the Bonds in the market than is actually the case. The practices described above also may result in fewer Bonds being tendered in a remarketing.

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

own account, it may, in its sole discretion in a secondary market transaction outside the tender process, offer such Bonds on any date, including the interest rate determination date, at a discount to par to some investors.

The Ability to Sell the Bonds Other Than Through the Tender Process May Be Limited. The Remarketing Agents may buy and sell Bonds other than through the tender process. However, they are 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 Tender Agent with appropriate notice. Thus, investors who purchase the Bonds, whether in a remarketing or otherwise, should not assume that they will be able to sell their Bonds other than by tendering the Bonds in accordance with the tender process.

The Remarketing Agents May Resign, Without a Successor Being Named. The Remarketing Agents may resign, upon 30 days' prior written notice, without a successor having been named.

BOOK-ENTRY SYSTEM

The following information in this section concerning The Depository Trust Company, New York, New York ("DTC"), and its book-entry system has been furnished for use in the Reoffering Circular by DTC. None of the Company, the Issuers or the Remarketing Agents take any responsibility for the accuracy of such information.

DTC will act as securities depository for the Bonds. The Bonds were issued as fully-registered bonds registered in the name of Cede & Co. (DTC's partnership nominee). One fully-registered Bond certificate will be issued for the Bonds of each issue, in the aggregate principal amount thereof, and will be deposited with DTC. One fully-registered Bond was issued for each issue of the Bonds, in the aggregate principal amount of such issue, and was 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 securities 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 whole-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 and trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (*"Indirect Participants"*). DTC has Standard & Poor's highest rating: AAA. 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 and www.dtc.org.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each Beneficial Owner is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. 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, does 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. Beneficial Owners of Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults and proposed amendments to documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

While Bonds are in the book-entry system, 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.

As long as the book-entry system is used for the Bonds, redemption notices will be sent to Cede & Co. If less than all of the Bonds of any 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 such other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

As long as the book-entry system is used for the Bonds, principal or purchase price of and premium, if any, and interest payments on, the Bonds will be made to 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 fund and corresponding detailed information from the Issuer or the Trustee, on the 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 securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Company, the Paying Agent, the Trustee, the Remarketing Agent or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, purchase price, premium and interest with respect to the Bonds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Issuer or the Paying Agent, disbursement of such payments to Direct Participants are the responsibility of DTC, and disbursement of such payments to the Beneficial Owners are the responsibility of Direct and Indirect Participants.

A Beneficial Owner must give notice to elect to have its Bonds purchased or tendered, through its Participant, to the Remarketing Agent, and must 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 a 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 a book-entry credit of tendered Bonds to the Remarketing Agent's DTC account.

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

The Company may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered.

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

TERMINATION OF BOND INSURANCE

Concurrently with the issuance of the Bonds, Ambac issued an Ambac Insurance Policy with respect to the Bonds of each issue to guarantee the payment of principal of and interest on the applicable Bonds when due. In connection with the delivery of the Letters of Credit, Ambac, the Company, the Trustee, each of the Issuers and the Company, acting as owner of Bonds, will enter into separate Release Agreements, pursuant to which Ambac will be released from all liabilities under each Ambac Insurance Policy and will surrender any and all rights under the Trust Indentures and payment of principal of and interest on the Bonds when due will no longer be guaranteed by Ambac under the Ambac Insurance Policies. Purchasers of the Bonds will be deemed to have consented to the provisions of the Release Agreements, including but not limited to the release of Ambac from all liabilities under the applicable Ambac Insurance Policy.

Purchasers of the Bonds have no claims against Ambac for the payment of principal of and interest on the Bonds under the Ambac Insurance Policies and may only look to the Bank (so long as the Bank is obligated to make such payment under the Letter of Credit), an Obligor on an Alternate Credit Facility (to the extent the such Obligor is obligated to make such payment under an Alternate Credit Facility) or the Company.

Under the Indenture and the Loan Agreement, PacifiCorp has reserved the right following the expiration or termination of the Letter of Credit to obtain an Insurance Policy as all or part of an Alternate Credit Facility. *References in the Indenture, the Loan Agreement and in this Reoffering Circular to the Insurer or an Insurance Policy, refer to the provider of such Insurance Policy or such Insurance Policy and not to Ambac or the Ambac Insurance Policies; provided, however, that Ambac is not prevented from providing an Insurance Policy in the future as all or part of an Alternate Credit Facility. No Insurance Policy will be in place while the Letter of Credit is in effect.*

THE LETTERS OF CREDIT AND THE CREDIT AGREEMENTS

Each Letter of Credit will operate independently. A default under a Letter of Credit with respect to the Bonds of one issue may not, in and of itself, constitute a default under a Letter of Credit with respect to the Bonds of any other issue; however, the same occurrence may constitute a default under the Letter of Credit with respect to Bonds of more than one issue. The Letters of Credit contain substantially identical terms, and the following is a summary of certain

provisions common to the Letters of Credit. All references in this summary to the Issuer, the Trustee, the Bank, the Remarketing Agent, the Letter of Credit, the Indenture, the Loan Agreement, the Bonds and other documents and parties are deemed to refer to the Issuer, the Trustee, the Bank, the Remarketing Agent, the Letter of Credit, the Indenture, the Bonds and such other documents and parties, respectively, relating to each issue of the Bonds.

LETTERS OF CREDIT

On the date of reoffering of the Bonds, the Bank will issue in favor of the Trustee for each issue of Bonds a separate Letter of Credit in the form of a direct pay letter of credit. Each Letter of Credit will be issued in the aggregate principal amount of the applicable issue of Bonds plus 48 days' interest at 12% per annum, on the basis of a 365 day year (as from time to time reduced and reinstated as provided in each Letter of Credit). Each Letter of Credit will permit the Trustee to draw up to an amount equal to the then outstanding principal amount of the applicable issue of Bonds to pay the unpaid principal thereof and accrued interest on such Bonds, subject to the terms, conditions and limitations stated therein. The Letter of Credit for each issue of the Bonds will be substantially in the form attached hereto as Appendix E.

Each Letter of Credit will expire on November 19, 2009, but will be automatically extended, without written amendment, to, and shall expire on, November 19, 2010, unless on or before October 20, 2009, notice is received by the Trustee stating that the Bank elects not to extend such Letter of Credit beyond November 19, 2009. The date on which the Letter of Credit expires as described in the preceding sentence, or if such date is not a Business Day then the first succeeding Business Day thereafter is defined in the Letter of Credit as the Expiration Date. As used in each Letter of Credit, the term "Business Day" means a day on which the San Francisco Letter of Credit Operations Office of the Bank is open for business.

Each drawing honored by the Bank under each Letter of Credit will immediately reduce the available amount thereunder by the amount of such drawing. Any drawing to pay interest will be automatically reinstated on the eighth (8th) Business Day following the date such drawing is honored by the Bank, unless the Company shall have received notice from the Bank no later than seven (7) Business Days after such drawing is honored that there shall be no such reinstatement. Any drawing to pay the purchase price of a Bond shall be reinstated if the Bonds related to such drawing are remarketed and the remarketing proceeds are paid to the Bank prior to the Expiration Date in an amount equal to the sum of (i) the amount paid to the Bank from such remarketing proceeds and (ii) interest on such amount. See Appendix E.

CREDIT AGREEMENTS

General. The Company is party to that certain $800,000,000 Amended and Restated Credit Agreement dated July 6, 2006 among the Company, the financial institutions party thereto, the Administrative Agent (as defined below) and The Royal Bank of Scotland plc, as syndication agent (together with all related documents, the *"2006 Credit Agreement"*) and that certain $700,000,000 Credit Agreement dated October 23, 2007 among the Company, the financial institutions party thereto, the Administrative Agent and The Royal Bank of Scotland plc, as syndication agent (together with all related documents, the *"2007 Credit Agreement"*). In

addition, the Company has executed and delivered a separate Letter of Credit Agreement (each, a "Letter of Credit Agreement" and collectively, the *"Letter of Credit Agreements"*) requesting that the Bank issue a letter of credit for each issue of Bonds and governing the issuance thereof. The Letter of Credit Agreements, the 2006 Credit Agreement and the 2007 Credit Agreement are collectively referred to herein as the "Credit Agreements." Each Letter of Credit is issued pursuant to either the 2006 Credit Agreement or the 2007 Credit Agreement, together with the related Letter of Credit Agreement.

The Credit Agreements define the relationship between the Company and the financial institutions party thereto, including the Bank; neither the Issuers nor the Trustee have any interest in the Credit Agreements or in any of the funds or accounts created under them. Under the Credit Agreements, the Company has agreed to reimburse the Bank for any drawings under the related Letter of Credit, to pay certain fees and expenses, to pay interest on any unreimbursed drawings or other amounts unpaid, and to reimburse the Bank for certain other costs and expenses incurred.

Defined Terms. Capitalized terms used in this section and in the 2006 Credit Agreement or the 2007 Credit Agreement, as applicable, that are not otherwise defined in this Reoffering Circular will have the meanings set forth below.

"Administrative Agent" means, with respect to the 2006 Credit Agreement, JPMorgan Chase Bank, N.A. in its capacity as administrative agent for the Syndicate Banks and its successors in such capacity, and with respect to the 2007 Credit Agreement, Union Bank of California, N.A. in its capacity as administrative agent for the Syndicate Banks and its successors in such capacity.

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

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

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

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

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

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

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

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

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

"Reimbursement Obligations" means, if Commitments remain in effect on the date payment is made by the Issuing Bank, all such amounts paid by an Issuing Bank and remaining unpaid by the Company after the date and time required for payment under the respective Credit Agreement.

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

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

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

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

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

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

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

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

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

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

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

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

(j) the Company or any member of the ERISA Group shall fail to pay when due an amount or amounts aggregating in excess of $25,000,000 which it shall have become liable to pay to the PBGC or to a Plan under Title IV of ERISA; or notice of intent to terminate a Material Plan (as defined in the 2006 Credit Agreement) shall be filed under Title IV of ERISA by any member of the ERISA Group, any plan administrator or any combination of the foregoing; or the PBGC shall institute proceedings under Title IV of ERISA to terminate, to impose liability in excess of $25,000,000 (other than for premiums under Section 4007 of ERISA) in respect of, or to cause a trustee to be appointed to administer any Material Plan or a proceeding shall be instituted by a fiduciary of any Multiemployer Plan (as defined in the 2006 Credit Agreement) against any member of the ERISA Group to enforce Section 515 or 4219(c)(5) of ERISA in respect of an amount or amounts aggregating in excess of $25,000,000, and such proceeding shall not have been dismissed within 20 days thereafter; or a condition shall exist by reason of which the PBGC would be entitled to obtain a decree adjudicating that any Material Plan must be terminated; or there shall occur a complete or partial withdrawal from, or a default, within the meaning of Section 4219(c)(5) of ERISA, with respect to, one or more Multiemployer Plans which would cause one or more members of the ERISA Group to incur a current payment obligation in excess of $25,000,000;

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

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

Upon the occurrence of any Event of Default under the respective Credit Agreement, the Administrative Agent shall (i) if request by the Required Banks, by notice to the Company terminate the Commitments and the obligation of each Syndicate Bank to make Loans thereunder and the obligation of each Issuing Bank to issue any letter of credit thereunder and such obligations to make Loans and issue new Letters of Credit shall thereupon terminate, and

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

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

THE LOAN AGREEMENTS

Each Loan Agreement will operate independently. 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 Bank, the Loan Agreement and payments thereunder, the Indenture, the Letter of Credit, the Bonds, the Prior Bonds, the Facilities, the Project and other documents and parties are deemed to refer to the Issuer, the Bank, the Loan Agreement and such payments, the Indenture, the Letter of Credit, the Bonds, the Prior Bonds, the Facilities, the Project and such other documents and parties, respectively, relating to each issue of the Bonds.

ISSUANCE OF THE BONDS; LOAN OF PROCEEDS

The Issuer issued the Bonds for the purpose of refunding the Prior Bonds, the proceeds of which were used to finance or refinance, as the case may be, a portion of the Company's share of the costs of acquiring and improving the Facilities. The proceeds of the sale of the Bonds have been used to refund the Prior Bonds.

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, premium, if any, and interest on the Bonds when due on the dates, in the amounts and in the manner provided in the Indenture for the payment of the principal of, premium, if any, and interest on the Bonds, whether at maturity, upon redemption, acceleration or otherwise (*"Loan Payments"*); *provided, however,* that the obligation of the Company to make any such Loan Payment will be reduced by the amount of any reduction under the Indenture of the amount of the corresponding payment required to be made by the Issuer thereunder; and *provided further* that the obligation of the Company to make any such payment is deemed to be satisfied and discharged to the extent of the corresponding payment made (a) by the Bank to the Trustee under the Letter of Credit, (b) by the Obligor on an Alternate Credit Facility to the Trustee under such Alternate Credit Facility or (c) by the Company of principal of or premium, if any, or interest on the First Mortgage Bonds.

The Company's obligation to repay the loan made to it by the Issuer is 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 are 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 and from the Bank or Obligor on an Alternate Credit Facility, as the case may be, 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.

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.

From the date of delivery of the Letter of Credit to and including the Interest Payment Date next preceding the Expiration of the Term of the Letter of Credit (or the Expiration of the Term of an Alternate Credit Facility, as the case may be), the Company will provide for the payment of the amounts to be paid by the Trustee for the purchase of Bonds by providing for the delivery of the Letter of Credit (or an Alternate Credit Facility, as the case may be) to the Trustee. The Trustee has been directed to draw moneys under the Letter of Credit (or an Alternate Credit Facility, as the case may be), in accordance with the provisions of the Indenture and the Letter of Credit (or an Alternate Credit Facility, as the case may be), to obtain the moneys necessary to pay the purchase price of Bonds when due.

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 is not 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, the Insurer, the Bank (or the Obligor on an Alternate Credit Facility, as the case may be), or any other party or out of any obligation or liability at any time owing to the Company by any such party.

EXPENSES

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

TAX COVENANTS; TAX-EXEMPT STATUS OF BONDS

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

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

OTHER COVENANTS OF THE COMPANY

Maintenance of Existence; Conditions Under Which Exceptions Permitted. The Company covenants that it 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 State of the Issuer, will not dissolve or otherwise dispose of all or substantially all of its assets and will not consolidate with or merge into another corporation; *provided, however,* that the Company may, without violating the foregoing,

undertake from time to time any one or more of the following: (a) consolidate with or merge into another domestic corporation (i.e., a corporation incorporated and existing under the laws of one of the states of the United States or of the District of Columbia), or sell or otherwise transfer to another domestic corporation all or substantially all of its assets as an entirety and thereafter dissolve, *provided* the resulting, surviving or transferee corporation, as the case may be, must be the Company or a corporation qualified to do business in the State of the Issuer as a foreign corporation or incorporated and existing under the laws of the State of the Issuer, 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, the First Mortgage Bonds and the Reimbursement Agreement; or (b) convey all or substantially all of its assets to one or more wholly owned subsidiaries of the Company so long as the Company remains in existence and primarily liable on all of its obligations under the Loan Agreement and such subsidiary or subsidiaries to which such assets are so conveyed guarantees in writing the performance of all of the Company's obligations under the Loan Agreement, the First Mortgage Bonds and the Reimbursement Agreement.

Assignment. With the consent of the Bank (or the Obligor on an Alternate Credit Facility, as the case may be), 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 will (a) adversely affect the Tax-Exempt status of the Bonds or (b) relieve (other than as described in *"Maintenance of Existence; Conditions Under Which Exceptions Permitted"* above) 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 with respect to payment of the purchase price of the Bonds or for any other of its obligations under the Loan Agreement; and subject further to the condition that the Company has delivered to the Trustee and the Bank (or the Obligor on an Alternate Credit Facility, as the case may be) an opinion of counsel to the Company that such assignment complies with the provisions described in this paragraph and an opinion of Bond Counsel to the effect that the proposed assignment will not impair the validity of the Bonds under the Utah Act, the Wyoming Act or the Colorado Act, as applicable, or adversely affect the Tax-Exempt status of the Bonds. The Company must, within 30 days after the delivery thereof, furnish to the Issuer, the Bank (or the Obligor on an Alternate Credit Facility, as the case may be) and the Trustee a true and complete copy of the agreements or other documents effectuating any such assignment.

Maintenance and Repair; Taxes, Etc. The Company will maintain the Project 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 Project.

The Company may at its own expense cause the Facilities to be remodeled or cause such substitutions, modifications and improvements to be made to the Facilities from time to time as the Company, in its discretion, may deem to be desirable for its uses and purposes, which remodeling, substitutions, modifications and improvements are included under the terms of the Loan Agreement as part of the Facilities; *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 Facilities in accordance with standard industry practice.

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

LETTER OF CREDIT; ALTERNATE CREDIT FACILITY; SUBSTITUTE LETTER OF CREDIT

The Company may, at any time, at its option:

(a) provide for the delivery on any Business Day to the Trustee of an Alternate Credit Facility or a Substitute Letter of Credit, but only provided that:

(i) the Company shall deliver to the Trustee, the Remarketing Agent and the Bank (or the Obligor on the Alternate Credit Facility, as the case may be), a notice which (A) states (I) the effective date of the Alternate Credit Facility or Substitute Letter of Credit to be so provided, and (II) the Expiration of the Term of the Letter of Credit or the Expiration of the Term of the Alternate Credit Facility which is to be replaced (which Expiration shall not be prior to the effective date of the Alternate Credit Facility to be so provided), (B) describes the terms of the Alternate Credit Facility or Substitute Letter of Credit, (C) directs the Trustee to give notice of the mandatory purchase of the Bonds on the Business Day next preceding the Expiration of the Term of the Letter of Credit or the Expiration of the Term of the Alternate Credit Facility which is to be replaced (which Business Day shall be not less than 30 days from the date of receipt by the Trustee of the notice from the Company specified above), in accordance with the Indenture, and (D) directs the Trustee, after taking such actions as are required to be taken to provide moneys due under the Indenture in respect of the Bonds or the purchase thereof, to surrender the Letter of Credit or Alternate Credit Facility, as the case may be, which is to be replaced, to the obligor thereon on the next Business Day after the later of the effective date of the Alternate Credit Facility or the Substitute Letter of Credit to be provided and the Expiration of the Term of the Letter of Credit or Expiration of the Term of the Alternate Credit Facility which is to be replaced and thereupon to deliver any and all instruments which may be reasonably requested by such obligor and furnished to the Trustee (but such surrender shall occur only if the requirement of (ii) below has been satisfied);

(ii) on the date of delivery of the Alternate Credit Facility or the Substitute Letter of Credit (which shall be the effective date thereof), the Company shall furnish to the Trustee simultaneously with such delivery of the Alternate Credit Facility or Substitute Letter of Credit (which delivery must occur prior to 9:30 a.m., New York time, on such date, unless a later time on such date shall be acceptable to the Trustee) an opinion of Bond Counsel stating that the delivery of such Alternate Credit Facility or Substitute Letter of Credit (A) complies with the terms of the Loan Agreement and (B) will not adversely affect the Tax Exempt status of the Bonds; and

(iii) in the case of the delivery of a Substitute Letter of Credit, the Company has received the written consent of the Bank or the Obligor on an Alternate Credit Facility; or

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

(i) the Company shall deliver to the Trustee, the Remarketing Agent and the Bank (or the Obligor on the Alternate Credit Facility, as the case may be), a notice which (A) states the Expiration of the Term of the Letter of Credit or the Expiration of the Term of the Alternate Credit Facility which is to be terminated, (B) directs the Trustee to give notice of the mandatory purchase of the Bonds on the Business Day next preceding the Expiration of the Term of the Letter of Credit or the Expiration of the Term of the Alternate Credit Facility which is to be terminated (which Business Day shall be not less than 30 days from the date of receipt by the Trustee of the notice from the Company specified above), in accordance with the Indenture, and (C) directs the Trustee, after taking such actions as are required to be taken to provide moneys due under the Indenture in respect of the Bonds or the purchase thereof, to surrender the Letter of Credit or Alternate Credit Facility, as the case may be, which is to be terminated, to the obligor thereon on the next Business Day after the Expiration of the Term of the Letter of Credit or the Expiration of the Term of the Alternate Credit Facility which is to be terminated and to thereupon deliver any and all instruments which may be reasonably requested by such obligor and furnished to the Trustee (but such surrender shall occur only if the requirement of (ii) below has been satisfied); and

(ii) on the Business Day next preceding the Expiration of the Term of the Letter of Credit or the Expiration of the Term of the Alternate Credit Facility, which is to be terminated, the Company shall furnish to the Trustee (prior to 9:30 a.m., New York time, on such Business Day, unless a later time on such Business Day shall be acceptable to the Trustee) an opinion of Bond Counsel stating that the termination of such Alternate Credit Facility or Letter of Credit (A) complies with the terms of the Loan Agreement and (B) will not adversely affect the Tax Exempt status of the Bonds.

An Alternate Credit Facility may have an expiration date earlier than the maturity of the Bonds. Any Substitute Letter of Credit must be issued by the same Bank that is a party to the Letter of Credit in effect at the time of such substitution and must be identical in all material respects as to terms and conditions to the Letter of Credit being replaced, except that it may contain a later expiration date, provide for an increase or decrease in the interest rate or the number of days of interest coverage or any combination of the foregoing.

EXTENSION OF A LETTER OF CREDIT

The Company may, at its election, but only with the written consent of the Bank or the Obligor on an Alternate Credit Facility, as the case may be, at any time provide for the delivery to the Trustee with respect to any issue of Bonds of an extension of the Letter of Credit or

Alternate Credit Facility then in effect, as the case may be, for any period commencing after its then-current expiration date.

DEFAULTS

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

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

(b) a failure by the Company to pay when due any 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, the Bank (or the Obligor on an Alternate Credit Facility, as the case may be) and the Trustee may agree to in writing) after written notice given to the Company and the Bank (or the Obligor on an Alternate Credit Facility, as the case may be) by the Trustee or to the Company, the Bank (or the Obligor on an Alternate Credit Facility, as the case may be) 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 does not constitute an Event of Default so long as the Company institutes corrective action within the applicable period and such action is being diligently pursued; or

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

The Loan Agreement provides that, with respect to any Event of Default described in clause (b) above if, by reason of acts of God, strikes, orders of political bodies, certain natural disasters, civil disturbances and certain other events specified in the Loan Agreement, or any cause or event not reasonably within the control of the Company, the Company is unable in whole or in part to carry out one or more of its agreements or obligations contained in the Loan Agreement (other than certain obligations specified in the Loan Agreement, including its obligations to make when due Loan Payments and otherwise on the First Mortgage Bonds, 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 agreements or performing such obligations during the continuance of such inability.

REMEDIES

Upon the occurrence and continuance of any Event of Default described in (a) or (c) 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 constitutes 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 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 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 subject to the limitations contained in the Loan Agreement and in the Indenture. See "THE INDENTURES—Amendment of the Loan Agreements."

THE INDENTURES

Each Indenture will operate independently. 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 Bank, the Loan Agreement and payments thereunder, the Indenture, the Bonds, the Bond Fund, the Letter of Credit, the Insurance Policy and other documents and parties are to the Issuer, the Bank, the Loan Agreement and such payments, the Indenture, the Bonds, the Bond Fund, the Letter of Credit, the Insurance Policy 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 applicable 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 deposited with the trustee for the Prior Bonds and used to refund the Prior Bonds. See "USE OF PROCEEDS." There is created under the Indenture a Bond Fund to be held by the Trustee and therein established a Principal Account and an Interest Account. Payments made by the Company under the Loan Agreement and otherwise on the First Mortgage Bonds in respect of the principal of, premium, if any, and interest on, the Bonds and certain other amounts specified in the Indenture are to be deposited in the appropriate account in the Bond Fund. While any Bonds are outstanding and except as provided in a Tax Exemption Certificate and Agreement among the Trustee, the Issuer and the Company (the *"Tax Certificate"*), moneys in the Bond Fund will be used solely for the payment of the principal of, and premium, if any, and interest on, the Bonds as the same 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. During the term of the Letter of Credit (or an Alternate Credit Facility, as the case may be) moneys received under the Letter of Credit (or an Alternate Credit Facility, as the case may be) are to be held uninvested.

DEFAULTS

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

(a) a failure to pay the principal of, or premium, if any, on any of the Bonds when the same becomes due and payable at maturity, upon redemption or otherwise, subject to certain exceptions for Pledged Bonds and Bonds held for the benefit of an Obligor on an Alternate Credit Facility;

(b) a failure to pay an installment of interest on any of the Bonds for a period of one day after such interest has become due and payable subject to certain exceptions for Pledged Bonds and Bonds held for the benefit of an Obligor on an Alternate Credit Facility;

(c) a failure to pay amounts due in respect of the purchase price of Bonds delivered to the Trustee for purchase after such payment has become due and payable as provided under the captions "THE BONDS—Optional Purchase" and "—Mandatory Purchase;"

(d) a failure by the Issuer to observe and perform any covenant, condition, agreement or provision contained in the Bonds or the Indenture (other than a failure described in clause (a), (b) or (c) above), which failure 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;

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

(f) a "Default" under the Company Mortgage; or

(g) the Trustee's receipt of written notice from the Bank (or the Obligor on an Alternate Credit Facility, as the case may be) of an event of default under and as defined in the Reimbursement Agreement.

REMEDIES

Upon the occurrence (without waiver or cure) of an Event of Default described in clause (a), (b), (c), (f) or (g) under "Defaults" above or an Event of Default described in clause (e) under "Defaults" above resulting from an "Event of Default" under the Loan Agreement as described under clause (a) or (c) of "THE LOAN AGREEMENTS—Defaults" herein, and further upon the conditions that, if (i) 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 and (ii) there has been filed with the Trustee a written direction of the Bank (if its Letter of Credit is in effect and if no Bank Default shall have occurred and be continuing) or the Insurer (if its Insurance Policy is in effect and no Insurer Default has occurred and is continuing), then the Bonds will, without further action, become immediately due and payable and, during the period the Letter of Credit or an Alternate Credit Facility, as the case may be, is in effect, with accrued interest on the Bonds payable on the Bond Payment Date fixed as described in the Indenture and the Trustee will as promptly as practicable draw moneys under the Letter of Credit or an Alternate Credit Facility, as the case may be, to the extent available thereunder, in an amount sufficient to pay principal of and accrued interest on the Bonds payable on the Bond Payment date established as described in the Indenture; *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, so long as no Letter of Credit or Alternate Credit Facility is outstanding, after the principal of the Bonds have been so declared to be due and payable and before any judgment or decree for the payment of the moneys due have 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 and the principal of any and all Bonds which have become due otherwise than by reason of such declaration (with interest upon such principal and, to the extent permissible by law, on overdue installments of interest, at the rate per annum specified in the Bonds) and such amount as are 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) has been remedied, then, in every such case, such Event of Default is 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.

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

Upon the occurrence and continuance of any Event of Default under the Indenture, the Trustee may, with the consent of the Bank (if its Letter of Credit is in effect and if no Bank Default shall have occurred and be continuing) or the Insurer (if its policy is in effect and no Insurer Default has occurred and is continuing), 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 require the Company, the Issuer,

the Insurer or the Bank (or the Obligor on an Alternate Credit Facility, as the case may be) 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. So long as an Insurer Default has not occurred and is continuing, upon the occurrence and continuance of an Event of Default, the Insurer is entitled to control and direct the enforcement of all rights and remedies granted to the Owners or the Trustee for the benefit of the Owners under the Indenture. So long as a Bank Default has not occurred and is continuing, upon the occurrence and continuance of an Event of Default, the Bank is entitled to control and direct the enforcement of all rights and remedies granted to the owners or the Trustee for the benefit of Owners under the Indenture. 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 notify the Insurer of payments to be made pursuant to the Insurance Policy, to make certain payments with respect to the Bonds and to draw on the Letter of Credit (or Alternate Credit Facility, as the case may be)) or to enforce the trusts created by the Indenture except upon the written request of the Owners of not less than 25% in principal amount of the Bonds then outstanding and receipt of indemnity satisfactory to it.

The Owners of a majority in principal amount of Bonds then outstanding will have the right to direct the time, method and place of conducting all remedial proceedings 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 does not result in any personal liability of the Trustee.

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

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

DEFEASANCE

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

(a) in the event said Bonds or portions thereof have been selected for redemption, the Trustee 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;

(b) there has been deposited with the Trustee moneys which constitute Available Moneys or moneys drawn under the Letter of Credit or an Alternate Credit Facility;

(c) the moneys so deposited with the Trustee are in an amount sufficient (without relying on any investment income) to pay when due the principal of, premium, if any, and interest due and to become due (which amount of interest to become due is 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 is calculated at the rate borne by such Bonds) on said Bonds or portions thereof on and prior to the redemption date or maturity date thereof, as the case may be; *provided, however,* that if such payment is to be made upon optional redemption, such payment is made from Available Moneys;

(d) in the event said 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 said Bonds or portions thereof and to the Insurer that the deposit required by clause (b) above has been made with the Trustee and that said Bonds or portions thereof are deemed to have been paid and stating the maturity or redemption date upon which moneys are to be available for the payment of the principal of and premium, if any, and interest on said Bonds or portions thereof;

(e) 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, and the Insurer have received an opinion of an independent public accountant of nationally recognized standing, selected by the Company (an *"Accountant's Opinion"*), to the effect that the requirements set forth in clause (c) above have been satisfied;

(f) the Issuer, the Company, the Trustee and the Insurer shall have received written evidence from Moody's, if the Bonds are then rated by Moody's, and S&P, if the Bonds are then rated by S&P, that such action will not result in a reduction, suspension or withdrawal of the rating; and

(g) 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, and the Insurer 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 are held in trust for, the payment of the principal of, premium, if any, and interest on said Bonds or portions thereof, or for the payment of the purchase price of

Bonds in accordance with the Indenture; *provided* that such moneys, if not then needed for such purpose, will, to the extent practicable, be invested and reinvested in Government Obligations maturing on or prior to the earlier of (a) the date moneys may be required for the purchase of Bonds or (b) the Interest Payment Date next succeeding the date of investment or reinvestment, and interest earned from such investments are 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, (b) the delivery of Bonds to the Trustee for purchase and the related obligations of the Trustee with respect thereto, (c) the mandatory purchase of the Bonds in connection with the Expiration of the Term of the Letter of Credit or the Expiration of the Term for Alternate Credit Facility, as the case may be, and (d) payment of the Bonds from such moneys, 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 next to 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) has been made or caused to be made in accordance with the terms thereof or (ii) has been provided for by irrevocably depositing with the Trustee in trust and irrevocably set aside exclusively for such payment, (A) moneys, which are Available Moneys or moneys drawn under the Letter of Credit or an Alternate Credit Facility, as the case may be, sufficient to make such payment and/or (B) Government Obligations purchased with Available Moneys or moneys drawn under the Letter of Credit or an Alternate Credit Facility, as the case may be, and 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; *provided, however,* that if such payment is to be made upon optional redemption, such payment is made from Available Moneys or from Government Obligations purchased with Available Moneys; (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 have been paid or the payment thereof provided for to the satisfaction of the Trustee; and (c) an Accountant's Opinion, to the effect that such moneys and/or Government Obligations will insure, without reinvestment, the availability of sufficient moneys to make such payment, a Bankruptcy Counsel's Opinion to the effect that the payment of the Bonds from the moneys and/or Government Obligations so deposited will not result in a voidable preference under Section 547 of the United States Bankruptcy Code in the event that either the Issuer of the Company were to become a debtor under the United States Bankruptcy Code and a Bond Counsel's Opinion has been delivered to 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. The provisions

of this paragraph 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 said 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 Indenture, that the deposit required by clause (a)(ii) above has been made with the Trustee and that said Bonds are deemed to have been paid in accordance with the Indenture and stating the maturity or redemption date upon which moneys are to be available for the payment of the principal of and the applicable redemption premium, if any, on said Bonds, plus interest thereon to the due date thereof; or (b) the maturity of such Bonds.

REMOVAL OF TRUSTEE

With the prior written consent of the Bank or the Obligor on an Alternate Credit Facility, as the case may be (which consent, if unreasonably withheld, will not be required), the Trustee may be removed at any time by filing with the Trustee so removed, and with the Issuer, the Company, the Insurer, the Registrar, the Remarketing Agent and the Bank (or the Obligor on an Alternate Credit Facility, as the case may be), an instrument or instruments in writing executed by (a) the Insurer, if no Insurer Default has occurred and is continuing, or (b) the Owners of not less than a majority in principal amount of the Bonds then outstanding and, if no Insurer Default has occurred and is continuing, the Insurer. 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, but with the consent of the Bank in certain circumstances, 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, the Insurer or the Bank (or the Obligor on an Alternate Credit Facility, as the case may be) 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 Owners of the Bonds; (c) to confirm, as further assurance, any pledge of or lien on any property subjected or to be subjected to the lien of the Indenture; (d) to comply with the requirements of the Trust Indenture Act of 1939, as amended; (e) to modify, alter, amend or supplement the Indenture or any supplemental indenture in any other respect which in the judgment of the Trustee is not materially adverse to the Owners of the Bonds; *provided, however,* that any such modification,

alteration, amendment or supplement will not take effect until the Insurer (unless an Insurer Default has occurred and is continuing) and the Bank or the Obligor on an Alternate Credit Facility, as the case may be, has consented in writing to such modification, alteration, amendment or supplement; *provided further* that in determining whether any such modification, alteration, amendment or supplement is materially adverse to the Owners of the Bonds, the Trustee will consider the effect on the Owners as if there were no Insurance Policy with respect to 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 under the Indenture of an Alternate Credit Facility or a Substitute Letter of Credit; (g) to provide for a depository to accept tendered 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 (as defined in the Indenture) and also in either of the two highest long-term debt Rating Categories; (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; (p) to modify, alter, amend or supplement the Indenture in any other respect (which in the judgment of the Trustee is not materially adverse to the Owners), if the effective date of such supplemental indenture or amendment is a date on which all of the Bonds affected thereby are subject to mandatory purchase and are so purchased; and (q) to provide for the delivery to the Trustee of an Insurance policy or replacement of the Insurer or for an additional Insurer following the occurrence of an Insurer Default or to provide for an additional Insurer following the withdrawal or suspension or reduction below AAA (or its equivalent rating) by S&P and Aaa (or its equivalent rating) by Moody's of the long-term ratings of the Insurer provided that the insurance policy provided by the replacement or additional Insurer would result in a long-term rating on the Bonds equal to AAA (or its equivalent rating) by S&P and Aaa (or its equivalent rating) by Moody's.

Before the Issuer and the Trustee enter into any supplemental indenture as described above, there must be delivered to the Trustee, the Company, the Insurer and the Bank (or the Obligor on an Alternate Credit Facility, as the case may be) 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 under the Utah Act, the Wyoming Act or the Colorado Act, as applicable, of the Bonds or adversely affect the Tax-Exempt status of the Bonds.

The Trustee will provide written notice of any Supplemental Indenture to the Insurer, the Bank (or the Obligor on an Alternate Credit Facility, as the case may be), Moody's, S&P and the Owners of all Bonds then outstanding at least 30 days prior to the effective date of such Supplemental Indenture. Such notice must state the effective date of such Supplemental

Indenture, briefly describe the nature of such Supplemental Indenture and state that a copy thereof is on file at the principal office of the Trustee for inspection by the parties mentioned in the preceding sentence.

Except for supplemental indentures entered into for the purposes described above, the Indenture will not be modified, altered, amended supplemented or rescinded without the consent of the Bank (if its Letter of Credit is in effect and no Bank Default shall have occurred and be continuing) or the Insurer (if its Insurance Policy is in effect and no Insurer Default has occurred and is continuing), together with the Owners of not less than 60% in aggregate principal amount of Bonds outstanding, who have the right to consent to and approve any supplemental indenture; *provided* that, unless approved in writing by the Bank (if its Letter of Credit is in effect and no Bank Default shall have occurred and be continuing) or the Insurer (unless an Insurer Default has occurred and is continuing), and 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 Revenues ranking prior to or on a parity with the claim, lien or pledge created by the Indenture, or (c) a reduction in the aggregate principal amount of Bonds the consent of the Owners of which is required to approve any such supplemental indenture or which is required to approve any amendment to the Loan Agreement. No such amendment of the Indenture will be effective without the prior written consent of the Company.

AMENDMENT OF THE LOAN AGREEMENTS

Without the consent of or notice to the Owners of the Bonds, the Issuer may, with the consent of the Insurer (unless an Insurer Default has occurred and is continuing), 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; *provided, however*, that any such modification, alteration, amendment or supplement will not take effect until the Insurer (unless an Insurer Default has occurred and is continuing) and the Bank or the Obligor on an Alternate Credit Facility, as the case may be, have consented in writing to such modification, alteration, amendment or supplement; *provided further* that in determining whether any such modification, alteration, amendment or supplement is materially adverse to the Owners of the Bonds, the Trustee will consider the effect on the Owners as if there were no Insurance Policy with respect to the Bonds; (d) to secure or maintain ratings for the Bonds from Moody's and/or S&P in both the highest short-term or commercial paper debt Rating Category and also in either of the two highest long-term debt Rating Categories; (e) 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 or of the Insurer or of the Bank (or the Obligor on an Alternate Credit Facility, as the case may be) 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 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; (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 herein, if the effective date of such supplement or amendment is a date on which all of the Bonds affected thereby are subject to mandatory purchase and are so purchased; and (k) to provide for the replacement of the Insurer or for an additional Insurer following the occurrence of an Insurer Default or to provide for an additional Insurer following the withdrawal or suspension or reduction below AAA (or its equivalent rating) by S&P and Aaa (or its equivalent rating) by Moody's of the long-term ratings of the Insurer provided that the insurance policy provided by the replacement or additional Insurer would result in a long-term rating on the Bonds equal to AAA (or its equivalent rating) by S&P and Aaa (or its equivalent rating) by Moody's.

Before the Issuer enters into, and the Trustee consents to, any modification, alteration, amendment or supplement to the Loan Agreement as described in the immediately preceding paragraph, (a) the Trustee will cause notice of such proposed modification, alteration, amendment or supplement to be provided to the Bank, the Insurer, Moody's and S&P, stating that a copy thereof is on file at the office of the Trustee for inspection by the Insurer, Moody's and S&P and (b) there must be delivered to the Bank, the Issuer, the Insurer 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 Utah Act, the Wyoming Act or the Colorado 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 Issuer will not enter into 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 Bank (or the Obligor on an Alternate Credit Facility, as the case may be), the Insurer (unless an Insurer Default has occurred and is continuing) and the Owners of not less than 60% in aggregate principal amount of the Bonds at the time outstanding; *provided, however,* that, unless approved in writing by the Owners of all Bonds affected thereby, nothing in the Indenture may permit, or be construed as permitting, a change in the obligations of the Company to make Loan Payments or payments to the Trustee for the purchase of Bonds or the nature of the obligations of the Company on the First Mortgage Bonds. No amendment of the Loan Agreement will become effective without the prior written consent of the Insurer (unless an Insurer Default has occurred and is continuing) and the Company and under certain circumstances, the Bank (or the Obligor on an Alternate Credit Facility, as the case may be).

Before the Issuer enters into, and the Trustee consents to, any modification, alteration, amendment or supplement to the Loan Agreement as described in the immediately preceding paragraph, there must be delivered to the Issuer, the Bank (or the Obligor on an Alternate Credit

Facility, as the case may be), the Insurer 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 Utah Act, the Wyoming Act or the Colorado 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 six separate Pledge Agreements each dated as of November 1, 1994 between the Company and the Trustee (individually, a "Pledge Agreement" and, collectively, the "Pledge Agreements"), the First Mortgage Bonds were issued by the Company to secure its obligations under the Loan Agreement relating to each of the six 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 such Mortgages. All references in this summary to the Trustee, the Bonds, the Indenture, the Loan Agreement and the Pledge Agreement are deemed to refer to the Trustee, the Bonds, the Indenture, the Loan Agreement, the Pledge Agreement and such other documents and parties, respectively, relating to each issue of the Bonds.

GENERAL

The First Mortgage Bonds are in the same principal amount and mature on the same dates as the Bonds. In addition, the First Mortgage Bonds are 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 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, if any, 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 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, including the additional

Company Mortgage Bonds that are to be issued, 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

Affiliates of The Bank of New York Mellon Trust Company, N.A., may act as lenders and as administrative agents under loan agreements with the Company and affiliates of the Company. The Bank of New York Mellon Trust Company, N.A., serves as trustee under indentures and other agreements involving the Company and its affiliates. The Bank of New York Mellon Trust Company, N.A., is the Company Mortgage Trustee.

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.

LITIGATION

There is no pending or, to the knowledge of each Issuer, threatened litigation against such Issuer that in any way questions or materially affects the Bonds of such Issuer, the validity or enforceability of the Loan Agreements or the Indentures to which such Issuer is a party or any proceedings or transaction relating to the reoffering of the Bonds.

REMARKETING

The Remarketing Agents have agreed with the Company, subject to the terms and provisions of separate Remarketing Agreements, dated November 18, 2008, between the Company and the Remarketing Agents, that the Remarketing Agents will use their best efforts, as remarketing agent, to solicit purchases from potential investors of the Bonds. Pursuant to such Remarketing Agreements, the Company has agreed to indemnify the Remarketing Agents against certain liabilities and expenses, including liabilities arising under federal and state securities laws, and to pay for certain expenses in connection with the reoffering of the Bonds.

In the ordinary course of business, the Remarketing Agents have provided investment banking services or bank financing to the Company, its subsidiaries or affiliates in the past for which they have received customary compensation and expense reimbursement, and may do so again in the future.

CERTAIN RELATIONSHIPS

Wells Fargo Brokerage Services, LLC (*"WFBS"*) is a registered broker/dealer and a member of the FINRA and SIPC. WFBS is a brokerage affiliate of Wells Fargo & Company. WFBS is solely responsible for its contractual obligations and commitments. Nondeposit investment products offered by WFBS are not FDIC insured, are subject to investment risk, including loss of principal, and are not guaranteed by a bank unless otherwise specified.

In addition to providing the Letters of Credit for the herein described Bonds, from time to time, Wells Fargo Bank, N. A. and other banks and companies affiliated with WFBS may lend money to an issuer of securities or debt that are underwritten or dealt in by WFBS. Within the prospectus or other documentation provided with each such underwriting or placement there will be a disclosure of any material lending relationship by an affiliate of WFBS with such an issuer and whether the proceeds of such an issuance of such debt securities will be used by the issuer to repay any outstanding indebtedness of any WFBS affiliate.

From time to time, WFBS may participate in a primary of secondary distribution of securities bought or sold by a purchase of bonds. WFBS and its affiliates may also act as an investment advisor to issuers whose securities may be sold to a purchaser of those bonds.

TAX EXEMPTION

CARBON BONDS AND EMERY BONDS

In connection with the original issuance and delivery of each of the Carbon Bonds and the Emery Bonds, Chapman and Cutler, as Bond Counsel to the Company, rendered an opinion with respect to each issue that subject to compliance by the Company and the applicable Issuer with certain covenants referenced in the opinion, under then existing law, interest on the Carbon Bonds and on the Emery Bonds, as applicable, would not be includible in the gross income of the Owners thereof for federal income tax purposes, except for interest on any Carbon Bond or Emery Bond, as applicable, for any period during which such Bond is owned by a person who is a substantial user of the related Project or Facilities or any person considered to be related to such person (within the meaning of Section 103(b)(13) of the 1954 Code) and such interest is not treated as an item of tax preference in computing the federal alternative minimum tax for individuals and corporations. Such interest is taken into account, however, in computing an adjustment used in determining the federal alternative minimum tax for certain corporations.

Bond Counsel also rendered an opinion that, under then existing statutes and laws of Utah, interest on the Carbon Bonds and on the Emery Bonds, is exempt from taxes imposed by the Utah Individual Income Tax Act.

A copy of each of the opinion letters provided by Bond Counsel in connection with the original issuance and delivery of the Carbon Bonds and the Emery Bonds is set forth in Appendix C-1 and C-2, respectively, but inclusion of such copies of the opinion letters is not to be construed as a reaffirmation of the opinions contained therein. The opinion letters speak only as of their dates.

Chapman and Cutler LLP will deliver separate opinions in connection with execution and delivery of the First Supplemental Indenture and the First Supplemental Loan Agreement for each of the Carbon Bonds and the Emery Bonds in each case to the effect that (a) each of such First Supplemental Indentures (i) is authorized or permitted by the Trust Indenture relating thereto and the Act and complies with their respective terms, (ii) upon the execution and delivery thereof, will be valid and binding upon the respective Issuer in accordance with its terms and (iii)

will not adversely affect the Tax-Exempt status of the Carbon Bonds or the Emery Bonds, as applicable and (b) each of such First Supplemental Loan Agreements (i) is authorized or permitted by the Original Loan Agreement or Trust Indenture relating thereto and the Act and complies with their respective terms, (ii) will be valid and binding upon the respective Issuer in accordance with its terms and (iii) will not adversely affect the Tax-Exempt status of the Carbon Bonds or the Emery Bonds, as applicable. Except as necessary to render the foregoing opinions, Chapman and Cutler has not reviewed any factual or legal maters relating to the prior opinion of Bond Counsel or the Carbon Bonds or the Emery Bonds subsequent to their date of issuance. The proposed form of such opinions are set forth in Appendix D-1 and Appendix D-3.

CONVERSE BONDS, LINCOLN BONDS AND SWEETWATER BONDS

In connection with the original issuance and delivery of each of the Converse Bonds, the Lincoln Bonds and the Sweetwater Bonds, Chapman and Cutler, as Bond Counsel to the Company, rendered an opinion with respect to each issue that subject to compliance by the Company and the Issuer with certain covenants referenced in the opinion, under then existing law, interest on the Converse Bonds, on the Lincoln Bonds and on the Sweetwater Bonds, as applicable, would not be includible in the gross income of the Owners thereof for federal income tax purposes, except for interest on any Converse Bond, Lincoln Bond or Sweetwater Bond, as applicable, for any period during which such Bond is owned by a person who is a substantial user of the related Project or Facilities or any person considered to be related to such person (within the meaning of Section 103(b)(13) of the 1954 Code) and such interest is not treated as an item of tax preference in computing the federal alternative minimum tax for individuals and corporations. Such interest is taken into account, however, in computing an adjustment used in determining the federal alternative minimum tax for certain corporations.

Bond Counsel also rendered an opinion that, under then existing statutes and laws of Wyoming, Wyoming imposed no income taxes that would be applicable to interest on the Converse Bonds, on the Lincoln Bonds or on the Emery Bonds, as applicable.

A copy of each of the opinion letters provided by Bond Counsel in connection with the original issuance and delivery of the Converse Bonds, the Lincoln Bonds and the Sweetwater Bonds is set forth in Appendix C-3, C-4 and C-5, respectively, but inclusion of such copies of the opinion letters is not to be construed as a reaffirmation of the opinions contained therein. The opinion letters speak only as of their dates.

Chapman and Cutler LLP will deliver separate opinions in connection with execution and delivery of the First Supplemental Indenture and the First Supplemental Loan Agreement for each of the Converse Bonds, the Lincoln Bonds and the Sweetwater Bonds in each case to the effect that (a) each of such First Supplemental Indentures (i) is authorized or permitted by the Trust Indenture relating thereto and the Act and complies with their respective terms, (ii) upon the execution and delivery thereof, will be valid and binding upon the respective Issuer in accordance with its terms and (iii) will not adversely affect the Tax-Exempt status of the Converse Bonds, the Lincoln Bonds or the Sweetwater Bonds, as applicable and (b) each of such First Supplemental Loan Agreements (i) is authorized or permitted by the Original Loan Agreement or Trust Indenture relating thereto and the Act and complies with their respective

terms, (ii) will be valid and binding upon the respective Issuer in accordance with its terms and (iii) will not adversely affect the Tax-Exempt status of the Converse Bonds, the Lincoln Bonds or the Sweetwater Bonds, as applicable. Except as necessary to render the foregoing opinions, Chapman and Cutler has not reviewed any factual or legal maters relating to the prior opinion of Bond Counsel or the Converse Bonds, the Lincoln Bonds or the Sweetwater Bonds subsequent to their date of issuance. The proposed form of such opinions are set forth in Appendix D-2, Appendix D-4 and Appendix D-6.

MOFFAT BONDS

In connection with the original issuance and delivery of the Moffat Bonds, Chapman and Cutler, as Bond Counsel to the Company, rendered an opinion that subject to compliance by the Company and the Issuer with certain covenants referenced in the opinion, under then existing law, interest on the Moffat Bonds would not be includible in the gross income of the Owners thereof for federal income tax purposes, except for interest on any Moffat Bond for any period during which such Bond is owned by a person who is a substantial user of the related Project or Facilities or any person considered to be related to such person (within the meaning of Section 103(b)(13) of the 1954 Code) and such interest is not treated as an item of tax preference in computing the federal alternative minimum tax for individuals and corporations. Such interest is taken into account, however, in computing an adjustment used in determining the federal alternative minimum tax for certain corporations.

Bond Counsel also rendered an opinion that, under then existing statutes and laws of Colorado, so long as interest on the Moffat Bonds is not included in gross income for federal income tax purposes, interest on the Moffat Bonds is not included in Colorado taxable income for purposes of the income tax imposed by Colorado pursuant to Article 22 of Title 39 of the Colorado Revised Statutes, as amended, upon individuals, corporations, and estates and trusts.

A copy of the opinion letter provided by Bond Counsel in connection with the original issuance and delivery of the Moffat Bonds is set forth in Appendix C-6, 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 speak only as of its date.

Chapman and Cutler LLP will deliver an opinion in connection with execution and delivery of the First Supplemental Indenture and the First Supplemental Loan Agreement relating to the Moffat Bonds to the effect that (a) such First Supplemental Indenture (i) is authorized or permitted by the Trust Indenture relating thereto and the Act and complies with their respective terms, (ii) upon the execution and delivery thereof, will be valid and binding upon Moffat County in accordance with its terms and (iii) will not adversely affect the Tax-Exempt status of the Moffat Bonds and (b) such First Supplemental Loan Agreement (i) is authorized or permitted by the Original Loan Agreement or Trust Indenture relating thereto and the Act and complies with their respective terms, (ii) will be valid and binding upon Moffat County in accordance with its terms and (iii) will not adversely affect the Tax-Exempt status of the Moffat Bonds. Except as necessary to render the foregoing opinion, Chapman and Cutler has not reviewed any factual or legal maters relating to the prior opinion of Bond Counsel or the

Moffat Bonds subsequent to their date of issuance. The proposed form of such opinion is set forth in Appendix D-5.

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 King & Spalding LLP. The validity of the Letter of Credit will be passed upon for the Bank by in-house counsel to the Bank.

MISCELLANEOUS

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

The Issuers have not assumed nor will assume any responsibility for the accuracy or completeness of any information contained herein (other than the material pertinent to each Issuer under "THE ISSUERS" or "LITIGATION" above) or in the Appendices hereto, all of which was furnished by others.

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 Agents, 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 is a United States regulated electricity company serving customers in portions of the states of Utah, Oregon, Wyoming, Washington, Idaho and California. The Company delivers electricity to customers in Utah, Wyoming and Idaho under the trade name Rocky Mountain Power and to customers in Oregon, Washington and California under the trade name Pacific Power. The Company's electric generation, commercial and energy trading, and coal-mining functions are operated under the trade name PacifiCorp Energy. The subsidiaries of the Company support its electric utility operations by providing coal mining facilities and services and environmental remediation services. PacifiCorp is an indirect subsidiary of MidAmerican Energy Holdings Company (*"MEHC"*), a holding company based in Des Moines, Iowa, owning subsidiaries that are principally engaged in energy businesses. MEHC is a consolidated subsidiary of Berkshire Hathaway Inc.

The Company's operations are exposed to risks, including general economic, political and business conditions in the jurisdictions in which the Company's facilities are located; changes in governmental, legislative or regulatory requirements affecting the Company or the electric utility industry, including limits on the ability of public utilities to recover income tax expenses in rates, such as Oregon Senate Bill 408; changes in, and compliance with, environmental laws, regulations, decisions and policies that could increase operating and capital improvement costs, reduce plant output and/or delay plant construction; the outcome of general rate cases and other proceedings conducted by regulatory commissions or other governmental and legal bodies; changes in economic, industry or weather conditions, as well as demographic trends that could affect customer growth and usage or supply of electricity; a high degree of variance between actual and forecasted load and prices that could impact the hedging strategy and costs to balance electricity load and supply; hydroelectric conditions, as well as the cost, feasibility and eventual outcome of hydroelectric relicensing proceedings that could have a significant impact on electric capacity and cost and on the Company's ability to generate electricity; changes in prices and availability for both purchases and sales of wholesale electricity, coal, natural gas and other fuel sources that could have a significant impact on generation capacity and energy costs; financial condition and creditworthiness of significant customers and suppliers; changes in business strategy or development plans; availability, terms and deployment of capital, including severe 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; performance of the Company's generation facilities, including unscheduled outages or repairs;

the impact of derivative instruments used to mitigate or manage volume and price risk and interest rate risk and changes in the commodity prices, interest rates and other conditions that affect the value of the derivatives; the impact of increases in health care costs, changes in interest rates, mortality, morbidity and investment performance on pension and other post-retirement benefits expense, as well as the impact of changes in legislation on funding requirements; changes in the Company's credit ratings; unanticipated construction delays, changes in costs, receipt of required permits and authorizations, and ability to fund capital projects and other factors that could affect future generation plants and infrastructure additions; the impact of new accounting pronouncements or changes in current accounting estimates and assumptions on financial results; other risks or unforeseen events, including litigation and wars, the effects of terrorism, embargos and other catastrophic events; and other business or investment considerations that may be disclosed from time to time in 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, Suite 2000, Portland, Oregon 97232; the telephone number is (503) 813-5000.

AVAILABLE INFORMATION

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

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

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

1. Annual Report on Form 10-K for the fiscal year ended December 31, 2007.

2. Quarterly Reports on Form 10-Q for the three months ended March 31, 2008, June 30, 2008 and September 30, 2008.

3. Current Report on Form 8-K, dated February 14, 2008.

4. Current Report on Form 8-K, dated February 22, 2008.

5. Current Report on Form 8-K, dated April 2, 2008.

6. Current Report on Form 8-K, dated April 15, 2008.

7. Current Report on Form 8-K, dated July 17, 2008.

8 Current Report on Form 8-K, dated September 15, 2008.

9. 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 Quarterly Report on Form 10-Q for the three months ended September 30, 2008 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 Investor Relations, PacifiCorp, 825 N.E. Multnomah, Suite 2000, Portland, Oregon 97232, telephone number (503) 813-5000. The information relating to the Company contained in this 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

INFORMATION REGARDING THE BANK

The information under this heading has been provided solely by the Bank and is believed to be reliable. This information has not been verified independently by the Company or any of the Remarketing Agents. Neither the Company nor any of the Remarketing Agents make any representation whatsoever as to the accuracy, adequacy or completeness of such information.

WELLS FARGO BANK, NATIONAL ASSOCIATION

Wells Fargo Bank, National Association (the *"Bank"*) is a national banking association organized under the laws of the United States of America with its main office at 101 North Phillips Avenue, Sioux Falls, South Dakota 57104, and engages in retail, commercial and corporate banking, real estate lending and trust and investment services. The Bank is an indirect, wholly owned subsidiary of Wells Fargo & Company, a diversified financial services company, a financial holding company and a bank holding company registered under the Bank Holding Company Act of 1956, as amended, with its principal executive offices located in San Francisco, California (*"Wells Fargo"*).

As of September 30, 2008, the Bank had total consolidated assets of approximately $514.9 billion, total domestic and foreign deposits of approximately $356.2 billion and total equity capital of approximately $44.2 billion.

On October 3, 2008, Wells Fargo announced that it had entered into a merger agreement with Wachovia Corporation providing for the acquisition of Wachovia and its subsidiaries by Wells Fargo in a stock-for-stock transaction. This press release and other materials filed with the Securities and Exchange Commission (*"SEC"*) by Wells Fargo relating to the proposed merger are available free of charge on the SEC's website at www.sec.gov. Copies of these filings are also available free of charge by writing to Wells Fargo's Corporate Secretary at the address given below.

Each quarter, the Bank files with the FDIC financial reports entitled "Consolidated Reports of Condition and Income for Insured Commercial Banks with Domestic and Foreign Offices," commonly referred to as the "Call Reports." The Bank's Call Reports are prepared in accordance with regulatory accounting principles, which may differ from generally accepted accounting principles. The publicly available portions of the Call Reports for the period ending June 30, 2008, and for Call Reports filed by the Bank with the FDIC after the date of this Offering Memorandum may be obtained from the FDIC, Disclosure Group, Room F518, 550 17th Street, N.W., Washington, D.C. 20429 at prescribed rates, or from the FDIC on its Internet site at http://www.fdic.gov, or by writing to Corporate Secretary's Office, Wells Fargo Center, Sixth and Marquette, MAC N9305-173, Minneapolis, MN 55479.

Each Letter of Credit will be solely an obligation of the Bank and will not be an obligation of, or otherwise guaranteed by, Wells Fargo, and no assets of Wells Fargo or any

affiliate of the Bank or Wells Fargo will be pledged to the payment thereof. Payment of the Letter of Credits will not be insured by the FDIC.

The information contained in this section, including financial information, relates to and has been obtained from the Bank, and is furnished solely to provide limited introductory information regarding the Bank and does not purport to be comprehensive. Any financial information provided in this section is qualified in its entirety by the detailed information appearing in the Call Reports referenced above. The delivery hereof shall not create any implication that there has been no change in the affairs of the Bank since the date hereof.

Appendix C-1

Approving Opinion of Bond Counsel for the Carbon Bonds

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Law Offices of

CHAPMAN AND CUTLER

Theodore S. Chapman
1877-1943
Henry E. Cutler
1879-1959

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2 North Central Avenue
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111 West Monroe Street
Chicago, Illinois 60603
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November 17, 1994

Re: $9,365,000 Carbon County, Utah, Pollution Control Revenue Refunding Bonds (PacifiCorp Project) Series 1994

We hereby certify that we have examined certified copy of the proceedings of record of the Board of County Commissioners of Carbon County, Utah (the "*Issuer*"), a political subdivision of the State of Utah, preliminary to the issuance by the Issuer of its Pollution Control Revenue Refunding Bonds (PacifiCorp Project) Series 1994, in the aggregate principal amount of $9,365,000 (the "*Bonds*"). The Bonds are being issued pursuant to the provisions of the Utah Industrial Facilities and Development Act, Title 11, Chapter 17, Utah Code Annotated 1953, as amended and supplemented (the "*Act*"), for the purpose of refunding the Issuer's Pollution Control Revenue Bonds (Utah Power & Light Company Project) Series A of 1974 now outstanding in the amount of $9,365,000 (the "*Refunded Bonds*"). The Refunded Bonds were issued for the purpose of financing a portion of the cost of air and water pollution control facilities (the "*Project*") at the Carbon coal-fired electric generating plant (the "*Station*") in Carbon County, Utah for use by Utah Power & Light Company, a Utah corporation which, subsequent to the issuance of the Refunded Bonds, merged with PacifiCorp, an Oregon corporation (the "*Company*"). The proceeds of the Bonds, together with other moneys to be provided by the Company, are to be deposited with the trustee for the Refunded Bonds to provide for the payment of the Refunded Bonds.

The Bonds mature on November 1, 2024, 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 said issue of Bonds under the laws of the State of Utah now in force.

Pursuant to a Loan Agreement, dated as of November 1, 1994 (the *"Loan Agreement"*), by and between the Company and the Issuer, the Issuer has agreed to loan the proceeds from the sale of the Bonds to the Company for the purpose of refunding the Refunded Bonds, and the Company has agreed to pay amounts at least sufficient to pay the principal of, premium, if any, and interest on the Bonds when due, whether at stated maturity, call for redemption or acceleration. The Loan Agreement (an executed counterpart of which has been examined by us) has, in our opinion, been duly authorized, executed and delivered by the Issuer, and, assuming the due authorization, execution and delivery by the Company, is a valid and binding obligation of the Issuer, enforceable in accordance with its terms, subject to the qualification that the enforcement thereof may be limited by bankruptcy, insolvency, reorganization and other similar laws relating to the enforcement of creditors' rights generally or usual equity principles in the event equitable remedies should be sought.

We have also examined an executed counterpart of the Trust Indenture, dated as of November 1, 1994 (the *"Indenture"*), by and between the Issuer and The First National Bank of Chicago, as Trustee (the *"Trustee"*), securing the Bonds and setting forth the covenants and undertakings of the Issuer in connection with the Bonds and making provision under certain conditions for the remarketing of the Bonds by a Remarketing Agent (the *"Remarketing Agent"*), for the fixing of variable interest rates to be borne by the Bonds from time to time, which variable interest rate may be a Daily Interest Rate, a Weekly Interest Rate or a Flexible Interest Rate (each as defined in the Indenture), and for the conversion of the interest rate borne by the Bonds to a different variable interest rate or to a Term Interest Rate (as defined in the Indenture) under certain conditions. The Indenture provides that the Bonds bear interest at a Daily Interest Rate until conversion to a different variable interest rate or to a Term Interest Rate. Under the Indenture, the revenues derived by the Issuer under the Loan Agreement, together with certain of the rights of the Issuer thereunder, are pledged and assigned to the Trustee as security for the Bonds. From such examination, we are of the opinion that the proceedings of the Board of County Commissioners of the Issuer referred to above show lawful authority for the execution and delivery of the Indenture, that the Indenture is a valid and binding obligation of the Issuer, enforceable in accordance with its terms, subject to the qualification that the enforcement thereof may be limited by bankruptcy, insolvency, reorganization and other similar laws relating to the enforcement of creditors' rights generally or usual equity principles in the event equitable remedies should be sought, that the Bonds have been validly issued under the Indenture, and that all requirements under the Indenture precedent to delivery of the Bonds have been satisfied.

In connection with the issuance of the Bonds, the Company has entered into a Standby Bond Purchase Agreement dated as of November 1, 1994 (the *"Standby Purchase Agreement"*), with The Bank of New York (the *"Bank"*). Pursuant to the Standby Purchase Agreement, the Bank has agreed to provide (a) an amount sufficient to pay the purchase price or portion of the purchase price equal to the principal amount of Bonds delivered to the Trustee for purchase and not remarketed, plus (b) an amount equal to 62 days' accrued interest on the outstanding Bonds to pay the portion of the purchase price of the Bonds delivered to the Trustee equal to the accrued interest, if any, on such Bonds. Execution of

the Standby Purchase Agreement, however, does not release the Company from its payment obligation under the Loan Agreement. The stated expiration date of the Standby Purchase Agreement is November 17, 1999, subject to the provisions of the Standby Purchase Agreement.

For the purpose of securing the Company's obligation to repay the loan of the proceeds of sale of the Bonds made to the Company by the Issuer pursuant to the Loan Agreement, the Company has delivered to the Trustee, in trust for the benefit of the holders of the Bonds, its First Mortgage and Collateral Trust Bonds in the aggregate principal amount of $9,365,000 (the *"First Mortgage Bonds"*), issued by the Company under the Mortgage and Deed of Trust, dated as of January 9, 1989, between the Company and Chemical Bank, as successor trustee, as supplemented and amended by ten supplemental indentures, including a Tenth Supplemental Indenture dated as of August 1, 1994 (collectively, the *"Mortgage"*). Pursuant to the provisions of the Indenture, payments by the Company representing principal of and interest on the First Mortgage Bonds are deposited into the Bond Fund created under the Indenture and are used to pay the principal of and interest on the Bonds on an equal and ratable basis as the same become due. The First Mortgage Bonds are being issued as a part of a series of $216,470,000 aggregate principal of First Mortgage and Collateral Trust Bonds pursuant to the Mortgage on the date hereof to secure the Bonds and five other issues of pollution control revenue refunding bonds being issued on the date hereof by Emery County, Utah, Converse County, Wyoming, Lincoln County, Wyoming, Sweetwater County, Wyoming, and Moffat County, Colorado (collectively, the *"Other Issuers"*) to refinance certain pollution control or solid waste disposal facilities (the *"Facilities"*) for the benefit of the Company.

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.

Subject to the condition that the Company, the Issuer and the Other Issuers comply with certain covenants made to satisfy pertinent requirements of the Internal Revenue Code of 1954, as amended (the *"1954 Code"*), and the Internal Revenue Code of 1986, we are of the opinion that under present law interest on the Bonds is not includible in gross income of the owners thereof for federal income tax purposes, except for interest on any Bond for any period during which such Bond is owned by a person who is a substantial user of the Project or the Facilities or any person considered to be related to such person (within the meaning of Section 103(b)(13) of the 1954 Code), and interest on the Bonds will not be treated as an item of tax preference in computing the alternative minimum tax for individuals and corporations. Interest on the Bonds will be taken into account, however, in computing an adjustment used in determining the alternative minimum tax for certain corporations. Failure to comply with certain of such covenants could cause the interest on the Bonds to be included in gross income retroactive to the date of issuance of the Bonds. Ownership of the

Bonds may result in other federal tax consequences to certain taxpayers; we express no opinion regarding any such collateral consequences arising with respect to the Bonds. In rendering this opinion, we have relied upon certifications of even date herewith of the Company relating to the Station, the Project and the application of the proceeds of the Refunded Bonds and the proceeds of the Bonds with respect to certain material facts solely within the knowledge of the Company.

In our opinion, under the laws of the State of Utah as presently enacted and construed, interest on the Bonds will be exempt from taxes imposed by the Utah Individual Income Tax Act. No opinion is expressed with respect to any other taxes imposed by the State of Utah or any political subdivision thereof. Ownership of the Bonds may result in other Utah tax consequences to certain taxpayers; we express no opinion regarding any such collateral consequences arising with respect to the Bonds.

We are not passing upon the Standby Purchase Agreement or any action taken by the Bank in connection therewith. The validity of the Standby Purchase Agreement has been passed upon by Davis Polk & Wardwell.

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

Stoel Rives Boley Jones & Grey has also rendered an opinion of even date herewith, as to the due authorization, execution and delivery of the First Mortgage Bonds and the Mortgage, the validity and binding effect thereof, the enforceability thereof in accordance with their respective terms and the requisite issuance of all orders, approvals, authorizations and consents of any court or administrative or governmental body with respect to the First Mortgage Bonds.

Gene Strate, County Attorney of the Issuer, has delivered an opinion of even date herewith with respect to the obligations of the Issuer under the Bonds, the Loan Agreement and the Indenture.

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

RJScott:DBRohbock:jgl

Chapman and Cutler

APPENDIX C-2

APPROVING OPINION OF BOND COUNSEL FOR THE EMERY BONDS

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November 17, 1994

Re: $121,940,000 Emery County, Utah, Pollution Control Revenue Refunding Bonds (PacifiCorp Project) Series 1994

We hereby certify that we have examined certified copy of the proceedings of record of the Board of County Commissioners of Emery County, Utah (the *"Issuer"*), a political subdivision of the State of Utah, preliminary to the issuance by the Issuer of its Pollution Control Revenue Refunding Bonds (PacifiCorp Project) Series 1994, in the aggregate principal amount of $121,940,000 (the *"Bonds"*). The Bonds are being issued pursuant to the provisions of the Utah Industrial Facilities and Development Act, Title 11, Chapter 17, Utah Code Annotated 1953, as amended and supplemented (the *"Act"*), for the purpose of refunding the Issuer's Pollution Control Revenue Bonds (Utah Power & Light Company Project) Series A of 1974, Pollution Control Revenue Bonds, 6-3/8% Series due November 1, 2006 (Utah Power & Light Company Project), Pollution Control Revenue Bonds, 5.90% Series due April 1, 2008 (Utah Power & Light Company Project) and Pollution Control Revenue Bonds (Utah Power & Light Company Project), 10.70% Series Due September 1, 2014, collectively outstanding in the amount of $121,940,000 (collectively, the *"Refunded Bonds"*). The Refunded Bonds were issued for the purpose of financing or refinancing a portion of the cost of certain pollution control or solid waste disposal facilities (the *"Projects"*) at the Hunter coal-fired steam electric generating plant (formerly known as the Emery Generating plant) and the Huntington coal-fired electric generating plant (collectively, the *"Stations"*) in Emery County, Utah, for use by Utah Power & Light Company, a Utah corporation which, subsequent to the issuance of the Refunded Bonds, merged with PacifiCorp, an Oregon corporation (the *"Company"*). The proceeds of the Bonds, together with other moneys to be provided by the Company, are to be deposited with the respective trustee for each series of Refunded Bonds to provide for the payment of the Refunded Bonds.

The Bonds mature on November 1, 2024, 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 said issue of Bonds under the laws of the State of Utah now in force.

Pursuant to a Loan Agreement, dated as of November 1, 1994 (the "*Loan Agreement*"), by and between the Company and the Issuer, the Issuer has agreed to loan the proceeds from the sale of the Bonds to the Company for the purpose of refunding the Refunded Bonds, and the Company has agreed to pay amounts at least sufficient to pay the principal of, premium, if any, and interest on the Bonds when due, whether at stated maturity, call for redemption or acceleration. The Loan Agreement (an executed counterpart of which has been examined by us) has, in our opinion, been duly authorized, executed and delivered by the Issuer, and, assuming the due authorization, execution and delivery by the Company, is a valid and binding obligation of the Issuer, enforceable in accordance with its terms, subject to the qualification that the enforcement thereof may be limited by bankruptcy, insolvency, reorganization and other similar laws relating to the enforcement of creditors' rights generally or usual equity principles in the event equitable remedies should be sought.

We have also examined an executed counterpart of the Trust Indenture, dated as of November 1, 1994 (the "*Indenture*"), by and between the Issuer and The First National Bank of Chicago, as Trustee (the "*Trustee*"), securing the Bonds and setting forth the covenants and undertakings of the Issuer in connection with the Bonds and making provision under certain conditions for the remarketing of the Bonds by a Remarketing Agent (the "*Remarketing Agent*"), for the fixing of variable interest rates to be borne by the Bonds from time to time, which variable interest rate may be a Daily Interest Rate, a Weekly Interest Rate or a Flexible Interest Rate (each as defined in the Indenture), and for the conversion of the interest rate borne by the Bonds to a different variable interest rate or to a Term Interest Rate (as defined in the Indenture) under certain conditions. The Indenture provides that the Bonds bear interest at a Daily Interest Rate until conversion to a different variable interest rate or to a Term Interest Rate. Under the Indenture, the revenues derived by the Issuer under the Loan Agreement, together with certain of the rights of the Issuer thereunder, are pledged and assigned to the Trustee as security for the Bonds. From such examination, we are of the opinion that the proceedings of the Board of County Commissioners of the Issuer referred to above show lawful authority for the execution and delivery of the Indenture, that the Indenture is a valid and binding obligation of the Issuer, enforceable in accordance with its terms, subject to the qualification that the enforcement thereof may be limited by bankruptcy, insolvency, reorganization and other similar laws relating to the enforcement of creditors' rights generally or usual equity principles in the event equitable remedies should be sought, that the Bonds have been validly issued under the Indenture, and that all requirements under the Indenture precedent to delivery of the Bonds have been satisfied.

In connection with the issuance of the Bonds, the Company has entered into a Standby Bond Purchase Agreement dated as of November 1, 1994 (the *"Standby Purchase Agreement"*), with The Bank of Nova Scotia (the *"Bank"*). Pursuant to the Standby Purchase Agreement, the Bank has agreed to provide (a) an amount sufficient to pay the purchase price or portion of the purchase price equal to the principal amount of Bonds delivered to the Trustee for purchase and not remarketed, plus (b) an amount equal to 62 days' accrued interest on the outstanding Bonds to pay the portion of the purchase price of the Bonds delivered to the Trustee equal to the accrued interest, if any, on such Bonds. Execution of the Standby Purchase Agreement, however, does not release the Company from its payment obligation under the Loan Agreement. The stated expiration date of the Standby Purchase Agreement is November 17, 1999, subject to the provisions of the Standby Purchase Agreement.

For the purpose of securing the Company's obligation to repay the loan of the proceeds of sale of the Bonds made to the Company by the Issuer pursuant to the Loan Agreement, the Company has delivered to the Trustee, in trust for the benefit of the holders of the Bonds, its First Mortgage and Collateral Trust Bonds in the aggregate principal amount of $121,940,000 (the *"First Mortgage Bonds"*), issued by the Company under the Mortgage and Deed of Trust, dated as of January 9, 1989, between the Company and Chemical Bank, as successor trustee, as supplemented and amended by ten supplemental indentures, including a Tenth Supplemental Indenture dated as of August 1, 1994 (collectively, the *"Mortgage"*). Pursuant to the provisions of the Indenture, payments by the Company representing principal of and interest on the First Mortgage Bonds are deposited into the Bond Fund created under the Indenture and are used to pay the principal of and interest on the Bonds on an equal and ratable basis as the same become due. The First Mortgage Bonds are being issued as a part of a series of $216,470,000 aggregate principal of First Mortgage and Collateral Trust Bonds pursuant to the Mortgage on the date hereof to secure the Bonds and five other issues of pollution control revenue refunding bonds being issued on the date hereof by Carbon County, Utah, Converse County, Wyoming, Lincoln County, Wyoming, Sweetwater County, Wyoming, and Moffat County, Colorado (collectively, the *"Other Issuers"*), to refinance certain pollution control or solid waste disposal facilities (the *"Facilities"*) for the benefit of the Company.

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.

Subject to the condition that the Company, the Issuer and the Other Issuers comply with certain covenants made to satisfy pertinent requirements of the Internal Revenue Code of 1954, as amended (the *"1954 Code"*), and the Internal Revenue Code of 1986, we are of the opinion that under present law interest on the Bonds is not includible in gross income of the owners thereof for federal income tax purposes, except for interest on any Bond for any

period during which such Bond is owned by a person who is a substantial user of any of the Projects or the Facilities or any person considered to be related to such person (within the meaning of Section 103(b)(13) of the 1954 Code), and interest on the Bonds will not be treated as an item of tax preference in computing the alternative minimum tax for individuals and corporations. Interest on the Bonds will be taken into account, however, in computing an adjustment used in determining the alternative minimum tax for certain corporations. Failure to comply with certain of such covenants could cause the interest on the Bonds to be included in gross income retroactive to the date of issuance of the Bonds. Ownership of the Bonds may result in other federal tax consequences to certain taxpayers; we express no opinion regarding any such collateral consequences arising with respect to the Bonds. In rendering this opinion, we have relied upon certifications of even date herewith of the Company relating to the Stations, the Projects and the application of the proceeds of the Bonds, the Refunded Bonds and the Issuer's $16,750,000 Pollution Control Revenue Bonds (Utah Power & Light Company Project), dated May 11, 1984, with respect to certain material facts solely within the knowledge of the Company.

In our opinion, under the laws of the State of Utah as presently enacted and construed, interest on the Bonds will be exempt from taxes imposed by the Utah Individual Income Tax Act. No opinion is expressed with respect to any other taxes imposed by the State of Utah or any political subdivision thereof. Ownership of the Bonds may result in other Utah tax consequences to certain taxpayers; we express no opinion regarding any such collateral consequences arising with respect to the Bonds.

We are not passing upon the Standby Purchase Agreement or any action taken by the Bank in connection therewith. The validity of the Standby Purchase Agreement has been passed upon by Davis Polk & Wardwell.

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

Stoel Rives Boley Jones & Grey has also rendered an opinion of even date herewith, as to the due authorization, execution and delivery of the First Mortgage Bonds and the Mortgage, the validity and binding effect thereof, the enforceability thereof in accordance with their respective terms and the requisite issuance of all orders, approvals, authorizations and consents of any court or administrative or governmental body with respect to the First Mortgage Bonds.

Ray, Quinney & Nebeker, special counsel to the Issuer, and David A. Blackwell, County Attorney of the Issuer, have delivered opinions of even date herewith with respect to the obligations of the Issuer 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 Projects or the Stations.

RJScott:DBRohbock:jgl

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APPENDIX C-3

APPROVING OPINION OF BOND COUNSEL FOR THE CONVERSE BONDS

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November 17, 1994

Re: $8,190,000 Converse County, Wyoming,
Pollution Control Revenue Refunding Bonds
(PacifiCorp Project) Series 1994

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 Pollution Control Revenue Refunding Bonds (PacifiCorp Project) Series 1994, in the aggregate principal amount of $8,190,000 (the *"Bonds"*). The Bonds are being issued pursuant to the provisions of Sections 15-1-701 to 15-1-710, inclusive, Wyoming Statutes (1977), as amended and supplemented (the *"Act"*), for the purpose of refunding the Issuer's Collateralized Pollution Control Revenue Bonds (Pacific Power & Light Company Project) Series 1977 now outstanding in the amount of $8,190,000 (the *"Refunded Bonds"*). The Refunded Bonds were issued for the purpose of financing a portion of the cost of water and air pollution control facilities (the *"Project"*) at the Dave Johnston Plant (the *"Station"*) in Converse County, Wyoming, for use by Pacific Power & Light Company, a Maine corporation which, subsequent to the issuance of the Refunded Bonds, merged with PacifiCorp, an Oregon corporation (the *"Company"*). The proceeds of the Bonds, together with other moneys to be provided by the Company, are to be deposited with the trustee for the Refunded Bonds to provide for the payment of the Refunded Bonds.

The Bonds mature on November 1, 2024, 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 said issue of Bonds under the laws of the State of Wyoming now in force.

Pursuant to a Loan Agreement, dated as of November 1, 1994 (the "*Loan Agreement*"), by and between the Company and the Issuer, the Issuer has agreed to loan the proceeds from the sale of the Bonds to the Company for the purpose of refunding the Refunded Bonds, and the Company has agreed to pay amounts at least sufficient to pay the principal of, premium, if any, and interest on the Bonds when due, whether at stated maturity, call for redemption or acceleration. The Loan Agreement (an executed counterpart of which has been examined by us) has, in our opinion, been duly authorized, executed and delivered by the Issuer, and, assuming the due authorization, execution and delivery by the Company, is a valid and binding obligation of the Issuer, enforceable in accordance with its terms, subject to the qualification that the enforcement thereof may be limited by bankruptcy, insolvency, reorganization and other similar laws relating to the enforcement of creditors' rights generally or usual equity principles in the event equitable remedies should be sought.

We have also examined an executed counterpart of the Trust Indenture, dated as of November 1, 1994 (the "*Indenture*"), by and between the Issuer and The First National Bank of Chicago, as Trustee (the "*Trustee*"), securing the Bonds and setting forth the covenants and undertakings of the Issuer in connection with the Bonds and making provision under certain conditions for the remarketing of the Bonds by a Remarketing Agent (the "*Remarketing Agent*"), for the fixing of variable interest rates to be borne by the Bonds from time to time, which variable interest rate may be a Daily Interest Rate, a Weekly Interest Rate or a Flexible Interest Rate (each as defined in the Indenture), and for the conversion of the interest rate borne by the Bonds to a different variable interest rate or to a Term Interest Rate (as defined in the Indenture) under certain conditions. The Indenture provides that the Bonds bear interest at a Daily Interest Rate until conversion to a different variable interest rate or to a Term Interest Rate. Under the Indenture, the revenues derived by the Issuer under the Loan Agreement, together with certain of the rights of the Issuer thereunder, are pledged and assigned to the Trustee as security for the Bonds. From such examination, we are of the opinion that the proceedings of the Board of County Commissioners of the Issuer referred to above show lawful authority for the execution and delivery of the Indenture, that the Indenture is a valid and binding obligation of the Issuer, enforceable in accordance with its terms, subject to the qualification that the enforcement thereof may be limited by bankruptcy, insolvency, reorganization and other similar laws relating to the enforcement of creditors' rights generally or usual equity principles in the event equitable remedies should be sought, that the Bonds have been validly issued under the Indenture, and that all requirements under the Indenture precedent to delivery of the Bonds have been satisfied.

In connection with the issuance of the Bonds, the Company has entered into a Standby Bond Purchase Agreement dated as of November 1, 1994 (the "*Standby Purchase Agreement*"), with The Bank of New York (the "*Bank*"). Pursuant to the Standby Purchase Agreement, the Bank has agreed to provide (a) an amount sufficient to pay the purchase price or portion of the purchase price equal to the principal amount of Bonds delivered to the Trustee for purchase and not remarketed, plus (b) an amount equal to 62 days' accrued interest on the outstanding Bonds to pay the portion of the purchase price of the Bonds delivered to the Trustee equal to the accrued interest, if any, on such Bonds. Execution of

the Standby Purchase Agreement, however, does not release the Company from its payment obligation under the Loan Agreement. The stated expiration date of the Standby Purchase Agreement is November 17, 1999, subject to the provisions of the Standby Purchase Agreement.

For the purpose of securing the Company's obligation to repay the loan of the proceeds of sale of the Bonds made to the Company by the Issuer pursuant to the Loan Agreement, the Company has delivered to the Trustee, in trust for the benefit of the holders of the Bonds, its First Mortgage and Collateral Trust Bonds in the aggregate principal amount of $8,190,000 (the *"First Mortgage Bonds"*), issued by the Company under the Mortgage and Deed of Trust, dated as of January 9, 1989, between the Company and Chemical Bank, as successor trustee, as supplemented and amended by ten supplemental indentures, including a Tenth Supplemental Indenture dated as of August 1, 1994 (collectively, the *"Mortgage"*). Pursuant to the provisions of the Indenture, payments by the Company representing principal of and interest on the First Mortgage Bonds are deposited into the Bond Fund created under the Indenture and are used to pay the principal of and interest on the Bonds on an equal and ratable basis as the same become due. The First Mortgage Bonds are being issued as a part of a series of $216,470,000 aggregate principal of First Mortgage and Collateral Trust Bonds pursuant to the Mortgage on the date hereof to secure the Bonds and five other issues of pollution control revenue refunding bonds being issued on the date hereof by Emery County, Utah, Carbon County, Utah, Lincoln County, Wyoming, Sweetwater County, Wyoming, and Moffat County, Colorado (collectively, the *"Other Issuers"*), to finance certain pollution control or solid waste disposal facilities (the *"Facilities"*) for the benefit of the Company.

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.

Subject to the condition that the Company, the Issuer and the Other Issuers comply with certain covenants made to satisfy pertinent requirements of the Internal Revenue Code of 1954, as amended (the *"1954 Code"*), and the Internal Revenue Code of 1986, we are of the opinion that under present law interest on the Bonds is not includible in gross income of the owners thereof for federal income tax purposes, except for interest on any Bond for any period during which such Bond is owned by a person who is a substantial user of the Project or the Facilities or any person considered to be related to such person (within the meaning of Section 103(b)(13) of the 1954 Code), and interest on the Bonds will not be treated as an item of tax preference in computing the alternative minimum tax for individuals and corporations. Interest on the Bonds will be taken into account, however, in computing an adjustment used in determining the alternative minimum tax for certain corporations. Failure to comply with certain of such covenants could cause the interest on the Bonds to be included in gross income retroactive to the date of issuance of the Bonds. Ownership of the

Bonds may result in other federal tax consequences to certain taxpayers; we express no opinion regarding any such collateral consequences arising with respect to the Bonds. In rendering this opinion, we have relied upon certifications of even date herewith of the Company relating to the Station, the Project and the application of the proceeds of the Refunded Bonds and the proceeds of the Bonds with respect to certain material facts solely within the knowledge of the Company.

In our opinion, under 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 are not passing upon the Standby Purchase Agreement or any action taken by the Bank in connection therewith. The validity of the Standby Purchase Agreement has been passed upon by Davis Polk & Wardwell.

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

Stoel Rives Boley Jones & Grey has also rendered an opinion of even date herewith, as to the due authorization, execution and delivery of the First Mortgage Bonds and the Mortgage, the validity and binding effect thereof, the enforceability thereof in accordance with their respective terms and the requisite issuance of all orders, approvals, authorizations and consents of any court or administrative or governmental body with respect to the First Mortgage Bonds.

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

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

RJScott:BDPatterson:jgl

Chapman and Cutler

APPENDIX C-4

APPROVING OPINION OF BOND COUNSEL FOR THE LINCOLN BONDS

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November 17, 1994

Re: $15,060,000 Lincoln County, Wyoming,
Pollution Control Revenue Refunding Bonds
(PacifiCorp Project) Series 1994

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 Pollution Control Revenue Refunding Bonds (PacifiCorp Project) Series 1994, in the aggregate principal amount of $15,060,000 (the "*Bonds*"). The Bonds are being issued pursuant to the provisions of Sections 15-1-701 to 15-1-710, inclusive, Wyoming Statutes (1977), as amended and supplemented (the "*Act*"), for the purpose of refunding the Issuer's Pollution Control Revenue Bonds (Utah Power & Light Company Project) Series A of 1974 now outstanding in the amount of $15,060,000 (the "*Refunded Bonds*"). The Refunded Bonds were issued for the purpose of financing a portion of the cost of air pollution control facilities (the "*Project*") at the Naughton coal-fired electric generating plant (the "*Station*") in Lincoln County, Wyoming, for use by Utah Power & Light Company, a Utah corporation which, subsequent to the issuance of the Refunded Bonds, merged with PacifiCorp, an Oregon corporation (the "*Company*"). The proceeds of the Bonds, together with other moneys to be provided by the Company, are to be deposited with the trustee for the Refunded Bonds to provide for the payment of the Refunded Bonds.

The Bonds mature on November 1, 2024, 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 said issue of Bonds under the laws of the State of Wyoming now in force.

Pursuant to a Loan Agreement, dated as of November 1, 1994 (the "*Loan Agreement*"), by and between the Company and the Issuer, the Issuer has agreed to loan the proceeds from the sale of the Bonds to the Company for the purpose of refunding the Refunded Bonds, and the Company has agreed to pay amounts at least sufficient to pay the principal of, premium, if any, and interest on the Bonds when due, whether at stated maturity, call for redemption or acceleration. The Loan Agreement (an executed counterpart of which has been examined by us) has, in our opinion, been duly authorized, executed and delivered by the Issuer, and, assuming the due authorization, execution and delivery by the Company, is a valid and binding obligation of the Issuer, enforceable in accordance with its terms, subject to the qualification that the enforcement thereof may be limited by bankruptcy, insolvency, reorganization and other similar laws relating to the enforcement of creditors' rights generally or usual equity principles in the event equitable remedies should be sought.

We have also examined an executed counterpart of the Trust Indenture, dated as of November 1, 1994 (the "*Indenture*"), by and between the Issuer and The First National Bank of Chicago, as Trustee (the "*Trustee*"), securing the Bonds and setting forth the covenants and undertakings of the Issuer in connection with the Bonds and making provision under certain conditions for the remarketing of the Bonds by a Remarketing Agent (the "*Remarketing Agent*"), for the fixing of variable interest rates to be borne by the Bonds from time to time, which variable interest rate may be a Daily Interest Rate, a Weekly Interest Rate or a Flexible Interest Rate (each as defined in the Indenture), and for the conversion of the interest rate borne by the Bonds to a different variable interest rate or to a Term Interest Rate (as defined in the Indenture) under certain conditions. The Indenture provides that the Bonds bear interest at a Daily Interest Rate until conversion to a different variable interest rate or to a Term Interest Rate. Under the Indenture, the revenues derived by the Issuer under the Loan Agreement, together with certain of the rights of the Issuer thereunder, are pledged and assigned to the Trustee as security for the Bonds. From such examination, we are of the opinion that the proceedings of the Board of County Commissioners of the Issuer referred to above show lawful authority for the execution and delivery of the Indenture, that the Indenture is a valid and binding obligation of the Issuer, enforceable in accordance with its terms, subject to the qualification that the enforcement thereof may be limited by bankruptcy, insolvency, reorganization and other similar laws relating to the enforcement of creditors' rights generally or usual equity principles in the event equitable remedies should be sought, that the Bonds have been validly issued under the Indenture, and that all requirements under the Indenture precedent to delivery of the Bonds have been satisfied.

In connection with the issuance of the Bonds, the Company has entered into a Standby Bond Purchase Agreement dated as of November 1, 1994 (the "*Standby Purchase Agreement*"), with The Bank of New York (the "*Bank*"). Pursuant to the Standby Purchase Agreement, the Bank has agreed to provide (a) an amount sufficient to pay the purchase price or portion of the purchase price equal to the principal amount of Bonds delivered to the Trustee for purchase and not remarketed, plus (b) an amount equal to 62 days' accrued interest on the outstanding Bonds to pay the portion of the purchase price of the Bonds delivered to the Trustee equal to the accrued interest, if any, on such Bonds. Execution of

the Standby Purchase Agreement, however, does not release the Company from its payment obligation under the Loan Agreement. The stated expiration date of the Standby Purchase Agreement is November 17, 1999, subject to the provisions of the Standby Purchase Agreement.

For the purpose of securing the Company's obligation to repay the loan of the proceeds of sale of the Bonds made to the Company by the Issuer pursuant to the Loan Agreement, the Company has delivered to the Trustee, in trust for the benefit of the holders of the Bonds, its First Mortgage and Collateral Trust Bonds in the aggregate principal amount of $15,060,000 (the *"First Mortgage Bonds"*), issued by the Company under the Mortgage and Deed of Trust, dated as of January 9, 1989, between the Company and Chemical Bank, as successor trustee, as supplemented and amended by ten supplemental indentures, including a Tenth Supplemental Indenture dated as of August 1, 1994 (collectively, the *"Mortgage"*). Pursuant to the provisions of the Indenture, payments by the Company representing principal of and interest on the First Mortgage Bonds are deposited into the Bond Fund created under the Indenture and are used to pay the principal of and interest on the Bonds on an equal and ratable basis as the same become due. The First Mortgage Bonds are being issued as a part of a series of $216,470,000 aggregate principal of First Mortgage and Collateral Trust Bonds pursuant to the Mortgage on the date hereof to secure the Bonds and five other issues of pollution control revenue refunding bonds being issued on the date hereof by Emery County, Utah, Carbon County, Utah, Converse County, Wyoming, Sweetwater County, Wyoming, and Moffat County, Colorado (collectively, the *"Other Issuers"*), to refinance certain pollution control or solid waste disposal facilities (the *"Facilities"*) for the benefit of the Company.

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.

Subject to the condition that the Company, the Issuer and the Other Issuers comply with certain covenants made to satisfy pertinent requirements of the Internal Revenue Code of 1954, as amended (the *"1954 Code"*), and the Internal Revenue Code of 1986, we are of the opinion that under present law interest on the Bonds is not includible in gross income of the owners thereof for federal income tax purposes, except for interest on any Bond for any period during which such Bond is owned by a person who is a substantial user of the Project or the Facilities or any person considered to be related to such person (within the meaning of Section 103(b)(13) of the 1954 Code), and interest on the Bonds will not be treated as an item of tax preference in computing the alternative minimum tax for individuals and corporations. Interest on the Bonds will be taken into account, however, in computing an adjustment used in determining the alternative minimum tax for certain corporations. Failure to comply with certain of such covenants could cause the interest on the Bonds to be included in gross income retroactive to the date of issuance of the Bonds. Ownership of the

Bonds may result in other federal tax consequences to certain taxpayers; we express no opinion regarding any such collateral consequences arising with respect to the Bonds. In rendering this opinion, we have relied upon certifications of even date herewith of the Company relating to the Station, the Project and the application of the proceeds of the Refunded Bonds and the proceeds of the Bonds with respect to certain material facts solely within the knowledge of the Company.

In our opinion, under 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 are not passing upon the Standby Purchase Agreement or any action taken by the Bank in connection therewith. The validity of the Standby Purchase Agreement has been passed upon by Davis Polk & Wardwell.

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

Stoel Rives Boley Jones & Grey has also rendered an opinion of even date herewith, as to the due authorization, execution and delivery of the First Mortgage Bonds and the Mortgage, the validity and binding effect thereof, the enforceability thereof in accordance with their respective terms and the requisite issuance of all orders, approvals, authorizations and consents of any court or administrative or governmental body with respect to the First Mortgage Bonds.

Joseph B. Bluemel, County Attorney of the Issuer, has delivered an opinion of even date herewith with respect to the obligations of the Issuer under the Bonds, the Loan Agreement and the Indenture.

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

RJScott:BDPatterson:jgl

Chapman and Cutler

Appendix C-5

Approving Opinion of Bond Counsel for the Sweetwater Bonds

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November 17, 1994

Re: $21,260,000 Sweetwater County, Wyoming,
Pollution Control Revenue Refunding Bonds
(PacifiCorp Project) Series 1994

We hereby certify that we have examined certified copy of the proceedings of record of the Board of County Commissioners of Sweetwater County, Wyoming (the "*Issuer*"), a political subdivision of the State of Wyoming, preliminary to the issuance by the Issuer of its Pollution Control Revenue Refunding Bonds (PacifiCorp Project) Series 1994, in the aggregate principal amount of $21,260,000 (the "*Bonds*"). The Bonds are being issued pursuant to the provisions of Sections 15-1-701 to 15-1-710, inclusive, Wyoming Statutes (1977), as amended and supplemented (the "*Act*"), for the purpose of refunding the Issuer's Taxable Pollution Control Revenue Refunding Bonds (PacifiCorp Project) Series 1994T now outstanding in the amount of $21,260,000 (the "*Refunded Bonds*"). The Refunded Bonds were issued for the purpose of refunding the Issuer's Pollution Control Revenue Bonds (Pacific Power & Light Company Project) Series 1973 (the "*1973 Bonds*") which were issued by the Issuer for the purpose of financing a portion of the cost of certain air and water pollution control facilities in which PacifiCorp, an Oregon corporation (the "*Company*") owns a 66-2/3% undivided interest (the "*Project*") at the Jim Bridger coal-fired steam electric generating plant (the "*Station*") in Sweetwater County, Wyoming. The proceeds of the Bonds, together with other moneys to be provided by the Company, are to be deposited with the trustee for the Refunded Bonds to provide for the payment of the Refunded Bonds.

The Bonds mature on November 1, 2024, 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 said issue of Bonds under the laws of the State of Wyoming now in force.

Pursuant to a Loan Agreement, dated as of November 1, 1994 (the *"Loan Agreement"*), by and between the Company and the Issuer, the Issuer has agreed to loan the proceeds from the sale of the Bonds to the Company for the purpose of refunding the Refunded Bonds, and the Company has agreed to pay amounts at least sufficient to pay the principal of, premium, if any, and interest on the Bonds when due, whether at stated maturity, call for redemption or acceleration. The Loan Agreement (an executed counterpart of which has been examined by us) has, in our opinion, been duly authorized, executed and delivered by the Issuer, and, assuming the due authorization, execution and delivery by the Company, is a valid and binding obligation of the Issuer, enforceable in accordance with its terms, subject to the qualification that the enforcement thereof may be limited by bankruptcy, insolvency, reorganization and other similar laws relating to the enforcement of creditors' rights generally or usual equity principles in the event equitable remedies should be sought.

We have also examined an executed counterpart of the Trust Indenture, dated as of November 1, 1994 (the *"Indenture"*), by and between the Issuer and The First National Bank of Chicago, as Trustee (the *"Trustee"*), securing the Bonds and setting forth the covenants and undertakings of the Issuer in connection with the Bonds and making provision under certain conditions for the remarketing of the Bonds by a Remarketing Agent (the *"Remarketing Agent"*), for the fixing of variable interest rates to be borne by the Bonds from time to time, which variable interest rate may be a Daily Interest Rate, a Weekly Interest Rate or a Flexible Interest Rate (each as defined in the Indenture), and for the conversion of the interest rate borne by the Bonds to a different variable interest rate or to a Term Interest Rate (as defined in the Indenture) under certain conditions. The Indenture provides that the Bonds bear interest at a Daily Interest Rate until conversion to a different variable interest rate or to a Term Interest Rate. Under the Indenture, the revenues derived by the Issuer under the Loan Agreement, together with certain of the rights of the Issuer thereunder, are pledged and assigned to the Trustee as security for the Bonds. From such examination, we are of the opinion that the proceedings of the Board of County Commissioners of the Issuer referred to above show lawful authority for the execution and delivery of the Indenture, that the Indenture is a valid and binding obligation of the Issuer, enforceable in accordance with its terms, subject to the qualification that the enforcement thereof may be limited by bankruptcy, insolvency, reorganization and other similar laws relating to the enforcement of creditors' rights generally or usual equity principles in the event equitable remedies should be sought, that the Bonds have been validly issued under the Indenture, and that all requirements under the Indenture precedent to delivery of the Bonds have been satisfied.

In connection with the issuance of the Bonds, the Company has entered into a Standby Bond Purchase Agreement dated as of November 1, 1994 (the *"Standby Purchase Agreement"*), with The Bank of New York (the *"Bank"*). Pursuant to the Standby Purchase Agreement, the Bank has agreed to provide (a) an amount sufficient to pay the purchase price or portion of the purchase price equal to the principal amount of Bonds delivered to the Trustee for purchase and not remarketed, plus (b) an amount equal to 62 days' accrued interest on the outstanding Bonds to pay the portion of the purchase price of the Bonds delivered to the Trustee equal to the accrued interest, if any, on such Bonds. Execution of

the Standby Purchase Agreement, however, does not release the Company from its payment obligation under the Loan Agreement. The stated expiration date of the Standby Purchase Agreement is November 17, 1999, subject to the provisions of the Standby Purchase Agreement.

For the purpose of securing the Company's obligation to repay the loan of the proceeds of sale of the Bonds made to the Company by the Issuer pursuant to the Loan Agreement, the Company has delivered to the Trustee, in trust for the benefit of the holders of the Bonds, its First Mortgage and Collateral Trust Bonds in the aggregate principal amount of $21,260,000 (the "*First Mortgage Bonds*"), issued by the Company under the Mortgage and Deed of Trust, dated as of January 9, 1989, between the Company and Chemical Bank, as successor trustee, as supplemented and amended by ten supplemental indentures, including a Tenth Supplemental Indenture dated as of August 1, 1994 (collectively, the "*Mortgage*"). Pursuant to the provisions of the Indenture, payments by the Company representing principal of and interest on the First Mortgage Bonds are deposited into the Bond Fund created under the Indenture and are used to pay the principal of and interest on the Bonds on an equal and ratable basis as the same become due. The First Mortgage Bonds are being issued as a part of a series of $216,470,000 aggregate principal of First Mortgage and Collateral Trust Bonds pursuant to the Mortgage on the date hereof to secure the Bonds and five other issues of pollution control revenue refunding bonds being issued on the date hereof by Emery County, Utah, Carbon County, Utah, Converse County, Wyoming, Lincoln County, Wyoming, and Moffat County, Colorado (collectively, the "*Other Issuers*"), to refinance certain pollution control or solid waste disposal facilities (the "*Facilities*") for the benefit of the Company.

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.

Subject to the condition that the Company, the Issuer and the Other Issuers comply with certain covenants made to satisfy pertinent requirements of the Internal Revenue Code of 1954, as amended (the "*1954 Code*"), and the Internal Revenue Code of 1986, we are of the opinion that under present law interest on the Bonds is not includible in gross income of the owners thereof for federal income tax purposes, except for interest on any Bond for any period during which such Bond is owned by a person who is a substantial user of the Project or the Facilities or any person considered to be related to such person (within the meaning of Section 103(b)(13) of the 1954 Code), and interest on the Bonds will not be treated as an item of tax preference in computing the alternative minimum tax for individuals and corporations. Interest on the Bonds will be taken into account, however, in computing an adjustment used in determining the alternative minimum tax for certain corporations. Failure to comply with certain of such covenants could cause the interest on the Bonds to be included in gross income retroactive to the date of issuance of the Bonds. Ownership of the

Bonds may result in other federal tax consequences to certain taxpayers; we express no opinion regarding any such collateral consequences arising with respect to the Bonds. In rendering this opinion, we have relied upon certifications of even date herewith of the Company relating to the Station, the Project and the application of the proceeds of the 1973 Bonds and the Refunded Bonds and the proceeds of the Bonds with respect to certain material facts solely within the knowledge of the Company.

In our opinion, under present Wyoming law, the State of Wyoming imposes no income taxes 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 are not passing upon the Standby Purchase Agreement or any action taken by the Bank in connection therewith. The validity of the Standby Purchase Agreement has been passed upon by Davis Polk & Wardwell.

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

Stoel Rives Boley Jones & Grey has also rendered an opinion of even date herewith, as to the due authorization, execution and delivery of the First Mortgage Bonds and the Mortgage, the validity and binding effect thereof, the enforceability thereof in accordance with their respective terms and the requisite issuance of all orders, approvals, authorizations and consents of any court or administrative or governmental body with respect to the First Mortgage Bonds.

Sue Kearns, County and Prosecuting Attorney and G.R. Stewart, Civil Deputy County Attorney and Prosecuting Attorney of the Issuer, have delivered an opinion of even date herewith with respect to the obligations of the Issuer 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 or the Station.

RJScott:BDPatterson:jgl

Chapman and Cutler

APPENDIX C-6

APPROVING OPINION OF BOND COUNSEL FOR THE MOFFAT BONDS

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Law Offices of

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November 17, 1994

Re: $40,655,000 Moffat County, Colorado,
Pollution Control Revenue Refunding Bonds
(PacifiCorp Project) Series 1994

We hereby certify that we have examined certified copy of the proceedings of record of the Board of County Commissioners of Moffat County, Colorado (the "*Issuer*"), a body corporate and politic of the State of Colorado, preliminary to the issuance by the Issuer of its Pollution Control Revenue Refunding Bonds (PacifiCorp Project) Series 1994, in the aggregate principal amount of $40,655,000 (the "*Bonds*"). The Bonds are being issued pursuant to the provisions of the County and Municipality Development Revenue Bond Act, Colorado Revised Statutes 1973, as amended and supplemented (the "*Act*"), for the purpose of refunding the Issuer's Pollution Control Revenue Bonds, Series 1978 (Colorado-Ute Electric Association, Inc. Project) now outstanding in the amount of $42,855,000 (the "*Refunded Bonds*"). The Refunded Bonds were issued for the purpose of financing a portion of the cost of air and water pollution control facilities (the "*Project*") at the electric generating Units 1 and 2 at the Craig Station steam electric generating station (the "*Station*") in Moffat County, Colorado, for use by the Colorado-Ute Electric Association, Inc. ("*Colorado-Ute*"). Subsequent to the issuance of the Refunded Bonds, PacifiCorp, an Oregon corporation (the "*Company*"), purchased the Project from Colorado-Ute and assumed certain obligations and rights of Colorado-Ute with respect to the Project and the Refunded Bonds. The proceeds of the Bonds, together with other moneys to be provided by the Company, are to be deposited with the trustee for the Refunded Bonds to provide for the payment of the Refunded Bonds.

The Bonds mature on May 1, 2013, 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 said issue of Bonds under the laws of the State of Colorado now in force.

Pursuant to a Loan Agreement, dated as of November 1, 1994 (the "*Loan Agreement*"), by and between the Company and the Issuer, the Issuer has agreed to loan the proceeds from the sale of the Bonds to the Company for the purpose of refunding the Refunded Bonds, and the Company has agreed to pay amounts at least sufficient to pay the principal of, premium, if any, and interest on the Bonds when due, whether at stated maturity, call for redemption or acceleration. The Loan Agreement (an executed counterpart of which has been examined by us) has, in our opinion, been duly authorized, executed and delivered by the Issuer, and, assuming the due authorization, execution and delivery by the Company, is a valid and binding obligation of the Issuer, enforceable in accordance with its terms, subject to the qualification that the enforcement thereof may be limited by bankruptcy, insolvency, reorganization and other similar laws relating to the enforcement of creditors' rights generally or usual equity principles in the event equitable remedies should be sought.

We have also examined an executed counterpart of the Trust Indenture, dated as of November 1, 1994 (the "*Indenture*"), by and between the Issuer and The First National Bank of Chicago, as Trustee (the "*Trustee*"), securing the Bonds and setting forth the covenants and undertakings of the Issuer in connection with the Bonds and making provision under certain conditions for the remarketing of the Bonds by a Remarketing Agent (the "*Remarketing Agent*"), for the fixing of variable interest rates to be borne by the Bonds from time to time, which variable interest rate may be a Daily Interest Rate, a Weekly Interest Rate or a Flexible Interest Rate (each as defined in the Indenture), and for the conversion of the interest rate borne by the Bonds to a different variable interest rate or to a Term Interest Rate (as defined in the Indenture) under certain conditions. The Indenture provides that the Bonds bear interest at a Daily Interest Rate until conversion to a different variable interest rate or to a Term Interest Rate. Under the Indenture, the revenues derived by the Issuer under the Loan Agreement, together with certain of the rights of the Issuer thereunder, are pledged and assigned to the Trustee as security for the Bonds. From such examination, we are of the opinion that the proceedings of the Board of County Commissioners of the Issuer referred to above show lawful authority for the execution and delivery of the Indenture, that the Indenture is a valid and binding obligation of the Issuer, enforceable in accordance with its terms, subject to the qualification that the enforcement thereof may be limited by bankruptcy, insolvency, reorganization and other similar laws relating to the enforcement of creditors' rights generally or usual equity principles in the event equitable remedies should be sought, that the Bonds have been validly issued under the Indenture, and that all requirements under the Indenture precedent to delivery of the Bonds have been satisfied.

In connection with the issuance of the Bonds, the Company has entered into a Standby Bond Purchase Agreement dated as of November 1, 1994 (the "*Standby Purchase Agreement*"), with The Bank of New York (the "*Bank*"). Pursuant to the Standby Purchase Agreement, the Bank has agreed to provide (a) an amount sufficient to pay the purchase price or portion of the purchase price equal to the principal amount of Bonds delivered to the Trustee for purchase and not remarketed, plus (b) an amount equal to 62 days' accrued interest on the outstanding Bonds to pay the portion of the purchase price of the Bonds delivered to the Trustee equal to the accrued interest, if any, on such Bonds. Execution of

the Standby Purchase Agreement, however, does not release the Company from its payment obligation under the Loan Agreement. The stated expiration date of the Standby Purchase Agreement is November 17, 1999, subject to the provisions of the Standby Purchase Agreement.

For the purpose of securing the Company's obligation to repay the loan of the proceeds of sale of the Bonds made to the Company by the Issuer pursuant to the Loan Agreement, the Company has delivered to the Trustee, in trust for the benefit of the holders of the Bonds, its First Mortgage and Collateral Trust Bonds in the aggregate principal amount of $40,655,000 (the *"First Mortgage Bonds"*), issued by the Company under the Mortgage and Deed of Trust, dated as of January 9, 1989, between the Company and Chemical Bank, as successor trustee, as supplemented and amended by ten supplemental indentures, including a Tenth Supplemental Indenture dated as of August 1, 1994 (collectively, the *"Mortgage"*). Pursuant to the provisions of the Indenture, payments by the Company representing principal of and interest on the First Mortgage Bonds are deposited into the Bond Fund created under the Indenture and are used to pay the principal of and interest on the Bonds on an equal and ratable basis as the same become due. The First Mortgage Bonds are being issued as a part of a series of $216,470,000 aggregate principal of First Mortgage and Collateral Trust Bonds pursuant to the Mortgage on the date hereof to secure the Bonds and five other issues of pollution control revenue refunding bonds being issued on the date hereof by Emery County, Utah, Carbon County, Utah, Converse County, Wyoming, Lincoln County, Wyoming, and Sweetwater County, Wyoming (collectively, the *"Other Issuers"*), to refinance certain pollution control or solid waste disposal facilities (the *"Facilities"*) for the benefit of the Company.

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.

Subject to the condition that the Company, the Issuer and the Other Issuers comply with certain covenants made to satisfy pertinent requirements of the Internal Revenue Code of 1954, as amended (the *"1954 Code"*), and the Internal Revenue Code of 1986, we are of the opinion that under present law interest on the Bonds is not includible in gross income of the owners thereof for federal income tax purposes, except for interest on any Bond for any period during which such Bond is owned by a person who is a substantial user of the Project or the Facilities or any person considered to be related to such person (within the meaning of Section 103(b)(13) of the 1954 Code), and interest on the Bonds will not be treated as an item of tax preference in computing the alternative minimum tax for individuals and corporations. Interest on the Bonds will be taken into account, however, in computing an adjustment used in determining the alternative minimum tax for certain corporations. Failure to comply with certain of such covenants could cause the interest on the Bonds to be included in gross income retroactive to the date of issuance of the Bonds. Ownership of the

Bonds may result in other federal tax consequences to certain taxpayers; we express no opinion regarding any such collateral consequences arising with respect to the Bonds. In rendering this opinion, we have relied upon certifications of even date herewith of the Company relating to the Station, the Project and the application of the proceeds of the Refunded Bonds and the proceeds of the Bonds with respect to certain material facts solely within the knowledge of the Company.

In our opinion, under the laws of the State of Colorado, as presently enacted and construed, so long as interest on the Bonds is not included in gross income for federal income tax purposes, interest on the Bonds is not included in Colorado taxable income for purposes of the income tax imposed by the State of Colorado pursuant to Article 22 of Title 39 of the Colorado Revised Statutes, as amended, upon individuals, corporations, and estates and trusts. No opinion is expressed regarding taxation of interest on the Bonds under any other provisions of Colorado law. Ownership of the Bonds may result in other Colorado tax consequences to certain taxpayers and we express no opinion regarding any such collateral consequences arising with respect to the Bonds.

We are not passing upon the Standby Purchase Agreement or any action taken by the Bank in connection therewith. The validity of the Standby Purchase Agreement has been passed upon by Davis Polk & Wardwell.

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

Stoel Rives Boley Jones & Grey has also rendered an opinion of even date herewith, as to the due authorization, execution and delivery of the First Mortgage Bonds and the Mortgage, the validity and binding effect thereof, the enforceability thereof in accordance with their respective terms and the requisite issuance of all orders, approvals, authorizations and consents of any court or administrative or governmental body with respect to the First Mortgage Bonds.

Thomas Thornberry, County Attorney of the Issuer, has delivered an opinion of even date herewith with respect to the obligations of the Issuer under the Bonds, the Loan Agreement and the Indenture.

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

RJScott:DBRohbock:jgl

Chapman and Cutler

APPENDIX D-1

PROPOSED FORM OPINION OF BOND COUNSEL RELATING TO FIRST SUPPLEMENTAL INDENTURE AND FIRST SUPPLEMENTAL LOAN AGREEMENT FOR CARBON BONDS

[LETTERHEAD OF CHAPMAN AND CUTLER LLP]

[DATED THE CLOSING DATE]

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

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

Carbon County, Utah
120 East Main Street
Price, Utah 84510

Ambac Assurance Corporation
One State Street Plaza, 19th Floor
New York, New York 10004

JPMorgan Chase Bank, N.A.
as Agent Bank
270 Park Avenue, 4th Floor
New York, New York 10017

Morgan Stanley & Co. Incorporated
1221 Avenue of the Americas, 30th Floor
New York, New York 10020

Re: $9,365,000
Carbon County, Utah
Pollution Control Revenue Refunding Bonds
(PacifiCorp Project) Series 1994 (the *"Bonds"*)

Ladies and Gentlemen:

This opinion is being furnished in accordance with (a) Sections 12.02(c)(ii) and 12.06 of that certain the Trust Indenture, dated as of November 1, 1994 (the *"Original Indenture"*), between Carbon County, Utah (the *"Issuer"*) and The Bank of New York Mellon Trust Company, N.A., as successor trustee (the *"Trustee"*); (b) Section 1.4 of that certain Release Agreement, dated the date hereof (the *"Release Agreement"*), by and among the Issuer, the Trustee, PacifiCorp (the *"Company"*) and Ambac Assurance Corporation (*"Ambac"*) and (c) Section 5(e)(3)(B) of that certain Remarketing Agreement, dated November 18, 2008, between the Company and Morgan Stanley & Co. Incorporated, as remarketing agent. Prior to the date hereof, payment of principal of and interest on the Bonds was secured by a municipal bond insurance policy issued by Ambac (the *"Insurance Policy"*) and the purchase price of the Bonds

is currently secured by that certain Standby Bond Purchase Agreement, dated February 22, 2006 (the *"Standby Purchase Agreement"*), by and among the Company, the banks party thereto and JPMorgan Chase Bank, N.A., as agent bank. In order to replace the Insurance Policy and the Standby Purchase Agreement with a Letter of Credit to be issued by Wells Fargo Bank, N.A. (the *"Bank"*) for the benefit of the Trustee, and to make certain other permitted changes in connection therewith to the Original Indenture and the Loan Agreement, dated as of November 1, 1994 (the *"Original Loan Agreement"*), between the Issuer and the Company, (a) the Company, pursuant to Section 12.02 of the Original Indenture, has requested the Issuer and the Trustee to enter into the First Supplemental Trust Indenture, dated as of October 1, 2008 (the *"First Supplemental Indenture"*), in order to amend and restate the Original Indenture and (b) the Company and the Issuer, pursuant to Section 12.06 of the Original Indenture and Section 9.04 of the Original Loan Agreement, have determined to enter into the First Supplemental Loan Agreement, dated as of October 1, 2008 (the *"First Supplemental Loan Agreement"*), to amend and restate the Original Loan Agreement. It has been represented to us that the Owners of all of the Bonds have consented to the execution and delivery of the First Supplemental Indenture and the First Supplemental Loan Agreement.

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, including regarding the consent of the Owners, made to us without undertaking to verify the same by independent investigation.

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

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

1. The form of the restated bond prescribed in the First Supplemental Indenture (the *"Restated Bonds"*) satisfies the requirements of the Act and the Original Indenture and the authentication of the Restated Bonds will not adversely affect the Tax-Exempt status of the Bonds.

2. The First Supplemental Indenture is authorized or permitted by the Original Indenture and the Act and complies with their respective terms.

3. The modification, alteration, amendment and supplement of the Original Loan Agreement by the First Supplemental Loan Agreement is authorized or permitted by the Original Loan Agreement or the Original Indenture and the Act and complies with their respective terms.

4. The First Supplemental Indenture and the First Supplemental Loan Agreement will, upon execution and delivery thereof, be valid and binding obligations of the Issuer, enforceable in accordance with their respective 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 equitable principals in the event equitable remedies should be sought.

5. The execution and delivery of the First Supplemental Indenture and the First Supplemental Loan Agreement will not adversely affect the Tax-Exempt status of the Bonds.

6. The release of Ambac from its obligations under the Insurance Policy to pay principal of and interest on the Bonds will not, in and of itself, adversely affect the Tax-Exempt status of the Bonds. Except as expressly stated in the foregoing sentence, we have not been request to express, and do not express, any opinion with respect to such release or the Release Agreement. In rendering this opinion, we have assumed, with your permission, that the release of Ambac from its obligations under the Insurance Policy to pay principal of and interest on the Bonds will not result in the Issuer's capacity to meet the payment obligations on the Bonds changing from being adequate to primarily speculative.

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 Original Indenture, the Original Loan Agreement, the Tax Certificate and other documents relating to the Bonds, or to review any other events that may have occurred since we rendered such approving opinion other than with respect to the Company in connection with the conversion of the interest rate on the Bonds and the execution and delivery of the First Supplemental Indenture and the First Supplemental Loan Agreement and the release of the Insurance Policy. Accordingly, we do not express any opinion with respect to the Bonds, except as described above.

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

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

Respectfully submitted,

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APPENDIX D-2

PROPOSED FORM OPINION OF BOND COUNSEL RELATING TO FIRST SUPPLEMENTAL INDENTURE AND FIRST SUPPLEMENTAL LOAN AGREEMENT FOR CONVERSE BONDS

[LETTERHEAD OF CHAPMAN AND CUTLER LLP]

[DATED THE CLOSING DATE]

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

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

Converse County, Wyoming
107 North 5th Street
Douglas, Wyoming 82633

Ambac Assurance Corporation
One State Street Plaza, 19th Floor
New York, New York 10004

JPMorgan Chase Bank, N.A.,
as Agent Bank
270 Park Avenue, 4th Floor
New York, New York 10017

Banc of America Securities LLC
One Bryant Park, 11th Floor
New York, New York 10036

Re: $8,190,000
Converse County, Wyoming
Pollution Control Revenue Refunding Bonds
(PacifiCorp Project) Series 1994 (the "*Bonds*")

Ladies and Gentlemen:

This opinion is being furnished in accordance with (a) Sections 12.02(c)(ii) and 12.06 of that certain the Trust Indenture, dated as of November 1, 1994 (the "*Original Indenture*"), between Converse County, Wyoming (the "*Issuer*") and The Bank of New York Mellon Trust Company, N.A., as successor trustee (the "*Trustee*"); (b) Section 1.4 of that certain Release Agreement, dated the date hereof (the "*Release Agreement*"), by and among the Issuer, the Trustee, PacifiCorp (the "*Company*") and Ambac Assurance Corporation ("*Ambac*") and (c) Section 5(e)(3)(B) of that certain Remarketing Agreement, dated November 18, 2008, between the Company and Banc of America Securities LLC, as remarketing agent. Prior to the date hereof, payment of principal of and interest on the Bonds was secured by a municipal bond insurance policy issued by Ambac (the "*Insurance Policy*") and the purchase price of the Bonds

is currently secured by that certain Standby Bond Purchase Agreement, dated February 22, 2006 (the *"Standby Purchase Agreement"*), by and among the Company, the banks party thereto and JPMorgan Chase Bank, N.A., as agent bank. In order to replace the Insurance Policy and the Standby Purchase Agreement with a Letter of Credit to be issued by Wells Fargo Bank, N.A. (the *"Bank"*) for the benefit of the Trustee, and to make certain other permitted changes in connection therewith to the Original Indenture and the Loan Agreement, dated as of November 1, 1994 (the *"Original Loan Agreement"*), between the Issuer and the Company, (a) the Company, pursuant to Section 12.02 of the Original Indenture, has requested the Issuer and the Trustee to enter into the First Supplemental Trust Indenture, dated as of October 1, 2008 (the *"First Supplemental Indenture"*), in order to amend and restate the Original Indenture and (b) the Company and the Issuer, pursuant to Section 12.06 of the Original Indenture and Section 9.04 of the Original Loan Agreement, have determined to enter into the First Supplemental Loan Agreement, dated as of October 1, 2008 (the *"First Supplemental Loan Agreement"*), to amend and restate the Original Loan Agreement. It has been represented to us that the Owners of all of the Bonds have consented to the execution and delivery of the First Supplemental Indenture and the First Supplemental Loan Agreement.

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, including regarding the consent of the Owners, made to us without undertaking to verify the same by independent investigation.

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

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

1. The form of the restated bond prescribed in the First Supplemental Indenture (the *"Restated Bonds"*) satisfies the requirements of the Act and the Original Indenture and the authentication of the Restated Bonds will not adversely affect the Tax-Exempt status of the Bonds.

2. The First Supplemental Indenture is authorized or permitted by the Original Indenture and the Act and complies with their respective terms.

3. The modification, alteration, amendment and supplement of the Original Loan Agreement by the First Supplemental Loan Agreement is authorized or permitted by the Original Loan Agreement or the Original Indenture and the Act and complies with their respective terms.

4. The First Supplemental Indenture and the First Supplemental Loan Agreement will, upon execution and delivery thereof, be valid and binding obligations of the Issuer, enforceable in accordance with their respective 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 equitable principals in the event equitable remedies should be sought.

5. The execution and delivery of the First Supplemental Indenture and the First Supplemental Loan Agreement will not adversely affect the Tax-Exempt status of the Bonds.

6. The release of Ambac from its obligations under the Insurance Policy to pay principal of and interest on the Bonds will not, in and of itself, adversely affect the Tax-Exempt status of the Bonds. Except as expressly stated in the foregoing sentence, we have not been request to express, and do not express, any opinion with respect to such release or the Release Agreement. In rendering this opinion, we have assumed, with your permission, that the release of Ambac from its obligations under the Insurance Policy to pay principal of and interest on the Bonds will not result in the Issuer's capacity to meet the payment obligations on the Bonds changing from being adequate to primarily speculative.

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 Original Indenture, the Original Loan Agreement, the Tax Certificate and other documents relating to the Bonds, or to review any other events that may have occurred since we rendered such approving opinion other than with respect to the Company in connection with the conversion of the interest rate on the Bonds and the execution and delivery of the First Supplemental Indenture and the First Supplemental Loan Agreement and the release of the Insurance Policy. Accordingly, we do not express any opinion with respect to the Bonds, except as described above.

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

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

Respectfully submitted,

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APPENDIX D-3

PROPOSED FORM OPINION OF BOND COUNSEL RELATING TO FIRST SUPPLEMENTAL INDENTURE AND FIRST SUPPLEMENTAL LOAN AGREEMENT FOR EMERY BONDS

[LETTERHEAD OF CHAPMAN AND CUTLER LLP]

[DATED THE CLOSING DATE]

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

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

Emery County, Utah
75 East Main Street
Castle Dale, Utah 84513

Ambac Assurance Corporation
One State Street Plaza, 19th Floor
New York, New York 10004

The Bank of Nova Scotia, New York Agency,
as Agent Bank
1 Liberty Plaza
New York, New York 10006

Wells Fargo Brokerage Services, LLC
MAC N9303-105
608 Second Avenue South
Minneapolis, Minnesota 55479

Re: $121,940,000
Emery County, Utah
Pollution Control Revenue Refunding Bonds
(PacifiCorp Project) Series 1994 (the *"Bonds"*)

Ladies and Gentlemen:

This opinion is being furnished in accordance with (a) Sections 12.02(c)(ii) and 12.06 of that certain the Trust Indenture, dated as of November 1, 1994 (the *"Original Indenture"*), between Emery County, Utah (the *"Issuer"*) and The Bank of New York Mellon Trust Company, N.A., as successor trustee (the *"Trustee"*); (b) Section 1.4 of that certain Release Agreement, dated the date hereof (the *"Release Agreement"*), by and among the Issuer, the Trustee, PacifiCorp (the *"Company"*) and Ambac Assurance Corporation (*"Ambac"*) and (c) Section 5(e)(3)(B) of that certain Remarketing Agreement, dated November 18, 2008, between the Company and Wells Fargo Brokerage Services, LLC, as remarketing agent. Prior to the date hereof, payment of principal of and interest on the Bonds was secured by a municipal bond insurance policy issued by Ambac (the *"Insurance Policy"*) and the purchase price of the Bonds

is currently secured by that certain Standby Bond Purchase Agreement, dated May 3, 2006 (the *"Standby Purchase Agreement"*), by and among the Company, the banks party thereto and The Bank of Nova Scotia, New York Agency, as agent bank. In order to replace the Insurance Policy and the Standby Purchase Agreement with a Letter of Credit to be issued by Wells Fargo Bank, N.A. (the *"Bank"*) for the benefit of the Trustee, and to make certain other permitted changes in connection therewith to the Original Indenture and the Loan Agreement, dated as of November 1, 1994 (the *"Original Loan Agreement"*), between the Issuer and the Company, (a) the Company, pursuant to Section 12.02 of the Original Indenture, has requested the Issuer and the Trustee to enter into the First Supplemental Trust Indenture, dated as of October 1, 2008 (the *"First Supplemental Indenture"*), in order to amend and restate the Original Indenture and (b) the Company and the Issuer, pursuant to Section 12.06 of the Original Indenture and Section 9.04 of the Original Loan Agreement, have determined to enter into the First Supplemental Loan Agreement, dated as of October 1, 2008 (the *"First Supplemental Loan Agreement"*), to amend and restate the Original Loan Agreement. It has been represented to us that the Owners of all of the Bonds have consented to the execution and delivery of the First Supplemental Indenture and the First Supplemental Loan Agreement.

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, including regarding the consent of the Owners, made to us without undertaking to verify the same by independent investigation.

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

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

1. The form of the restated bond prescribed in the First Supplemental Indenture (the *"Restated Bonds"*) satisfies the requirements of the Act and the Original Indenture and the authentication of the Restated Bonds will not adversely affect the Tax-Exempt status of the Bonds.

2. The First Supplemental Indenture is authorized or permitted by the Original Indenture and the Act and complies with their respective terms.

3. The modification, alteration, amendment and supplement of the Original Loan Agreement by the First Supplemental Loan Agreement is authorized or permitted by the Original Loan Agreement or the Original Indenture and the Act and complies with their respective terms.

4. The First Supplemental Indenture and the First Supplemental Loan Agreement will, upon execution and delivery thereof, be valid and binding obligations of the Issuer, enforceable in accordance with their respective 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 equitable principals in the event equitable remedies should be sought.

5. The execution and delivery of the First Supplemental Indenture and the First Supplemental Loan Agreement will not adversely affect the Tax-Exempt status of the Bonds.

6. The release of Ambac from its obligations under the Insurance Policy to pay principal of and interest on the Bonds will not, in and of itself, adversely affect the Tax-Exempt status of the Bonds. Except as expressly stated in the foregoing sentence, we have not been request to express, and do not express, any opinion with respect to such release or the Release Agreement. In rendering this opinion, we have assumed, with your permission, that the release of Ambac from its obligations under the Insurance Policy to pay principal of and interest on the Bonds will not result in the Issuer's capacity to meet the payment obligations on the Bonds changing from being adequate to primarily speculative.

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 Original Indenture, the Original Loan Agreement, the Tax Certificate and other documents relating to the Bonds, or to review any other events that may have occurred since we rendered such approving opinion other than with respect to the Company in connection with the conversion of the interest rate on the Bonds and the execution and delivery of the First Supplemental Indenture and the First Supplemental Loan Agreement and the release of the Insurance Policy. Accordingly, we do not express any opinion with respect to the Bonds, except as described above.

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

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

Respectfully submitted,

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APPENDIX D-4

PROPOSED FORM OPINION OF BOND COUNSEL RELATING TO FIRST SUPPLEMENTAL INDENTURE AND FIRST SUPPLEMENTAL LOAN AGREEMENT FOR LINCOLN BONDS

[LETTERHEAD OF CHAPMAN AND CUTLER LLP]

[DATED THE CLOSING DATE]

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

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

Lincoln County, Wyoming
925 Sage, Suite 302
Kemmerer, Wyoming 83101

Ambac Assurance Corporation
One State Street Plaza, 19th Floor
New York, New York 10004

JPMorgan Chase Bank, N.A.,
as Agent Bank
270 Park Avenue, 4th Floor
New York, New York 10017

Banc of America Securities LLC
One Bryant Park, 11th Floor
New York, New York 10036

Re: $15,060,000
Lincoln County, Wyoming
Pollution Control Revenue Refunding Bonds
(PacifiCorp Project) Series 1994 (the *"Bonds"*)

Ladies and Gentlemen:

This opinion is being furnished in accordance with (a) Sections 12.02(c)(ii) and 12.06 of that certain the Trust Indenture, dated as of November 1, 1994 (the *"Original Indenture"*), between Lincoln County, Wyoming (the *"Issuer"*) and The Bank of New York Mellon Trust Company, N.A., as successor trustee (the *"Trustee"*); (b) Section 1.4 of that certain Release Agreement, dated the date hereof (the *"Release Agreement"*), by and among the Issuer, the Trustee, PacifiCorp (the *"Company"*) and Ambac Assurance Corporation (*"Ambac"*) and (c) Section 5(e)(3)(B) of that certain Remarketing Agreement, dated November 18, 2008, between the Company and Banc of America Securities LLC, as remarketing agent. Prior to the date hereof, payment of principal of and interest on the Bonds was secured by a municipal bond insurance policy issued by Ambac (the *"Insurance Policy"*) and the purchase price of the Bonds

is currently secured by that certain Standby Bond Purchase Agreement, dated February 22, 2006 (the *"Standby Purchase Agreement"*), by and among the Company, the banks party thereto and JPMorgan Chase Bank, N.A., as agent bank. In order to replace the Insurance Policy and the Standby Purchase Agreement with a Letter of Credit to be issued by Wells Fargo Bank, N.A. (the *"Bank"*) for the benefit of the Trustee, and to make certain other permitted changes in connection therewith to the Original Indenture and the Loan Agreement, dated as of November 1, 1994 (the *"Original Loan Agreement"*), between the Issuer and the Company, (a) the Company, pursuant to Section 12.02 of the Original Indenture, has requested the Issuer and the Trustee to enter into the First Supplemental Trust Indenture, dated as of October 1, 2008 (the *"First Supplemental Indenture"*), in order to amend and restate the Original Indenture and (b) the Company and the Issuer, pursuant to Section 12.06 of the Original Indenture and Section 9.04 of the Original Loan Agreement, have determined to enter into the First Supplemental Loan Agreement, dated as of October 1, 2008 (the *"First Supplemental Loan Agreement"*), to amend and restate the Original Loan Agreement. It has been represented to us that the Owners of all of the Bonds have consented to the execution and delivery of the First Supplemental Indenture and the First Supplemental Loan Agreement.

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, including regarding the consent of the Owners, made to us without undertaking to verify the same by independent investigation.

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

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

1. The form of the restated bond prescribed in the First Supplemental Indenture (the *"Restated Bonds"*) satisfies the requirements of the Act and the Original Indenture and the authentication of the Restated Bonds will not adversely affect the Tax-Exempt status of the Bonds.

2. The First Supplemental Indenture is authorized or permitted by the Original Indenture and the Act and complies with their respective terms.

3. The modification, alteration, amendment and supplement of the Original Loan Agreement by the First Supplemental Loan Agreement is authorized or permitted by the Original Loan Agreement or the Original Indenture and the Act and complies with their respective terms.

4. The First Supplemental Indenture and the First Supplemental Loan Agreement will, upon execution and delivery thereof, be valid and binding obligations of the Issuer, enforceable in accordance with their respective 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 equitable principals in the event equitable remedies should be sought.

5. The execution and delivery of the First Supplemental Indenture and the First Supplemental Loan Agreement will not adversely affect the Tax-Exempt status of the Bonds.

6. The release of Ambac from its obligations under the Insurance Policy to pay principal of and interest on the Bonds will not, in and of itself, adversely affect the Tax-Exempt status of the Bonds. Except as expressly stated in the foregoing sentence, we have not been request to express, and do not express, any opinion with respect to such release or the Release Agreement. In rendering this opinion, we have assumed, with your permission, that the release of Ambac from its obligations under the Insurance Policy to pay principal of and interest on the Bonds will not result in the Issuer's capacity to meet the payment obligations on the Bonds changing from being adequate to primarily speculative.

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 Original Indenture, the Original Loan Agreement, the Tax Certificate and other documents relating to the Bonds, or to review any other events that may have occurred since we rendered such approving opinion other than with respect to the Company in connection with the conversion of the interest rate on the Bonds and the execution and delivery of the First Supplemental Indenture and the First Supplemental Loan Agreement and the release of the Insurance Policy. Accordingly, we do not express any opinion with respect to the Bonds, except as described above.

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

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

Respectfully submitted,

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APPENDIX D-5

PROPOSED FORM OPINION OF BOND COUNSEL RELATING TO FIRST SUPPLEMENTAL INDENTURE AND FIRST SUPPLEMENTAL LOAN AGREEMENT FOR MOFFAT BONDS

[LETTERHEAD OF CHAPMAN AND CUTLER LLP]

[DATED THE CLOSING DATE]

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

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

Moffat County, Colorado
221 West Victory Way, Suite 120
Craig, Colorado 81625

Ambac Assurance Corporation
One State Street Plaza, 19th Floor
New York, New York 10004

JPMorgan Chase Bank, N.A.,
as Agent Bank
270 Park Avenue, 4th Floor
New York, New York 10017

Morgan Stanley & Co. Incorporated
1221 Avenue of the Americas, 30th Floor
New York, New York 10020

Re: $40,655,000
Moffat County, Colorado
Pollution Control Revenue Refunding Bonds
(PacifiCorp Project) Series 1994 (the "*Bonds*")

Ladies and Gentlemen:

This opinion is being furnished in accordance with (a) Sections 12.02(c)(ii) and 12.06 of that certain the Trust Indenture, dated as of November 1, 1994 (the "*Original Indenture*"), between Moffat County, Colorado (the "*Issuer*") and The Bank of New York Mellon Trust Company, N.A., as successor trustee (the "*Trustee*"); (b) Section 1.4 of that certain Release Agreement, dated the date hereof (the "*Release Agreement*"), by and among the Issuer, the Trustee, PacifiCorp (the "*Company*") and Ambac Assurance Corporation ("*Ambac*") and (c) Section 5(e)(3)(B) of that certain Remarketing Agreement, dated November 18, 2008, between the Company and Morgan Stanley & Co. Incorporated, as remarketing agent. Prior to the date hereof, payment of principal of and interest on the Bonds was secured by a municipal bond insurance policy issued by Ambac (the "*Insurance Policy*") and the purchase price of the Bonds

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is currently secured by that certain Standby Bond Purchase Agreement, dated February 22, 2006 (the *"Standby Purchase Agreement"*), by and among the Company, the banks party thereto and JPMorgan Chase Bank, N.A., as agent bank. In order to replace the Insurance Policy and the Standby Purchase Agreement with a Letter of Credit to be issued by Wells Fargo Bank, N.A. (the *"Bank"*) for the benefit of the Trustee, and to make certain other permitted changes in connection therewith to the Original Indenture and the Loan Agreement, dated as of November 1, 1994 (the *"Original Loan Agreement"*), between the Issuer and the Company, (a) the Company, pursuant to Section 12.02 of the Original Indenture, has requested the Issuer and the Trustee to enter into the First Supplemental Trust Indenture, dated as of October 1, 2008 (the *"First Supplemental Indenture"*), in order to amend and restate the Original Indenture and (b) the Company and the Issuer, pursuant to Section 12.06 of the Original Indenture and Section 9.04 of the Original Loan Agreement, have determined to enter into the First Supplemental Loan Agreement, dated as of October 1, 2008 (the *"First Supplemental Loan Agreement"*), to amend and restate the Original Loan Agreement. It has been represented to us that the Owners of all of the Bonds have consented to the execution and delivery of the First Supplemental Indenture and the First Supplemental Loan Agreement.

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, including regarding the consent of the Owners, made to us without undertaking to verify the same by independent investigation.

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

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

1. The form of the restated bond prescribed in the First Supplemental Indenture (the *"Restated Bonds"*) satisfies the requirements of the Act and the Original Indenture and the authentication of the Restated Bonds will not adversely affect the Tax-Exempt status of the Bonds.

2. The First Supplemental Indenture is authorized or permitted by the Original Indenture and the Act and complies with their respective terms.

3. The modification, alteration, amendment and supplement of the Original Loan Agreement by the First Supplemental Loan Agreement is authorized or permitted by the Original Loan Agreement or the Original Indenture and the Act and complies with their respective terms.

4. The First Supplemental Indenture and the First Supplemental Loan Agreement will, upon execution and delivery thereof, be valid and binding obligations of the Issuer, enforceable in accordance with their respective 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 equitable principals in the event equitable remedies should be sought.

5. The execution and delivery of the First Supplemental Indenture and the First Supplemental Loan Agreement will not adversely affect the Tax-Exempt status of the Bonds.

6. The release of Ambac from its obligations under the Insurance Policy to pay principal of and interest on the Bonds will not, in and of itself, adversely affect the Tax-Exempt status of the Bonds. Except as expressly stated in the foregoing sentence, we have not been request to express, and do not express, any opinion with respect to such release or the Release Agreement. In rendering this opinion, we have assumed, with your permission, that the release of Ambac from its obligations under the Insurance Policy to pay principal of and interest on the Bonds will not result in the Issuer's capacity to meet the payment obligations on the Bonds changing from being adequate to primarily speculative.

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 Original Indenture, the Original Loan Agreement, the Tax Certificate and other documents relating to the Bonds, or to review any other events that may have occurred since we rendered such approving opinion other than with respect to the Company in connection with the conversion of the interest rate on the Bonds and the execution and delivery of the First Supplemental Indenture and the First Supplemental Loan Agreement and the release of the Insurance Policy. Accordingly, we do not express any opinion with respect to the Bonds, except as described above.

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

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

Respectfully submitted,

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APPENDIX D-6

PROPOSED FORM OPINION OF BOND COUNSEL RELATING TO FIRST SUPPLEMENTAL INDENTURE AND FIRST SUPPLEMENTAL LOAN AGREEMENT FOR SWEETWATER BONDS

[LETTERHEAD OF CHAPMAN AND CUTLER LLP]

[DATED THE CLOSING DATE]

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

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

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

Ambac Assurance Corporation
One State Street Plaza, 19th Floor
New York, New York 10004

JPMorgan Chase Bank, N.A.,
as Agent Bank
270 Park Avenue, 4th Floor
New York, New York 10017

Morgan Stanley & Co. Incorporated
1221 Avenue of the Americas, 30th Floor
New York, New York 10020

Re: $21,260,000
Sweetwater County, Wyoming
Pollution Control Revenue Refunding Bonds
(PacifiCorp Project) Series 1994 (the *"Bonds"*)

Ladies and Gentlemen:

This opinion is being furnished in accordance with (a) Sections 12.02(c)(ii) and 12.06 of that certain the Trust Indenture, dated as of November 1, 1994 (the *"Original Indenture"*), between Sweetwater County, Wyoming (the *"Issuer"*) and The Bank of New York Mellon Trust Company, N.A., as successor trustee (the *"Trustee"*); (b) Section 1.4 of that certain Release Agreement, dated the date hereof (the *"Release Agreement"*), by and among the Issuer, the Trustee, PacifiCorp (the *"Company"*) and Ambac Assurance Corporation (*"Ambac"*) and (c) Section 5(e)(3)(B) of that certain Remarketing Agreement, dated November 18, 2008, between the Company and Morgan Stanley & Co. Incorporated, as remarketing agent. Prior to the date hereof, payment of principal of and interest on the Bonds was secured by a municipal bond insurance policy issued by Ambac (the *"Insurance Policy"*) and the purchase price of the Bonds

is currently secured by that certain Standby Bond Purchase Agreement, dated February 22, 2006 (the *"Standby Purchase Agreement"*), by and among the Company, the banks party thereto and JPMorgan Chase Bank, N.A., as agent bank. In order to replace the Insurance Policy and the Standby Purchase Agreement with a Letter of Credit to be issued by Wells Fargo Bank, N.A. (the *"Bank"*) for the benefit of the Trustee, and to make certain other permitted changes in connection therewith to the Original Indenture and the Loan Agreement, dated as of November 1, 1994 (the *"Original Loan Agreement"*), between the Issuer and the Company, (a) the Company, pursuant to Section 12.02 of the Original Indenture, has requested the Issuer and the Trustee to enter into the First Supplemental Trust Indenture, dated as of October 1, 2008 (the *"First Supplemental Indenture"*), in order to amend and restate the Original Indenture and (b) the Company and the Issuer, pursuant to Section 12.06 of the Original Indenture and Section 9.04 of the Original Loan Agreement, have determined to enter into the First Supplemental Loan Agreement, dated as of October 1, 2008 (the *"First Supplemental Loan Agreement"*), to amend and restate the Original Loan Agreement. It has been represented to us that the Owners of all of the Bonds have consented to the execution and delivery of the First Supplemental Indenture and the First Supplemental Loan Agreement.

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, including regarding the consent of the Owners, made to us without undertaking to verify the same by independent investigation.

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

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

1. The form of the restated bond prescribed in the First Supplemental Indenture (the *"Restated Bonds"*) satisfies the requirements of the Act and the Original Indenture and the authentication of the Restated Bonds will not adversely affect the Tax-Exempt status of the Bonds.

2. The First Supplemental Indenture is authorized or permitted by the Original Indenture and the Act and complies with their respective terms.

3. The modification, alteration, amendment and supplement of the Original Loan Agreement by the First Supplemental Loan Agreement is authorized or permitted by the Original Loan Agreement or the Original Indenture and the Act and complies with their respective terms.

4. The First Supplemental Indenture and the First Supplemental Loan Agreement will, upon execution and delivery thereof, be valid and binding obligations of the Issuer, enforceable in accordance with their respective 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 equitable principals in the event equitable remedies should be sought.

5. The execution and delivery of the First Supplemental Indenture and the First Supplemental Loan Agreement will not adversely affect the Tax-Exempt status of the Bonds.

6. The release of Ambac from its obligations under the Insurance Policy to pay principal of and interest on the Bonds will not, in and of itself, adversely affect the Tax-Exempt status of the Bonds. Except as expressly stated in the foregoing sentence, we have not been request to express, and do not express, any opinion with respect to such release or the Release Agreement. In rendering this opinion, we have assumed, with your permission, that the release of Ambac from its obligations under the Insurance Policy to pay principal of and interest on the Bonds will not result in the Issuer's capacity to meet the payment obligations on the Bonds changing from being adequate to primarily speculative.

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 Original Indenture, the Original Loan Agreement, the Tax Certificate and other documents relating to the Bonds, or to review any other events that may have occurred since we rendered such approving opinion other than with respect to the Company in connection with the conversion of the interest rate on the Bonds and the execution and delivery of the First Supplemental Indenture and the First Supplemental Loan Agreement and the release of the Insurance Policy. Accordingly, we do not express any opinion with respect to the Bonds, except as described above.

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

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

Respectfully submitted,

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APPENDIX E

FORM OF LETTER OF CREDIT

IRREVOCABLE LETTER OF CREDIT

November 19, 2008

Letter of Credit No. __________

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

Ladies and Gentlemen:

We hereby establish in your favor, as Trustee for the benefit of the owners of the Bonds under the Indenture described below, at the request and for the account of PacifiCorp, an Oregon corporation, our irrevocable letter of credit in the amount of U.S. $ (________________ Dollars) in connection with the Bonds (as defined below) available with ourselves by sight payment against presentation of one or more signed and dated demands addressed by you to Wells Fargo Bank, National Association, Letter of Credit Operations Office, San Francisco, California, each in the form of Annex A (an "A Drawing"), Annex B (a "B Drawing"), Annex C (a "C Drawing"), or Annex D (a "D Drawing") hereto, with all instructions in brackets therein being complied with. Each such demand must be presented to us in its original form at the Presentation Office (as hereinafter defined) or by facsimile transmission of such original form to us at (415) 296-8905.

Each such presentation must be made at or before 5:00 p.m. San Francisco time on a Business Day (as hereinafter defined) to our Letter of Credit Operations Office in San Francisco, California, presently located at One Front Street, 21st Floor, San Francisco, California 94111, (the "Presentation Office").

This Letter of Credit expires at our Letter of Credit Operations Office in San Francisco, California on November 19, 2009, but shall be automatically extended, without written amendment to, and shall expire on, November 19, 2010 unless on or before October 20, 2009, you have received written notice from us sent by express courier or registered mail to your address above or by facsimile transmission to (312) 827-8542 (the "Fax Number"), that we elect not to extend this Letter of Credit beyond November 19, 2009. (The date on which this Letter of Credit expires pursuant to the preceding sentence, or if such date is not a Business Day then the first (1st) succeeding Business Day thereafter, will be hereinafter referred to as the "Expiration Date".) To be effective, the notice from us described in the first sentence of this paragraph must be received by you on or before October 20, 2009.

As used herein the term "Business Day" shall mean a day on which our San Francisco Letter of Credit Operations Office is open for business.

The amount of any demand presented hereunder will be the amount inserted in numbered Paragraph 4 of said demand. By honoring any such demand we make no representation as to the correctness of the amount demanded.

We hereby agree with you that each demand presented hereunder in full compliance with the terms hereof will be duly honored by our payment to you of the amount of such demand, in immediately available funds of Wells Fargo Bank, National Association:

(i) not later than 10:00 a.m., San Francisco time, on the Business Day following the Business Day on which such demand is presented to us as aforesaid if such presentation is made to us at or before noon, San Francisco time, or

(ii) not later than 10:00 a.m., San Francisco time, on the second Business Day following the Business Day on which such demand is presented to us as aforesaid, if such presentation is made to us after noon, San Francisco time.

Notwithstanding the foregoing, any demand presented hereunder, in full compliance with the terms hereof, for a C Drawing will be duly honored (i) not later than 11:30 a.m., San Francisco time, on the Business Day on which such demand is presented to us as aforesaid if such presentation is made to us at or before 9:00 a.m., San Francisco time, and (ii) not later than 11:00 a.m., San Francisco time, on the Business Day following the Business Day on which such demand is presented to us as aforesaid if such presentation is made to us after 9:00 a.m., San Francisco time.

If the remittance instructions included with any demand presented under this Letter of Credit require that payment is to be made by transfer to an account with us or with another bank, we and/or such other bank may rely solely on the account number specified in such instructions even if the account is in the name of a person or entity different from the intended payee.

With respect to any demand that is honored hereunder, the total amount of this Letter of Credit shall be reduced as follows:

(A) With respect to each A Drawing paid by us, the total amount of this Letter of Credit shall be reduced by the amount of such A Drawing with respect to all demands presented to us after the time we receive such A Drawing; provided, however, that the amount of such A Drawing shall be automatically reinstated on the eighth (8th) Business Day following the date such A Drawing is honored by us, unless (i) you shall have received notice from us sent to you at your above address by express courier or registered mail or by facsimile transmission to the Fax Number, no later than seven (7) Business Days after such A Drawing is honored by us that there shall be no such reinstatement, or (ii) such eighth (8th) Business Day falls after the Expiration Date;

(B) With respect to each B Drawing paid by us, the total amount of this Letter of Credit shall be reduced by the sum of (1) the amount inserted as principal in paragraph 5(A) of the applicable demand plus (2) the **greater** of (a) the amount inserted as interest in paragraph 5(B) of the applicable demand and (b) interest on the amount inserted as principal in paragraph 5(A) of the applicable demand

calculated for 48 days at the rate of twelve percent (12%) per annum based on a year of 365 days (with any fraction of a cent being rounded upward to the nearest whole cent) with respect to all demands presented to us after the time we receive such B Drawing and shall not be reinstated;

(C) With respect to each C Drawing paid by us, the total amount of this Letter of Credit shall be reduced with respect to all demands presented to us after the time we receive such C Drawing by the sum of (1) the amount inserted as principal in paragraph 5(A) of the C Drawing plus (2) the **greater** of (a) the amount inserted as interest in paragraph 5(B) of the C Drawing and (b) interest on the amount inserted as principal in paragraph 5(A) of the C Drawing calculated for 48 days at the rate of twelve percent (12%) per annum based on a year of 365 days (with any fraction of a cent being rounded upward to the nearest whole cent); provided, however, that if the Bonds (as defined below) related to such C Drawing are remarketed and the remarketing proceeds are paid to us prior to the Expiration Date, then on the day we receive such remarketing proceeds the amount of this Letter of Credit shall be reinstated by an amount which equals the sum of (i) the amount paid to us from such remarketing proceeds and (ii) interest on such amount calculated for the same number of days, at the same interest rate, and on the basis of a year of the same number of days as is specified in (2)(b) of this paragraph (C) (with any fraction of a cent being rounded upward to the nearest whole cent), with such reinstatement and its amount being promptly advised to you; provided, however, that in no event will the total amount of all C Drawing reinstatements exceed the total amount of all Letter of Credit reductions made pursuant to this paragraph (C).

Upon presentation to us of a D Drawing in compliance with the terms of this Letter of Credit, no further demand whatsoever may be presented hereunder.

No more than one A Drawing which we honor shall be presented to us during any consecutive twenty-seven (27) calendar day period. No A Drawing which we honor shall be for an amount more than U.S. $_______.

It is a condition of this Letter of Credit that the amount available for drawing under this Letter of Credit shall be decreased automatically without amendment upon our receipt of each reduction authorization in the form of Annex E to this Letter of Credit (with all instructions therein in brackets being complied with) sent to us at the Presentation Office as a signed and dated original form or sent to us as an authenticated SWIFT message at the SWIFT Address.

This Letter of Credit is subject to, and engages us in accordance with the terms of, the Uniform Customs and Practice for Documentary Credits (2007 Revision), Publication No. 600 of the International Chamber of Commerce (the "UCP"); provided, however, that if any provision of the UCP contradicts a provision of this Letter of Credit such provision of the UCP will not be applicable to this Letter of Credit, and provided further that Article 32, the second sentence of Article 36, and subsection (e) of Article 38 of the UCP shall not apply to this Letter of Credit. Furthermore, as provided in the first sentence of Article 36 of the UCP, we assume no liability or responsibility for consequences arising out of the interruption of our business by Acts of God,

riots, civil commotions, insurrections, wars, acts of terrorism, or by any strikes or lockouts, or any other causes beyond our control. Matters related to this Letter of Credit which are not covered by the UCP will be governed by the laws of the State of California, including, without limitation, the Uniform Commercial Code as in effect in the State of California, except to the extent such laws are inconsistent with the provisions of the UCP or this Letter of Credit.

This Letter of Credit is transferable and may be transferred more than once, but in each case only in the amount of the full unutilized balance hereof to any single transferee who you shall have advised us pursuant to Annex F has succeeded The Bank of New York Mellon Trust Company, N.A. or a successor trustee as Trustee under the Trust Indenture dated as of November 1, 1994, as amended and restated by a First Supplemental Trust Indenture dated as of October 1, 2008, as further amended or supplemented from time to time (the "Indenture") between __________ County, ________ (the "Issuer") and The Bank of New York Mellon Trust Company, N.A., as Trustee, pursuant to which U.S. $_________ in aggregate principal amount of the Issuer's Pollution Control Revenue Refunding Bonds (PacifiCorp Project) Series 1994 (the "Bonds") were issued. Transfers may be effected without charge to the transferor and only through ourselves and only upon presentation to us at the Presentation Office of a duly executed instrument of transfer in the form attached hereto as Annex F. Any transfer of this Letter of Credit as aforesaid must be endorsed by us on the reverse hereof and may not change the place of presentation of demands from our Letter of Credit Operations Office in San Francisco, California.

All payments hereunder shall be made from our own funds.

This Letter of Credit sets forth in full our undertaking, and such undertaking shall not in any way be modified, amended, amplified or limited by reference to any document, instrument or agreement referred to herein (including, without limitation, the Bonds and the Indenture), except the UCP to the extent the UCP is not inconsistent with or made inapplicable by this Letter of Credit; and any such reference shall not be deemed to incorporate herein by reference any document, instrument or agreement except the UCP.

WELLS FARGO BANK, NATIONAL ASSOCIATION

By: ____________________________________
Authorized Signature

Letter of Credit Operations Office
Telephone No.: 1-800-798-2815
Facsimile No.: (415) 296-8905

WELLS FARGO BANK, NATIONAL ASSOCIATION
LETTER OF CREDIT OPERATIONS OFFICE
ONE FRONT STREET, 21ST FLOOR
SAN FRANCISCO, CALIFORNIA 94111

FOR THE URGENT ATTENTION OF LETTER OF CREDIT MANAGER

[**INSERT NAME OF BENEFICIARY**] (THE "TRUSTEE") HEREBY CERTIFIES TO WELLS FARGO BANK, NATIONAL ASSOCIATION (THE "BANK") WITH REFERENCE TO IRREVOCABLE LETTER OF CREDIT NO. __________ (THE "LETTER OF CREDIT"; THE TERMS THE "BONDS", "BUSINESS DAY", THE "INDENTURE", AND THE "PRESENTATION OFFICE" USED HEREIN SHALL HAVE THEIR RESPECTIVE MEANINGS SET FORTH IN THE LETTER OF CREDIT) THAT:

(1) THE TRUSTEE IS THE TRUSTEE OR A SUCCESSOR TRUSTEE UNDER THE INDENTURE.

(2) THE TRUSTEE IS MAKING A DEMAND UNDER THE LETTER OF CREDIT FOR PAYMENT, ON AN INTEREST PAYMENT DATE (AS DEFINED IN THE INDENTURE), OF UNPAID INTEREST ON THE BONDS.

(3) THE AMOUNT OF THIS DEMAND FOR PAYMENT WAS COMPUTED IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THE BONDS AND THE INDENTURE AND IS DEMANDED IN ACCORDANCE WITH THE INDENTURE, WHICH AMOUNT PLEASE REMIT TO THE UNDERSIGNED AS FOLLOWS:

[**INSERT REMITTANCE INSTRUCTIONS**].

(4) THE AMOUNT HEREBY DEMANDED UNDER THE LETTER OF CREDIT IS $[**INSERT AMOUNT**].

(5) THE TRUSTEE HAS CONTACTED OR ATTEMPTED TO CONTACT BY TELEPHONE AN OFFICER OF THE BANK AT THE PRESENTATION OFFICE REGARDING THE AMOUNT OF THIS DEMAND AND THE DATE AND TIME BY WHICH PAYMENT IS DEMANDED; HOWEVER, SUCH CONTACT, WHETHER OR NOT ATTEMPTED OR MADE, IS NOT A CONDITION TO HONORING THE DEMAND FOR PAYMENT MADE PURSUANT HERETO.

(6) IF THIS DEMAND IS RECEIVED AT THE PRESENTATION OFFICE BY YOU AT OR BEFORE NOON, SAN FRANCISCO TIME ON A BUSINESS DAY, YOU MUST MAKE PAYMENT ON THIS DEMAND AT OR BEFORE 10:00 A.M., SAN FRANCISCO TIME, ON THE NEXT BUSINESS DAY. IF

THIS DEMAND IS RECEIVED BY YOU AT THE PRESENTATION OFFICE AFTER NOON, SAN FRANCISCO TIME, ON A BUSINESS DAY, YOU MUST MAKE PAYMENT ON THIS DEMAND AT OR BEFORE 10:00 A.M., SAN FRANCISCO TIME, ON THE SECOND BUSINESS DAY FOLLOWING SUCH BUSINESS DAY.

[INSERT NAME OF BENEFICIARY]

[INSERT SIGNATURE AND DATE]

WELLS FARGO BANK, NATIONAL ASSOCIATION
LETTER OF CREDIT OPERATIONS OFFICE
ONE FRONT STREET, 21ST FLOOR
SAN FRANCISCO, CALIFORNIA 94111

FOR THE URGENT ATTENTION OF LETTER OF CREDIT MANAGER.

[INSERT NAME OF BENEFICIARY] (THE "TRUSTEE") HEREBY CERTIFIES TO WELLS FARGO BANK, NATIONAL ASSOCIATION (THE "BANK") WITH REFERENCE TO IRREVOCABLE LETTER OF CREDIT NO. __________ (THE "LETTER OF CREDIT"; THE TERMS THE "BONDS", "BUSINESS DAY", THE "INDENTURE", AND THE "PRESENTATION OFFICE" USED HEREIN SHALL HAVE THEIR RESPECTIVE MEANINGS SET FORTH IN THE LETTER OF CREDIT) THAT:

(1) THE TRUSTEE IS THE TRUSTEE OR A SUCCESSOR TRUSTEE UNDER THE INDENTURE.

(2) THE TRUSTEE IS MAKING A DEMAND UNDER THE LETTER OF CREDIT FOR PAYMENT OF THE PRINCIPAL AMOUNT OF, AND THE UNPAID INTEREST ON, REDEEMED BONDS UPON AN OPTIONAL AND/OR MANDATORY REDEMPTION OF LESS THAN ALL OF THE BONDS CURRENTLY OUTSTANDING.

(3) THE AMOUNT OF THIS DEMAND FOR PAYMENT WAS COMPUTED IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THE BONDS AND THE INDENTURE AND IS DEMANDED IN ACCORDANCE WITH THE INDENTURE, WHICH AMOUNT PLEASE REMIT TO THE UNDERSIGNED AS FOLLOWS:

[INSERT REMITTANCE INSTRUCTIONS].

(4) THE AMOUNT HEREBY DEMANDED UNDER THE LETTER OF CREDIT IS $[INSERT AMOUNT WHICH IS THE SUM OF THE TWO AMOUNTS INSERTED IN PARAGRAPH 5 BELOW].

(5) THE AMOUNT HEREBY DEMANDED IS EQUAL TO THE SUM OF (A) **$[INSERT AMOUNT]** BEING DRAWN WITH RESPECT TO THE PAYMENT OF THE PRINCIPAL OF THE REDEEMED BONDS AND (B) **$[INSERT AMOUNT]** BEING DRAWN WITH RESPECT TO THE PAYMENT OF THE UNPAID INTEREST ON THE REDEEMED BONDS.

(6) THE TRUSTEE HAS CONTACTED OR ATTEMPTED TO CONTACT BY TELEPHONE AN OFFICER OF THE BANK AT THE PRESENTATION OFFICE REGARDING THE AMOUNT OF THIS DEMAND AND THE DATE AND TIME BY WHICH PAYMENT IS DEMANDED; HOWEVER, SUCH

CONTACT, WHETHER OR NOT ATTEMPTED OR MADE, IS NOT A CONDITION TO HONORING THE DEMAND FOR PAYMENT MADE PURSUANT HERETO.

(7) IF THIS DEMAND IS RECEIVED BY YOU AT THE PRESENTATION OFFICE AT OR BEFORE NOON, SAN FRANCISCO TIME ON A BUSINESS DAY, YOU MUST MAKE PAYMENT ON THIS DEMAND AT OR BEFORE 10.00 A.M., SAN FRANCISCO TIME, ON THE NEXT BUSINESS DAY. IF THIS DEMAND IS RECEIVED BY YOU AT THE PRESENTATION OFFICE AFTER NOON, SAN FRANCISCO TIME, ON A BUSINESS DAY, YOU MUST MAKE PAYMENT ON THIS DEMAND AT OR BEFORE 10:00 A.M., SAN FRANCISCO TIME, ON THE SECOND BUSINESS DAY FOLLOWING SUCH BUSINESS DAY.

[INSERT NAME OF BENEFICIARY]

[INSERT SIGNATURE AND DATE]

WELLS FARGO BANK, NATIONAL ASSOCIATION
LETTER OF CREDIT OPERATIONS OFFICE
ONE FRONT STREET, 21ST FLOOR
SAN FRANCISCO, CALIFORNIA 94111

FOR THE URGENT ATTENTION OF LETTER OF CREDIT MANAGER.

[**INSERT NAME OF BENEFICIARY**] (THE "TRUSTEE") HEREBY CERTIFIES TO WELLS FARGO BANK, NATIONAL ASSOCIATION (THE "BANK") WITH REFERENCE TO IRREVOCABLE LETTER OF CREDIT NO. __________ (THE "LETTER OF CREDIT"; THE TERMS THE "BONDS", "BUSINESS DAY", THE "INDENTURE", AND THE "PRESENTATION OFFICE" USED HEREIN SHALL HAVE THEIR RESPECTIVE MEANINGS SET FORTH IN THE LETTER OF CREDIT) THAT:

(1) THE TRUSTEE IS THE TRUSTEE OR A SUCCESSOR TRUSTEE UNDER THE INDENTURE.

(2) THE TRUSTEE IS MAKING A DEMAND UNDER THE LETTER OF CREDIT FOR PAYMENT OF THE PRINCIPAL AMOUNT OF, AND INTEREST DUE ON, THOSE BONDS WHICH THE REMARKETING AGENT (AS DEFINED IN THE INDENTURE) HAS BEEN UNABLE TO REMARKET WITHIN THE TIME LIMITS ESTABLISHED IN THE INDENTURE.

(3) THE AMOUNT OF THIS DEMAND FOR PAYMENT WAS COMPUTED IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THE BONDS AND THE INDENTURE AND IS DEMANDED IN ACCORDANCE WITH THE INDENTURE, WHICH AMOUNT PLEASE REMIT TO THE UNDERSIGNED AS FOLLOWS:

[**INSERT REMITTANCE INSTRUCTIONS**].

(4) THE AMOUNT HEREBY DEMANDED UNDER THE LETTER OF CREDIT IS $[INSERT AMOUNT WHICH IS THE SUM OF THE TWO AMOUNTS INSERTED IN PARAGRAPH 5 BELOW].

(5) THE AMOUNT OF THIS DEMAND IS EQUAL TO THE SUM OF (A) **$[INSERT AMOUNT]** BEING DRAWN WITH RESPECT TO THE PAYMENT OF PRINCIPAL OF THE BONDS AND (B) $[**INSERT AMOUNT**] BEING DRAWN WITH RESPECT TO THE PAYMENT OF INTEREST DUE ON THE BONDS.

(6) THE TRUSTEE HAS CONTACTED OR ATTEMPTED TO CONTACT BY TELEPHONE AN OFFICER OF THE BANK AT THE PRESENTATION OFFICE REGARDING THE AMOUNT OF THIS DEMAND AND THE DATE AND TIME BY WHICH PAYMENT IS DEMANDED; HOWEVER, SUCH

CONTACT, WHETHER OR NOT ATTEMPTED OR MADE, IS NOT A CONDITION TO HONORING THE DEMAND FOR PAYMENT MADE PURSUANT HERETO.

(7) IF THIS DEMAND IS RECEIVED BY YOU AT THE PRESENTATION OFFICE AT OR BEFORE 9:00 A.M., SAN FRANCISCO TIME ON A BUSINESS DAY, YOU MUST MAKE PAYMENT ON THIS DEMAND AT OR BEFORE 11:30 A.M., SAN FRANCISCO TIME, ON SAID BUSINESS DAY. IF THIS DEMAND IS RECEIVED BY YOU AT THE PRESENTATION OFFICE AFTER 9:00 A.M., SAN FRANCISCO TIME, ON A BUSINESS DAY, YOU MUST MAKE PAYMENT ON THIS DEMAND AT OR BEFORE 11:00 A.M., SAN FRANCISCO TIME, ON THE BUSINESS DAY FOLLOWING SAID BUSINESS DAY.

[INSERT NAME OF BENEFICIARY]

[INSERT SIGNATURE AND DATE]

WELLS FARGO BANK, NATIONAL ASSOCIATION
LETTER OF CREDIT OPERATIONS OFFICE
ONE FRONT STREET, 21ST FLOOR
SAN FRANCISCO, CALIFORNIA 94111

FOR THE URGENT ATTENTION OF LETTER OF CREDIT MANAGER.

[**INSERT NAME OF BENEFICIARY**] (THE "TRUSTEE") HEREBY CERTIFIES TO WELLS FARGO BANK, NATIONAL ASSOCIATION (THE "BANK") WITH REFERENCE TO IRREVOCABLE LETTER OF CREDIT NO. __________ (THE "LETTER OF CREDIT"; THE TERMS THE "BONDS", "BUSINESS DAY", THE "INDENTURE", AND THE "PRESENTATION OFFICE" USED HEREIN SHALL HAVE THEIR RESPECTIVE MEANINGS SET FORTH IN THE LETTER OF CREDIT) THAT:

(1) THE TRUSTEE IS THE TRUSTEE OR A SUCCESSOR TRUSTEE UNDER THE INDENTURE.

(2) THE TRUSTEE IS MAKING A DEMAND UNDER THE LETTER OF CREDIT FOR PAYMENT OF THE TOTAL UNPAID PRINCIPAL OF, AND UNPAID INTEREST ON, ALL OF THE BONDS WHICH ARE CURRENTLY OUTSTANDING UPON (A) THE STATED MATURITY OF ALL SUCH BONDS, (B) THE ACCELERATION OF ALL SUCH BONDS FOLLOWING AN EVENT OF DEFAULT UNDER THE INDENTURE OR (C) THE REDEMPTION OF ALL SUCH BONDS.

(3) THE AMOUNT OF THIS DEMAND FOR PAYMENT WAS COMPUTED IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THE BONDS AND THE INDENTURE AND IS DEMANDED IN ACCORDANCE WITH THE INDENTURE, WHICH AMOUNT PLEASE REMIT TO THE UNDERSIGNED AS FOLLOWS:

[**INSERT REMITTANCE INSTRUCTIONS**].

(4) THE AMOUNT HEREBY DEMANDED UNDER THE LETTER OF CREDIT IS $[INSERT AMOUNT WHICH IS THE SUM OF THE TWO AMOUNTS SET FORTH IN PARAGRAPH 5, BELOW].

(5) THE AMOUNT OF THIS DEMAND IS EQUAL TO THE SUM OF (A) **$[INSERT AMOUNT]** BEING DRAWN WITH RESPECT TO THE PAYMENT OF THE UNPAID PRINCIPAL OF THE OUTSTANDING BONDS AND (B) $[**INSERT AMOUNT**] BEING DRAWN WITH RESPECT TO THE PAYMENT OF THE UNPAID INTEREST ON THE OUTSTANDING BONDS.

(6) THE TRUSTEE HAS CONTACTED OR ATTEMPTED TO CONTACT BY TELEPHONE AN OFFICER OF THE BANK AT THE PRESENTATION

OFFICE REGARDING THE AMOUNT OF THIS DEMAND AND THE DATE AND TIME BY WHICH PAYMENT IS DEMANDED; HOWEVER, SUCH CONTACT, WHETHER OR NOT ATTEMPTED OR MADE, IS NOT A CONDITION TO HONORING THE DEMAND FOR PAYMENT MADE PURSUANT HERETO.

(7) IF THIS DEMAND IS RECEIVED BY YOU AT THE PRESENTATION OFFICE AT OR BEFORE NOON, SAN FRANCISCO TIME ON A BUSINESS DAY, YOU MUST MAKE PAYMENT ON THIS DEMAND AT OR BEFORE 10:00 A.M., SAN FRANCISCO TIME, ON THE NEXT BUSINESS DAY. IF THIS DEMAND IS RECEIVED BY YOU AT THE PRESENTATION OFFICE AFTER NOON, SAN FRANCISCO TIME, ON A BUSINESS DAY, YOU MUST MAKE PAYMENT ON THIS DEMAND AT OR BEFORE 10:00 A.M., SAN FRANCISCO TIME, ON THE SECOND BUSINESS DAY FOLLOWING SUCH BUSINESS DAY.

[INSERT NAME OF BENEFICIARY]

[INSERT SIGNATURE AND DATE]

WELLS FARGO BANK, NATIONAL ASSOCIATION.
LETTER OF CREDIT OPERATIONS OFFICE
ONE FRONT STREET, 21ST FLOOR
SAN FRANCISCO, CALIFORNIA 94111

FOR THE URGENT ATTENTION OF LETTER OF CREDIT MANAGER

LETTER OF CREDIT REDUCTION AUTHORIZATION

[**INSERT NAME OF BENEFICIARY**], WITH REFERENCE TO LETTER OF CREDIT NO. __________ ISSUED BY WELLS FARGO BANK, NATIONAL ASSOCIATION (THE "BANK"), HEREBY UNCONDITIONALLY AND IRREVOCABLY REQUESTS THAT THE BANK DECREASE THE AMOUNT AVAILABLE FOR DRAWING UNDER THE LETTER OF CREDIT BY **$[INSERT AMOUNT]**.

[FOR SIGNED REDUCTION AUTHORIZATIONS ONLY]

[INSERT NAME OF BENEFICIARY]

By: **[INSERT SIGNATURE]**
TITLE: **[INSERT TITLE]**

DATE: **[INSERT DATE]**

SIGNATURE GUARANTEED BY

[INSERT NAME OF BANK]

By: ______________________________
[INSERT NAME AND TITLE]

WELLS FARGO BANK, NATIONAL ASSOCIATION
LETTER OF CREDIT OPERATIONS OFFICE
One Front Street, 21st Floor,
San Francisco, California, 94111

FOR THE URGENT ATTENTION OF LETTER OF CREDIT MANAGER

[INSERT DATE]

Subject: Your Letter of Credit No. __________

Ladies and Gentlemen:

For value received, we hereby irrevocably assign and transfer all of our rights under the above-captioned Letter of Credit, as heretofore and hereafter amended, extended, increased or reduced to:

____
[Name of Transferee]
____
____
____
[Address of Transferee]

By this transfer, all of our rights in the Letter of Credit are transferred to the transferee, and the transferee shall have sole rights as beneficiary under the Letter of Credit, including sole rights relating to any amendments, whether increases or extensions or other amendments, and whether now existing or hereafter made. You are hereby irrevocably instructed to advise future amendment(s) of the Letter of Credit to the transferee without our consent or notice to us.

The original Letter of Credit is returned with all amendments to this date. Please notify the transferee in such form as you deem advisable of this transfer and of the terms and conditions to this Letter of Credit, including amendments as transferred.

You are hereby advised that the transferee named above has succeeded The Bank of New York Mellon Trust Company, N.A., or a successor trustee, as Trustee under the Trust Indenture dated as of November 1, 1994, as amended and restated by a First Supplemental Trust Indenture dated as of October 1, 2008, as further amended or supplemented from time to time (the "Indenture") between County, ________ (the "Issuer") and The Bank of New York Mellon Trust Company, N.A., as Trustee, pursuant to which U. S. $_________ in aggregate principal amount of Issuer's Pollution Control Refunding Revenue Bonds (PacifiCorp Project) Series 1994 (the "Bonds") were issued.

Very truly yours,

[Insert Name of Transferor]

By: ______________________________________
[Insert Name and Title]

TRANSFEROR'S SIGNATURE GUARANTEED

By: ______________________________________
[Bank Name]

By: ______________________________________
[Insert Name and Title]

By its signature below, the undersigned transferee acknowledges that it has duly succeeded ________________________________ or a successor trustee as Trustee under the Indenture.

[Insert Name of Transferee]

By: ________________________________
[Insert Name and Title]

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POLLUTION CONTROL REVENUE REFUNDING BONDS • (PACIFICORP PROJECTS) SERIES 1994

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APPENDIX SC

PROPOSED FORMS OF OPINIONS OF BOND COUNSEL

APPENDIX SC-1

PROPOSED FORM OPINION OF BOND COUNSEL

[LETTERHEAD OF CHAPMAN AND CUTLER LLP]

[DATED THE CLOSING DATE]

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

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

Converse County, Wyoming
107 North Fifth Street
P.O. Drawer 990
Douglas, Wyoming 82633

Re: $8,190,000
Converse County, Wyoming
Pollution Control Revenue Refunding Bonds
(PacifiCorp Project) Series 1994 (the *"Bonds"*)

Ladies and Gentlemen:

This opinion is being furnished in accordance with Section 4.03(a)(2) of that certain Loan Agreement, dated as of November 1, 1994, as amended and restated as of October 1, 2008 (the *"Loan Agreement"*), between Converse County, Wyoming (the *"Issuer"*) and PacifiCorp (the *"Company"*). Prior to the date hereof, payment of principal and purchase price of and interest on the Bonds was secured by a letter of credit issued by Wells Fargo Bank, National Association (the *"Existing Letter of Credit"*). On the date hereof, the Company will terminate the Existing Letter of Credit and the payment of the principal of and interest on the Bonds will no longer be secured by a credit facility.

We have examined the law and such documents and matters as we have deemed necessary to provide this opinion letter. As to questions of fact material to the opinions expressed herein, we have relied upon the provisions of the Trust Indenture, dated as of November 1, 1994, as amended and restated as of October 1, 2008 (the *"Indenture"*), between

the Issuer and The Bank of New York Mellon Trust Company, N.A., as successor trustee (the *"Trustee"*) and related documents, and upon representations, including regarding the consent of the Owners, made to us without undertaking to verify the same by independent investigation.

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

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

1. The termination of the Existing Letter of Credit complies with the terms of the Loan Agreement.

2. The termination of the Existing Letter of Credit will not adversely affect the Tax Exempt status of 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 (as defined in the Indenture) and other documents relating to the Bonds, or to review any other events that may have occurred since such approving opinion was rendered other than with respect to the Company in connection with other than with respect to the Company in connection with (a) the delivery of a Standby Bond Purchase Agreement for the Bonds, described in our opinion dated November 15, 2002, (b) the delivery of an amendment to the applicable Standby Bond Purchase Agreement, described in our opinion dated January 21, 2005, (c) the delivery of an Amended and Restated Standby Bond Purchase Agreement, described in our opinion dated February 22, 2006, (d) the amendment and restatement of the Indenture and the Loan Agreement and delivery of the Prior Letter of Credit, described in our opinion dated November 19, 2008 and (e) the termination of the Existing Letter of Credit described herein. Accordingly, we do not express any opinion with respect to the Bonds, except as described above.

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

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

Respectfully submitted,

APPENDIX SC-2

PROPOSED FORM OPINION OF BOND COUNSEL

[LETTERHEAD OF CHAPMAN AND CUTLER LLP]

[DATED THE CLOSING DATE]

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

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

Lincoln County, Wyoming
925 Sage Avenue
Kemmerer, Wyoming 83101

Re: $15,060,000
Lincoln County, Wyoming
Pollution Control Revenue Refunding Bonds
(PacifiCorp Project) Series 1994 (the *"Bonds"*)

Ladies and Gentlemen:

This opinion is being furnished in accordance with Section 4.03(a)(2) of that certain Loan Agreement, dated as of November 1, 1994, as amended and restated as of October 1, 2008 (the *"Loan Agreement"*), between Lincoln County, Wyoming (the *"Issuer"*) and PacifiCorp (the *"Company"*). Prior to the date hereof, payment of principal and purchase price of and interest on the Bonds was secured by a letter of credit issued by Wells Fargo Bank, National Association (the *"Existing Letter of Credit"*). On the date hereof, the Company will terminate the Existing Letter of Credit and the payment of the principal of and interest on the Bonds will no longer be secured by a credit facility.

We have examined the law and such documents and matters as we have deemed necessary to provide this opinion letter. As to questions of fact material to the opinions expressed herein, we have relied upon the provisions of the Trust Indenture, dated as of November 1, 1994, as amended and restated as of October 1, 2008 (the *"Indenture"*), between the Issuer and The Bank of New York Mellon Trust Company, N.A., as successor trustee (the *"Trustee"*) and related documents, and upon representations, including regarding the consent of the Owners, made to us without undertaking to verify the same by independent investigation.

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

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

1. The termination of the Existing Letter of Credit complies with the terms of the Loan Agreement.

2. The termination of the Existing Letter of Credit will not adversely affect the Tax Exempt status of 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 (as defined in the Indenture) and other documents relating to the Bonds, or to review any other events that may have occurred since such approving opinion was rendered other than with respect to the Company in connection with other than with respect to the Company in connection with (a) the delivery of a Standby Bond Purchase Agreement for the Bonds, described in our opinion dated November 15, 2002, (b) the delivery of an amendment to the applicable Standby Bond Purchase Agreement, described in our opinion dated January 21, 2005, (c) the delivery of an Amended and Restated Standby Bond Purchase Agreement, described in our opinion dated February 22, 2006, (d) the amendment and restatement of the Indenture and the Loan Agreement and delivery of the Prior Letter of Credit, described in our opinion dated November 19, 2008 and (e) the termination of the Existing Letter of Credit described herein. Accordingly, we do not express any opinion with respect to the Bonds, except as described above.

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

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

Respectfully submitted,

REOFFERING — NOT A NEW ISSUE

SUPPLEMENT, DATED MARCH 17, 2015, TO OFFICIAL STATEMENT, DATED JANUARY 13, 1988

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

DELIVERY OF ALTERNATE CREDIT FACILITY AND REOFFERING
$45,000,000*
CITY OF FORSYTH, ROSEBUD COUNTY, MONTANA
CUSTOMIZED PURCHASE POLLUTION CONTROL REVENUE REFUNDING BONDS
(PacifiCorp Project)
Series 1988 (Non-AMT)

(CUSIP 346668 BGO[1])

Purchase Date: March 18, 2015 **Due: January 1, 2018**

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

PACIFICORP

Effective on March 19, 2015, and until March 26, 2017, unless earlier terminated or extended, the Bonds will be supported by an Irrevocable Transferable Direct Pay Letter of Credit (the "Replacement Letter of Credit") issued by the New York Agency of

THE BANK OF NOVA SCOTIA

Under the Replacement Letter of Credit, the Trustee will be entitled to draw up to (a) an amount sufficient to pay (i) the outstanding unpaid principal amount of the Bonds or (ii) the portion of the purchase price of such Bonds corresponding to such unpaid principal amount plus (b) an amount sufficient to pay (i) up to 65 days' accrued interest on such Bonds, in each case calculated at the maximum rate of 12% per annum and on the basis of a year of 365 days or (ii) the portion of the purchase price of the Bonds corresponding to such accrued interest. The Replacement Letter of Credit will only be available to be drawn while the Bonds bear interest at a rate other than a Fixed Interest Rate pursuant to the Indenture. Failure to pay the purchase price when due and payable is an event of default under the Indenture.

The Bonds are currently supported by a Letter of Credit issued by JPMorgan Chase Bank, National Association (the "Existing Letter of Credit"). On March 19, 2015, the Replacement Letter of Credit will be delivered to the Trustee in substitution for the Existing Letter of Credit. After that date, the Bonds will not have the benefit of the Existing Letter of Credit.

The Bonds bear and, subject to the right under the Indenture of PacifiCorp to cause the interest rate on the Bonds to be converted to other interest rate determination methods, will continue to bear interest at the Daily Interest Rate. The Bonds bearing interest at a Daily Interest Rate are issuable as fully registered Bonds without coupons, initially in the denomination of $100,000 Interest on the Bonds will be payable on the Interest Payment Date applicable to the Bonds. The Depository Trust Company, New York, New York ("DTC"), will continue to act as a securities depository for the Bonds. The Bonds are registered in the name of Cede & Co., as registered owner and nominee of DTC, and, except for the limited circumstances described herein, beneficial owners of interests in the Bonds will not receive certificates representing their interests in the Bonds. Payments of principal of, and premium, if any, and interest on the Bonds will be made through DTC and its Participants and disbursements of such payments to purchasers will be the responsibility of such Participants.

Certain legal matters related to the delivery of the Replacement Letter of Credit will be passed upon by Chapman and Cutler LLP, Bond Counsel to PacifiCorp. Certain legal matters will be passed upon for PacifiCorp by Paul J. Leighton, Esq., counsel to PacifiCorp, and for the Remarketing Agent by its counsel, Kutak Rock LLP.

Price 100%
(Plus Accrued Interest)

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

BARCLAYS
as Remarketing Agent

March 17, 2015

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* The Bonds were issued in the aggregate principal amount of $45,000,000, all of which remain outstanding. This Supplement relates to the remarketing, in a secondary market transaction, of $25,000,000 of the Bonds delivered for mandatory purchase by the respective owners thereof for purchase on March 18, 2015. Owners of the remaining $20,000,000 aggregate principal amount of the Bonds have elected to retain such Bonds pursuant to the Indenture.

[1] CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by Standard & Poor's Financial Services LLC on behalf of the American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP services. CUSIP numbers are provided for convenience of reference only. Neither the Issuer, PacifiCorp nor the Remarketing Agent takes any responsibility for the accuracy of such numbers.

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

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

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

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$45,000,000
CITY OF FORSYTH, ROSEBUD COUNTY, MONTANA
CUSTOMIZED PURCHASE POLLUTION CONTROL REVENUE REFUNDING BONDS
(PacifiCorp Project)
Series 1988

GENERAL INFORMATION

THE OFFICIAL STATEMENT DATED JANUARY 13, 1988, A COPY OF WHICH IS ATTACHED HERETO AS APPENDIX SC (THE "ORIGINAL OFFICIAL STATEMENT" AND, TOGETHER WITH THIS SUPPLEMENT TO OFFICIAL STATEMENT, THE "OFFICIAL STATEMENT"), WAS PREPARED IN CONNECTION WITH THE OFFERING OF FIVE SEPARATE ISSUES OF BONDS RELATING TO THE COMPANY. THIS SUPPLEMENT TO OFFICIAL STATEMENT RELATES ONLY TO THE BONDS DESCRIBED ON THE COVER PAGE OF THIS SUPPLEMENT TO OFFICIAL STATEMENT, AND SUPERSEDES AND REPLACES THE SUPPLEMENT DATED APRIL 16, 2012 (THE "2012 SUPPLEMENT") TO THE ORIGINAL OFFICIAL STATEMENT AND THE SUPPLEMENT DATED MARCH 27, 2013 TO THE 2012 SUPPLEMENT, IN EACH CASE RELATING TO SUCH BONDS.

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

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

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

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

Estate (as defined in the Indenture). The Issuer shall not be obligated to pay the purchase price of any of the Bonds from any source.

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

The Company has exercised its right under the Agreement and the Indenture to terminate on March 19, 2015 the Letter of Credit, dated April 18, 2012, as amended (the "Existing Letter of Credit"), and issued by JPMorgan Chase Bank, National Association (the "Existing Bank"), which has supported payment of the principal, interest and purchase price of the Bonds since the date the Existing Letter of Credit was issued. Pursuant to the Indenture, the Company has elected to replace the Existing Letter of Credit with an Irrevocable Transferable Direct Pay Letter of Credit (the "Replacement Letter of Credit") issued by the New York Agency of The Bank of Nova Scotia, a bank organized under the laws of Canada ("Scotiabank" or the "Bank"). **The Replacement Letter of Credit will be delivered to the Trustee on March 19, 2015 and after March 19, 2015, the Bonds will not have the benefit of the Existing Letter of Credit.**

All references in the Original Official Statement (unless expressly stated otherwise) to the Letter of Credit shall be deemed to refer to the Replacement Letter of Credit and not to any other letter of credit or credit facility, including the Existing Letter of Credit, and all references to the Bank shall be deemed to refer to Scotiabank and not to any other bank or credit facility provider, including the Existing Bank. The letters of credit described in the Original Official Statement are no longer in effect and the information in the Original Official Statement with respect to such letters of credit and their respective issuing banks should be disregarded.

With respect to the Bonds, the Trustee will be entitled to draw under the Replacement Letter of Credit up to (a) an amount sufficient to pay (i) the outstanding unpaid principal amount of the Bonds or (ii) the portion of the purchase price of the Bonds corresponding to such unpaid principal amount plus (b) an amount sufficient to pay (i) up to 65 days' accrued interest on the Bonds (in each case calculated at the maximum rate of 12% per annum and on the basis of a year of 365 days) or (ii) the portion of the purchase price of the Bonds corresponding to such accrued interest. The Replacement Letter of Credit will only be available to be drawn on with respect to Bonds bearing interest at a rate pursuant to the Indenture other than the Fixed Interest Rate.

After the date of delivery of the Replacement Letter of Credit, the Company is permitted under the Agreement and the Indenture to provide a substitute letter of credit (the "Substitute Letter of Credit"), which is issued by the same Bank that issued the then existing Letter of Credit and which is identical to such Letter of Credit except for (i) an increase or decrease in the Interest Coverage Rate (as defined in the Indenture), (ii) an increase or decrease in the Interest

Coverage Period (as defined in the Indenture) or (iii) any combination of (i) and (ii). As used hereafter, “Letter of Credit” shall, unless the context otherwise requires, mean such Substitute Letter of Credit from and after the issuance date thereof. The Company also is permitted under the Agreement and Indenture to provide for the delivery of an alternate credit facility, including a letter of credit of a commercial bank or a credit facility from a financial institution, or any other credit support agreement or mechanism arranged by the Company (which may involve a letter of credit or other credit facility or first mortgage bonds of the Company or an insurance policy), the administration provisions of which are acceptable to the Trustee (an “Alternate Credit Facility”), to replace a Letter of Credit or provide for the termination of a Letter of Credit or any Alternate Credit Facility then in effect. See “THE LETTER OF CREDIT” and the Original Official Statement attached as Appendix SC hereto under the caption “THE BONDS—Purchase of Bonds.”

As of the date hereof, the Bonds bear interest at a Daily Interest Rate. Following the delivery of the Replacement Letter of Credit, the Bonds will continue to bear interest at a Daily Interest Rate, subject to the right of the Company to cause the interest rate on the Bonds to be converted to other interest rate determination methods as described in the Original Official Statement.

Reference is hereby made to the Bonds in their entirety for the detailed provisions thereof.

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

THE BONDS

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

Interest on the Bonds

The Bonds currently bear interest at a Daily Interest Rate (not exceeding 12% while the Letter of Credit is in effect) unless and until changed as described in the Original Official Statement under “CONVERSION OF RATE.” The Daily Interest Rate on the Bonds is

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

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

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

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

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

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

Purchase on Demand of Owner

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

which the same shall be purchased, and (ii) delivery of such Bond (with all necessary endorsements) to the Remarketing Agent at its Principal Office, at or prior to 9:30 a.m., New York, New York time, on the date specified in such notice.

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

Redemption of Bonds

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

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

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

THE LETTER OF CREDIT AND THE REIMBURSEMENT AGREEMENT

The following is a brief summary of certain provisions of the Replacement Letter of Credit and that certain Letter of Credit and Reimbursement Agreement, dated as of March 19, 2015, between the Company and The Bank of Nova Scotia (together with all related documents, the "Reimbursement Agreement"). This summary is not a complete recital of the terms of the Replacement Letter of Credit or the Reimbursement Agreement and reference is made to the Replacement Letter of Credit or the Reimbursement Agreement, as applicable, in its entirety.

THE LETTER OF CREDIT

The Replacement Letter of Credit will be an irrevocable transferable direct pay obligation of the Bank to pay to the Trustee, upon request and in accordance with the terms thereof, up to (a) an amount sufficient to pay (i) the outstanding unpaid principal amount of the Bonds or (ii) the portion of the purchase price of such Bonds corresponding to such unpaid principal amount plus (b) an amount sufficient to pay (i) up to 65 days' accrued interest on such Bonds (in each case calculated at the maximum rate of 12% per annum and on the basis of a year of 365 days) or (ii) the portion of the purchase price of the Bonds corresponding to such accrued interest. The Replacement Letter of Credit will only be available to be drawn while the Bonds bear interest at a rate other than a Fixed Interest Rate pursuant to the Indenture. The Replacement Letter of Credit will be substantially in the form attached hereto as Appendix SE. The Replacement Letter of Credit will be issued pursuant to the Letter of Credit and Reimbursement Agreement, dated as of March 19, 2015 (the "Reimbursement Agreement"), between the Company and the Bank.

The Bank's obligation under the Replacement Letter of Credit will be reduced to the extent of any drawings thereunder. However, with respect to a drawing by the Trustee to enable the Remarketing Agent or the Trustee to pay the purchase price of Bonds delivered for purchase and not remarketed by the Remarketing Agent, such amounts shall be immediately reinstated upon reimbursement. With respect to a drawing by the Trustee for the payment of interest only on the Bonds, the amount that may be drawn under the Replacement Letter of Credit will be automatically reinstated as of the Bank's close of business in New York, New York on the ninth business day following the Bank's honoring of such drawing by the amount drawn, unless the Trustee has received notice (a "Non-Reinstatement Notice") from the Bank not later than the ninth business day following the date of such honoring that there will be no such reinstatement.

Upon an acceleration of the maturity of Bonds due to an event of default under the Indenture, the Trustee will be entitled to draw on the Replacement Letter of Credit, if it is then in effect, to the extent of the aggregate principal amount of the Bonds outstanding, plus up to 65 days' interest accrued and unpaid on the Bonds (less amounts paid in respect of principal or interest for which the Replacement Letter of Credit has not been reinstated).

The Replacement Letter of Credit shall expire on the earliest of: (a) March 26, 2017 (such date, as it may be extended as provided in such Replacement Letter of Credit, the "Scheduled Expiration Date"), (b) four business days following the Trustee's receipt of (i) written notice from the Bank that an event of default has occurred under the Reimbursement Agreement or (ii) a Non-Reinstatement Notice, (c) the date that the Trustee informs the Bank that the conditions for termination of the Replacement Letter of Credit as set forth in the Indenture have been satisfied and that the Replacement Letter of Credit has terminated in accordance with its terms, (d) the date that is 15 days after the conversion of the Bonds to a Fixed Interest Rate and (e) the date of a final drawing under the Replacement Letter of Credit.

THE REIMBURSEMENT AGREEMENT

General. The Company has executed and delivered the Reimbursement Agreement requesting that the Bank issue an irrevocable direct pay letter of credit for the Bonds and

governing the issuance thereof. The Replacement Letter of Credit is issued pursuant to the Reimbursement Agreement.

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

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

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

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

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

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

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

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

"ERISA Event" means (a) any "reportable event," as defined in Section 4043 of ERISA with respect to a Pension Plan; (b) the failure to make a required contribution to any Pension Plan that would result in the imposition of a lien or other encumbrance or the provision of security under the Internal Revenue Code (the "Code") or ERISA, or there being or arising any

"unpaid minimum required contribution" or "accumulated funding deficiency" (as defined or otherwise set forth in Code or ERISA), whether or not waived, or the filing of any request for or receipt of a minimum funding waiver under the Internal Revenue Code with respect to any Pension Plan or Multiemployer Plan, or a determination that any Pension Plan is, or is reasonably expected to be, in at-risk status under ERISA; (c) the filing of a notice of intent to terminate, or the termination of any Pension Plan under certain provisions of ERISA; (d) the institution of proceedings, or the occurrence of an event or condition that would reasonably be expected to constitute grounds for the institution of proceedings by the PBGC, under certain provisions of ERISA, for the termination of, or the appointment of a trustee to administer, any Pension Plan; (e) the complete or partial withdrawal of the Company or any of its ERISA Affiliates from a Multiemployer Plan, the reorganization or insolvency under ERISA of any Multiemployer Plan, or the receipt by the Company or any of its ERISA Affiliates of any notice that a Multiemployer Plan is in endangered or critical status under certain provisions of ERISA; (f) the failure by the Company or any of its ERISA Affiliates to comply with ERISA or the related provisions of the Code with respect to any Pension Plan; (g) the Company or any of its ERISA Affiliates incurring any liability under certain provisions of ERISA with respect to any Pension Plan (other than premiums due and not delinquent under ERISA) or (h) the failure by the Company or any of its Subsidiaries to comply with Applicable Law with respect to any Foreign Plan.

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

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

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

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

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

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

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

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

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

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

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

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

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

Remarketing Agreement (as defined in the Reimbursement Agreement) and the Custodian Agreement.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

REMARKETING AGENT

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

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

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

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

Bonds May Be Offered at Different Prices on Any Date Including an Interest Rate Determination Date. Pursuant to the Indenture and the Remarketing Agreement, the Remarketing Agent is required to determine the applicable rate of interest that, in its judgment, is the lowest rate that would permit the sale of the Bonds bearing interest at the applicable interest rate at par plus accrued interest, if any, on and as of the applicable interest rate determination

date. The interest rate will reflect, among other factors, the level of market demand for the Bonds (including whether the Remarketing Agent is willing to purchase Bonds for its own accounts). There may or may not be Bonds tendered and remarketed on an interest rate determination date, the Remarketing Agent may or may not be able to remarket any Bonds tendered for purchase on such date at par and the Remarketing Agent may sell Bonds at varying prices to different investors on such date or any other date. The Remarketing Agent is not obligated to advise purchasers in a remarketing if it does not have third party buyers for all of the Bonds at the remarketing price. In the event the Remarketing Agent owns any Bonds for its own account, it may, in its sole discretion in a secondary market transaction outside the tender process, offer such Bonds on any date, including the interest rate determination date, at a discount to par to some investors.

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

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

TAX EXEMPTION

The opinion of Chapman and Cutler delivered on January 14, 1988 with respect to the Bonds stated that, subject to the condition that the Issuer and the Company comply with certain covenants made to satisfy pertinent requirements of the United States Internal Revenue Code of 1986, as amended, under then-existing law, interest on the Bonds is not includible in gross income of the owners thereof for federal income tax purposes, except for interest on any Bond for any period during which such Bond is owned by a person who is a substantial user of the Project or any person considered to be related to such person (within the meaning of Section 103(b)(13) of the United States Internal Revenue Code of 1954, as amended), and the interest on the Bonds will not be treated as an item of tax preference in computing the alternative minimum tax for individuals and corporations (because the Prior Bonds, as defined in the Indenture, were issued prior to August 8, 1986). Such interest will be taken into account, however, in computing an adjustment used in determining the alternative minimum tax for certain corporations. As indicated in such opinion, the failure to comply with certain of such covenants of the Issuer and the Company could cause the interest on the Bonds to be included in gross income retroactive to the date of issuance of the Bonds. Chapman and Cutler LLP ("Bond Counsel") has made no independent investigation to confirm that such covenants have been complied with.

Such opinion of Bond Counsel also stated that under then-existing Montana law, interest on the Bonds is exempt from individual income taxes imposed by the State of Montana.

Bond Counsel will deliver an opinion for the Bonds in connection with the delivery of the Replacement Letter of Credit, in substantially the form attached hereto as Appendix SD, to the effect that the delivery of the Replacement Letter of Credit (i) is authorized under the Agreement and complies with the terms thereof and (ii) will not impair the validity under the Act of the Bonds or will not cause the interest on the Bonds to become includible in the gross income of the Owners thereof for federal income tax purposes. Except with respect to (a) the adjustment of the interest rate on the Bonds described in its opinion dated February 28, 1996, (b) the delivery of an Alternate Credit Facility, described in its opinion dated as of December 19, 1996, (c) the delivery of an Alternate Credit Facility, described in its opinion dated as of December 12, 2001, (d) delivery of an Alternate Credit Facility, described in its opinion dated September 15, 2004, (e) the delivery of the Prior Letter of Credit, described in its opinion dated April 18, 2012, and (f) as necessary to render the foregoing opinions, Bond Counsel has not reviewed any factual or legal matters relating to the Bonds subsequent to their date of issuance. The opinions delivered in connection with delivery of the Replacement Letter of Credit are not to be interpreted as a reissuance of the original approving opinion dated January 14, 1988 as of the date of this Supplement to Official Statement.

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

MISCELLANEOUS

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

APPENDIX SA

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, vertically integrated electric utility 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. PacifiCorp owns, or has interests in, 75 thermal, hydroelectric, wind-powered and geothermal generating facilities, with a net owned capacity of 11,136 megawatts. PacifiCorp also owns, or has interests in, electric transmission and distribution assets, and transmits electricity through approximately 16,400 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 customer 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 Berkshire Hathaway Energy Company ("BHE"), a holding company based in Des Moines, Iowa, that owns subsidiaries principally engaged in energy businesses. BHE is a consolidated subsidiary of Berkshire Hathaway Inc. BHE controls substantially all of the Company's 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, and compliance with, laws and regulations, including reliability and safety standards, affecting the Company's operations or 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, new technologies and various conservation, energy efficiency and distributed generation measures and programs, that could affect customer growth and usage, electricity supply or the Company's ability to obtain long-term contracts with customers and suppliers; a high degree of variance between actual and forecasted load or generation that could impact the Company's hedging strategy and the cost 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; 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 generating capacity and energy costs; 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; the effects of catastrophic and other unforeseen events, which may be caused by factors beyond the Company's control or by a breakdown or failure of the Company's operating assets, including storms, floods, fires, earthquakes, explosions, landslides, mining accidents, litigation, wars, terrorism and embargoes; 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 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 the Company's consolidated financial results; 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 Street, Portland, Oregon 97232; the telephone number is (503) 813-5608. The Company was initially incorporated in 1910 under the laws of the state of Maine under the name Pacific Power & Light Company. In 1984, Pacific Power & Light Company changed its name to PacifiCorp. In 1989, it merged with Utah Power and Light Company, a Utah corporation, in a transaction wherein both corporations merged into a newly formed Oregon corporation. The resulting Oregon corporation was re-named PacifiCorp, which is the operating entity today.

AVAILABLE INFORMATION

The Company is subject to the informational requirements of the United States 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, 2014.

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

All documents filed by the Company pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act after the filing of the Annual Report on Form 10-K for the fiscal year ended December 31, 2014 and before the termination of the reoffering made by this Supplement to Reoffering Circular (the "Supplement") shall be deemed to be incorporated by reference in this Supplement and to be a part hereof from the date of filing such documents (such documents and the documents enumerated above, being hereinafter referred to as the "Incorporated Documents"), provided, however, that the documents enumerated above and the documents subsequently filed by the Company pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act in each year during which the reoffering made by this Supplement is in effect before the filing of the Company's Annual Report on Form 10-K covering such year shall not be Incorporated Documents or be incorporated by reference in this Supplement or be a part hereof from and after such filing of such Annual Report on Form 10-K.

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

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

APPENDIX SB

THE BANK OF NOVA SCOTIA

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

The Bank of Nova Scotia ("Scotiabank"), founded in 1832, is a Canadian chartered bank with its principal office located in Toronto, Ontario. Scotiabank is one of North America's premier financial institutions and Canada's most international bank. With over 86,000 employees, Scotiabank and its affiliates serve over 21 million customers. Scotiabank provides a full range of personal, commercial, corporate and investment banking services through its network of branches located in all Canadian provinces and territories. Outside Canada, Scotiabank has branches and offices in over 55 countries and provides a wide range of banking and related financial services, both directly and through subsidiary and associated banks, trust companies and other financial firms. For the fiscal year ended October 31, 2014, Scotiabank recorded total assets of CDN$806 billion (US$643 billion) and total deposits of CDN$554 billion (US$442 billion). Net income for the fiscal year ended October 31, 2014 equaled CDN$7.3 billion (US$5.8 billion), compared to CDN$6.6 billion (US$4.8 billion) for the prior fiscal year. Scotiabank has the third highest composite credit rating among global banks by Moody's (Aa2) and S&P (A+).

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

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

APPENDIX SC

OFFICIAL STATEMENT DATED JANUARY 13, 1988

FIVE NEW ISSUES

Customized Purchase Bonds™*

CP Bonds™*

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

$164,700,000

Customized Purchase Pollution Control Revenue Refunding Bonds

(PacifiCorp Projects)

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

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

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

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

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

Dated: January 1, 1988

Due: As stated above

Price: 100%

(Plus accrued interest, if any)

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

PacifiCorp

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

The Sumitomo Bank, Limited

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

The Industrial Bank of Japan, Limited

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

Deutsche Bank AG

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

National Westminster Bank PLC

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

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

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

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

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

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

E.F. Hutton & Company Inc.

Dated: January 13, 1988

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

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

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APPENDIX A—PacifiCorp

APPENDIX B—The Sumitomo Bank, Limited

APPENDIX C—The Industrial Bank of Japan, Limited

APPENDIX D—Deutsche Bank AG

APPENDIX E—National Westminster Bank PLC

APPENDIX F—Alternative Interest Rates

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

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

INTRODUCTORY STATEMENT

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

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

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

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

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

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

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

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

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

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

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

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

THE ISSUERS

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

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

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

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

THE BONDS

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

General

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

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

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

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

Interest on the Bonds

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Purchase of Bonds

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

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

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

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

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

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

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

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

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

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

Remarketing of Bonds

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

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

Limited Obligations

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

Mandatory Redemption of Bonds

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

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

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

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

Optional Redemption of Bonds

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Redemption Upon Conversion

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

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

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

Denomination Redemption

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

Purchase by Company in Lieu of Redemption

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

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

Procedure for and Notice of Redemption

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

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

THE LETTERS OF CREDIT

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

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

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

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

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

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

Alternate Credit Facility

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

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

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

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

Substitute Letter of Credit

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

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

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

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

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

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

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

Termination of Letter of Credit or Alternate Credit Facility

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

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

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

CONVERSION OF RATE

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

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

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

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

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

THE AGREEMENTS

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

Loan Payments

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

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

Payments to Remarketing Agent and Trustee

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

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

Obligation Absolute

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

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

Expenses

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

Tax Covenants; Tax-Exempt Status of Bonds

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

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

Assignment; Merger

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

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

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

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

Defaults

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

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

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

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

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

Remedies

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

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

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

Amendments

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

THE INDENTURES

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

Pledge and Security

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

Application of Proceeds

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

Application of the Bond Fund

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

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

(a) Available Moneys;

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

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

Investment of Funds

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

Defaults

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

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

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

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

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

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

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

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

Remedies

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

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

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

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

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

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

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

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

Defeasance

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

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

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

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

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

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

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

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

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

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

Removal of Trustee

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

Modifications and Amendments

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

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

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

Amendment of the Agreement

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

UNDERWRITING

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

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

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

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

TAX EXEMPTION

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

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

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

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

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

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

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

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

CERTAIN LEGAL MATTERS

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

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

MISCELLANEOUS

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

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

APPENDIX A

PACIFICORP

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

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

PENDING MERGER

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

AVAILABLE INFORMATION

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

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

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

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

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

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

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

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

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

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

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

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

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

APPENDIX B

THE SUMITOMO BANK, LIMITED

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

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

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

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

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

APPENDIX C

THE INDUSTRIAL BANK OF JAPAN, LIMITED

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

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

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

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

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

APPENDIX D

DEUTSCHE BANK AG

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

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

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

APPENDIX E

NATIONAL WESTMINSTER BANK PLC

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

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

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

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

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

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

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

APPENDIX F

ALTERNATIVE INTEREST RATES

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

Interest Provisions

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

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

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

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

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

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

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

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

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

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

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

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

Purchase Provisions

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

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

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

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

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

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

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

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

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

Purchase While Bonds Bear Tender Interest Rate.

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

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

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

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

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

SUMMARY TABLE

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

CP PROGRAM
SUMMARY OF MODES
(Initial Mode: CP)

Glossary

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

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

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

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

APPENDIX SD

PROPOSED FORM OPINION OF BOND COUNSEL

[LETTERHEAD OF CHAPMAN AND CUTLER LLP]

[DATED THE CLOSING DATE]

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

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

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

The Bank of Nova Scotia
New York Agency
250 Vesey Street
New York, New York 10281

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

Ladies and Gentlemen:

This opinion is being furnished in accordance with Section 4.03(b) of that certain Loan Agreement, dated as of January 1, 1988 (the *"Loan Agreement"*), between the City of Forsyth, Rosebud County, Montana (the *"Issuer"*) and PacifiCorp (the *"Company"*). Prior to the date hereof, payment of principal and purchase price of and interest on the Bonds was secured by a letter of credit issued by JPMorgan Chase Bank, National Association (the *"Prior Letter of Credit"*). On the date hereof, the Company desires to deliver an Irrevocable Transferable Direct Pay Letter of Credit (the *"Letter of Credit"*) to be issued by The Bank of Nova Scotia, acting through its New York Agency (the *"Bank"*), for the benefit of the Trustee.

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

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

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

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

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

At the time of the issuance of the Bonds, we rendered our approving opinion relating to, among other things, the validity of the Bonds and the exclusion from federal income taxation of interest on the Bonds. We have not been requested, nor have we undertaken, to make an independent investigation to confirm that the Company and the Issuer have complied with the provisions of the Indenture, the Loan Agreement, the Tax Certificate (as defined in the Indenture) and other documents relating to the Bonds, or to review any other events that may have occurred since such approving opinion was rendered other than with respect to the Company in connection with (a) the adjustment of the interest rate on the Bonds described in our opinion dated February 28, 1996, (b) the delivery of an Alternate Credit Facility, described in our opinion dated as of December 19, 1996, (c) the delivery of an Alternate Credit Facility, described in our opinion dated as of December 12, 2001, (d) delivery of an Alternate Credit Facility, described in our opinion dated September 15, 2004, (e) the delivery of the Prior Letter of Credit, described in our opinion dated April 18, 2012 and (f) the delivery of the Letter of Credit described herein. Accordingly, we do not express any opinion with respect to the Bonds, except as described above.

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

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

Respectfully submitted,

APPENDIX SE

FORM OF LETTER OF CREDIT

The Bank of Nova Scotia
New York Agency
250 Vesey Street
New York, New York 10281

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

Date: March [__], 2015

Amount: USD 45,961,644.00

Expiration Date: March 26, 2017

Beneficiary:

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

Applicant:

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

Dear Sir or Madam:

We hereby issue our Irrevocable Transferable Direct Pay Letter of Credit No. [__________] ("***Letter of Credit***") at the request and for the account of PacifiCorp (the "***Company***") pursuant to that certain Letter of Credit and Reimbursement Agreement, dated as of March [__], 2015, between the Company and us (as amended, supplemented or otherwise modified from time to time being herein referred to as the "***Reimbursement Agreement***"), in your favor, as Trustee under the Trust Indenture, dated as of January 1, 1988 (as amended, supplemented or otherwise modified from time to time, the "***Indenture***"), between City of Forsyth, Rosebud County, Montana (the "***Issuer***") and you (successor to The First National Bank of Chicago), as Trustee for the benefit of the Bondholders referred to therein, pursuant to which USD 45,000,000.00 in aggregate principal amount of the Issuer's Customized Purchase Pollution Control Revenue Refunding Bonds (PacifiCorp Project) Series 1988 (the "***Bonds***") were issued. This Letter of Credit is only available to be drawn upon with respect to Bonds bearing interest at a rate other than a fixed interest rate pursuant to the Indenture. This Letter of Credit is in the total amount of USD 45,961,644.00 (subject to adjustment as provided below).

This Letter of Credit shall be effective immediately and shall expire upon the earliest to occur of (i) March 26, 2017, or if not a Business Day, the next succeeding Business Day (the

“***Stated Expiration Date***”), (ii) four business days following your receipt of written notice from us (A) notifying you of the occurrence and continuance of an Event of Default under the Reimbursement Agreement and stating that such notice is given pursuant to Section 9.01(e) of the Indenture or (B) notifying you, not later than the ninth Business Day following the date we honor a Regular Drawing drawn against the Interest Component, that we have not been reimbursed for such Drawing and stating that such notice is given pursuant to Section 9.01(d) of the Indenture, (iii) the date on which we receive a written and completed certificate signed by you in the form of Exhibit 5 attached hereto, (iv) the date which is 15 days following the Conversion Date for all Bonds remaining outstanding to a fixed interest rate pursuant to the Indenture as such date is specified in a written and completed certificate signed by you in the form of Exhibit 6 attached hereto and (v) the date on which we receive and honor a written and completed certificate signed by you in the form of Exhibit 1, Exhibit 2 or Exhibit 3 attached hereto, stating that the drawing thereunder is the final drawing under the Letter of Credit (such earliest date being the “***Cancellation Date***”).

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

The aggregate amount which may be drawn under this Letter of Credit, subject to reductions in amount and reinstatement as provided below, is USD 45,961,644.00, of which the aggregate amounts set forth below may be drawn as indicated.

(i) An aggregate amount not exceeding USD 45,000,000.00, as such amount may be reduced and restored as provided below, may be drawn in respect of payment of principal of the Bonds (or the portion of the purchase price of Bonds corresponding to principal) (the “***Principal Component***”).

(ii) An aggregate amount not exceeding USD 961,644.00, as such amount may be reduced and restored as provided below, may be drawn in respect of the payment of up to 65 days’ interest on the principal amount of the Bonds computed at a maximum rate of 12% *per annum* calculated on the basis of a 365-day year (or the portion of the purchase price of Bonds corresponding thereto) (the “***Interest Component***”).

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

The presentation of a certificate requesting a drawing hereunder, in strict compliance with the terms hereof shall be a “***Drawing***”; a Drawing in respect of a regularly scheduled interest payment or payment of principal of and interest on the Bonds upon scheduled or accelerated maturity shall be a “***Regular Drawing***”; a Drawing to pay principal of and interest on

Bonds upon redemption of the Bonds in whole or in part shall be a "***Redemption Drawing***"; and a Drawing to pay the purchase price of Bonds in accordance with Section 3.01, 3.02, 3.03, 3.04, 3.05 or 3.14 of the Indenture shall be a "***Tender Drawing***".

Upon our honoring of any Regular Drawing hereunder, the Principal Component and the Interest Component shall be reduced immediately following such honoring, in each case by an amount equal to the respective component of the amount specified in such certificate; *provided*, *however*, that, unless the Cancellation Date shall have occurred, the amount of any Regular Drawing hereunder drawn against the Interest Component shall be automatically reinstated as of our close of business in New York, New York on the ninth business day following the date of such honoring by such amount so drawn against the Interest Component, unless you shall have received written notice from us not later than the ninth business day following the date of such honoring that there shall be no such reinstatement.

Upon our honoring of any Redemption Drawing hereunder, the Principal Component shall be reduced immediately following such honoring by an amount equal to the principal amount of the Bonds to be redeemed with the proceeds of such Redemption Drawing and the Interest Component shall be reduced immediately following such honoring by an amount equal to 65 days' interest on such principal amount of the Bonds to be redeemed computed at a maximum rate of 12% *per annum* calculated on the basis of a 365-day year.

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

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

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

Drawing certificates and other certificates hereunder shall be dated the date of presentation and shall be presented on a business day (as hereinafter defined) by delivery via a nationally recognized overnight courier to our office located at The Bank of Nova Scotia, New York Agency, 250 Vesey Street, New York, New York 10281, Standby Letter of Credit Department (or at any other office which may be designated by us by written notice delivered to you at least 15 days prior to the applicable date of Drawing) (the "***Bank's Office***"). The certificates you are required to submit to us may be submitted to us by facsimile transmission to the following numbers: (212) 225-6464 and (212) 225-5709, or any other facsimile number(s) which may be designated by us by written notice delivered to you at least 15 days prior to the applicable date of Drawing. You shall use your best efforts to confirm such notice of a Drawing by telephone to one of the following numbers (or any other telephone number which may be designated by us by written notice delivered to you at least 15 days prior to the applicable date of Drawing): (212) 225-5424 or (212) 225-5705, but such telephonic notice shall not be a condition to a Drawing hereunder. If we receive your certificate(s) at such office, all in strict conformity with the terms and conditions of this Letter of Credit, (i) with respect to any Regular Drawing or Redemption Drawing, at or before 3:00 P.M. (New York City time), we will honor such Drawing(s) at or before 1:00 P.M. (New York City time), on the second succeeding business day, and (ii) with respect to any Tender Drawing, at or before 11:00 A.M. (New York City time), on a business day on or before the Cancellation Date, we will honor such Drawing(s) at or before 2:30 P.M. (New York City time), on the same business day, in accordance with your payment instructions; *provided*, *however*, that you will use your best efforts to give us telephonic notification of any such pending presentation to the telephone numbers designated above, (A) with respect to any Regular Drawing or Redemption Drawing, at or before 10:00 A.M. (New York City time) on the next preceding business day, (B) with respect to any Tender Drawing to pay the purchase price of Bonds in accordance with Section 3.01 or 3.02 of the Indenture, at or before 10:00 A.M. (New York City time) on the same business day and (C) with respect to any Tender Drawing to pay the purchase price of Bonds in accordance with Section 3.03, 3.04, 3.05 or 3.14 of the Indenture, at or before 12:00 noon (New York City time) on the next preceding business day. If we receive your certificate(s) at such office, all in strict conformity with the terms and conditions of this Letter of Credit (i) after 3:00 P.M. (New York City time), in the case of a Regular Drawing or a Redemption Drawing, on any business day on or before the Cancellation Date, we will honor such certificate(s) at or before 1:00 P.M. (New York City time) on the third succeeding business day, or (ii) after 11:00 A.M. (New York City time), in the case of a Tender Drawing, on any business day on or before the Cancellation Date, we will honor such certificate(s) at or before 2:30 P.M. (New York City time) on the next succeeding business day. Payment under this Letter of Credit will be made by wire transfer of Federal Funds to your account with any bank that is a member of the Federal Reserve System. All payments made by us under this Letter of Credit will be made with our own funds and not with any funds of the Company, its affiliates or the Issuer. As used herein, "***business day***" means a day except a Saturday, Sunday or other day (i) on which banking institutions in the city or cities in which the designated office under the Indenture of the Trustee, the remarketing agent under the Indenture or the paying agent under the Indenture or the office of the Bank which will honor draws upon this Letter of Credit are located are required or authorized by law or executive order to close or are closed, or (ii) on which the New York Stock Exchange, the Company or remarketing agent under the Indenture is closed.

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

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

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

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

EXHIBIT 1

REGULAR DRAWING CERTIFICATE

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

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

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

Principal: USD __________

Interest: USD __________

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

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

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

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

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

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* Insert appropriate bracketed language.

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

EXHIBIT 2

TENDER DRAWING CERTIFICATE

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

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

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

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

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

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

(6) The Trustee or the Custodian under the Custodian and Pledge Agreement referred to below will register or cause to be registered in the name of the Company, upon payment of the amount drawn hereunder, Bonds in the principal amount of the Bonds being purchased with the amounts drawn hereunder and will hold such Bonds in accordance with the provisions of the Custodian and Pledge Agreement, dated as of March [__], 2015, among the Company, the Bank and The Bank of New York Mellon Trust Company, N.A., as Custodian, as amended or otherwise modified from time to time.

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

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

[(8) This Certificate is being presented upon the occurrence of a mandatory purchase under Section 3.14 of the Indenture and is the final Drawing under the Letter of Credit. Upon the honoring of this Certificate, the Letter of Credit will expire in accordance with its terms. The original of the Letter of Credit, together with all amendments, is returned herewith.]**

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

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

**** To be included if Certificate is being presented in connection with a mandatory purchase of the Bonds under Section 3.14 of the Indenture but only if no further draws under the Letter of Credit are required pursuant to the Indenture on or prior to the Purchase Date.

EXHIBIT 3

REDEMPTION DRAWING CERTIFICATE

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

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

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

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

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

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

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

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

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

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

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

EXHIBIT 4

REDUCTION CERTIFICATE

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

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

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

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

(4) The Interest Component is hereby reduced to USD __________, equal to 65 days' interest on the reduced amount of principal set forth in paragraph (2) hereof computed at a maximum rate of 12% *per annum* calculated on the basis of a 365-day year.

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

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

EXHIBIT 5

TERMINATION CERTIFICATE

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

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

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

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

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

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

***** To be used upon cancellation due to the Trustee's acceptance of an Alternate Credit Facility pursuant to the Indenture, upon Trustee's confirmation that no Bonds remain outstanding or upon termination pursuant to Section 6.04 of the Indenture.

EXHIBIT 6

NOTICE OF CONVERSION

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

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

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

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

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

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

EXHIBIT 7

INSTRUCTIONS TO TRANSFER

_______________, 20___

The Bank of Nova Scotia
New York Agency
250 Vesey Street
New York, New York 10281

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

Ladies and Gentlemen:

The undersigned, as Trustee under the Trust Indenture, dated as of January 1, 1988 (as amended, supplemented or otherwise modified from time to time, the "***Indenture***"), between City of Forsyth, Rosebud County, Montana and The Bank of New York Mellon Trust Company, N.A., is named as beneficiary in the Letter of Credit referred to above (the "***Letter of Credit***"). The transferee named below has succeeded the undersigned as Trustee under the Indenture.

____
(Name of Transferee)

____
(Address)

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

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

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

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

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

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

EXHIBIT 8

EXTENSION AMENDMENT

The Bank of Nova Scotia
New York Agency
250 Vesey Street
New York, New York 10281

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

Dated: __________________

Beneficiary:

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

Applicant:

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

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

Amendment Sequence Number: _____

Stated Expiration Date is extended to: ______________________

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

THE BANK OF NOVA SCOTIA, NEW YORK AGENCY

____

Authorized Signature

____
Authorized Signer

____

Authorized Signature

____
Authorized Signer

REOFFERING-NOT A NEW ISSUE

SUPPLEMENT, DATED MARCH 11, 2015, TO REOFFERING CIRCULAR, DATED NOVEMBER 11, 2008

The opinion of Chapman and Cutler, Bond Counsel, delivered on November 17, 1994, stated that, subject to compliance by the Company and the Issuer with certain covenants, in the opinion of Chapman and Cutler, Bond Counsel, under then-existing law (a) interest on the Bonds is not includible in gross income of the owners thereof for federal income tax purposes, except for interest on any Bond for any period during which such Bond is owned by a person who is a substantial user of the related Facilities or any person considered to be related to such person (within the meaning of Section 103(b)(13) of the Internal Revenue Code of 1954, as amended), and (b) interest on the Bonds will not be treated as an item of tax preference in computing the alternative minimum tax for individuals and corporations. However, such interest will be taken into account in computing the corporate alternative minimum tax. Such opinion of Bond Counsel was also to the effect that under then-existing law, the State of Wyoming imposes no income taxes that would be applicable to interest on the Bonds. Such opinion has not been updated as of the date hereof. In the opinion of Bond Counsel to be delivered in connection with the delivery of the Replacement Letter of Credit, the delivery of the Replacement Letter of Credit will not adversely affect the treatment of interest on the Bonds for federal income tax purposes. See "TAX EXEMPTION" herein for a more complete discussion.

DELIVERY OF ALTERNATE CREDIT FACILITY AND REOFFERING
$21,260,000
SWEETWATER COUNTY, WYOMING
POLLUTION CONTROL REVENUE REFUNDING BONDS
(PacifiCorp Project)
Series 1994 (Non-AMT)
(CUSIP 870487 CF0[1])

Purchase Date: March 18, 2015 **Due: November 1, 2024**

The Bonds are limited obligations of the Issuer, payable solely from and secured by a pledge of payments to be made under a Loan Agreement entered into by the Issuer with, and secured by First Mortgage Bonds issued by,

PACIFICORP

Effective on March 19, 2015, and until March 26, 2017, unless earlier terminated or extended, the Bonds will be supported by an Irrevocable Transferable Direct Pay Letter of Credit (the "Replacement Letter of Credit") issued by the New York Agency of

THE BANK OF NOVA SCOTIA

Under the Replacement Letter of Credit, the Trustee will be entitled to draw up to (a) an amount sufficient to pay (i) the outstanding unpaid principal amount of the Bonds or (ii) the portion of the purchase price of such Bonds corresponding to such unpaid principal amount plus (b) an amount sufficient to pay (i) up to 48 days' accrued interest on such Bonds, in each case calculated at the maximum rate of 12% per annum and on the basis of a year of 365 days or (ii) the portion of the purchase price of the Bonds corresponding to such accrued interest. The Replacement Letter of Credit will only be available to be drawn while the Bonds bear interest at a Daily Interest Rate or a Weekly Interest Rate pursuant to the Indenture. Failure to pay the purchase price when due and payable is an event of default under the Indenture.

The Bonds are currently supported by a Letter of Credit issued by Wells Fargo Bank, National Association (the "Existing Letter of Credit"). On March 19, 2015, the Replacement Letter of Credit will be delivered to the Trustee in substitution for the Existing Letter of Credit. After that date, the Bonds will not have the benefit of the Existing Letter of Credit.

The Bonds bear and, subject to the right under the Indenture of PacifiCorp to cause the interest rate on the Bonds to be converted to other interest rate determination methods, will continue to bear interest at a Weekly Interest Rate. The Bonds bearing interest at a Weekly Interest Rate are issuable as fully registered Bonds without coupons, initially in the denomination of $100,000 and integral multiples of $100,000 in excess thereof (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). Interest on the Bonds will be payable on the Interest Payment Date applicable to the Bonds. The Depository Trust Company, New York, New York ("DTC"), will continue to act as a securities depository for the Bonds. The Bonds are registered in the name of Cede & Co., as registered owner and nominee of DTC, and, except for the limited circumstances described herein, beneficial owners of interests in the Bonds will not receive certificates representing their interests in the Bonds. Payments of principal of, and premium, if any, and interest on the Bonds will be made through DTC and its Participants and disbursements of such payments to purchasers will be the responsibility of such Participants.

Certain legal matters related to the delivery of the Replacement Letter of Credit will be passed upon by Chapman and Cutler LLP, Bond Counsel to PacifiCorp. Certain legal matters will be passed upon for PacifiCorp by Paul J. Leighton, Esq., counsel to PacifiCorp, and for the Remarketing Agent by its counsel, Kutak Rock LLP.

Price 100%
(Plus Accrued Interest)

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

MORGAN STANLEY
as Remarketing Agent

March 11, 2015

[1] CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by Standard & Poor's Financial Services LLC on behalf of the American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP services. CUSIP numbers are provided for convenience of reference only. Neither the Issuer, PacifiCorp nor the Remarketing Agent takes any responsibility for the accuracy of such numbers.

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

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

The Remarketing Agent has provided the following sentence for inclusion in this Supplement to Reoffering Circular: The Remarketing Agent has reviewed the information in this Supplement to 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 the transaction, but the Remarketing Agent does not guarantee the accuracy or completeness of such information.

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$21,260,000
SWEETWATER COUNTY, WYOMING
POLLUTION CONTROL REVENUE REFUNDING BONDS
(PacifiCorp Project)
Series 1994

GENERAL INFORMATION

THE REOFFERING CIRCULAR DATED NOVEMBER 11, 2008, A COPY OF WHICH IS ATTACHED HERETO AS APPENDIX SC (THE "ORIGINAL REOFFERING CIRCULAR" AND, TOGETHER WITH THIS SUPPLEMENT TO REOFFERING CIRCULAR, THE "REOFFERING CIRCULAR"), WAS PREPARED IN CONNECTION WITH THE REOFFERING OF SIX SEPARATE ISSUES OF BONDS RELATING TO PACIFICORP. THIS SUPPLEMENT TO REOFFERING CIRCULAR RELATES ONLY TO THE BONDS DESCRIBED ON THE COVER PAGE OF THIS SUPPLEMENT TO REOFFERING CIRCULAR, AND SUPERSEDES AND REPLACES THE SUPPLEMENT DATED MARCH 27, 2013 (THE "2013 SUPPLEMENT") TO THE ORIGINAL REOFFERING CIRCULAR INSOFAR AS THE 2013 SUPPLEMENT RELATES TO SUCH BONDS.

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

This Supplement to Reoffering Circular is provided to furnish certain information with respect to the reoffering of the $21,260,000 aggregate principal amount of Pollution Control Revenue Refunding Bonds (PacifiCorp Project), Series 1994 (the "Bonds"), issued by Sweetwater County, Wyoming (the "Issuer").

The Bonds were issued pursuant to a Trust Indenture dated as of November 1, 1994, as amended and restated by a First Supplemental Trust Indenture, dated as of October 1, 2008 (the "Indenture"), between the Issuer and The Bank of New York Mellon Trust Company, N.A. (successor in interest to The First National Bank of Chicago), as Trustee (the "Trustee").

The proceeds from the sale of the Bonds were loaned to PacifiCorp (the "Company") pursuant to the terms of a Loan Agreement, dated as of November 1, 1994, as amended and restated by a First Supplemental Loan Agreement dated as of October 1, 2008 (the "Agreement"), between the Issuer and the Company. Under the Agreement, the Company is unconditionally obligated to pay amounts sufficient to provide for payment of the principal of, premium, if any, and interest on the Bonds and for payment of the purchase price of the Bonds. The proceeds of the Bonds, together with certain other moneys of the Company, were used for the purpose set forth in the Original Reoffering Circular.

In order to secure the Company's obligation to repay the loans made to it by the Issuer under the Agreement, the Company has issued and delivered to the Trustee its Series 1994-1 First Mortgage and Collateral Trust Bonds (the "First Mortgage Bonds,") in the principal amount of the Bonds. See "THE FIRST MORTGAGE BONDS" in the Original Reoffering Circular for a description of the First Mortgage Bonds and certain related matters.

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

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

The Company has exercised its right under the Agreement and the Indenture to terminate on March 19, 2015 the Letter of Credit dated April 18, 2012 (the "Existing Letter of Credit") and issued by Wells Fargo Bank, National Association (the "Existing Bank"), which has supported payment of the principal, interest and purchase price of the Bonds since the date the Existing Letter of Credit was issued. Pursuant to the Indenture, the Company has elected to replace the Existing Letter of Credit with an Irrevocable Transferable Direct Pay Letter of Credit (the "Replacement Letter of Credit") to be issued by the New York Agency of The Bank of Nova Scotia, a bank organized under the laws of Canada, ("Scotiabank" or the "Bank"). **The Replacement Letter of Credit will be delivered to the Trustee on March 19, 2015 and, after March 19, 2015, the Bonds will not have the benefit of the Existing Letter of Credit.**

All references in the Original Reoffering Circular (unless expressly stated otherwise) to the Letter of Credit shall be deemed to refer to the Replacement Letter of Credit and not to the Existing Letter of Credit, and all references to the Bank shall be deemed to refer to Scotiabank and not to the Existing Bank. The letters of credit described in the Original Reoffering Circular are no longer in effect as of March 19, 2015 and the information in the Original Reoffering Circular with respect thereto and their issuing bank should be disregarded. The information about the "Credit Agreement" in the Original Reoffering Circular, as supplemented by the 2013 Supplement, is inapplicable to the Replacement Letter of Credit and also should be disregarded.

With respect to the Bonds, the Trustee will be entitled to draw under the Replacement Letter of Credit up to (a) an amount sufficient to pay (i) the outstanding unpaid principal amount of the Bonds or (ii) the portion of the purchase price of the Bonds corresponding to such unpaid principal amount plus (b) an amount sufficient to pay (i) up to 48 days' accrued interest on the Bonds (in each case calculated at the maximum rate of 12% per annum and on the basis of a year

of 365 days) or (ii) the portion of the purchase price of the Bonds corresponding to such accrued interest. The Replacement Letter of Credit will only be available to be drawn on with respect to Bonds bearing interest at a daily rate or a weekly rate under the Indenture.

After the date of delivery of the Replacement Letter of Credit, the Company is permitted under the Agreement and the Indenture to provide a substitute letter of credit (the "Substitute Letter of Credit"), which is issued by the same Bank that issued the then existing Letter of Credit and which is identical to such Letter of Credit except for (i) an increase or decrease in the Interest Coverage Rate (as defined in the Indenture), (ii) an increase or decrease in the Interest Coverage Period (as defined in the Indenture) or (iii) any combination of (i) and (ii). As used hereafter, "Letter of Credit" shall, unless the context otherwise requires, mean such Substitute Letter of Credit from and after the issuance date thereof. The Company also is permitted under the Agreement and Indenture to provide for the delivery of an alternate credit facility, including a letter of credit of a commercial bank or a credit facility from a financial institution, or any other credit support agreement or mechanism arranged by the Company (which may involve a letter of credit or other credit facility or first mortgage bonds of the Company or an insurance policy), the administration provisions of which are acceptable to the Trustee (an "Alternate Credit Facility"), to replace a Letter of Credit or provide for the termination of a Letter of Credit or any Alternate Credit Facility then in effect. See "THE LETTER OF CREDIT" and the Original Reoffering Circular attached as Appendix SC hereto under the caption "THE BONDS—Purchase of Bonds."

As of the date hereof, the Bonds bear interest at a Weekly Interest Rate. Following the delivery of the Replacement Letter of Credit, the Bonds will continue to bear interest at a Weekly Interest Rate, subject to the right of the Company to cause the interest rate on the Bonds to be converted to other interest rate determination methods as described in the Original Reoffering Circular.

Reference is hereby made to the Bonds in their entirety for the detailed provisions thereof.

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

THE LETTER OF CREDIT AND THE REIMBURSEMENT AGREEMENT

The following is a brief summary of certain provisions of the Replacement Letter of Credit and that certain Letter of Credit and Reimbursement Agreement dated as of March 19, 2015 between the Company and The Bank of Nova Scotia (together with all related documents, the "Reimbursement Agreement"). This summary is not a complete recital of the terms of the Replacement Letter of Credit or the Reimbursement Agreement and reference is made to the Replacement Letter of Credit or the Reimbursement Agreement, as applicable, in its entirety.

THE LETTER OF CREDIT

The Replacement Letter of Credit will be an irrevocable transferable direct pay obligation of the Bank to pay to the Trustee, upon request and in accordance with the terms thereof, up to (a) an amount sufficient to pay (i) the outstanding unpaid principal amount of the Bonds or (ii) the portion of the purchase price of such Bonds corresponding to such unpaid principal amount plus (b) an amount sufficient to pay (i) up to 48 days' accrued interest on such Bonds (in each case calculated at the maximum rate of 12% per annum and on the basis of a year of 365 days) or (ii) the portion of the purchase price of the Bonds corresponding to such accrued interest. The Replacement Letter of Credit will only be available to be drawn while the Bonds bear interest at a daily rate or a weekly rate pursuant to the Indenture. The Replacement Letter of Credit will be substantially in the form attached hereto as Appendix SE. The Replacement Letter of Credit will be issued pursuant to the Reimbursement Agreement.

The Bank's obligation under the Replacement Letter of Credit will be reduced to the extent of any drawings thereunder. However, with respect to a drawing by the Trustee to enable the Remarketing Agent or the Trustee to pay the purchase price of Bonds delivered for purchase and not remarketed by the Remarketing Agent, such amounts shall be immediately reinstated upon reimbursement. With respect to a drawing by the Trustee for the payment of interest only on the Bonds, the amount that may be drawn under the Replacement Letter of Credit will be automatically reinstated on the eighth business day following the Bank's honoring of such drawing by the amount drawn, unless the Trustee has received notice (a "Non-Reinstatement Notice") from the Bank no later than seven business days after the date of such honoring that there will be no reinstatement.

Upon an acceleration of the maturity of Bonds due to an event of default under the Indenture, the Trustee will be entitled to draw on the Replacement Letter of Credit, if it is then in effect, to the extent of the aggregate principal amount of the Bonds outstanding, plus up to 48 days' interest accrued and unpaid on the Bonds (less amounts paid in respect of principal or interest for which the Replacement Letter of Credit has not been reinstated).

The Replacement Letter of Credit shall expire on the earliest of: (a) March 26, 2017 (such date, as it may be extended as provided in the Replacement Letter of Credit, the "Scheduled Expiration Date"), (b) four business days following the Trustee's receipt of (i) written notice from the Bank that an event of default has occurred under the Reimbursement Agreement or (ii) a Non-Reinstatement Notice, (c) the date that the Trustee informs the Bank that the conditions for termination of the Replacement Letter of Credit as set forth in the Indenture have been satisfied and that the Replacement Letter of Credit has terminated in accordance with its terms, (d) the date that is 15 days after the conversion of the Bonds to an interest rate mode other

than a Daily Interest Rate or a Weekly Interest Rate under the Indenture, and (e) the date of a final drawing under the Replacement Letter of Credit.

THE REIMBURSEMENT AGREEMENT

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

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

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

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

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

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

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

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

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

"ERISA Event" means (a) any "reportable event," as defined in Section 4043 of ERISA with respect to a Pension Plan; (b) the failure to make a required contribution to any Pension Plan that would result in the imposition of a lien or other encumbrance or the provision of security under the Internal Revenue Code (the "Code") or ERISA, or there being or arising any "unpaid minimum required contribution" or "accumulated funding deficiency" (as defined or otherwise set forth in Code or ERISA), whether or not waived, or the filing of any request for or receipt of a minimum funding waiver under the Internal Revenue Code with respect to any Pension Plan or Multiemployer Plan, or a determination that any Pension Plan is, or is reasonably expected to be, in at-risk status under ERISA; (c) the filing of a notice of intent to terminate, or the termination of any Pension Plan under certain provisions of ERISA; (d) the institution of proceedings, or the occurrence of an event or condition that would reasonably be expected to constitute grounds for the institution of proceedings by the PBGC, under certain provisions of ERISA, for the termination of, or the appointment of a trustee to administer, any Pension Plan; (e) the complete or partial withdrawal of the Company or any of its ERISA Affiliates from a Multiemployer Plan, the reorganization or insolvency under ERISA of any Multiemployer Plan, or the receipt by the Company or any of its ERISA Affiliates of any notice that a Multiemployer Plan is in endangered or critical status under certain provisions of ERISA; (f) the failure by the Company or any of its ERISA Affiliates to comply with ERISA or the related provisions of the Code with respect to any Pension Plan; (g) the Company or any of its ERISA Affiliates incurring any liability under certain provisions of ERISA with respect to any Pension Plan (other than premiums due and not delinquent under ERISA) or (h) the failure by the Company or any of its Subsidiaries to comply with Applicable Law with respect to any Foreign Plan.

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

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

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

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

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

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

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

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

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

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

"Rating Decline" means the occurrence of the following on, or within 90 days after, the earlier of (a) the occurrence of a Change of Control (as defined below) and (b) the earlier of (x) the date of public notice of the occurrence of a Change of Control and (y) the date of the public notice of the Company's (or its direct or indirect parent company's) intention to effect a Change of Control, which 90-day period will be

extended so long as the S&P Rating or Moody's Rating is under publicly announced consideration for possible downgrading by S&P or Moody's, as applicable: the S&P Rating is reduced to any rating level below BBB+ or the Moody's Rating is reduced to any rating level below Baa1 (or both the S&P Rating and the Moody's Rating become unavailable).

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

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

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

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

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

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

(c) (i) The Company fails to (A) preserve, and to cause its Material Subsidiaries to preserve, their corporate, partnership or limited liability company existence, (B) cause all Bonds that it acquires to be registered in accordance with the

Indenture and the Custodian Agreement in the name of the Company or its nominee, (C) maintain a required debt to capitalization ratio or (D) observe certain covenants relating to restrictions on liens, mergers, asset sales, use of proceeds, optional redemption of the Bonds, amendments to the Indenture and amendments to the Reoffering Circular (as defined in the Reimbursement Agreement), all in accordance with the Reimbursement Agreement or (ii) the Company fails to perform or observe any other term, covenant or agreement contained in the Reimbursement Agreement or any other Credit Document or Related Document on its part to be performed or observed if such failure remains unremedied for 30 days after written notice has been given to the Company by the Bank; or

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

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

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

(g) The Company or any Material Subsidiary shall generally not pay its debts as they become due, or admits in writing its inability to pay its debts generally, or makes a general assignment for the benefit of creditors; or any proceeding is instituted by or against the Company or any Material Subsidiary seeking to adjudicate it a bankrupt or insolvent, or seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief, or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors, or seeking the entry of an order for relief

or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its property and, in the case of any such proceeding instituted against it (but not instituted by it), either such proceeding shall remain undismissed or unstayed for a period of 60 days, or any of the actions sought in such proceeding (including, without limitation, the entry of an order for relief against, or the appointment of a receiver, trustee, custodian or other similar official for, it or for any substantial part of its property) shall occur; or the Company or any Material Subsidiary shall take any corporate action to authorize any of the actions set forth above in this paragraph; or

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

(i) (i) Berkshire Hathaway Inc. shall fail to own, directly or indirectly, at least 50% of the issued and outstanding shares of common stock of the Company, calculated on a fully diluted basis or (ii) Berkshire Hathaway Energy Company shall fail to own, directly or indirectly, at least 80% of the issued and outstanding shares of common stock of the Company, calculated on a fully diluted basis (each, a "Change of Control"); provided that, in each case, such failure shall not constitute an Event of Default unless and until a Rating Decline has occurred; or

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

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

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

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

Remedies. If an Event of Default occurs under the Reimbursement Agreement and is continuing, the Bank may (a) by notice to the Company, declare the obligation of the Bank to

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

REMARKETING AGENT

General. Morgan Stanley & Co. LLC (the "Remarketing Agent"), will continue as remarketing agent for the Bonds. Subject to certain conditions, the Remarketing Agent has agreed to determine the rates of interest on the Bonds and use its best efforts to remarket all tendered Bonds.

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

Morgan Stanley, parent company of the Remarketing Agent, has entered into a retail distribution arrangement with its affiliate Morgan Stanley Smith Barney LLC. As part of the distribution arrangement, the Remarketing Agent may distribute municipal securities to retail investors through the financial advisor network of Morgan Stanley Smith Barney LLC. As part of this arrangement, the Remarketing Agent may compensate Morgan Stanley Smith Barney LLC for its selling efforts with respect to the Bonds.

Special Considerations. *The Remarketing Agent is Paid by the Company.* The Remarketing Agent's responsibilities include determining the interest rate from time to time and remarketing Bonds that are optionally or mandatorily tendered by the owners thereof (subject, in each case, to the terms of the Indenture and the Remarketing Agreement), all as further described in this 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 the Indenture and the Remarketing Agreement, the Remarketing Agent is required to determine the applicable rate of interest that, in its judgment, is the lowest rate that would permit the sale of the Bonds bearing interest at the applicable interest rate at par plus accrued interest, if any, on and as of the applicable interest rate determination date. The interest rate will reflect, among other factors, the level of market demand for the Bonds (including whether the Remarketing Agent is willing to purchase Bonds for its own accounts). There may or may not be Bonds tendered and remarketed on an interest rate determination date, the Remarketing Agent may or may not be able to remarket any Bonds tendered for purchase on such date at par and the Remarketing Agent may sell Bonds at varying prices to different investors on such date or any other date. The Remarketing Agent is not obligated to advise purchasers in a remarketing if it does not have third party buyers for all of the Bonds at the remarketing price. In the event the Remarketing Agent owns any Bonds for its own account, it may, in its sole discretion in a secondary market transaction outside the tender process, offer such Bonds on any date, including the interest rate determination date, at a discount to par to some investors.

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

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

TAX EXEMPTION

The opinion of Chapman and Cutler delivered on November 17, 1994 with respect to the Bonds stated that, subject to compliance by the Company and the Issuer with certain covenants made to satisfy pertinent requirements of the United States Internal Revenue Code of 1954, as amended (the "1954 Code") and the United States Internal Revenue Code of 1986, as amended, under then-existing law, interest on the Bonds is not includible in gross income of the owners thereof for federal income tax purposes, except for interest on any Bond for any period during which such Bond is owned by a person who is a substantial user of the Facilities (as defined in the Indenture) or any person considered to be related to such person (within the meaning of Section 103(b)(13) of the 1954 Code), and the interest on the Bonds will not be treated as an item of tax preference in computing the alternative minimum tax for individuals and corporations (because the Prior Bonds, as defined in the Original Reoffering Circular, were issued prior to August 8, 1986). Such interest will be taken into account, however, in computing an adjustment used in determining the alternative minimum tax for certain corporations. As indicated in such opinions, the failure to comply with certain of such covenants of the Issuer and the Company could cause the interest on the Bonds to be included in gross income retroactive to the date of issuance of the Bonds. Chapman and Cutler LLP ("Bond Counsel") has made no independent investigation to confirm that such covenants have been complied with.

Bond Counsel will deliver an opinion for the Bonds in connection with the delivery of the Replacement Letter of Credit, in substantially the form attached hereto as Appendix SD, to the effect that the delivery of the Replacement Letter of Credit (i) complies with the terms of the Agreement and (ii) will not adversely affect the Tax-Exempt (as defined in the Indenture) status of the Bonds. Except with respect to (a) the delivery of a Standby Bond Purchase Agreement for the Bonds, described in its opinion dated November 15, 2002, (b) the delivery of an amendment to the applicable Standby Bond Purchase Agreement, described in its opinion dated January 21, 2005, (c) the delivery of an Amended and Restated Standby Bond Purchase Agreement, described in its opinion dated February 22, 2006, (d) the amendment and restatement of the Indenture and the Loan Agreement and delivery of the Prior Letter of Credit, described in its opinion dated November 19, 2008 and (e) as necessary to render the foregoing opinions, Bond Counsel has not reviewed any factual or legal matters relating to the Bonds subsequent to their date of issuance. The opinions delivered in connection with the delivery of the Replacement Letter of Credit are not to be interpreted as a reissuance of the original approving opinion dated November 17, 1994 as of the date of this Supplement to Reoffering Circular.

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

MISCELLANEOUS

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

APPENDIX SA

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, vertically integrated electric utility 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. PacifiCorp owns, or has interests in, 75 thermal, hydroelectric, wind-powered and geothermal generating facilities, with a net owned capacity of 11,136 megawatts. PacifiCorp also owns, or has interests in, electric transmission and distribution assets, and transmits electricity through approximately 16,400 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 customer 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 Berkshire Hathaway Energy Company ("BHE"), a holding company based in Des Moines, Iowa, that owns subsidiaries principally engaged in energy businesses. BHE is a consolidated subsidiary of Berkshire Hathaway Inc. BHE controls substantially all of the Company's 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, and compliance with, laws and regulations, including reliability and safety standards, affecting the Company's operations or 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, new technologies and various conservation, energy efficiency and distributed generation measures and programs, that could affect customer growth and usage, electricity supply or the Company's ability to obtain long-term contracts with customers and suppliers; a high degree of variance between actual and forecasted load or generation that could impact the Company's hedging strategy and the cost 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; 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 generating capacity and energy costs; 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; the effects of catastrophic and other unforeseen events, which may be caused by factors beyond the Company's control or by a breakdown or failure of the Company's operating assets, including storms, floods, fires, earthquakes, explosions, landslides, mining accidents, litigation, wars, terrorism and embargoes; 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 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 the Company's consolidated financial results; 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 Street, Portland, Oregon 97232; the telephone number is (503) 813-5608. The Company was initially incorporated in 1910 under the laws of the state of Maine under the name Pacific Power & Light Company. In 1984, Pacific Power & Light Company changed its name to PacifiCorp. In 1989, it merged with Utah Power and Light Company, a Utah corporation, in a transaction wherein both corporations merged into a newly formed Oregon corporation. The resulting Oregon corporation was re-named PacifiCorp, which is the operating entity today.

AVAILABLE INFORMATION

The Company is subject to the informational requirements of the United States 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, 2014.

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

All documents filed by the Company pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act after the filing of the Annual Report on Form 10-K for the fiscal year ended December 31, 2014 and before the termination of the reoffering made by this Supplement to Reoffering Circular (the "Supplement") shall be deemed to be incorporated by reference in this Supplement and to be a part hereof from the date of filing such documents (such documents and the documents enumerated above, being hereinafter referred to as the "Incorporated Documents"), provided, however, that the documents enumerated above and the documents subsequently filed by the Company pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act in each year during which the reoffering made by this Supplement is in effect before the filing of the Company's Annual Report on Form 10-K covering such year shall not be Incorporated Documents or be incorporated by reference in this Supplement or be a part hereof from and after such filing of such Annual Report on Form 10-K.

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

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

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APPENDIX SB

THE BANK OF NOVA SCOTIA

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

The Bank of Nova Scotia ("Scotiabank"), founded in 1832, is a Canadian chartered bank with its principal office located in Toronto, Ontario. Scotiabank is one of North America's premier financial institutions and Canada's most international bank. With over 86,000 employees, Scotiabank and its affiliates serve over 21 million customers. Scotiabank provides a full range of personal, commercial, corporate and investment banking services through its network of branches located in all Canadian provinces and territories. Outside Canada, Scotiabank has branches and offices in over 55 countries and provides a wide range of banking and related financial services, both directly and through subsidiary and associated banks, trust companies and other financial firms. For the fiscal year ended October 31, 2014, Scotiabank recorded total assets of CDN$806 billion (US$643 billion) and total deposits of CDN$554 billion (US$442 billion). Net income for the fiscal year ended October 31, 2014 equaled CDN$7.3 billion (US$5.8 billion), compared to CDN$6.6 billion (US$4.8 billion) for the prior fiscal year. Scotiabank has the third highest composite credit rating among global banks by Moody's (Aa2) and S&P (A+).

Scotiabank is responsible only for the information contained in this Appendix SB to the Supplement to Reoffering Circular and did not participate in the preparation of, or in any way verify the information contained in, any other part of the Supplement to Reoffering Circular. Accordingly, Scotiabank assumes no responsibility for and makes no representation or warranty as to the accuracy or completeness of information contained in any other part of the Supplement to Reoffering Circular.

The information contained in this Appendix SB relates to and has been obtained from Scotiabank. The delivery of the Supplement to Reoffering Circular shall not create any implication that there has been no change in the affairs of The Bank of Nova Scotia since the date hereof, or that the information contained or referred to in this Appendix SB is correct as of any time subsequent to its date.

APPENDIX SC

REOFFERING CIRCULAR DATED NOVEMBER 11, 2008

NOT NEW ISSUES
Book-Entry Only

The opinions of Chapman and Cutler, Bond Counsel, delivered on November 17, 1994, state that, subject to compliance by the Company and the Issuers with certain covenants, in the opinion of Chapman and Cutler, Bond Counsel, under then existing law (a) interest on the Bonds is not includible in gross income of the owners thereof for federal income tax purposes, except for interest on any Bond for any period during which such Bond is owned by a person who is a substantial user of the Facilities or any person considered to be related to such person (within the meaning of Section 103(b)(13) of the Internal Revenue Code of 1954, as amended), and (b) interest on the Bonds is not treated as an item of tax preference in computing the alternative minimum tax for individuals and corporations. However, such interest is taken into account in computing the corporate alternative minimum tax. Such opinions of Bond Counsel were also to the effect that under then existing law (a) interest on the Emery Bonds and Carbon Bonds is exempt from taxes imposed by the Utah Individual Income Tax Act, (b) the State of Wyoming imposes no income taxes that would be applicable to interest on the Converse Bonds, the Lincoln Bonds or the Sweetwater Bonds and (c) interest on the Moffat Bonds is not included in Colorado taxable income for purposes of the income tax imposed by the State of Colorado pursuant to Article 22 of Title 39 of the Colorado Revised Statutes, as amended. Such opinions have not been updated as of the date hereof. See "TAX EXEMPTION" herein for a more complete discussion.

COMPOSITE REOFFERING
$216,470,000
POLLUTION CONTROL REVENUE REFUNDING BONDS
(PACIFICORP PROJECTS)
SERIES 1994

Dated: Original Date of Delivery **Due: See Inside Cover**

The Bonds of each issue described in this Reoffering Circular are limited obligations of the respective Issuers 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 respective Issuers with, and secured by First Mortgage Bonds issued by,

PacifiCorp

On November 19, 2008, the Bonds of each issue will be remarketed and will bear interest at a Weekly Interest Rate payable the first Business Day of each month commencing December 1, 2008. The initial Weekly Interest Rate and each subsequent Weekly Interest Rate to be borne by the each issue of the Bonds will be determined by the applicable Remarketing Agent. Thereafter, the interest rate on the Bonds may be changed from time to time to Daily, Weekly, Flexible or Term Interest Rates, designated and determined as described herein. The Bonds are subject to purchase at the option of the owners thereof and, under certain circumstances, are subject to mandatory purchase in the manner and at the times described herein. The Bonds are subject to optional and mandatory redemption prior to maturity as described herein.

Following the remarketing of the Bonds on November 19, 2008, the payment of the principal of and interest on each issue of the Bonds and the payment of the purchase price of each issue of the Bonds tendered for purchase and not remarketed will be supported by a separate irrevocable Letter of Credit issued by Wells Fargo Bank, National Association, to The Bank of New York Mellon Trust Company, N.A., as Trustee, for the benefit of the registered holders of the related Bonds.

Wells Fargo Bank, National Association

Each Letter of Credit will expire by its terms on November 19, 2009, unless it expires earlier in accordance with its terms. Each Letter of Credit will be automatically extended to November 19, 2010, unless the Trustee receives notice of the Bank's election not to extend on or before October 20, 2009. Each Letter of Credit may be replaced by an Alternate Credit Facility as permitted under the separate Indentures and Loan Agreements. Unless a Letter of Credit is extended before its scheduled expiration date, the related Bonds will be subject to mandatory tender for purchase prior to such expiration date. THIS REOFFERING CIRCULAR ONLY PERTAINS TO THE BONDS WHILE THEY ARE SECURED BY THE LETTERS OF CREDIT PROVIDED BY THE BANK.

The Bonds are issuable as fully registered Bonds without coupons and will be registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company, New York, New York. DTC initially will act as securities depository for the Bonds. Only beneficial interests in book-entry form are being offered. The Bonds are issuable during any 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, as nominee for DTC, the principal of and premium, if any, and interest on the Bonds will be paid by the Trustee directly to DTC, which will, in turn, remit such amounts to DTC participants for subsequent disbursement to the beneficial owners of the Bonds. See "THE BONDS—Book-Entry System."

Price 100%

The Bonds of each issue are reoffered by the Remarketing Agents referred to below, subject to withdrawal or modification of the offer without notice and certain other conditions. At the time of the original issuance and delivery of each issue of the Bonds, Chapman and Cutler, Bond Counsel to the Company, delivered its opinion as to the legality of such issue of Bonds. Such opinions spoke only as to their respective dates of delivery and will not be reissued in connection with this reoffering. Certain legal matters in connection with the reoffering will be passed upon by Chapman and Cutler LLP, Bond Counsel to the Company. Certain legal matters in connection with the remarketing will be passed upon for PacifiCorp by Paul J. Leighton, Esq., counsel to the Company. Certain legal matters will be passed upon for the Remarketing Agents by King & Spalding LLP. It is expected that delivery of the Bonds will be made through the facilities of DTC in New York, New York, on or about November 19, 2008.

Banc of America Securities LLC **Morgan Stanley**

Wells Fargo Brokerage Services, LLC

November 11, 2008

COMPOSITE REOFFERING
POLLUTION CONTROL REVENUE REFUNDING BONDS
(PACIFICORP PROJECTS)
SERIES 1994

$9,365,000
Carbon County, Utah
Series 1994
Due: November 1, 2024

$8,190,000
Converse County, Wyoming
Series 1994
Due: November 1, 2024

$121,940,000
Emery County, Utah
Series 1994
Due: November 1, 2024

$15,060,000
Lincoln County, Wyoming
Series 1994
Due: November 1, 2024

$40,655,000
Moffat County, Colorado
Series 1994
Due: May 1, 2013

$21,260,000
Sweetwater County, Wyoming
Series 1994
Due: November 1, 2024

This reoffering is for six issues with separate Issuers and Remarketing Agents in respect of each issue as follows:

ISSUER	AMOUNT	REMARKETING AGENT	CUSIP
Carbon County	$ 9,365,000	Morgan Stanley & Co. Incorporated	140890 AD6
Converse County	8,190,000	Banc of America Securities LLC	212491 AM6
Emery County	121,940,000	Wells Fargo Brokerage Services, LLC	291147 CE4
Lincoln County	15,060,000	Banc of America Securities LLC	533485 AZ1
Moffat County	40,655,000	Morgan Stanley & Co. Incorporated	607874 CM4
Sweetwater County	21,260,000	Morgan Stanley & Co. Incorporated	870487 CP0

No broker, dealer, salesman or other person has been authorized to give any information or to make any representations other than those contained in this Reoffering Circular in connection with the offering made hereby, and, if given or made, such information or representations must not be relied upon as having been authorized by Carbon County, Utah, Converse County, Wyoming, Emery County, Utah, Lincoln County, Wyoming, Moffat County, Colorado or Sweetwater County, Wyoming (sometimes referred to individually as an *"Issuer"* and collectively as the *"Issuers"*), PacifiCorp, or the Remarketing Agents. Neither the delivery of this Reoffering Circular nor any sale hereunder shall under any circumstances create any implication that there has been no change in the affairs of the Issuers or the Company any since the date hereof. This Reoffering Circular does not constitute an offer or solicitation in any jurisdiction in which such offer or solicitation is not authorized, or in which the person making such offering or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation. None of the Issuers has assumed or will assume any responsibility as to the accuracy or completeness of the information in this Reoffering Circular, other than that relating to itself under the caption "THE ISSUERS." Upon issuance, the Bonds will not be registered under the Securities Act of 1933, as amended, and will not be listed on any stock or other securities exchange. Neither the Securities and Exchange Commission nor any other federal state, municipal or other governmental entity will have passed upon the accuracy or adequacy of this Reoffering Circular or, other than the Issuers, approved the Bonds for sale.

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

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COMPOSITE REOFFERING
POLLUTION CONTROL REVENUE REFUNDING BONDS
(PACIFICORP PROJECTS)
SERIES 1994

$9,365,000 **Carbon County, Utah** **Series 1994** **Due: November 1, 2024**	**$8,190,000** **Converse County, Wyoming** **Series 1994** **Due: November 1, 2024**	**$121,940,000** **Emery County, Utah** **Series 1994** **Due: November 1, 2024**
$15,060,000 **Lincoln County, Wyoming** **Series 1994** **Due: November 1, 2024**	**$40,655,000** **Moffat County, Colorado** **Series 1994** **Due: May 1, 2013**	**$21,260,000** **Sweetwater County, Wyoming** **Series 1994** **Due: November 1, 2024**

INTRODUCTORY STATEMENT

This Reoffering Circular, including the Appendices hereto and the documents incorporated by reference herein, is provided to furnish certain information with respect to the reoffering by the Issuers of six separate issues of Pollution Control Revenue Refunding Bonds (PacifiCorp Projects) Series 1994 (collectively, the *"Bonds"*), as follows:

(a) $9,365,000 principal amount of Carbon County, Utah Pollution Control Revenue Refunding Bonds (PacifiCorp Project) Series 1994 (the *"Carbon Bonds"*);

(b) $8,190,000 principal amount of Converse County, Wyoming Pollution Control Revenue Refunding Bonds (PacifiCorp Project) Series 1994 (the *"Converse Bonds"*);

(c) $121,940,000 principal amount of Emery County, Utah Pollution Control Revenue Refunding Bonds (PacifiCorp Project) Series 1994 (the *"Emery Bonds"*);

(d) $15,060,000 principal amount of Lincoln County, Wyoming Pollution Control Revenue Refunding Bonds (PacifiCorp Project) Series 1994 (the *"Lincoln Bonds"*);

(e) $40,655,000 principal amount of Moffat County, Colorado Pollution Control Revenue Refunding Bonds (PacifiCorp Project) Series 1994 (the *"Moffat Bonds"*); and

(f) $21,260,000 principal amount of Sweetwater County, Wyoming Pollution Control Revenue Refunding Bonds (PacifiCorp Project) Series 1994 (the *"Sweetwater Bonds"*).

The Carbon Bonds, the Converse Bonds, the Emery Bonds, the Lincoln Bonds, the Moffat Bonds and the Sweetwater Bonds have been issued under separate Trust Indentures dated as of November 1, 1994 (each a *"Trust Indenture"* and collectively, the *"Trust Indentures"*) between Carbon County, Utah (*"Carbon County"*), Converse County, Wyoming (*"Converse County"*), Emery County, Utah (*"Emery County"*), Lincoln County, Wyoming (*"Lincoln County"*), Moffat County, Colorado (*"Moffat County"*), and Sweetwater County, Wyoming (*"Sweetwater County"*), as applicable (each an *"Issuer"* and collectively, the *"Issuers"*), and The Bank of New York Mellon Trust Company, N.A., as successor trustee (the *"Trustee"*), each as amended and restated by a separate First Supplemental Trust Indenture, dated as of October 1, 2008, (each a *"First Supplemental Indenture"* and collectively, the *"First Supplemental Indentures"*), between each of the respective Issuers and the Trustee, and under resolutions of the governing bodies of the respective Issuers. The Trust Indentures, as amended and restated by the First Supplemental Indentures, are sometimes referred to herein as the *"Indentures."* Pursuant to separate Loan Agreements between PacifiCorp (the *"Company"*) and each of the respective Issuers (each an *"Original Loan Agreement"* and collectively the *"Original Loan Agreements"*), each as amended and restated by a First Supplemental Loan Agreement, dated as of October 1, 2008, between the Company and each of the respective Issuers (each a *"First Supplemental Loan Agreement"* and collectively the *"First Supplemental Loan Agreements"*), the respective Issuers have lent the proceeds from the original sale of the Bonds to the Company. The Original Loan Agreements, as amended and restated by the First Supplemental Loan Agreements, are sometimes referred to herein as the *"Loan Agreements."*

The proceeds of the Bonds were used, together with certain other moneys of the Company, to refund all of the outstanding (a) $9,365,000 principal amount of Carbon County, Utah, Pollution Control Revenue Bonds (Utah Power & Light Company Project) Series A of 1974 due February 1, 2004 (the *"Prior Carbon Bonds"*); (b) $8,190,000 principal amount of Converse County, Wyoming Collateralized Pollution Control Revenue Bonds (Pacific Power & Light Company Project) Series 1977 (the *"Prior Converse Bonds"*); (c) $13,190,000 principal amount of Emery County, Utah, Pollution Control Revenue Bonds (Utah Power & Light Company Project) Series A of 1974 due February 1, 2004 (the *"Prior Emery 1974 Bonds"*); (d) $50,000,000 principal amount of Emery County, Utah, Pollution Control Revenue Bonds, 6-3/8% Series due November 1, 2006 (Utah Power & Light Company Project) (the *"Prior Emery 6-3/8% Bonds"*); (e) $42,000,000 principal amount of Emery County, Utah, Pollution Control Revenue Bonds, 5.90% Series due April 1, 2008 (Utah Power & Light Company Project) (the *"Prior Emery 5.90% Bonds"*); (f) $16,750,000 principal amount of Emery County, Utah, Pollution Control Revenue Bonds (Utah Power & Light Company Project), 10.70% Series due September 1, 2014 (the *"Prior Emery 10.70% Bonds"*); (g) $15,060, 000 principal amount of Lincoln County, Wyoming, Pollution Control Revenue Bonds (Utah Power & Light Company Project) Series A of 1974 (the *"Prior Lincoln Bonds"*); (h) $40,655,000 principal amount of Moffat County, Colorado, Pollution Control Revenue Bonds, Series 1978 (Colorado-Ute Electric Association, Inc. Project) (the *"Prior Moffat Bonds"*); and (i) $21,260,000 principal amount of Sweetwater County, Wyoming, Taxable Pollution Control Revenue Refunding Bonds

(PacifiCorp Project) Series 1994T (the *"Prior Sweetwater 1994T Bonds"*). These obligations have been assumed by the Company as the surviving corporation in its 1989 merger with Utah Power & Light Company, a Utah corporation, and PacifiCorp, a Maine corporation or, in the case of the Prior Moffat Bonds, under that certain Assignment and Assumption Agreement, dated April 15, 1992, between Colorado-Ute Electric Association, Inc. (*"Colorado-Ute"*) and the Company.

The Prior Emery 1974 Bonds, the Prior Emery 6-3/8% Bonds, the Prior Emery 5.90% Bonds and the Prior Emery 10.70% Bonds are hereinafter collectively referred to as the *"Prior Emery Bonds."* The Prior Carbon Bonds, the Prior Converse Bonds, the Prior Emery Bonds, the Prior Lincoln Bonds, the Prior Moffat Bonds and the Prior Sweetwater 1994T Bonds are hereinafter collectively referred to as the *"Prior Bonds."* The Prior Bonds were issued to finance various qualifying solid waste disposal facilities and air and water pollution control facilities as described herein. See "THE FACILITIES."

In order to secure the Company's obligation to repay the loans made to it by the Issuers under the Loan Agreements, the Company has issued and delivered to the Trustee for each issue its Series 1994-1 First Mortgage and Collateral Trust Bonds (the *"First Mortgage Bonds"*) in a principal amount equal to the principal amount of such issue of the Bonds. The First Mortgage Bonds may be released upon delivery of collateral in substitution for the First Mortgage Bonds 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 (the *"Company Mortgage Trustee"*), as supplemented and amended by various supplemental indentures, including a Tenth Supplemental Indenture dated as of August 1, 1994 (the *"Tenth 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" 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 Facilities (as hereinafter defined). The First Mortgage Bonds will be registered in the name of and held by the Trustee for the benefit of the *"Owners"* of the applicable series of the Bonds and will not be transferable except to a successor trustee under the Indentures. *"Owner"* means the registered owner of any Bond; *provided, however*, when used in the context of the Tax-Exempt (as hereinafter defined) status of the Bonds, the term *"Owner"* includes each actual purchaser of any Bond (*"Beneficial Owner"*).

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 Bonds or the Loan Agreements constitutes a debt or gives rise to a general obligation or liability of any of the Issuers 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 are payable solely from the receipts and revenues to be received from the Company

as payments under the related Loan Agreements, or otherwise on the First Mortgage Bonds, and from any other moneys pledged therefor. Such receipts and revenues and all of the Issuers' rights and interests under the Loan Agreements (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 related series of the Bonds. The payments required to be made by the Company under the Loan Agreements, or otherwise on the First Mortgage Bonds, will be sufficient, together with other funds available for such purpose, to pay the principal of and premium, if any, and interest on the related series of the Bonds. Under no circumstances will any Issuer have any obligation, responsibility or liability with respect to the Facilities, the Loan Agreements, the Indentures, the Bonds or this Reoffering Circular, except for the special limited obligation set forth in the Indentures and the Loan Agreements whereby each series of the Bonds are payable solely from amounts derived from the Company and the applicable Letter of Credit (or Alternate Credit Facility (as hereinafter defined), as the case may be). Nothing contained in the Indentures, the Bonds or the Loan Agreements, or in any other related documents may be construed to require any Issuer to operate, maintain or have any responsibility with respect to any of the Facilities (as hereinafter defined). The Issuers have no liability in the event of wrongful disbursement by the Trustee or otherwise. No recourse may 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.

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 delivered 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.

Each issue of the Bonds will be supported by a separate irrevocable Letter of Credit (each a *"Letter of Credit"* and, collectively, the *"Letters of Credit"*) to be issued by Wells Fargo Bank, National Association (the *"Bank"*) in favor of the Trustee, as beneficiary. The Letters of Credit have substantially identical terms.

Under each of the Letters of Credit, the Trustee will be entitled to draw, upon a properly presented and conforming drawing, up to an amount sufficient to pay one hundred percent (100%) of the principal amount of the applicable Bonds on the date of the draw (whether at maturity, upon acceleration, mandatory or optional purchase or redemption, plus 48 days' accrued interest on the applicable Bonds, at a rate of up to the maximum interest rate of twelve percent (12%) per annum calculated on the basis of a year of 365 days for the actual days elapsed, so long as the Bonds bear interest at the Weekly Interest Rate or the Daily Interest Rate. The Company has agreed to reimburse the Bank for drawings made under the Letter of Credit and to make certain other payments to the Bank. The Letters of Credit will expire on

November 19, 2009, unless extended or earlier terminated in accordance with their terms. See "THE LETTERS OF CREDIT."

Banc of America Securities LLC has been appointed by the Company as Remarketing Agent with respect to the Converse Bonds and the Lincoln Bonds. Morgan Stanley & Co. Incorporated has been appointed by the Company as Remarketing Agent with respect to the Carbon Bonds, the Moffat Bonds and the Sweetwater Bonds. Wells Fargo Brokerage Services, LLC has been appointed by the Company as Remarketing Agent with respect to the Emery Bonds. Banc of America Securities LLC, Morgan Stanley & Co. Incorporated and Wells Fargo Brokerage Services, LLC, are referred to herein as the *"Remarketing Agents."* The Company will enter into a separate Remarketing Agreement with the Remarketing Agent with respect to the Bonds to be remarketed by such Remarketing Agent.

Under certain circumstances described in the applicable Loan Agreement, a Letter of Credit may be replaced by an alternate credit facility supporting payment of the principal of and interest on the applicable Bonds when due and for the payment of the purchase price of tendered or deemed tendered Bonds (each an *"Alternate Credit Facility"*). The entity or entities, as the case may be, obligated to make payment on an Alternate Credit Facility are referred to herein as the *"Obligor on an Alternate Credit Facility."* In addition, a Letter of Credit may be replaced by a substitute letter of credit (a *"Substitute Letter of Credit"*). The replacement of a Letter of Credit or an Alternate Credit Facility, including with a Substitute Letter of Credit, will result in the mandatory purchase of Bonds. See "THE LOAN AGREEMENTS—The Letter of Credit; Alternate Credit Facility" and "—Substitute Letter of Credit."

Concurrently with the issuance of the Bonds, AMBAC Indemnity Corporation (*"Ambac"*) issued a municipal bond insurance policy with respect to the Bonds of each issue (each, an *"Ambac Insurance Policy"* and, collectively, the *"Ambac Insurance Policies"*). In connection with the delivery of the Letters of Credit, Ambac, the Company, the Trustee, each of the Issuers and the Company, acting as owner of Bonds, will enter into separate Release Agreements, pursuant to which Ambac will be released from all liabilities under each Ambac Insurance Policy, will surrender any and all rights under the Trust Indentures and payment of principal of and interest on the Bonds when due will no longer be guaranteed by Ambac under the Ambac Insurance Policies. Purchasers of the Bonds will be deemed to have consented to the provisions of the Release Agreements. See "TERMINATION OF BOND INSURANCE."

Brief descriptions of the Issuers, the Facilities and the Bank and summaries of certain provisions of the Bonds, the Loan Agreements, the Letters of Credit, the Indentures and the First Mortgage Bonds are included in this Reoffering Circular, including the Appendices hereto. Information regarding the business, properties and financial condition of the Company is included in and incorporated by reference in Appendix A hereto. A brief description of the Bank is included as Appendix B hereto. Appendices C-1 through C-6 set forth the approving opinions of Chapman and Cutler, Bond Counsel, delivered on the date of original issuance of each issue of the Bonds.

The descriptions herein of the Loan Agreements, the Indentures, the Company Mortgage and the Letters of Credit 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.

This Reoffering Circular provides certain information with respect to the Bank, the terms of, and security for the Bonds and other related matters. While certain information relating to the Company is included and incorporated within, the Bonds are being remarketed on the basis of their Letters of Credit and the financing strength of the Bank and are not being remarketed on the basis of the financial strength of the Issuers, the Company or any other security. This Reoffering Circular does not describe the financial condition of the Company and no representation is made concerning the financial status or prospects of the Company or the value or financial viability of the Project.

THE ISSUERS

CARBON COUNTY

Carbon County is a political subdivision, duly organized and existing under the Constitution and laws of the State of Utah (*"Utah"*). Pursuant to the Utah Industrial Facilities and Development Act, Title 11, Chapter 17, Utah Code Annotated 1953, as amended (the *"Utah Act"*), Carbon County was and is authorized to issue the Carbon Bonds, to enter into the Indenture and the Loan Agreement to which it is a party and to secure the Carbon Bonds by a pledge to the Trustee of the payments to be made by the Company under such Loan Agreement and the First Mortgage Bonds.

CONVERSE COUNTY

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

EMERY COUNTY

Emery County is a political subdivision, duly organized and existing under the Constitution and laws of Utah. Pursuant to the Utah Act, Emery County was and is authorized to issue the Emery Bonds, to enter into the Indenture and the Loan Agreement to which it is a party

and to secure the Emery Bonds by a pledge to the Trustee of the payments to be made by the Company under such Loan Agreements and the First Mortgage Bonds.

LINCOLN COUNTY

Lincoln County is a political subdivision, duly organized and existing under the Constitution and laws of Wyoming. Pursuant to the Wyoming Act, Lincoln County was and is authorized to issue the Lincoln Bonds, to enter into the Indenture and the Loan Agreement to which it is a party and to secure the Lincoln Bonds by a pledge to the Trustee of the payments to be made by the Company under such Loan Agreement and the First Mortgage Bonds.

MOFFAT COUNTY

Moffat County is a public body corporate and politic, duly organized and existing under the Constitution and laws of the State of Colorado (*"Colorado"*). Pursuant to the County and Municipality Development Revenue Bond Act, Title 29, Article 3, Colorado Revised Statutes 1973, as amended (the *"Colorado Act"*), Moffat County was and is authorized to issue the Moffat Bonds, to enter into the Indenture and the Loan Agreement to which it is a party and to secure the Moffat Bonds by a pledge to the Trustee of the payments to be made by the Company under such Loan Agreement and the First Mortgage Bonds.

SWEETWATER COUNTY

Sweetwater County is a political subdivision, duly organized and existing under the Constitution and laws of Wyoming. Pursuant to the Wyoming Act, Sweetwater County was and is authorized to issue the Sweetwater Bonds, to enter into the Indenture and the Loan Agreement to which it is a party and to secure the Sweetwater Bonds by a pledge to the Trustee of the payments to be made by the Company under such Loan Agreement and the First Mortgage Bonds.

THE FACILITIES

The Prior Carbon Bonds were issued by Carbon County to finance qualifying solid waste disposal facilities or air or water pollution control facilities (the *"Carbon Facilities"*) for the Carbon coal-fired electric generating plant (the *"Carbon Plant"*) located in Carbon County.

The Prior Converse Bonds were issued to finance qualifying air and water pollution control facilities (the *"Dave Johnston Facilities"*) for the Dave Johnston coal-fired electric generating plant (the *"Dave Johnston Plant"*) located near the town of Glenrock, Wyoming.

The Prior Emery 1974 Bonds were issued by Emery County to finance qualifying solid waste disposal facilities or air or water pollution control facilities (the *"Huntington Facilities"*) for the Huntington coal-fired electric generating plant (the *"Huntington Plant"*) located in Emery County.

The Prior Emery 6-3/8% Bonds were issued to finance qualifying solid waste disposal facilities or air or water pollution control facilities (the *"Emery 1 Facilities"*) for the second unit of the Huntington Plant and the Emery generating plant, which is now known as the Hunter coal-fired steam electric generating plant (the *"Hunter Plant"*), each of which is located in Emery County.

The Prior Emery 5.90% Bonds were issued to finance qualifying water and air pollution control facilities (the *"Emery 2 Facilities"*) for the second unit of the Huntington Plant and the Hunter Plant in Emery County.

The Prior Emery 10.70% Bonds were issued to refund the Emery County, Utah $16,750,000 Pollution Control Revenue Bonds (Utah Power & Light Company Project), dated May 11, 1984 (the *"Emery May 1984 Bonds"*), that were issued to finance qualifying air or water pollution control facilities (the *"Hunter Facilities"*) for Unit 3 of the Hunter Plant located in Emery County.

The Prior Lincoln Bonds were issued to finance qualifying solid waste disposal facilities or air pollution control facilities (the *"Naughton Facilities"*) for the Naughton coal-fired electric generating plant (the *"Naughton Plant"*) located in Lincoln County.

The Prior Moffat Bonds were issued to finance Colorado-Ute's undivided 29% interest in air and water pollution control facilities (the *"Craig Facilities"*) in connection with electric generating units 1 and 2 of the Craig Station (the *"Craig Station"*) located in Moffat County. The Prior Moffat Bonds had been in default prior to the time the Company assumed an obligation to make payments with respect to the Prior Moffat Bonds in connection with the Company's acquisition of its interest in the Craig Facilities.

The Prior Sweetwater 1994T Bonds were issued to temporarily refund the $21,260,000 principal amount of Sweetwater County, Wyoming, Pollution Control Revenue Bonds (Pacific Power & Light Company Project) Series 1973 (the *"Sweetwater 1973 Bonds"*), which were issued to finance the Company's undivided 66-2/3% interest in the qualifying air and water pollution control facilities (the *"Jim Bridger Facilities"*) for the Jim Bridger coal-fired steam electric generating plant (the *"Jim Bridger Plant"*) located in Sweetwater County.

The Carbon Plant, the Dave Johnston Plant, the Huntington Plant, the Hunter Plant, the Naughton Plant, the Craig Station and the Jim Bridger Plant are hereinafter referred to collectively as the *"Plants"* and the Carbon Facilities, the Huntington Facilities, the Dave Johnston Facilities, the Emery 1 Facilities, the Emery 2 Facilities, the Hunter Facilities, the Naughton Facilities, the Craig Facilities and the Jim Bridger Facilities are hereinafter referred to collectively as the *"Facilities."* The interest of the Company in each of the Facilities is hereinafter referred to as the *"Project."*

USE OF PROCEEDS

The proceeds from the initial sale of the Bonds, together with funds of the Company, were applied to the redemption of the principal amount of the Prior Bonds outstanding immediately prior to redemption on January 15, 1995.

THE BONDS

The six issues of Bonds are each an entirely separate issue but contain substantially the same terms and provisions. The following is a summary of certain provisions common to the Bonds of the six 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. Optional or mandatory redemption of one issue of the Bonds may be made in the manner described below without redemption of the other issues. Reference is hereby made to the forms of the Bonds in their entirety for the detailed provisions thereof. References to the Issuer, the Trustee, the Bank, the Paying Agent, the Registrar, the Remarketing Agent, the Bonds, the Prior Bonds, the Plant, the Facilities, the Project, the Indenture, the Loan Agreement, the Letter of Credit and other documents and parties are deemed to refer to the Issuer, the Trustee, the Bank, the Paying Agent, the Registrar, the Remarketing Agent, the Bonds, the Prior Bonds, the Plant, the Facilities, the Project, the Indenture, the Loan Agreement, the Letter of Credit and such other documents and parties, respectively, relating to each issue of the Bonds. Initially capitalized terms used herein and not otherwise defined are used as defined in the Indenture.

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 dates set forth on the inside front 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 as described herein. Following the reoffering of the Bonds on November 19, 2008, the Rate Period (as defined below) for the Bonds of each issue 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 denomination 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; $100,000 or any integral

multiple of $5,000 in excess of $100,000, when the Bonds bear interest at a Flexible Interest Rate; and $5,000 or any integral multiple thereof, when the Bonds bear interest at a Term Interest Rate (collectively, *"Authorized Denominations"*). Exchanges and transfers will be made without charge to the Owners, except for any applicable tax or other governmental charge.

A *"Business Day"* is a day except a Saturday, Sunday or other day (a) on which commercial banks located in the cities in which the principal office of the Bank or the principal office of the Obligor on an Alternate Credit 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, Inc. is closed.

"Interest Payment Date" means (a) with respect to any Daily or Weekly Interest Rate Period, the first Business Day of each calendar month, (b) 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, (c) with respect to any Flexible Segment, the Business Day next succeeding the last day of such Flexible Segment, (d) with respect to any Rate Period, the Business Day next succeeding the last day thereof and (e) with respect to any Bond when it bears interest at a Flexible Interest Rate, any date on which there is a mandatory purchase of the Bond as described in subparagraph (c) of the first paragraph under "—Mandatory Purchase" and (f) with respect to any Pledged Bond bearing interest at a Flexible Interest Rate, regardless of the duration of the Flexible Segment, the date on which such Pledged Bond is remarketed pursuant to the Indenture.

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

"Record Date" means (a) 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 (b) 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 includible 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"*), whether or not such interest is includible as an item of tax preference or otherwise includible directly or indirectly for purposes of calculating other tax liabilities, including any alternative minimum tax or environmental tax under the Internal Revenue Code of 1986, as amended (the *"Code"*).

PAYMENT OF PRINCIPAL AND INTEREST

The principal of and premium, if any, on the Bonds is 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 is payable (i) by bank check or draft mailed by first class mail on the Interest Payment Date to the Owners as of the Record Date or (ii) during any Rate Period other than a Term Interest Rate Period, in immediately available funds (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 in 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 who has provided wire transfer instructions to the Paying Agent prior to the close of business on such Record Date.

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

RATE PERIODS

The term of the Bonds is divided into consecutive Rate Periods, during which such Bonds bear interest at a Daily Interest Rate, Weekly Interest Rate, Flexible Interest Rate or Term Interest Rate, as described below. At any time the Rate Period applicable to any issue of Bonds may be different from that applicable to any other issue of Bonds.

WEEKLY INTEREST RATE PERIOD

Determination of Weekly Interest Rate. During each Weekly Interest Rate Period, the Bonds of an issue bear interest at the Weekly Interest Rate determined by the Remarketing Agent no later than the first day of such Weekly Interest Rate Period and thereafter no later than Tuesday of each week during such Weekly Interest Rate Period, unless any such Tuesday is not a Business Day, in which event the Weekly Interest Rate will be determined by the Remarketing Agent no later than the Business Day 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 lesser of 12% per annum or the rate specified in any Letter of Credit or Alternate Credit Facility then in effect (initially 12% per annum).

Adjustment to Weekly Interest Rate Period. The interest rate borne by Bonds of an issue 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 (a) must specify the effective date of such adjustment to a Weekly Interest Rate, which must be (i) 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), (ii) in the case of an adjustment from a Term Interest Rate Period, a day on which the Bonds could be redeemed at the option of the Company or the day immediately following the last day of the then-current Term Interest Rate Period, and (iii) in the case of an adjustment from a Flexible Interest Rate Period, either the day immediately following the last day of the then-current Flexible Interest Rate Period or the day immediately following the last day of the last Flexible Segment for each Bond in the then-current Flexible Interest Rate Period, all as determined in accordance with clause (a) or (b), respectively, under "—Flexible Interest Rate Period-Adjustment from Flexible Interest Rates;" *provided, however*, that if prior to the Company's making such election, any Bonds 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; and (b) if the adjustment is from a Term Interest Rate Period having a duration in excess of one year, must be accompanied by an opinion of nationally recognized bond counsel (*"Bond Counsel"*) to the effect that such adjustment (i) is authorized or permitted by the Indenture and the Utah Act, the Wyoming Act or the Colorado Act, as applicable, and (ii) will not adversely affect the Tax-Exempt status of the interest on the Bonds.

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 such Bonds will be adjusted to a Weekly Interest Rate (subject to the Company's ability to rescind its election as described below under *"Rescission of Election"*), (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 of an issue 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 lesser of 12% per annum or the rate specified in any Letter of Credit or Alternate Credit Facility then in effect (initially 12% per annum).

Adjustment to Daily Interest Rate Period. The interest rate borne by Bonds of an issue 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 (a) must specify the effective date of the adjustment to a Daily Interest Rate, which must be (i) 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), (ii) in the case of an adjustment from a Term Interest Rate Period, a day on which the Bonds could be redeemed at the option of the Company or the day immediately following the last day of the then-current Term Interest Rate Period, and (iii) in the case of an adjustment from a Flexible Interest Rate Period, either the day immediately following the last day of the then-current Flexible Interest Rate Period or the day immediately following the last day of the last Flexible Segment for each Bond in the then-current Flexible Interest Rate Period, all as determined in accordance with clause (a) or (b), respectively, under "—Flexible Interest Rate Period-Adjustment from Flexible Interest Rates;" *provided, however*, that if prior to the Company's making such election, any Bonds 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; and (b) if the adjustment is from a Term Interest Rate Period having a duration in excess of one year, is accompanied by an opinion of Bond Counsel to the effect that such adjustment (i) is authorized or permitted by the Indenture and the Utah Act, the Wyoming Act or the Colorado Act, as applicable, and (ii) will not adversely affect the Tax-Exempt status of the interest on the Bonds.

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.

TERM INTEREST RATE PERIOD

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

The Term Interest Rate is the rate determined by the Remarketing Agent on such date, and communicated on such date to the Trustee, the Paying Agent, the Company and the Bank (or the Obligor on an Alternate Credit Facility, as the case may be), as being the lowest rate (based on an examination of Tax-Exempt obligations comparable to the Bonds known by the Remarketing Agent to have been priced or traded under then prevailing market conditions) which would enable the Remarketing Agent to sell the Bonds on the effective date of such Term Interest Rate Period at a price (without regard to accrued interest) equal to 100% of the principal amount thereof. If, for any reason, a Term Interest Rate for any Term Interest Rate Period has not be determined or effective, then (a) if the then-current Term Interest Rate Period is for one year or less, the Rate Period for such Bonds will automatically convert to a Daily Interest Rate Period and (b) if the then-current Term Interest Rate Period is for more than one year, the Rate Period for the Bonds will automatically adjust to a Term Interest Rate Period of one year and one day; *provided, however,* that if the last day of any successive Term Interest Rate Period is not a day immediately preceding a Business Day, then such successive Term Interest Rate Period will end on the first day immediately preceding the Business Day next succeeding such day or, if such Term Interest Rate Period would end after the day prior to the final maturity date of the Bonds, the next succeeding Rate Period will be a Term Interest Rate Period ending on the day prior to the final maturity date of the Bonds; *provided*, further, that in the case of clause (b) above, if the Company delivers to the Trustee an approving opinion of Bond Counsel prior to the end of the then-effective Term Interest Rate Period, the Rate Period for the Bonds will adjust to a Daily Interest Rate Period. If the Daily Interest Rate for the first day of any such Daily Interest Rate Period is not determined as described under "—Daily Interest Rate Period-Determination of Daily Interest Rate," the Daily Interest Rate for the first day of such Daily Interest Rate Period will be 80% of the most recent One-Year Note Index theretofore published in *The Bond Buyer* (or, if *The Bond Buyer* is no longer published or no longer publishes the One-Year Note Index, the one-year note index contained in the publication determined by the Remarketing Agent as most comparable to *The Bond Buyer*). If a Term Interest Rate for any such Term Interest Rate Period described in clause (b) above is not determined as described in the second preceding sentence, the Term Interest Rate for such Term Interest Rate Period will be 100% of the most recent One-Year Note Index theretofore published in *The Bond Buyer* (or, if *The Bond Buyer* is no longer published or no longer publishes the One-Year Note Index, the one-year note index contained in the publication determined by the Remarketing Agent as most comparable to *The Bond Buyer*). In no event may any Term Interest Rate exceed the lesser of 12% per annum or the rate specified in any Alternate Credit Facility then in effect.

Adjustment to or Continuation of Term Interest Rate Period. The interest rate borne by Bonds of an issue may be adjusted to or continued as a Term 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, which notice specifies the duration of the Term Interest Rate Period during which the Bonds bear, or continue to bear, interest at a Term Interest Rate. Such notice may specify two or more consecutive Term Interest Rate Periods and, if it so specifies, must specify the duration of each such Term Interest Rate Period as provided in this paragraph. Such notice must specify the effective date of each Term Interest Rate Period, which must be (a) a Business Day not earlier than the twentieth day following the third Business Day after the date of receipt by the Trustee and Paying Agent of such notice (or such shorter period after the date of such receipt as is acceptable to the Trustee), (b) in the case of an adjustment from or continuation of a Term Interest Rate Period, a day on which the Bonds could be redeemed at the option of the Company or the day immediately following the last day of the then-current Term Interest Rate Period, and (c) in the case of an adjustment from a Flexible Interest Rate Period, either the day immediately following the last day of the then-current Flexible Interest Rate Period or the day immediately following the last day of the last Flexible Segment for each Bond in the then-current Flexible Interest Rate Period, all as determined in accordance with clause (a) or (b), respectively, under "—Flexible Interest Rate Period-Adjustment from Flexible Interest Rates;" *provided, however,* that if prior to the Company's making such election, any Bonds have been called for redemption and such redemption has not been effected, the effective date of such Term Interest Rate Period may not precede such redemption date. Such notice must also specify (i) the last day of such Term Interest Rate Period (which is either the day preceding the maturity date of the Bonds or a day which both immediately precedes a Business Day and is at least one year after such effective date) and (ii) unless such Term Interest Rate Period immediately succeeds a Term Interest Rate Period of the same duration and is subject to the same optional redemption rights, is accompanied by an opinion of Bond Counsel to the effect that such adjustment (A) is authorized or permitted by the Indenture and the Utah Act, the Wyoming Act or the Colorado Act, as applicable, and (B) will not adversely affect the Tax-Exempt status of the interest on the Bonds.

If, by 20 days prior to the end of the then-current Term Interest Rate Period, the Trustee has not received the Company's notice of an adjustment to a Daily Interest Rate Period, a Weekly Interest Rate Period, a Term Interest Rate Period or a Flexible Interest Rate Period, accompanied by appropriate opinions of Bond Counsel, then (a) in the event the then-current Term Interest Rate Period is for one year or less, the Rate Period for the Bonds will automatically convert to a Daily Interest Rate Period and (b) in the event the current Term Interest Rate Period is for more than one year, the Rate Period for the Bonds will automatically adjust to a Term Interest Rate Period of one year and one day; *provided, however,* that if the last day of any successive Term Interest Rate Period will not be a day immediately preceding a Business Day, then such successive Term Interest Rate Period will end on the first day immediately preceding the Business Day next succeeding such day or, if such Term Interest Rate Period would end after the day prior to the final maturity date of the Bonds, the next succeeding Rate Period will be a Term Interest Rate Period ending on the day prior to the final maturity date of the Bonds; *provided,* further, that in the case of clause (b) above, if the Company delivers to the Trustee an approving opinion of Bond Counsel prior to the end of the then-effective Term Interest Rate Period, the Rate Period for the Bonds will adjust to a Daily Interest Rate Period. If

the Daily Interest Rate for the first day of any such Daily Interest Rate Period is not determined as described under "—Daily Interest Rate Period-Determination of Daily Interest Rate," the Daily Interest Rate for the first day of such Daily Interest Rate Period will be 80% of the most recent One-Year Note Index theretofore published in *The Bond Buyer* (or, if *The Bond Buyer* is no longer published or no longer publishes the One-Year Note Index, the one-year note index contained in the publication determined by the Remarketing Agent as most comparable to *The Bond Buyer*). If a Term Interest Rate for any such Term Interest Rate Period described in clause (b) above is not determined as described in the second preceding sentence, the Term Interest Rate for such Term Interest Rate Period will be 100% of the most recent One-Year Note Index theretofore published in *The Bond Buyer* (or, if *The Bond Buyer* is no longer published or no longer publishes the One-Year Note Index, the one-year note index contained in the publication determined by the Remarketing Agent as the most comparable to *The Bond Buyer*).

The notice of an adjustment to or continuation of a Term Interest Rate may specify that such Term Interest Rate Period will be automatically renewed for successive Term Interest Rate Periods each having the same duration as the Term Interest Rate Period so specified; *provided, however*, that such election must be accompanied by an opinion of Bond Counsel to the effect that such continuing automatic renewals of such Term Interest Rate Period (a) are authorized or permitted by the Indenture and the Utah Act, the Wyoming Act or the Colorado Act, as applicable, and (b) will not adversely affect the Tax-Exempt status of interest on the Bonds. If such election is made, no opinion of Bond Counsel is required in connection with the commencement of each successive Term Interest Rate Period determined in accordance with such election. At the same time the Company elects to have the Bonds bear interest at a Term Interest Rate, or to continue to bear interest at a Term Interest Rate, the Company may also specify in the notice to the Trustee optional redemption prices and periods different from those set forth in the Indenture during the Term Interest Rate Period(s) with respect to which such election is made; *provided, however,* that such notice is accompanied by an opinion of Bond Counsel to the effect that such changes are authorized or permitted by the Utah Act, the Wyoming Act or the Colorado Act, as applicable, and the Indenture and will not adversely affect the Tax-Exempt status of the Bonds.

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

FLEXIBLE INTEREST RATE PERIOD

Determination of Flexible Segments and Flexible Interest Rates. During each Flexible Interest Rate Period, each Bond bears interest during each Flexible Segment for such Bond at the Flexible Interest Rate for such Bond. Each Flexible Segment for any Bond will be a period ending on a day immediately preceding a Business Day, of not less than one nor more than 365 days determined by the Remarketing Agent to be, in its judgment, the period which, together with all other Flexible Segments for all Bonds of such issue then outstanding, is likely to result in the lowest overall net interest expense on such Bonds. Any Bond purchased on behalf of the Company and remaining unsold by the Remarketing Agent as of the close of business on the effective date of the Flexible Segment for such Bond will have a Flexible Segment of one day or, if such Flexible Segment would not end on a day immediately preceding a Business Day, a Flexible Segment of more than one day ending on the day immediately preceding the next Business Day. No Flexible Segment may extend beyond the final maturity date of the Bonds.

The Flexible Interest Rate for each Flexible Segment for each Bond 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) no later than the first day of such Flexible Segment (and in the case of a Flexible Segment of one day, no later than 12:30 p.m. New York time, on such date) to be the lowest rate which would enable the Remarketing Agent to sell the Bonds on the effective date of such rate at a price (without regard to accrued interest) equal to 100% of the principal amount thereof. If a Flexible Segment or a Flexible Interest Rate for a Flexible Segment is not determined or effective, the Flexible Segment for such Bond will be a Flexible Segment of one day, and the interest rate for such Flexible Segment of one day 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*). In no event may any Flexible Interest Rate exceed the lesser of 12% per annum or the rate specified in any Alternate Credit Facility then in effect.

Adjustment to Flexible Interest Rate Period. The interest rate borne by Bonds of an issue may be adjusted to Flexible Interest Rates 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 (a) must specify the effective date of the Flexible Interest Rate Period which must be (i) 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) and (ii) in the case of an adjustment from a Term Interest Rate Period, a day on which the Bonds could be redeemed at the option of the Company or the day immediately following the last day of the then-current Term Interest Rate Period; *provided, however,* that if prior to the Company's making such election any Bonds have been called for redemption and such redemption has not theretofore been effected, the effective date of the Flexible Interest Rate Period may not precede such redemption date and (b) in the case of an adjustment from a Term Interest Rate Period having a duration in excess of one year, is accompanied by an opinion of Bond Counsel to the effect that such adjustment (i) is authorized or permitted by the Indenture

and the Utah Act, the Wyoming Act or the Colorado Act, as applicable, and (ii) will not adversely affect the Tax-Exempt status of the interest on the Bonds. During each Flexible Interest Rate Period commencing on the date so specified (provided that the opinion of Bond Counsel described in clause (b) above, if required, is reaffirmed as of such date) and ending on the day immediately preceding the effective date of the next succeeding Rate Period, each Bond will bear interest at a Flexible Interest Rate during each Flexible Segment for such Bond.

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

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

> (a) determine Flexible Segments of such duration that, as soon as possible, all Flexible Segments will end on the same date, not earlier than the eleventh day following the third Business Day (or such shorter period acceptable to the Trustee) following the receipt by the Trustee and Paying Agent of notice from the Company, which date will be the last day of the then-current Flexible Interest Rate Period, and, upon the establishment of such Flexible Segments, the day next succeeding the last day of all such Flexible Segments is the effective date of the Rate Period elected by the Company; or
>
> (b) determine Flexible Segments of such duration that will, in the judgment of the Remarketing Agent, best promote an orderly transition to the next succeeding Rate Period beginning not earlier than the eleventh day following the third Business Day (or such shorter period acceptable to the Trustee) after the receipt by the Trustee and Paying Agent of such notice.

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

DETERMINATION CONCLUSIVE

The determination of the various interest rates referred to above is conclusive and binding upon the Remarketing Agent, the Trustee, the Paying Agent, the Issuer, the Company, the Owners of the Bonds and the Bank (or the Obligor on an Alternate Credit Facility, as the case may be).

RESCISSION OF ELECTION

The Company may rescind any election by it to adjust to or, in the case of a Term Interest Rate Period, continue a Rate Period prior to the effective date of such adjustment or continuation by giving written notice of rescission to the Issuer, the Trustee, the Paying Agent 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; *provided, however,* that if the Rate Period then in effect is a Term Interest Rate Period, the subsequent Term Interest Rate Period may not be of a different duration than the Term Interest Rate Period then in effect unless the Company provides to the Trustee an approving opinion of Bond Counsel prior to the expiration of the then-current Term Interest Rate Period. If the Trustee receives notice of such rescission prior to the time the Trustee has given notice to the Owners of the change in or continuation of Rate Periods, then such notice of change in or continuation of Rate Periods 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 from other than a Term Interest Rate Period in excess of one year or an attempted adjustment from one Rate Period (other than a Term Interest Rate Period in excess of one year) to another Rate Period does not become effective for any other reason and if the Company does not elect to continue the Term Interest Rate Period then in effect, then the Rate Period for the Bonds 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 the Trustee receives notice of such rescission after the Trustee has given notice to the Owners of an adjustment from a Term Interest Rate Period in excess of one year to another Rate Period (including a Term Interest Rate Period of a different duration), or if an attempted adjustment from a Term Interest Rate Period in excess of one year to another Rate Period (including a Term Interest Rate Period of a different duration) does not become effective for any reason and if the Company does not elect to continue the Term Interest Rate Period then in effect, then the Rate Period for the Bonds will continue to be a Term Interest Rate Period of the same duration as the immediately preceding Term Interest Rate Period, subject to the second proviso contained in the paragraph above under "—Term Interest Rate Period-Determination of Term Interest Rate;" *provided* that if the Company delivers to the Trustee an approving opinion of Bond Counsel prior to the end of the then effective Term Interest Rate Period, the Rate Period for the Bonds will be as directed by the Company in writing. If a Daily Interest Rate for the first day of any Daily Interest Rate Period to which a Rate Period is adjusted in accordance with this paragraph is not determined as described in "-Daily Interest Rate Period-Determination of Daily Interest Rate," the Daily Interest Rate for the first day of such Daily Interest Rate Period 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 adjust 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

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:

(a) 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 in 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

(b) except when the Bond is held in book-entry form, delivery of such Bond, accompanied by an instrument of transfer (which may be the form printed on the Bond) executed in blank by its Owner, with such signature guaranteed by a 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.

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 owner thereof on any Wednesday, or if such Wednesday is not a Business Day, the next succeeding Business Day at a purchase price equal to 100% of the principal amount thereof plus accrued interest, if any, to the date of purchase upon:

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

(b) except when the Bond is held in book-entry form, delivery of such Bond, accompanied by an instrument of transfer (which may be the form printed on the Bond) executed in blank by its Owner, with such signature guaranteed by a 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.

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

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

(b) except when the Bond is held in book-entry form, delivery of such Bond, accompanied by an instrument of transfer (which may be the form printed on the Bond) executed in blank by its Owner, with such signature guaranteed by a 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 date of such purchase.

FOR SO LONG AS THE BONDS ARE HELD IN BOOK-ENTRY FORM, THE BENEFICIAL OWNER OF THE BONDS THROUGH ITS DIRECT PARTICIPANT (AS HEREINAFTER DEFINED) 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 "— BOOK-ENTRY SYSTEM."

MANDATORY PURCHASE

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

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

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

(c) as to all Bonds of an issue, on the Business Day preceding an Expiration of the Term of the Letter of Credit or an Expiration of the Term of an Alternate Credit Facility; or

(d) as to all of the Bonds of an issue, on the next succeeding Business Day following the day that the Trustee receives notice from the Bank or the Obligor on an Alternate Credit Facility, as the case may be, that, following a drawing on the Letter of Credit or the Alternate Credit Facility on an Interest Payment Date for the payment of unpaid interest on the Bonds, the Letter of Credit or the Alternate Credit Facility will not be reinstated in accordance with its terms.

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

If the Bonds are subject to mandatory purchase in accordance with the provisions described in subparagraph (c) of the second preceding paragraph, the Trustee will give notice by mail to the Remarketing Agent and the Owners of the Bonds of the Expiration of the Term of the Letter of Credit or the Expiration of the Term of an Alternate Credit Facility, as the case may be, not less than 15 days prior to such Expiration, which notice must (a) describe generally any Letter of Credit or any Alternate Credit Facility in effect prior to such Expiration, and any Substitute Letter of Credit or Alternate Credit Facility to be in effect upon such Expiration and state the name of the provider thereof; (b) state the date of the Expiration of the Term of the Letter of Credit or the Expiration of the Term of an Alternate Credit Facility, as the case may be; (c) state the rating or ratings, if any, which the Bonds are expected to receive from any rating agency following such Expiration; (d) state that the Bonds are subject to mandatory purchase; (e) state the purchase date; and (f) except when the Bonds are held in book-entry form, state that the Bonds must be delivered to the New York office designated by the Trustee as the "Delivery Office of the Trustee."

If the Bonds are subject to mandatory purchase in accordance with the provisions described in subparagraph (d) of the third preceding paragraph, the Trustee shall, immediately upon receipt of notice from the Bank or the Obligor on a Alternate Credit Facility, as the case may be, that the Letter of Credit or the Alternate Credit Facility will not be reinstated in accordance with its terms, give Electronic Notice and notice by overnight mail service to the Remarketing Agent and to the Owners of the Bonds at their addresses shown on the registration books kept by the Registrar, which notice shall (a) describe generally any Letter of Credit or any Alternate Credit Facility in effect prior to such mandatory purchase; (b) state that the Letter of

Credit or the Alternate Credit Facility, as the case may be, is not being reinstated in accordance with its terms; (c) state that the Bonds are subject to mandatory purchase; (d) state the purchase date; and (e) except when the Bonds are held in book-entry form, state that the Bonds must be delivered to the New York office designated by the Trustee as the "Delivery Office of the Trustee."

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 ANY 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 ARE DEEMED SATISFIED WHEN THE OWNERSHIP RIGHTS IN THE BONDS ARE TRANSFERRED BY DIRECT PARTICIPANTS ON THE RECORDS OF DTC. SEE "BOOK-ENTRY SYSTEM."

PURCHASE OF BONDS

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

(a) Available Moneys (as hereinafter defined) furnished by the Company to the Trustee for the purchase of Bonds;

(b) proceeds of the sale of such Bonds (other than Bonds sold to the Company, any subsidiary of the Company, any guarantor of the Company, the Issuer or any "insider" (as defined in the United States Bankruptcy Code) of any of the aforementioned) by the Remarketing Agent;

(c) Available Moneys or moneys provided pursuant to the Letter of Credit or an Alternate Credit Facility, as the case may be, for the payment of the purchase price of the Bonds furnished by the Trustee pursuant to the Indenture for the purchase of Bonds deemed paid in accordance with the defeasance provisions of the Indenture;

(d) moneys furnished pursuant to the Letter of Credit or an Alternate Credit Facility, as the case may be, to the Trustee for the payment of the purchase price of the Bonds; and

(e) 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 may be derived only from the sources described in (c) above, in such order of priority.

"Available Moneys" means (a) during such time as a Letter of Credit or an Alternate Credit Facility is in effect, (i) moneys on deposit in trust with the Trustee as agent and bailee for the Owners of the Bonds for a period of at least 123 days prior to and during which no petition in bankruptcy or similar insolvency proceeding has been filed by or against the Company or the Issuer (or any subsidiary of the Company, any guarantor of the Company or any insider (as defined in the United States Bankruptcy Code), to the extent that such moneys were deposited by any of such subsidiary, guarantor or insider) or is pending (unless such petition has been dismissed and such dismissal is final and not subject to appeal) and (ii) (A) proceeds of the issuance of refunding bonds (including proceeds from the investment thereof), and (B) any other moneys, if, in the written opinion of nationally recognized counsel experienced in bankruptcy matters selected by the Company (which opinion is in a form acceptable to the Trustee, to Moody's, if the Bonds are then rated by Moody's and to S&P, if the Bonds are then rated by S&P, and is delivered to the Trustee at or prior to the time of the deposit of such proceeds with the Trustee), the deposit and use of such proceeds or other moneys will not constitute a voidable preference under Section 547 of the United States Bankruptcy Code in the event either the Issuer or the Company were to become a debtor under the United States Bankruptcy Code (the *"Preference Opinion Condition"*), and (b) at any time that a Letter of Credit or an Alternate Credit Facility is not in effect, any moneys on deposit with the Trustee as agent and bailee for the Owners of the Bonds and proceeds from the investment thereof.

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.

Anything in the Indenture to the contrary notwithstanding, at any time during which the Letter of Credit or an Alternate Credit Facility, as the case may be, is in effect, there will be no sales of Bonds as described in the preceding paragraph, if (a) there has occurred and has not been cured or waived an Event of Default described in paragraphs (a), (b) or (c) under the caption "THE INDENTURES—Defaults" of which the Remarketing Agent and the Trustee have actual knowledge or (b) the Bonds have been declared to be immediately due and payable as described under the caption "THE INDENTURES—Remedies" and such declaration has not been rescinded pursuant to the Indenture.

OPTIONAL REDEMPTION OF BONDS

Bonds of any issue may be redeemed at the option of the Company (but only with the consent of the Bank (or, if applicable, by the Obligor on an Alternate Credit Facility, if required by the Alternate Credit Facility)), in whole, or in part by lot, prior to their maturity date as follows:

(a) On any Business Day during a Daily Interest Rate Period or Weekly Interest Rate Period, the Bonds of an issue may be redeemed at a redemption price equal

to 100% of the principal amount thereof plus accrued interest, if any, to the date of redemption.

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

(c) During any Term Interest Rate Period and on the day next succeeding the last day of each Term Interest Rate Period, the Bonds of an issue may be redeemed during the periods specified below, in whole or in part at any time, at the redemption prices set forth below plus accrued interest, if any, to the redemption date:

LENGTH OF TERM INTEREST RATE PERIOD	REDEMPTION DATES AND PRICES
Greater than 13 years	At any time on or after the 10th anniversary of the effective date of the Term Interest Rate Period at 102% declining 1% annually to 100%
Greater than 10 and less than or equal to 13 years	At any time on or after the 5th anniversary of the effective date of the Term Interest Rate Period at 102% declining 1% annually to 100%
Greater than 7 and less than or equal to 10 years	At any time on or after the 3rd anniversary of the effective date of the Term Interest Rate Period at 102% declining 1% annually to 100%
Greater than 4 and less than or equal to 7 years	At any time on or after the 2nd anniversary of the effective date of the Term Interest Rate Period at 101% declining 1/2% annually to 100%
Greater than 2 and less than or equal to 4 years	At any time on or after the 2nd anniversary of the effective date of the Term Interest Rate Period at 101% declining 1/2% each six months thereafter to 100%
Greater than 1 and less than or equal to 2 years	At any time on or after the 1st anniversary of the effective date of the Term Interest Rate Period at 100-1/2% declining 1/2% six months thereafter to 100%
Less than or equal to 1 year	Not redeemable

With respect to any Term Interest Rate Period, the Company may specify in the notice described above in the third paragraph under "—Term Interest Rate Period-Adjustment to or Continuation of Term Interest Rate Period" redemption provisions, prices and periods other than those set forth above; *provided, however*, that such notice is accompanied by an opinion of Bond Counsel to the effect that such changes are authorized or permitted by the Utah Act, the Wyoming Act or the Colorado Act, as applicable, and the Indenture and will not adversely affect the Tax-Exempt status of the Bonds.

EXTRAORDINARY OPTIONAL REDEMPTION OF BONDS

At any time, the Bonds of an issue 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 (but only with the consent of the Bank (or, if applicable, by the Obligor on an Alternate Credit Facility, if required by the Alternate Credit Facility)) stating that any of the following events has occurred and that the Company therefore intends to exercise its option to prepay the payments due under the Loan Agreement in whole or in part and thereby effect the redemption of the Bonds of an issue in whole or in part to the extent of such prepayments:

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

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

(c) all or substantially all of the Project or the Plant has been condemned or taken by eminent domain; or

(d) the operation of the Project or 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 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 Insurer, the Bank (or the Obligor on an Alternate Credit Facility, as the case may be), the Issuer and the owner of each Bond then outstanding. If a final decree or action as described above thereafter occurs and the Trustee has received written notice thereof at least 45 days prior to the redemption date, the Trustee 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 Agreements, 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. Notwithstanding the foregoing provisions, Pledged Bonds shall be redeemed prior to any other Bonds. 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 will be paid and redeemed. Notice of redemption will be given by mail as provided in the Indenture, at least 30 days and not more than 60 days prior to the redemption date, provided that the failure to duly give notice by mailing to any Owner, or any defect therein, 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 Insurer, the Bank or the Obligor on an Alternative Credit Facility, as the case may be, the Company Mortgage Trustee, Moody's, 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 Available Moneys

sufficient to pay the principal of, premium, if any, and interest on such Bonds to be redeemed. If such Available 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.

SPECIAL CONSIDERATIONS RELATING TO THE BONDS

The Remarketing Agents are Paid By the Company. The Remarketing Agents' 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 applicable Indenture and the Remarketing Agreement), all as further described in this Reoffering Circular. The Remarketing Agents are appointed by the Company and paid by the Company for their services. As a result, the interests of the Remarketing Agents may differ from those of existing Holders and potential purchasers of Bonds.

The Remarketing Agents May Purchase Bonds for their Own Accounts. The Remarketing Agents act as remarketing agents for a variety of variable rate demand obligations and, in their sole discretion, may purchase such obligations for their own accounts. The Remarketing Agents are permitted, but not obligated, to purchase tendered Bonds for their own accounts and, in their 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 Agents are not obligated to purchase Bonds, and may cease doing so at any time without notice. The Remarketing Agents 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 Agents are not required to make a market in the Bonds. The Remarketing Agents may also sell any Bonds they have purchased to one or more affiliated investment vehicles for collective ownership or enter into derivative arrangements with affiliates or others in order to reduce their exposure to the Bonds. The purchase of Bonds by the Remarketing Agents may create the appearance that there is greater third party demand for the Bonds in the market than is actually the case. The practices described above also may result in fewer Bonds being tendered in a remarketing.

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

own account, it may, in its sole discretion in a secondary market transaction outside the tender process, offer such Bonds on any date, including the interest rate determination date, at a discount to par to some investors.

The Ability to Sell the Bonds Other Than Through the Tender Process May Be Limited. The Remarketing Agents may buy and sell Bonds other than through the tender process. However, they are 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 Tender Agent with appropriate notice. Thus, investors who purchase the Bonds, whether in a remarketing or otherwise, should not assume that they will be able to sell their Bonds other than by tendering the Bonds in accordance with the tender process.

The Remarketing Agents May Resign, Without a Successor Being Named. The Remarketing Agents may resign, upon 30 days' prior written notice, without a successor having been named.

BOOK-ENTRY SYSTEM

The following information in this section concerning The Depository Trust Company, New York, New York ("DTC"), and its book-entry system has been furnished for use in the Reoffering Circular by DTC. None of the Company, the Issuers or the Remarketing Agents take any responsibility for the accuracy of such information.

DTC will act as securities depository for the Bonds. The Bonds were issued as fully-registered bonds registered in the name of Cede & Co. (DTC's partnership nominee). One fully-registered Bond certificate will be issued for the Bonds of each issue, in the aggregate principal amount thereof, and will be deposited with DTC. One fully-registered Bond was issued for each issue of the Bonds, in the aggregate principal amount of such issue, and was 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 securities 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 whole-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 and trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (*"Indirect Participants"*). DTC has Standard & Poor's highest rating: AAA. 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 and www.dtc.org.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each Beneficial Owner is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. 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, does 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. Beneficial Owners of Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults and proposed amendments to documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

While Bonds are in the book-entry system, 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.

As long as the book-entry system is used for the Bonds, redemption notices will be sent to Cede & Co. If less than all of the Bonds of any 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 such other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

As long as the book-entry system is used for the Bonds, principal or purchase price of and premium, if any, and interest payments on, the Bonds will be made to 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 fund and corresponding detailed information from the Issuer or the Trustee, on the 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 securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Company, the Paying Agent, the Trustee, the Remarketing Agent or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, purchase price, premium and interest with respect to the Bonds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Issuer or the Paying Agent, disbursement of such payments to Direct Participants are the responsibility of DTC, and disbursement of such payments to the Beneficial Owners are the responsibility of Direct and Indirect Participants.

A Beneficial Owner must give notice to elect to have its Bonds purchased or tendered, through its Participant, to the Remarketing Agent, and must 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 a 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 a book-entry credit of tendered Bonds to the Remarketing Agent's DTC account.

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

The Company may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered.

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

TERMINATION OF BOND INSURANCE

Concurrently with the issuance of the Bonds, Ambac issued an Ambac Insurance Policy with respect to the Bonds of each issue to guarantee the payment of principal of and interest on the applicable Bonds when due. In connection with the delivery of the Letters of Credit, Ambac, the Company, the Trustee, each of the Issuers and the Company, acting as owner of Bonds, will enter into separate Release Agreements, pursuant to which Ambac will be released from all liabilities under each Ambac Insurance Policy and will surrender any and all rights under the Trust Indentures and payment of principal of and interest on the Bonds when due will no longer be guaranteed by Ambac under the Ambac Insurance Policies. Purchasers of the Bonds will be deemed to have consented to the provisions of the Release Agreements, including but not limited to the release of Ambac from all liabilities under the applicable Ambac Insurance Policy.

Purchasers of the Bonds have no claims against Ambac for the payment of principal of and interest on the Bonds under the Ambac Insurance Policies and may only look to the Bank (so long as the Bank is obligated to make such payment under the Letter of Credit), an Obligor on an Alternate Credit Facility (to the extent the such Obligor is obligated to make such payment under an Alternate Credit Facility) or the Company.

Under the Indenture and the Loan Agreement, PacifiCorp has reserved the right following the expiration or termination of the Letter of Credit to obtain an Insurance Policy as all or part of an Alternate Credit Facility. *References in the Indenture, the Loan Agreement and in this Reoffering Circular to the Insurer or an Insurance Policy, refer to the provider of such Insurance Policy or such Insurance Policy and not to Ambac or the Ambac Insurance Policies; provided, however, that Ambac is not prevented from providing an Insurance Policy in the future as all or part of an Alternate Credit Facility. No Insurance Policy will be in place while the Letter of Credit is in effect.*

THE LETTERS OF CREDIT AND THE CREDIT AGREEMENTS

Each Letter of Credit will operate independently. A default under a Letter of Credit with respect to the Bonds of one issue may not, in and of itself, constitute a default under a Letter of Credit with respect to the Bonds of any other issue; however, the same occurrence may constitute a default under the Letter of Credit with respect to Bonds of more than one issue. The Letters of Credit contain substantially identical terms, and the following is a summary of certain

provisions common to the Letters of Credit. All references in this summary to the Issuer, the Trustee, the Bank, the Remarketing Agent, the Letter of Credit, the Indenture, the Loan Agreement, the Bonds and other documents and parties are deemed to refer to the Issuer, the Trustee, the Bank, the Remarketing Agent, the Letter of Credit, the Indenture, the Bonds and such other documents and parties, respectively, relating to each issue of the Bonds.

LETTERS OF CREDIT

On the date of reoffering of the Bonds, the Bank will issue in favor of the Trustee for each issue of Bonds a separate Letter of Credit in the form of a direct pay letter of credit. Each Letter of Credit will be issued in the aggregate principal amount of the applicable issue of Bonds plus 48 days' interest at 12% per annum, on the basis of a 365 day year (as from time to time reduced and reinstated as provided in each Letter of Credit). Each Letter of Credit will permit the Trustee to draw up to an amount equal to the then outstanding principal amount of the applicable issue of Bonds to pay the unpaid principal thereof and accrued interest on such Bonds, subject to the terms, conditions and limitations stated therein. The Letter of Credit for each issue of the Bonds will be substantially in the form attached hereto as Appendix E.

Each Letter of Credit will expire on November 19, 2009, but will be automatically extended, without written amendment, to, and shall expire on, November 19, 2010, unless on or before October 20, 2009, notice is received by the Trustee stating that the Bank elects not to extend such Letter of Credit beyond November 19, 2009. The date on which the Letter of Credit expires as described in the preceding sentence, or if such date is not a Business Day then the first succeeding Business Day thereafter is defined in the Letter of Credit as the Expiration Date. As used in each Letter of Credit, the term "Business Day" means a day on which the San Francisco Letter of Credit Operations Office of the Bank is open for business.

Each drawing honored by the Bank under each Letter of Credit will immediately reduce the available amount thereunder by the amount of such drawing. Any drawing to pay interest will be automatically reinstated on the eighth (8th) Business Day following the date such drawing is honored by the Bank, unless the Company shall have received notice from the Bank no later than seven (7) Business Days after such drawing is honored that there shall be no such reinstatement. Any drawing to pay the purchase price of a Bond shall be reinstated if the Bonds related to such drawing are remarketed and the remarketing proceeds are paid to the Bank prior to the Expiration Date in an amount equal to the sum of (i) the amount paid to the Bank from such remarketing proceeds and (ii) interest on such amount. See Appendix E.

CREDIT AGREEMENTS

General. The Company is party to that certain $800,000,000 Amended and Restated Credit Agreement dated July 6, 2006 among the Company, the financial institutions party thereto, the Administrative Agent (as defined below) and The Royal Bank of Scotland plc, as syndication agent (together with all related documents, the *"2006 Credit Agreement"*) and that certain $700,000,000 Credit Agreement dated October 23, 2007 among the Company, the financial institutions party thereto, the Administrative Agent and The Royal Bank of Scotland plc, as syndication agent (together with all related documents, the *"2007 Credit Agreement"*). In

addition, the Company has executed and delivered a separate Letter of Credit Agreement (each, a "Letter of Credit Agreement" and collectively, the *"Letter of Credit Agreements"*) requesting that the Bank issue a letter of credit for each issue of Bonds and governing the issuance thereof. The Letter of Credit Agreements, the 2006 Credit Agreement and the 2007 Credit Agreement are collectively referred to herein as the "Credit Agreements." Each Letter of Credit is issued pursuant to either the 2006 Credit Agreement or the 2007 Credit Agreement, together with the related Letter of Credit Agreement.

The Credit Agreements define the relationship between the Company and the financial institutions party thereto, including the Bank; neither the Issuers nor the Trustee have any interest in the Credit Agreements or in any of the funds or accounts created under them. Under the Credit Agreements, the Company has agreed to reimburse the Bank for any drawings under the related Letter of Credit, to pay certain fees and expenses, to pay interest on any unreimbursed drawings or other amounts unpaid, and to reimburse the Bank for certain other costs and expenses incurred.

Defined Terms. Capitalized terms used in this section and in the 2006 Credit Agreement or the 2007 Credit Agreement, as applicable, that are not otherwise defined in this Reoffering Circular will have the meanings set forth below.

"Administrative Agent" means, with respect to the 2006 Credit Agreement, JPMorgan Chase Bank, N.A. in its capacity as administrative agent for the Syndicate Banks and its successors in such capacity, and with respect to the 2007 Credit Agreement, Union Bank of California, N.A. in its capacity as administrative agent for the Syndicate Banks and its successors in such capacity.

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

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

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

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

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

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

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

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

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

"Reimbursement Obligations" means, if Commitments remain in effect on the date payment is made by the Issuing Bank, all such amounts paid by an Issuing Bank and remaining unpaid by the Company after the date and time required for payment under the respective Credit Agreement.

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

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

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

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

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

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

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

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

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

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

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

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

(j) the Company or any member of the ERISA Group shall fail to pay when due an amount or amounts aggregating in excess of $25,000,000 which it shall have become liable to pay to the PBGC or to a Plan under Title IV of ERISA; or notice of intent to terminate a Material Plan (as defined in the 2006 Credit Agreement) shall be filed under Title IV of ERISA by any member of the ERISA Group, any plan administrator or any combination of the foregoing; or the PBGC shall institute proceedings under Title IV of ERISA to terminate, to impose liability in excess of $25,000,000 (other than for premiums under Section 4007 of ERISA) in respect of, or to cause a trustee to be appointed to administer any Material Plan or a proceeding shall be instituted by a fiduciary of any Multiemployer Plan (as defined in the 2006 Credit Agreement) against any member of the ERISA Group to enforce Section 515 or 4219(c)(5) of ERISA in respect of an amount or amounts aggregating in excess of $25,000,000, and such proceeding shall not have been dismissed within 20 days thereafter; or a condition shall exist by reason of which the PBGC would be entitled to obtain a decree adjudicating that any Material Plan must be terminated; or there shall occur a complete or partial withdrawal from, or a default, within the meaning of Section 4219(c)(5) of ERISA, with respect to, one or more Multiemployer Plans which would cause one or more members of the ERISA Group to incur a current payment obligation in excess of $25,000,000;

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

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

Upon the occurrence of any Event of Default under the respective Credit Agreement, the Administrative Agent shall (i) if request by the Required Banks, by notice to the Company terminate the Commitments and the obligation of each Syndicate Bank to make Loans thereunder and the obligation of each Issuing Bank to issue any letter of credit thereunder and such obligations to make Loans and issue new Letters of Credit shall thereupon terminate, and

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

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

THE LOAN AGREEMENTS

Each Loan Agreement will operate independently. 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 Bank, the Loan Agreement and payments thereunder, the Indenture, the Letter of Credit, the Bonds, the Prior Bonds, the Facilities, the Project and other documents and parties are deemed to refer to the Issuer, the Bank, the Loan Agreement and such payments, the Indenture, the Letter of Credit, the Bonds, the Prior Bonds, the Facilities, the Project and such other documents and parties, respectively, relating to each issue of the Bonds.

ISSUANCE OF THE BONDS; LOAN OF PROCEEDS

The Issuer issued the Bonds for the purpose of refunding the Prior Bonds, the proceeds of which were used to finance or refinance, as the case may be, a portion of the Company's share of the costs of acquiring and improving the Facilities. The proceeds of the sale of the Bonds have been used to refund the Prior Bonds.

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, premium, if any, and interest on the Bonds when due on the dates, in the amounts and in the manner provided in the Indenture for the payment of the principal of, premium, if any, and interest on the Bonds, whether at maturity, upon redemption, acceleration or otherwise (*"Loan Payments"*); *provided, however,* that the obligation of the Company to make any such Loan Payment will be reduced by the amount of any reduction under the Indenture of the amount of the corresponding payment required to be made by the Issuer thereunder; and *provided further* that the obligation of the Company to make any such payment is deemed to be satisfied and discharged to the extent of the corresponding payment made (a) by the Bank to the Trustee under the Letter of Credit, (b) by the Obligor on an Alternate Credit Facility to the Trustee under such Alternate Credit Facility or (c) by the Company of principal of or premium, if any, or interest on the First Mortgage Bonds.

The Company's obligation to repay the loan made to it by the Issuer is 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 are 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 and from the Bank or Obligor on an Alternate Credit Facility, as the case may be, 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.

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.

From the date of delivery of the Letter of Credit to and including the Interest Payment Date next preceding the Expiration of the Term of the Letter of Credit (or the Expiration of the Term of an Alternate Credit Facility, as the case may be), the Company will provide for the payment of the amounts to be paid by the Trustee for the purchase of Bonds by providing for the delivery of the Letter of Credit (or an Alternate Credit Facility, as the case may be) to the Trustee. The Trustee has been directed to draw moneys under the Letter of Credit (or an Alternate Credit Facility, as the case may be), in accordance with the provisions of the Indenture and the Letter of Credit (or an Alternate Credit Facility, as the case may be), to obtain the moneys necessary to pay the purchase price of Bonds when due.

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 is not 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, the Insurer, the Bank (or the Obligor on an Alternate Credit Facility, as the case may be), or any other party or out of any obligation or liability at any time owing to the Company by any such party.

EXPENSES

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

TAX COVENANTS; TAX-EXEMPT STATUS OF BONDS

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

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

OTHER COVENANTS OF THE COMPANY

Maintenance of Existence; Conditions Under Which Exceptions Permitted. The Company covenants that it 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 State of the Issuer, will not dissolve or otherwise dispose of all or substantially all of its assets and will not consolidate with or merge into another corporation; *provided, however,* that the Company may, without violating the foregoing,

undertake from time to time any one or more of the following: (a) consolidate with or merge into another domestic corporation (i.e., a corporation incorporated and existing under the laws of one of the states of the United States or of the District of Columbia), or sell or otherwise transfer to another domestic corporation all or substantially all of its assets as an entirety and thereafter dissolve, *provided* the resulting, surviving or transferee corporation, as the case may be, must be the Company or a corporation qualified to do business in the State of the Issuer as a foreign corporation or incorporated and existing under the laws of the State of the Issuer, 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, the First Mortgage Bonds and the Reimbursement Agreement; or (b) convey all or substantially all of its assets to one or more wholly owned subsidiaries of the Company so long as the Company remains in existence and primarily liable on all of its obligations under the Loan Agreement and such subsidiary or subsidiaries to which such assets are so conveyed guarantees in writing the performance of all of the Company's obligations under the Loan Agreement, the First Mortgage Bonds and the Reimbursement Agreement.

Assignment. With the consent of the Bank (or the Obligor on an Alternate Credit Facility, as the case may be), 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 will (a) adversely affect the Tax-Exempt status of the Bonds or (b) relieve (other than as described in *"Maintenance of Existence; Conditions Under Which Exceptions Permitted"* above) 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 with respect to payment of the purchase price of the Bonds or for any other of its obligations under the Loan Agreement; and subject further to the condition that the Company has delivered to the Trustee and the Bank (or the Obligor on an Alternate Credit Facility, as the case may be) an opinion of counsel to the Company that such assignment complies with the provisions described in this paragraph and an opinion of Bond Counsel to the effect that the proposed assignment will not impair the validity of the Bonds under the Utah Act, the Wyoming Act or the Colorado Act, as applicable, or adversely affect the Tax-Exempt status of the Bonds. The Company must, within 30 days after the delivery thereof, furnish to the Issuer, the Bank (or the Obligor on an Alternate Credit Facility, as the case may be) and the Trustee a true and complete copy of the agreements or other documents effectuating any such assignment.

Maintenance and Repair; Taxes, Etc. The Company will maintain the Project 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 Project.

The Company may at its own expense cause the Facilities to be remodeled or cause such substitutions, modifications and improvements to be made to the Facilities from time to time as the Company, in its discretion, may deem to be desirable for its uses and purposes, which remodeling, substitutions, modifications and improvements are included under the terms of the Loan Agreement as part of the Facilities; *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 Facilities in accordance with standard industry practice.

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

LETTER OF CREDIT; ALTERNATE CREDIT FACILITY; SUBSTITUTE LETTER OF CREDIT

The Company may, at any time, at its option:

(a) provide for the delivery on any Business Day to the Trustee of an Alternate Credit Facility or a Substitute Letter of Credit, but only provided that:

(i) the Company shall deliver to the Trustee, the Remarketing Agent and the Bank (or the Obligor on the Alternate Credit Facility, as the case may be), a notice which (A) states (I) the effective date of the Alternate Credit Facility or Substitute Letter of Credit to be so provided, and (II) the Expiration of the Term of the Letter of Credit or the Expiration of the Term of the Alternate Credit Facility which is to be replaced (which Expiration shall not be prior to the effective date of the Alternate Credit Facility to be so provided), (B) describes the terms of the Alternate Credit Facility or Substitute Letter of Credit, (C) directs the Trustee to give notice of the mandatory purchase of the Bonds on the Business Day next preceding the Expiration of the Term of the Letter of Credit or the Expiration of the Term of the Alternate Credit Facility which is to be replaced (which Business Day shall be not less than 30 days from the date of receipt by the Trustee of the notice from the Company specified above), in accordance with the Indenture, and (D) directs the Trustee, after taking such actions as are required to be taken to provide moneys due under the Indenture in respect of the Bonds or the purchase thereof, to surrender the Letter of Credit or Alternate Credit Facility, as the case may be, which is to be replaced, to the obligor thereon on the next Business Day after the later of the effective date of the Alternate Credit Facility or the Substitute Letter of Credit to be provided and the Expiration of the Term of the Letter of Credit or Expiration of the Term of the Alternate Credit Facility which is to be replaced and thereupon to deliver any and all instruments which may be reasonably requested by such obligor and furnished to the Trustee (but such surrender shall occur only if the requirement of (ii) below has been satisfied);

(ii) on the date of delivery of the Alternate Credit Facility or the Substitute Letter of Credit (which shall be the effective date thereof), the Company shall furnish to the Trustee simultaneously with such delivery of the Alternate Credit Facility or Substitute Letter of Credit (which delivery must occur prior to 9:30 a.m., New York time, on such date, unless a later time on such date shall be acceptable to the Trustee) an opinion of Bond Counsel stating that the delivery of such Alternate Credit Facility or Substitute Letter of Credit (A) complies with the terms of the Loan Agreement and (B) will not adversely affect the Tax Exempt status of the Bonds; and

(iii) in the case of the delivery of a Substitute Letter of Credit, the Company has received the written consent of the Bank or the Obligor on an Alternate Credit Facility; or

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

(i) the Company shall deliver to the Trustee, the Remarketing Agent and the Bank (or the Obligor on the Alternate Credit Facility, as the case may be), a notice which (A) states the Expiration of the Term of the Letter of Credit or the Expiration of the Term of the Alternate Credit Facility which is to be terminated, (B) directs the Trustee to give notice of the mandatory purchase of the Bonds on the Business Day next preceding the Expiration of the Term of the Letter of Credit or the Expiration of the Term of the Alternate Credit Facility which is to be terminated (which Business Day shall be not less than 30 days from the date of receipt by the Trustee of the notice from the Company specified above), in accordance with the Indenture, and (C) directs the Trustee, after taking such actions as are required to be taken to provide moneys due under the Indenture in respect of the Bonds or the purchase thereof, to surrender the Letter of Credit or Alternate Credit Facility, as the case may be, which is to be terminated, to the obligor thereon on the next Business Day after the Expiration of the Term of the Letter of Credit or the Expiration of the Term of the Alternate Credit Facility which is to be terminated and to thereupon deliver any and all instruments which may be reasonably requested by such obligor and furnished to the Trustee (but such surrender shall occur only if the requirement of (ii) below has been satisfied); and

(ii) on the Business Day next preceding the Expiration of the Term of the Letter of Credit or the Expiration of the Term of the Alternate Credit Facility, which is to be terminated, the Company shall furnish to the Trustee (prior to 9:30 a.m., New York time, on such Business Day, unless a later time on such Business Day shall be acceptable to the Trustee) an opinion of Bond Counsel stating that the termination of such Alternate Credit Facility or Letter of Credit (A) complies with the terms of the Loan Agreement and (B) will not adversely affect the Tax Exempt status of the Bonds.

An Alternate Credit Facility may have an expiration date earlier than the maturity of the Bonds. Any Substitute Letter of Credit must be issued by the same Bank that is a party to the Letter of Credit in effect at the time of such substitution and must be identical in all material respects as to terms and conditions to the Letter of Credit being replaced, except that it may contain a later expiration date, provide for an increase or decrease in the interest rate or the number of days of interest coverage or any combination of the foregoing.

EXTENSION OF A LETTER OF CREDIT

The Company may, at its election, but only with the written consent of the Bank or the Obligor on an Alternate Credit Facility, as the case may be, at any time provide for the delivery to the Trustee with respect to any issue of Bonds of an extension of the Letter of Credit or

Alternate Credit Facility then in effect, as the case may be, for any period commencing after its then-current expiration date.

DEFAULTS

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

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

(b) a failure by the Company to pay when due any 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, the Bank (or the Obligor on an Alternate Credit Facility, as the case may be) and the Trustee may agree to in writing) after written notice given to the Company and the Bank (or the Obligor on an Alternate Credit Facility, as the case may be) by the Trustee or to the Company, the Bank (or the Obligor on an Alternate Credit Facility, as the case may be) 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 does not constitute an Event of Default so long as the Company institutes corrective action within the applicable period and such action is being diligently pursued; or

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

The Loan Agreement provides that, with respect to any Event of Default described in clause (b) above if, by reason of acts of God, strikes, orders of political bodies, certain natural disasters, civil disturbances and certain other events specified in the Loan Agreement, or any cause or event not reasonably within the control of the Company, the Company is unable in whole or in part to carry out one or more of its agreements or obligations contained in the Loan Agreement (other than certain obligations specified in the Loan Agreement, including its obligations to make when due Loan Payments and otherwise on the First Mortgage Bonds, 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 agreements or performing such obligations during the continuance of such inability.

REMEDIES

Upon the occurrence and continuance of any Event of Default described in (a) or (c) 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 constitutes 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 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 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 subject to the limitations contained in the Loan Agreement and in the Indenture. See "THE INDENTURES—Amendment of the Loan Agreements."

THE INDENTURES

Each Indenture will operate independently. 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 Bank, the Loan Agreement and payments thereunder, the Indenture, the Bonds, the Bond Fund, the Letter of Credit, the Insurance Policy and other documents and parties are to the Issuer, the Bank, the Loan Agreement and such payments, the Indenture, the Bonds, the Bond Fund, the Letter of Credit, the Insurance Policy 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 applicable 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 deposited with the trustee for the Prior Bonds and used to refund the Prior Bonds. See "USE OF PROCEEDS." There is created under the Indenture a Bond Fund to be held by the Trustee and therein established a Principal Account and an Interest Account. Payments made by the Company under the Loan Agreement and otherwise on the First Mortgage Bonds in respect of the principal of, premium, if any, and interest on, the Bonds and certain other amounts specified in the Indenture are to be deposited in the appropriate account in the Bond Fund. While any Bonds are outstanding and except as provided in a Tax Exemption Certificate and Agreement among the Trustee, the Issuer and the Company (the *"Tax Certificate"*), moneys in the Bond Fund will be used solely for the payment of the principal of, and premium, if any, and interest on, the Bonds as the same 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. During the term of the Letter of Credit (or an Alternate Credit Facility, as the case may be) moneys received under the Letter of Credit (or an Alternate Credit Facility, as the case may be) are to be held uninvested.

DEFAULTS

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

(a) a failure to pay the principal of, or premium, if any, on any of the Bonds when the same becomes due and payable at maturity, upon redemption or otherwise, subject to certain exceptions for Pledged Bonds and Bonds held for the benefit of an Obligor on an Alternate Credit Facility;

(b) a failure to pay an installment of interest on any of the Bonds for a period of one day after such interest has become due and payable subject to certain exceptions for Pledged Bonds and Bonds held for the benefit of an Obligor on an Alternate Credit Facility;

(c) a failure to pay amounts due in respect of the purchase price of Bonds delivered to the Trustee for purchase after such payment has become due and payable as provided under the captions "THE BONDS—Optional Purchase" and "—Mandatory Purchase;"

(d) a failure by the Issuer to observe and perform any covenant, condition, agreement or provision contained in the Bonds or the Indenture (other than a failure described in clause (a), (b) or (c) above), which failure 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;

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

(f) a "Default" under the Company Mortgage; or

(g) the Trustee's receipt of written notice from the Bank (or the Obligor on an Alternate Credit Facility, as the case may be) of an event of default under and as defined in the Reimbursement Agreement.

REMEDIES

Upon the occurrence (without waiver or cure) of an Event of Default described in clause (a), (b), (c), (f) or (g) under "Defaults" above or an Event of Default described in clause (e) under "Defaults" above resulting from an "Event of Default" under the Loan Agreement as described under clause (a) or (c) of "THE LOAN AGREEMENTS—Defaults" herein, and further upon the conditions that, if (i) 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 and (ii) there has been filed with the Trustee a written direction of the Bank (if its Letter of Credit is in effect and if no Bank Default shall have occurred and be continuing) or the Insurer (if its Insurance Policy is in effect and no Insurer Default has occurred and is continuing), then the Bonds will, without further action, become immediately due and payable and, during the period the Letter of Credit or an Alternate Credit Facility, as the case may be, is in effect, with accrued interest on the Bonds payable on the Bond Payment Date fixed as described in the Indenture and the Trustee will as promptly as practicable draw moneys under the Letter of Credit or an Alternate Credit Facility, as the case may be, to the extent available thereunder, in an amount sufficient to pay principal of and accrued interest on the Bonds payable on the Bond Payment date established as described in the Indenture; *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, so long as no Letter of Credit or Alternate Credit Facility is outstanding, after the principal of the Bonds have been so declared to be due and payable and before any judgment or decree for the payment of the moneys due have 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 and the principal of any and all Bonds which have become due otherwise than by reason of such declaration (with interest upon such principal and, to the extent permissible by law, on overdue installments of interest, at the rate per annum specified in the Bonds) and such amount as are 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) has been remedied, then, in every such case, such Event of Default is 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.

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

Upon the occurrence and continuance of any Event of Default under the Indenture, the Trustee may, with the consent of the Bank (if its Letter of Credit is in effect and if no Bank Default shall have occurred and be continuing) or the Insurer (if its policy is in effect and no Insurer Default has occurred and is continuing), 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 require the Company, the Issuer,

the Insurer or the Bank (or the Obligor on an Alternate Credit Facility, as the case may be) 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. So long as an Insurer Default has not occurred and is continuing, upon the occurrence and continuance of an Event of Default, the Insurer is entitled to control and direct the enforcement of all rights and remedies granted to the Owners or the Trustee for the benefit of the Owners under the Indenture. So long as a Bank Default has not occurred and is continuing, upon the occurrence and continuance of an Event of Default, the Bank is entitled to control and direct the enforcement of all rights and remedies granted to the owners or the Trustee for the benefit of Owners under the Indenture. 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 notify the Insurer of payments to be made pursuant to the Insurance Policy, to make certain payments with respect to the Bonds and to draw on the Letter of Credit (or Alternate Credit Facility, as the case may be)) or to enforce the trusts created by the Indenture except upon the written request of the Owners of not less than 25% in principal amount of the Bonds then outstanding and receipt of indemnity satisfactory to it.

The Owners of a majority in principal amount of Bonds then outstanding will have the right to direct the time, method and place of conducting all remedial proceedings 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 does not result in any personal liability of the Trustee.

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

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

DEFEASANCE

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

(a) in the event said Bonds or portions thereof have been selected for redemption, the Trustee 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;

(b) there has been deposited with the Trustee moneys which constitute Available Moneys or moneys drawn under the Letter of Credit or an Alternate Credit Facility;

(c) the moneys so deposited with the Trustee are in an amount sufficient (without relying on any investment income) to pay when due the principal of, premium, if any, and interest due and to become due (which amount of interest to become due is 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 is calculated at the rate borne by such Bonds) on said Bonds or portions thereof on and prior to the redemption date or maturity date thereof, as the case may be; *provided, however,* that if such payment is to be made upon optional redemption, such payment is made from Available Moneys;

(d) in the event said 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 said Bonds or portions thereof and to the Insurer that the deposit required by clause (b) above has been made with the Trustee and that said Bonds or portions thereof are deemed to have been paid and stating the maturity or redemption date upon which moneys are to be available for the payment of the principal of and premium, if any, and interest on said Bonds or portions thereof;

(e) 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, and the Insurer have received an opinion of an independent public accountant of nationally recognized standing, selected by the Company (an *"Accountant's Opinion"*), to the effect that the requirements set forth in clause (c) above have been satisfied;

(f) the Issuer, the Company, the Trustee and the Insurer shall have received written evidence from Moody's, if the Bonds are then rated by Moody's, and S&P, if the Bonds are then rated by S&P, that such action will not result in a reduction, suspension or withdrawal of the rating; and

(g) 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, and the Insurer 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 are held in trust for, the payment of the principal of, premium, if any, and interest on said Bonds or portions thereof, or for the payment of the purchase price of

Bonds in accordance with the Indenture; *provided* that such moneys, if not then needed for such purpose, will, to the extent practicable, be invested and reinvested in Government Obligations maturing on or prior to the earlier of (a) the date moneys may be required for the purchase of Bonds or (b) the Interest Payment Date next succeeding the date of investment or reinvestment, and interest earned from such investments are 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, (b) the delivery of Bonds to the Trustee for purchase and the related obligations of the Trustee with respect thereto, (c) the mandatory purchase of the Bonds in connection with the Expiration of the Term of the Letter of Credit or the Expiration of the Term for Alternate Credit Facility, as the case may be, and (d) payment of the Bonds from such moneys, 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 next to 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) has been made or caused to be made in accordance with the terms thereof or (ii) has been provided for by irrevocably depositing with the Trustee in trust and irrevocably set aside exclusively for such payment, (A) moneys, which are Available Moneys or moneys drawn under the Letter of Credit or an Alternate Credit Facility, as the case may be, sufficient to make such payment and/or (B) Government Obligations purchased with Available Moneys or moneys drawn under the Letter of Credit or an Alternate Credit Facility, as the case may be, and 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; *provided, however,* that if such payment is to be made upon optional redemption, such payment is made from Available Moneys or from Government Obligations purchased with Available Moneys; (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 have been paid or the payment thereof provided for to the satisfaction of the Trustee; and (c) an Accountant's Opinion, to the effect that such moneys and/or Government Obligations will insure, without reinvestment, the availability of sufficient moneys to make such payment, a Bankruptcy Counsel's Opinion to the effect that the payment of the Bonds from the moneys and/or Government Obligations so deposited will not result in a voidable preference under Section 547 of the United States Bankruptcy Code in the event that either the Issuer of the Company were to become a debtor under the United States Bankruptcy Code and a Bond Counsel's Opinion has been delivered to 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. The provisions

of this paragraph 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 said 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 Indenture, that the deposit required by clause (a)(ii) above has been made with the Trustee and that said Bonds are deemed to have been paid in accordance with the Indenture and stating the maturity or redemption date upon which moneys are to be available for the payment of the principal of and the applicable redemption premium, if any, on said Bonds, plus interest thereon to the due date thereof; or (b) the maturity of such Bonds.

REMOVAL OF TRUSTEE

With the prior written consent of the Bank or the Obligor on an Alternate Credit Facility, as the case may be (which consent, if unreasonably withheld, will not be required), the Trustee may be removed at any time by filing with the Trustee so removed, and with the Issuer, the Company, the Insurer, the Registrar, the Remarketing Agent and the Bank (or the Obligor on an Alternate Credit Facility, as the case may be), an instrument or instruments in writing executed by (a) the Insurer, if no Insurer Default has occurred and is continuing, or (b) the Owners of not less than a majority in principal amount of the Bonds then outstanding and, if no Insurer Default has occurred and is continuing, the Insurer. 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, but with the consent of the Bank in certain circumstances, 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, the Insurer or the Bank (or the Obligor on an Alternate Credit Facility, as the case may be) 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 Owners of the Bonds; (c) to confirm, as further assurance, any pledge of or lien on any property subjected or to be subjected to the lien of the Indenture; (d) to comply with the requirements of the Trust Indenture Act of 1939, as amended; (e) to modify, alter, amend or supplement the Indenture or any supplemental indenture in any other respect which in the judgment of the Trustee is not materially adverse to the Owners of the Bonds; *provided, however,* that any such modification,

alteration, amendment or supplement will not take effect until the Insurer (unless an Insurer Default has occurred and is continuing) and the Bank or the Obligor on an Alternate Credit Facility, as the case may be, has consented in writing to such modification, alteration, amendment or supplement; *provided further* that in determining whether any such modification, alteration, amendment or supplement is materially adverse to the Owners of the Bonds, the Trustee will consider the effect on the Owners as if there were no Insurance Policy with respect to 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 under the Indenture of an Alternate Credit Facility or a Substitute Letter of Credit; (g) to provide for a depository to accept tendered 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 (as defined in the Indenture) and also in either of the two highest long-term debt Rating Categories; (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; (p) to modify, alter, amend or supplement the Indenture in any other respect (which in the judgment of the Trustee is not materially adverse to the Owners), if the effective date of such supplemental indenture or amendment is a date on which all of the Bonds affected thereby are subject to mandatory purchase and are so purchased; and (q) to provide for the delivery to the Trustee of an Insurance policy or replacement of the Insurer or for an additional Insurer following the occurrence of an Insurer Default or to provide for an additional Insurer following the withdrawal or suspension or reduction below AAA (or its equivalent rating) by S&P and Aaa (or its equivalent rating) by Moody's of the long-term ratings of the Insurer provided that the insurance policy provided by the replacement or additional Insurer would result in a long-term rating on the Bonds equal to AAA (or its equivalent rating) by S&P and Aaa (or its equivalent rating) by Moody's.

Before the Issuer and the Trustee enter into any supplemental indenture as described above, there must be delivered to the Trustee, the Company, the Insurer and the Bank (or the Obligor on an Alternate Credit Facility, as the case may be) 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 under the Utah Act, the Wyoming Act or the Colorado Act, as applicable, of the Bonds or adversely affect the Tax-Exempt status of the Bonds.

The Trustee will provide written notice of any Supplemental Indenture to the Insurer, the Bank (or the Obligor on an Alternate Credit Facility, as the case may be), Moody's, S&P and the Owners of all Bonds then outstanding at least 30 days prior to the effective date of such Supplemental Indenture. Such notice must state the effective date of such Supplemental

Indenture, briefly describe the nature of such Supplemental Indenture and state that a copy thereof is on file at the principal office of the Trustee for inspection by the parties mentioned in the preceding sentence.

Except for supplemental indentures entered into for the purposes described above, the Indenture will not be modified, altered, amended supplemented or rescinded without the consent of the Bank (if its Letter of Credit is in effect and no Bank Default shall have occurred and be continuing) or the Insurer (if its Insurance Policy is in effect and no Insurer Default has occurred and is continuing), together with the Owners of not less than 60% in aggregate principal amount of Bonds outstanding, who have the right to consent to and approve any supplemental indenture; *provided* that, unless approved in writing by the Bank (if its Letter of Credit is in effect and no Bank Default shall have occurred and be continuing) or the Insurer (unless an Insurer Default has occurred and is continuing), and 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 Revenues ranking prior to or on a parity with the claim, lien or pledge created by the Indenture, or (c) a reduction in the aggregate principal amount of Bonds the consent of the Owners of which is required to approve any such supplemental indenture or which is required to approve any amendment to the Loan Agreement. No such amendment of the Indenture will be effective without the prior written consent of the Company.

AMENDMENT OF THE LOAN AGREEMENTS

Without the consent of or notice to the Owners of the Bonds, the Issuer may, with the consent of the Insurer (unless an Insurer Default has occurred and is continuing), 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; *provided, however*, that any such modification, alteration, amendment or supplement will not take effect until the Insurer (unless an Insurer Default has occurred and is continuing) and the Bank or the Obligor on an Alternate Credit Facility, as the case may be, have consented in writing to such modification, alteration, amendment or supplement; *provided further* that in determining whether any such modification, alteration, amendment or supplement is materially adverse to the Owners of the Bonds, the Trustee will consider the effect on the Owners as if there were no Insurance Policy with respect to the Bonds; (d) to secure or maintain ratings for the Bonds from Moody's and/or S&P in both the highest short-term or commercial paper debt Rating Category and also in either of the two highest long-term debt Rating Categories; (e) 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 or of the Insurer or of the Bank (or the Obligor on an Alternate Credit Facility, as the case may be) 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 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; (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 herein, if the effective date of such supplement or amendment is a date on which all of the Bonds affected thereby are subject to mandatory purchase and are so purchased; and (k) to provide for the replacement of the Insurer or for an additional Insurer following the occurrence of an Insurer Default or to provide for an additional Insurer following the withdrawal or suspension or reduction below AAA (or its equivalent rating) by S&P and Aaa (or its equivalent rating) by Moody's of the long-term ratings of the Insurer provided that the insurance policy provided by the replacement or additional Insurer would result in a long-term rating on the Bonds equal to AAA (or its equivalent rating) by S&P and Aaa (or its equivalent rating) by Moody's.

Before the Issuer enters into, and the Trustee consents to, any modification, alteration, amendment or supplement to the Loan Agreement as described in the immediately preceding paragraph, (a) the Trustee will cause notice of such proposed modification, alteration, amendment or supplement to be provided to the Bank, the Insurer, Moody's and S&P, stating that a copy thereof is on file at the office of the Trustee for inspection by the Insurer, Moody's and S&P and (b) there must be delivered to the Bank, the Issuer, the Insurer 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 Utah Act, the Wyoming Act or the Colorado 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 Issuer will not enter into 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 Bank (or the Obligor on an Alternate Credit Facility, as the case may be), the Insurer (unless an Insurer Default has occurred and is continuing) and the Owners of not less than 60% in aggregate principal amount of the Bonds at the time outstanding; *provided, however,* that, unless approved in writing by the Owners of all Bonds affected thereby, nothing in the Indenture may permit, or be construed as permitting, a change in the obligations of the Company to make Loan Payments or payments to the Trustee for the purchase of Bonds or the nature of the obligations of the Company on the First Mortgage Bonds. No amendment of the Loan Agreement will become effective without the prior written consent of the Insurer (unless an Insurer Default has occurred and is continuing) and the Company and under certain circumstances, the Bank (or the Obligor on an Alternate Credit Facility, as the case may be).

Before the Issuer enters into, and the Trustee consents to, any modification, alteration, amendment or supplement to the Loan Agreement as described in the immediately preceding paragraph, there must be delivered to the Issuer, the Bank (or the Obligor on an Alternate Credit

Facility, as the case may be), the Insurer 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 Utah Act, the Wyoming Act or the Colorado 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 six separate Pledge Agreements each dated as of November 1, 1994 between the Company and the Trustee (individually, a "Pledge Agreement" and, collectively, the "Pledge Agreements"), the First Mortgage Bonds were issued by the Company to secure its obligations under the Loan Agreement relating to each of the six 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 such Mortgages. All references in this summary to the Trustee, the Bonds, the Indenture, the Loan Agreement and the Pledge Agreement are deemed to refer to the Trustee, the Bonds, the Indenture, the Loan Agreement, the Pledge Agreement and such other documents and parties, respectively, relating to each issue of the Bonds.

GENERAL

The First Mortgage Bonds are in the same principal amount and mature on the same dates as the Bonds. In addition, the First Mortgage Bonds are 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 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, if any, 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 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, including the additional

Company Mortgage Bonds that are to be issued, 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

Affiliates of The Bank of New York Mellon Trust Company, N.A., may act as lenders and as administrative agents under loan agreements with the Company and affiliates of the Company. The Bank of New York Mellon Trust Company, N.A., serves as trustee under indentures and other agreements involving the Company and its affiliates. The Bank of New York Mellon Trust Company, N.A., is the Company Mortgage Trustee.

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.

LITIGATION

There is no pending or, to the knowledge of each Issuer, threatened litigation against such Issuer that in any way questions or materially affects the Bonds of such Issuer, the validity or enforceability of the Loan Agreements or the Indentures to which such Issuer is a party or any proceedings or transaction relating to the reoffering of the Bonds.

REMARKETING

The Remarketing Agents have agreed with the Company, subject to the terms and provisions of separate Remarketing Agreements, dated November 18, 2008, between the Company and the Remarketing Agents, that the Remarketing Agents will use their best efforts, as remarketing agent, to solicit purchases from potential investors of the Bonds. Pursuant to such Remarketing Agreements, the Company has agreed to indemnify the Remarketing Agents against certain liabilities and expenses, including liabilities arising under federal and state securities laws, and to pay for certain expenses in connection with the reoffering of the Bonds.

In the ordinary course of business, the Remarketing Agents have provided investment banking services or bank financing to the Company, its subsidiaries or affiliates in the past for which they have received customary compensation and expense reimbursement, and may do so again in the future.

CERTAIN RELATIONSHIPS

Wells Fargo Brokerage Services, LLC ("*WFBS*") is a registered broker/dealer and a member of the FINRA and SIPC. WFBS is a brokerage affiliate of Wells Fargo & Company. WFBS is solely responsible for its contractual obligations and commitments. Nondeposit investment products offered by WFBS are not FDIC insured, are subject to investment risk, including loss of principal, and are not guaranteed by a bank unless otherwise specified.

In addition to providing the Letters of Credit for the herein described Bonds, from time to time, Wells Fargo Bank, N. A. and other banks and companies affiliated with WFBS may lend money to an issuer of securities or debt that are underwritten or dealt in by WFBS. Within the prospectus or other documentation provided with each such underwriting or placement there will be a disclosure of any material lending relationship by an affiliate of WFBS with such an issuer and whether the proceeds of such an issuance of such debt securities will be used by the issuer to repay any outstanding indebtedness of any WFBS affiliate.

From time to time, WFBS may participate in a primary of secondary distribution of securities bought or sold by a purchase of bonds. WFBS and its affiliates may also act as an investment advisor to issuers whose securities may be sold to a purchaser of those bonds.

TAX EXEMPTION

CARBON BONDS AND EMERY BONDS

In connection with the original issuance and delivery of each of the Carbon Bonds and the Emery Bonds, Chapman and Cutler, as Bond Counsel to the Company, rendered an opinion with respect to each issue that subject to compliance by the Company and the applicable Issuer with certain covenants referenced in the opinion, under then existing law, interest on the Carbon Bonds and on the Emery Bonds, as applicable, would not be includible in the gross income of the Owners thereof for federal income tax purposes, except for interest on any Carbon Bond or Emery Bond, as applicable, for any period during which such Bond is owned by a person who is a substantial user of the related Project or Facilities or any person considered to be related to such person (within the meaning of Section 103(b)(13) of the 1954 Code) and such interest is not treated as an item of tax preference in computing the federal alternative minimum tax for individuals and corporations. Such interest is taken into account, however, in computing an adjustment used in determining the federal alternative minimum tax for certain corporations.

Bond Counsel also rendered an opinion that, under then existing statutes and laws of Utah, interest on the Carbon Bonds and on the Emery Bonds, is exempt from taxes imposed by the Utah Individual Income Tax Act.

A copy of each of the opinion letters provided by Bond Counsel in connection with the original issuance and delivery of the Carbon Bonds and the Emery Bonds is set forth in Appendix C-1 and C-2, respectively, but inclusion of such copies of the opinion letters is not to be construed as a reaffirmation of the opinions contained therein. The opinion letters speak only as of their dates.

Chapman and Cutler LLP will deliver separate opinions in connection with execution and delivery of the First Supplemental Indenture and the First Supplemental Loan Agreement for each of the Carbon Bonds and the Emery Bonds in each case to the effect that (a) each of such First Supplemental Indentures (i) is authorized or permitted by the Trust Indenture relating thereto and the Act and complies with their respective terms, (ii) upon the execution and delivery thereof, will be valid and binding upon the respective Issuer in accordance with its terms and (iii)

will not adversely affect the Tax-Exempt status of the Carbon Bonds or the Emery Bonds, as applicable and (b) each of such First Supplemental Loan Agreements (i) is authorized or permitted by the Original Loan Agreement or Trust Indenture relating thereto and the Act and complies with their respective terms, (ii) will be valid and binding upon the respective Issuer in accordance with its terms and (iii) will not adversely affect the Tax-Exempt status of the Carbon Bonds or the Emery Bonds, as applicable. Except as necessary to render the foregoing opinions, Chapman and Cutler has not reviewed any factual or legal maters relating to the prior opinion of Bond Counsel or the Carbon Bonds or the Emery Bonds subsequent to their date of issuance. The proposed form of such opinions are set forth in Appendix D-1 and Appendix D-3.

CONVERSE BONDS, LINCOLN BONDS AND SWEETWATER BONDS

In connection with the original issuance and delivery of each of the Converse Bonds, the Lincoln Bonds and the Sweetwater Bonds, Chapman and Cutler, as Bond Counsel to the Company, rendered an opinion with respect to each issue that subject to compliance by the Company and the Issuer with certain covenants referenced in the opinion, under then existing law, interest on the Converse Bonds, on the Lincoln Bonds and on the Sweetwater Bonds, as applicable, would not be includible in the gross income of the Owners thereof for federal income tax purposes, except for interest on any Converse Bond, Lincoln Bond or Sweetwater Bond, as applicable, for any period during which such Bond is owned by a person who is a substantial user of the related Project or Facilities or any person considered to be related to such person (within the meaning of Section 103(b)(13) of the 1954 Code) and such interest is not treated as an item of tax preference in computing the federal alternative minimum tax for individuals and corporations. Such interest is taken into account, however, in computing an adjustment used in determining the federal alternative minimum tax for certain corporations.

Bond Counsel also rendered an opinion that, under then existing statutes and laws of Wyoming, Wyoming imposed no income taxes that would be applicable to interest on the Converse Bonds, on the Lincoln Bonds or on the Emery Bonds, as applicable.

A copy of each of the opinion letters provided by Bond Counsel in connection with the original issuance and delivery of the Converse Bonds, the Lincoln Bonds and the Sweetwater Bonds is set forth in Appendix C-3, C-4 and C-5, respectively, but inclusion of such copies of the opinion letters is not to be construed as a reaffirmation of the opinions contained therein. The opinion letters speak only as of their dates.

Chapman and Cutler LLP will deliver separate opinions in connection with execution and delivery of the First Supplemental Indenture and the First Supplemental Loan Agreement for each of the Converse Bonds, the Lincoln Bonds and the Sweetwater Bonds in each case to the effect that (a) each of such First Supplemental Indentures (i) is authorized or permitted by the Trust Indenture relating thereto and the Act and complies with their respective terms, (ii) upon the execution and delivery thereof, will be valid and binding upon the respective Issuer in accordance with its terms and (iii) will not adversely affect the Tax-Exempt status of the Converse Bonds, the Lincoln Bonds or the Sweetwater Bonds, as applicable and (b) each of such First Supplemental Loan Agreements (i) is authorized or permitted by the Original Loan Agreement or Trust Indenture relating thereto and the Act and complies with their respective

terms, (ii) will be valid and binding upon the respective Issuer in accordance with its terms and (iii) will not adversely affect the Tax-Exempt status of the Converse Bonds, the Lincoln Bonds or the Sweetwater Bonds, as applicable. Except as necessary to render the foregoing opinions, Chapman and Cutler has not reviewed any factual or legal maters relating to the prior opinion of Bond Counsel or the Converse Bonds, the Lincoln Bonds or the Sweetwater Bonds subsequent to their date of issuance. The proposed form of such opinions are set forth in Appendix D-2, Appendix D-4 and Appendix D-6.

MOFFAT BONDS

In connection with the original issuance and delivery of the Moffat Bonds, Chapman and Cutler, as Bond Counsel to the Company, rendered an opinion that subject to compliance by the Company and the Issuer with certain covenants referenced in the opinion, under then existing law, interest on the Moffat Bonds would not be includible in the gross income of the Owners thereof for federal income tax purposes, except for interest on any Moffat Bond for any period during which such Bond is owned by a person who is a substantial user of the related Project or Facilities or any person considered to be related to such person (within the meaning of Section 103(b)(13) of the 1954 Code) and such interest is not treated as an item of tax preference in computing the federal alternative minimum tax for individuals and corporations. Such interest is taken into account, however, in computing an adjustment used in determining the federal alternative minimum tax for certain corporations.

Bond Counsel also rendered an opinion that, under then existing statutes and laws of Colorado, so long as interest on the Moffat Bonds is not included in gross income for federal income tax purposes, interest on the Moffat Bonds is not included in Colorado taxable income for purposes of the income tax imposed by Colorado pursuant to Article 22 of Title 39 of the Colorado Revised Statutes, as amended, upon individuals, corporations, and estates and trusts.

A copy of the opinion letter provided by Bond Counsel in connection with the original issuance and delivery of the Moffat Bonds is set forth in Appendix C-6, 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 speak only as of its date.

Chapman and Cutler LLP will deliver an opinion in connection with execution and delivery of the First Supplemental Indenture and the First Supplemental Loan Agreement relating to the Moffat Bonds to the effect that (a) such First Supplemental Indenture (i) is authorized or permitted by the Trust Indenture relating thereto and the Act and complies with their respective terms, (ii) upon the execution and delivery thereof, will be valid and binding upon Moffat County in accordance with its terms and (iii) will not adversely affect the Tax-Exempt status of the Moffat Bonds and (b) such First Supplemental Loan Agreement (i) is authorized or permitted by the Original Loan Agreement or Trust Indenture relating thereto and the Act and complies with their respective terms, (ii) will be valid and binding upon Moffat County in accordance with its terms and (iii) will not adversely affect the Tax-Exempt status of the Moffat Bonds. Except as necessary to render the foregoing opinion, Chapman and Cutler has not reviewed any factual or legal maters relating to the prior opinion of Bond Counsel or the

Moffat Bonds subsequent to their date of issuance. The proposed form of such opinion is set forth in Appendix D-5.

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 King & Spalding LLP. The validity of the Letter of Credit will be passed upon for the Bank by in-house counsel to the Bank.

MISCELLANEOUS

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

The Issuers have not assumed nor will assume any responsibility for the accuracy or completeness of any information contained herein (other than the material pertinent to each Issuer under "THE ISSUERS" or "LITIGATION" above) or in the Appendices hereto, all of which was furnished by others.

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 Agents, 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 is a United States regulated electricity company serving customers in portions of the states of Utah, Oregon, Wyoming, Washington, Idaho and California. The Company delivers electricity to customers in Utah, Wyoming and Idaho under the trade name Rocky Mountain Power and to customers in Oregon, Washington and California under the trade name Pacific Power. The Company's electric generation, commercial and energy trading, and coal-mining functions are operated under the trade name PacifiCorp Energy. The subsidiaries of the Company support its electric utility operations by providing coal mining facilities and services and environmental remediation services. PacifiCorp is an indirect subsidiary of MidAmerican Energy Holdings Company (*"MEHC"*), a holding company based in Des Moines, Iowa, owning subsidiaries that are principally engaged in energy businesses. MEHC is a consolidated subsidiary of Berkshire Hathaway Inc.

The Company's operations are exposed to risks, including general economic, political and business conditions in the jurisdictions in which the Company's facilities are located; changes in governmental, legislative or regulatory requirements affecting the Company or the electric utility industry, including limits on the ability of public utilities to recover income tax expenses in rates, such as Oregon Senate Bill 408; changes in, and compliance with, environmental laws, regulations, decisions and policies that could increase operating and capital improvement costs, reduce plant output and/or delay plant construction; the outcome of general rate cases and other proceedings conducted by regulatory commissions or other governmental and legal bodies; changes in economic, industry or weather conditions, as well as demographic trends that could affect customer growth and usage or supply of electricity; a high degree of variance between actual and forecasted load and prices that could impact the hedging strategy and costs to balance electricity load and supply; hydroelectric conditions, as well as the cost, feasibility and eventual outcome of hydroelectric relicensing proceedings that could have a significant impact on electric capacity and cost and on the Company's ability to generate electricity; changes in prices and availability for both purchases and sales of wholesale electricity, coal, natural gas and other fuel sources that could have a significant impact on generation capacity and energy costs; financial condition and creditworthiness of significant customers and suppliers; changes in business strategy or development plans; availability, terms and deployment of capital, including severe 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; performance of the Company's generation facilities, including unscheduled outages or repairs;

the impact of derivative instruments used to mitigate or manage volume and price risk and interest rate risk and changes in the commodity prices, interest rates and other conditions that affect the value of the derivatives; the impact of increases in health care costs, changes in interest rates, mortality, morbidity and investment performance on pension and other post-retirement benefits expense, as well as the impact of changes in legislation on funding requirements; changes in the Company's credit ratings; unanticipated construction delays, changes in costs, receipt of required permits and authorizations, and ability to fund capital projects and other factors that could affect future generation plants and infrastructure additions; the impact of new accounting pronouncements or changes in current accounting estimates and assumptions on financial results; other risks or unforeseen events, including litigation and wars, the effects of terrorism, embargos and other catastrophic events; and other business or investment considerations that may be disclosed from time to time in 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, Suite 2000, Portland, Oregon 97232; the telephone number is (503) 813-5000.

AVAILABLE INFORMATION

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

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

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

1. Annual Report on Form 10-K for the fiscal year ended December 31, 2007.

2. Quarterly Reports on Form 10-Q for the three months ended March 31, 2008, June 30, 2008 and September 30, 2008.

3. Current Report on Form 8-K, dated February 14, 2008.

4. Current Report on Form 8-K, dated February 22, 2008.

5. Current Report on Form 8-K, dated April 2, 2008.

6. Current Report on Form 8-K, dated April 15, 2008.

7. Current Report on Form 8-K, dated July 17, 2008.

8 Current Report on Form 8-K, dated September 15, 2008.

9. 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 Quarterly Report on Form 10-Q for the three months ended September 30, 2008 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 Investor Relations, PacifiCorp, 825 N.E. Multnomah, Suite 2000, Portland, Oregon 97232, telephone number (503) 813-5000. The information relating to the Company contained in this 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

INFORMATION REGARDING THE BANK

The information under this heading has been provided solely by the Bank and is believed to be reliable. This information has not been verified independently by the Company or any of the Remarketing Agents. Neither the Company nor any of the Remarketing Agents make any representation whatsoever as to the accuracy, adequacy or completeness of such information.

WELLS FARGO BANK, NATIONAL ASSOCIATION

Wells Fargo Bank, National Association (the *"Bank"*) is a national banking association organized under the laws of the United States of America with its main office at 101 North Phillips Avenue, Sioux Falls, South Dakota 57104, and engages in retail, commercial and corporate banking, real estate lending and trust and investment services. The Bank is an indirect, wholly owned subsidiary of Wells Fargo & Company, a diversified financial services company, a financial holding company and a bank holding company registered under the Bank Holding Company Act of 1956, as amended, with its principal executive offices located in San Francisco, California (*"Wells Fargo"*).

As of September 30, 2008, the Bank had total consolidated assets of approximately $514.9 billion, total domestic and foreign deposits of approximately $356.2 billion and total equity capital of approximately $44.2 billion.

On October 3, 2008, Wells Fargo announced that it had entered into a merger agreement with Wachovia Corporation providing for the acquisition of Wachovia and its subsidiaries by Wells Fargo in a stock-for-stock transaction. This press release and other materials filed with the Securities and Exchange Commission (*"SEC"*) by Wells Fargo relating to the proposed merger are available free of charge on the SEC's website at www.sec.gov. Copies of these filings are also available free of charge by writing to Wells Fargo's Corporate Secretary at the address given below.

Each quarter, the Bank files with the FDIC financial reports entitled "Consolidated Reports of Condition and Income for Insured Commercial Banks with Domestic and Foreign Offices," commonly referred to as the "Call Reports." The Bank's Call Reports are prepared in accordance with regulatory accounting principles, which may differ from generally accepted accounting principles. The publicly available portions of the Call Reports for the period ending June 30, 2008, and for Call Reports filed by the Bank with the FDIC after the date of this Offering Memorandum may be obtained from the FDIC, Disclosure Group, Room F518, 550 17th Street, N.W., Washington, D.C. 20429 at prescribed rates, or from the FDIC on its Internet site at http://www.fdic.gov, or by writing to Corporate Secretary's Office, Wells Fargo Center, Sixth and Marquette, MAC N9305-173, Minneapolis, MN 55479.

Each Letter of Credit will be solely an obligation of the Bank and will not be an obligation of, or otherwise guaranteed by, Wells Fargo, and no assets of Wells Fargo or any

affiliate of the Bank or Wells Fargo will be pledged to the payment thereof. Payment of the Letter of Credits will not be insured by the FDIC.

The information contained in this section, including financial information, relates to and has been obtained from the Bank, and is furnished solely to provide limited introductory information regarding the Bank and does not purport to be comprehensive. Any financial information provided in this section is qualified in its entirety by the detailed information appearing in the Call Reports referenced above. The delivery hereof shall not create any implication that there has been no change in the affairs of the Bank since the date hereof.

APPENDIX C-1

APPROVING OPINION OF BOND COUNSEL FOR THE CARBON BONDS

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Law Offices of

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November 17, 1994

Re: $9,365,000 Carbon County, Utah, Pollution Control Revenue Refunding Bonds (PacifiCorp Project) Series 1994

We hereby certify that we have examined certified copy of the proceedings of record of the Board of County Commissioners of Carbon County, Utah (the *"Issuer"*), a political subdivision of the State of Utah, preliminary to the issuance by the Issuer of its Pollution Control Revenue Refunding Bonds (PacifiCorp Project) Series 1994, in the aggregate principal amount of $9,365,000 (the *"Bonds"*). The Bonds are being issued pursuant to the provisions of the Utah Industrial Facilities and Development Act, Title 11, Chapter 17, Utah Code Annotated 1953, as amended and supplemented (the *"Act"*), for the purpose of refunding the Issuer's Pollution Control Revenue Bonds (Utah Power & Light Company Project) Series A of 1974 now outstanding in the amount of $9,365,000 (the *"Refunded Bonds"*). The Refunded Bonds were issued for the purpose of financing a portion of the cost of air and water pollution control facilities (the *"Project"*) at the Carbon coal-fired electric generating plant (the *"Station"*) in Carbon County, Utah for use by Utah Power & Light Company, a Utah corporation which, subsequent to the issuance of the Refunded Bonds, merged with PacifiCorp, an Oregon corporation (the *"Company"*). The proceeds of the Bonds, together with other moneys to be provided by the Company, are to be deposited with the trustee for the Refunded Bonds to provide for the payment of the Refunded Bonds.

The Bonds mature on November 1, 2024, 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 said issue of Bonds under the laws of the State of Utah now in force.

Pursuant to a Loan Agreement, dated as of November 1, 1994 (the *"Loan Agreement"*), by and between the Company and the Issuer, the Issuer has agreed to loan the proceeds from the sale of the Bonds to the Company for the purpose of refunding the Refunded Bonds, and the Company has agreed to pay amounts at least sufficient to pay the principal of, premium, if any, and interest on the Bonds when due, whether at stated maturity, call for redemption or acceleration. The Loan Agreement (an executed counterpart of which has been examined by us) has, in our opinion, been duly authorized, executed and delivered by the Issuer, and, assuming the due authorization, execution and delivery by the Company, is a valid and binding obligation of the Issuer, enforceable in accordance with its terms, subject to the qualification that the enforcement thereof may be limited by bankruptcy, insolvency, reorganization and other similar laws relating to the enforcement of creditors' rights generally or usual equity principles in the event equitable remedies should be sought.

We have also examined an executed counterpart of the Trust Indenture, dated as of November 1, 1994 (the *"Indenture"*), by and between the Issuer and The First National Bank of Chicago, as Trustee (the *"Trustee"*), securing the Bonds and setting forth the covenants and undertakings of the Issuer in connection with the Bonds and making provision under certain conditions for the remarketing of the Bonds by a Remarketing Agent (the *"Remarketing Agent"*), for the fixing of variable interest rates to be borne by the Bonds from time to time, which variable interest rate may be a Daily Interest Rate, a Weekly Interest Rate or a Flexible Interest Rate (each as defined in the Indenture), and for the conversion of the interest rate borne by the Bonds to a different variable interest rate or to a Term Interest Rate (as defined in the Indenture) under certain conditions. The Indenture provides that the Bonds bear interest at a Daily Interest Rate until conversion to a different variable interest rate or to a Term Interest Rate. Under the Indenture, the revenues derived by the Issuer under the Loan Agreement, together with certain of the rights of the Issuer thereunder, are pledged and assigned to the Trustee as security for the Bonds. From such examination, we are of the opinion that the proceedings of the Board of County Commissioners of the Issuer referred to above show lawful authority for the execution and delivery of the Indenture, that the Indenture is a valid and binding obligation of the Issuer, enforceable in accordance with its terms, subject to the qualification that the enforcement thereof may be limited by bankruptcy, insolvency, reorganization and other similar laws relating to the enforcement of creditors' rights generally or usual equity principles in the event equitable remedies should be sought, that the Bonds have been validly issued under the Indenture, and that all requirements under the Indenture precedent to delivery of the Bonds have been satisfied.

In connection with the issuance of the Bonds, the Company has entered into a Standby Bond Purchase Agreement dated as of November 1, 1994 (the *"Standby Purchase Agreement"*), with The Bank of New York (the *"Bank"*). Pursuant to the Standby Purchase Agreement, the Bank has agreed to provide (a) an amount sufficient to pay the purchase price or portion of the purchase price equal to the principal amount of Bonds delivered to the Trustee for purchase and not remarketed, plus (b) an amount equal to 62 days' accrued interest on the outstanding Bonds to pay the portion of the purchase price of the Bonds delivered to the Trustee equal to the accrued interest, if any, on such Bonds. Execution of

the Standby Purchase Agreement, however, does not release the Company from its payment obligation under the Loan Agreement. The stated expiration date of the Standby Purchase Agreement is November 17, 1999, subject to the provisions of the Standby Purchase Agreement.

For the purpose of securing the Company's obligation to repay the loan of the proceeds of sale of the Bonds made to the Company by the Issuer pursuant to the Loan Agreement, the Company has delivered to the Trustee, in trust for the benefit of the holders of the Bonds, its First Mortgage and Collateral Trust Bonds in the aggregate principal amount of $9,365,000 (the *"First Mortgage Bonds"*), issued by the Company under the Mortgage and Deed of Trust, dated as of January 9, 1989, between the Company and Chemical Bank, as successor trustee, as supplemented and amended by ten supplemental indentures, including a Tenth Supplemental Indenture dated as of August 1, 1994 (collectively, the *"Mortgage"*). Pursuant to the provisions of the Indenture, payments by the Company representing principal of and interest on the First Mortgage Bonds are deposited into the Bond Fund created under the Indenture and are used to pay the principal of and interest on the Bonds on an equal and ratable basis as the same become due. The First Mortgage Bonds are being issued as a part of a series of $216,470,000 aggregate principal of First Mortgage and Collateral Trust Bonds pursuant to the Mortgage on the date hereof to secure the Bonds and five other issues of pollution control revenue refunding bonds being issued on the date hereof by Emery County, Utah, Converse County, Wyoming, Lincoln County, Wyoming, Sweetwater County, Wyoming, and Moffat County, Colorado (collectively, the *"Other Issuers"*) to refinance certain pollution control or solid waste disposal facilities (the *"Facilities"*) for the benefit of the Company.

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.

Subject to the condition that the Company, the Issuer and the Other Issuers comply with certain covenants made to satisfy pertinent requirements of the Internal Revenue Code of 1954, as amended (the *"1954 Code"*), and the Internal Revenue Code of 1986, we are of the opinion that under present law interest on the Bonds is not includible in gross income of the owners thereof for federal income tax purposes, except for interest on any Bond for any period during which such Bond is owned by a person who is a substantial user of the Project or the Facilities or any person considered to be related to such person (within the meaning of Section 103(b)(13) of the 1954 Code), and interest on the Bonds will not be treated as an item of tax preference in computing the alternative minimum tax for individuals and corporations. Interest on the Bonds will be taken into account, however, in computing an adjustment used in determining the alternative minimum tax for certain corporations. Failure to comply with certain of such covenants could cause the interest on the Bonds to be included in gross income retroactive to the date of issuance of the Bonds. Ownership of the

Bonds may result in other federal tax consequences to certain taxpayers; we express no opinion regarding any such collateral consequences arising with respect to the Bonds. In rendering this opinion, we have relied upon certifications of even date herewith of the Company relating to the Station, the Project and the application of the proceeds of the Refunded Bonds and the proceeds of the Bonds with respect to certain material facts solely within the knowledge of the Company.

In our opinion, under the laws of the State of Utah as presently enacted and construed, interest on the Bonds will be exempt from taxes imposed by the Utah Individual Income Tax Act. No opinion is expressed with respect to any other taxes imposed by the State of Utah or any political subdivision thereof. Ownership of the Bonds may result in other Utah tax consequences to certain taxpayers; we express no opinion regarding any such collateral consequences arising with respect to the Bonds.

We are not passing upon the Standby Purchase Agreement or any action taken by the Bank in connection therewith. The validity of the Standby Purchase Agreement has been passed upon by Davis Polk & Wardwell.

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

Stoel Rives Boley Jones & Grey has also rendered an opinion of even date herewith, as to the due authorization, execution and delivery of the First Mortgage Bonds and the Mortgage, the validity and binding effect thereof, the enforceability thereof in accordance with their respective terms and the requisite issuance of all orders, approvals, authorizations and consents of any court or administrative or governmental body with respect to the First Mortgage Bonds.

Gene Strate, County Attorney of the Issuer, has delivered an opinion of even date herewith with respect to the obligations of the Issuer under the Bonds, the Loan Agreement and the Indenture.

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

RJScott:DBRohbock:jgl

Chapman and Cutler

APPENDIX C-2

APPROVING OPINION OF BOND COUNSEL FOR THE EMERY BONDS

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Law Offices of

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(312) 845-3000

November 17, 1994

Re: $121,940,000 Emery County, Utah, Pollution Control Revenue Refunding Bonds (PacifiCorp Project) Series 1994

We hereby certify that we have examined certified copy of the proceedings of record of the Board of County Commissioners of Emery County, Utah (the *"Issuer"*), a political subdivision of the State of Utah, preliminary to the issuance by the Issuer of its Pollution Control Revenue Refunding Bonds (PacifiCorp Project) Series 1994, in the aggregate principal amount of $121,940,000 (the *"Bonds"*). The Bonds are being issued pursuant to the provisions of the Utah Industrial Facilities and Development Act, Title 11, Chapter 17, Utah Code Annotated 1953, as amended and supplemented (the *"Act"*), for the purpose of refunding the Issuer's Pollution Control Revenue Bonds (Utah Power & Light Company Project) Series A of 1974, Pollution Control Revenue Bonds, 6-3/8% Series due November 1, 2006 (Utah Power & Light Company Project), Pollution Control Revenue Bonds, 5.90% Series due April 1, 2008 (Utah Power & Light Company Project) and Pollution Control Revenue Bonds (Utah Power & Light Company Project), 10.70% Series Due September 1, 2014, collectively outstanding in the amount of $121,940,000 (collectively, the *"Refunded Bonds"*). The Refunded Bonds were issued for the purpose of financing or refinancing a portion of the cost of certain pollution control or solid waste disposal facilities (the *"Projects"*) at the Hunter coal-fired steam electric generating plant (formerly known as the Emery Generating plant) and the Huntington coal-fired electric generating plant (collectively, the *"Stations"*) in Emery County, Utah, for use by Utah Power & Light Company, a Utah corporation which, subsequent to the issuance of the Refunded Bonds, merged with PacifiCorp, an Oregon corporation (the *"Company"*). The proceeds of the Bonds, together with other moneys to be provided by the Company, are to be deposited with the respective trustee for each series of Refunded Bonds to provide for the payment of the Refunded Bonds.

The Bonds mature on November 1, 2024, 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 said issue of Bonds under the laws of the State of Utah now in force.

Pursuant to a Loan Agreement, dated as of November 1, 1994 (the "*Loan Agreement*"), by and between the Company and the Issuer, the Issuer has agreed to loan the proceeds from the sale of the Bonds to the Company for the purpose of refunding the Refunded Bonds, and the Company has agreed to pay amounts at least sufficient to pay the principal of, premium, if any, and interest on the Bonds when due, whether at stated maturity, call for redemption or acceleration. The Loan Agreement (an executed counterpart of which has been examined by us) has, in our opinion, been duly authorized, executed and delivered by the Issuer, and, assuming the due authorization, execution and delivery by the Company, is a valid and binding obligation of the Issuer, enforceable in accordance with its terms, subject to the qualification that the enforcement thereof may be limited by bankruptcy, insolvency, reorganization and other similar laws relating to the enforcement of creditors' rights generally or usual equity principles in the event equitable remedies should be sought.

We have also examined an executed counterpart of the Trust Indenture, dated as of November 1, 1994 (the "*Indenture*"), by and between the Issuer and The First National Bank of Chicago, as Trustee (the "*Trustee*"), securing the Bonds and setting forth the covenants and undertakings of the Issuer in connection with the Bonds and making provision under certain conditions for the remarketing of the Bonds by a Remarketing Agent (the "*Remarketing Agent*"), for the fixing of variable interest rates to be borne by the Bonds from time to time, which variable interest rate may be a Daily Interest Rate, a Weekly Interest Rate or a Flexible Interest Rate (each as defined in the Indenture), and for the conversion of the interest rate borne by the Bonds to a different variable interest rate or to a Term Interest Rate (as defined in the Indenture) under certain conditions. The Indenture provides that the Bonds bear interest at a Daily Interest Rate until conversion to a different variable interest rate or to a Term Interest Rate. Under the Indenture, the revenues derived by the Issuer under the Loan Agreement, together with certain of the rights of the Issuer thereunder, are pledged and assigned to the Trustee as security for the Bonds. From such examination, we are of the opinion that the proceedings of the Board of County Commissioners of the Issuer referred to above show lawful authority for the execution and delivery of the Indenture, that the Indenture is a valid and binding obligation of the Issuer, enforceable in accordance with its terms, subject to the qualification that the enforcement thereof may be limited by bankruptcy, insolvency, reorganization and other similar laws relating to the enforcement of creditors' rights generally or usual equity principles in the event equitable remedies should be sought, that the Bonds have been validly issued under the Indenture, and that all requirements under the Indenture precedent to delivery of the Bonds have been satisfied.

In connection with the issuance of the Bonds, the Company has entered into a Standby Bond Purchase Agreement dated as of November 1, 1994 (the *"Standby Purchase Agreement"*), with The Bank of Nova Scotia (the *"Bank"*). Pursuant to the Standby Purchase Agreement, the Bank has agreed to provide (a) an amount sufficient to pay the purchase price or portion of the purchase price equal to the principal amount of Bonds delivered to the Trustee for purchase and not remarketed, plus (b) an amount equal to 62 days' accrued interest on the outstanding Bonds to pay the portion of the purchase price of the Bonds delivered to the Trustee equal to the accrued interest, if any, on such Bonds. Execution of the Standby Purchase Agreement, however, does not release the Company from its payment obligation under the Loan Agreement. The stated expiration date of the Standby Purchase Agreement is November 17, 1999, subject to the provisions of the Standby Purchase Agreement.

For the purpose of securing the Company's obligation to repay the loan of the proceeds of sale of the Bonds made to the Company by the Issuer pursuant to the Loan Agreement, the Company has delivered to the Trustee, in trust for the benefit of the holders of the Bonds, its First Mortgage and Collateral Trust Bonds in the aggregate principal amount of $121,940,000 (the *"First Mortgage Bonds"*), issued by the Company under the Mortgage and Deed of Trust, dated as of January 9, 1989, between the Company and Chemical Bank, as successor trustee, as supplemented and amended by ten supplemental indentures, including a Tenth Supplemental Indenture dated as of August 1, 1994 (collectively, the *"Mortgage"*). Pursuant to the provisions of the Indenture, payments by the Company representing principal of and interest on the First Mortgage Bonds are deposited into the Bond Fund created under the Indenture and are used to pay the principal of and interest on the Bonds on an equal and ratable basis as the same become due. The First Mortgage Bonds are being issued as a part of a series of $216,470,000 aggregate principal of First Mortgage and Collateral Trust Bonds pursuant to the Mortgage on the date hereof to secure the Bonds and five other issues of pollution control revenue refunding bonds being issued on the date hereof by Carbon County, Utah, Converse County, Wyoming, Lincoln County, Wyoming, Sweetwater County, Wyoming, and Moffat County, Colorado (collectively, the *"Other Issuers"*), to refinance certain pollution control or solid waste disposal facilities (the *"Facilities"*) for the benefit of the Company.

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.

Subject to the condition that the Company, the Issuer and the Other Issuers comply with certain covenants made to satisfy pertinent requirements of the Internal Revenue Code of 1954, as amended (the *"1954 Code"*), and the Internal Revenue Code of 1986, we are of the opinion that under present law interest on the Bonds is not includible in gross income of the owners thereof for federal income tax purposes, except for interest on any Bond for any

period during which such Bond is owned by a person who is a substantial user of any of the Projects or the Facilities or any person considered to be related to such person (within the meaning of Section 103(b)(13) of the 1954 Code), and interest on the Bonds will not be treated as an item of tax preference in computing the alternative minimum tax for individuals and corporations. Interest on the Bonds will be taken into account, however, in computing an adjustment used in determining the alternative minimum tax for certain corporations. Failure to comply with certain of such covenants could cause the interest on the Bonds to be included in gross income retroactive to the date of issuance of the Bonds. Ownership of the Bonds may result in other federal tax consequences to certain taxpayers; we express no opinion regarding any such collateral consequences arising with respect to the Bonds. In rendering this opinion, we have relied upon certifications of even date herewith of the Company relating to the Stations, the Projects and the application of the proceeds of the Bonds, the Refunded Bonds and the Issuer's $16,750,000 Pollution Control Revenue Bonds (Utah Power & Light Company Project), dated May 11, 1984, with respect to certain material facts solely within the knowledge of the Company.

In our opinion, under the laws of the State of Utah as presently enacted and construed, interest on the Bonds will be exempt from taxes imposed by the Utah Individual Income Tax Act. No opinion is expressed with respect to any other taxes imposed by the State of Utah or any political subdivision thereof. Ownership of the Bonds may result in other Utah tax consequences to certain taxpayers; we express no opinion regarding any such collateral consequences arising with respect to the Bonds.

We are not passing upon the Standby Purchase Agreement or any action taken by the Bank in connection therewith. The validity of the Standby Purchase Agreement has been passed upon by Davis Polk & Wardwell.

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

Stoel Rives Boley Jones & Grey has also rendered an opinion of even date herewith, as to the due authorization, execution and delivery of the First Mortgage Bonds and the Mortgage, the validity and binding effect thereof, the enforceability thereof in accordance with their respective terms and the requisite issuance of all orders, approvals, authorizations and consents of any court or administrative or governmental body with respect to the First Mortgage Bonds.

Ray, Quinney & Nebeker, special counsel to the Issuer, and David A. Blackwell, County Attorney of the Issuer, have delivered opinions of even date herewith with respect to the obligations of the Issuer 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 Projects or the Stations.

RJScott:DBRohbock:jgl

Chapman and Cutler

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APPENDIX C-3

APPROVING OPINION OF BOND COUNSEL FOR THE CONVERSE BONDS

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November 17, 1994

Re: $8,190,000 Converse County, Wyoming,
Pollution Control Revenue Refunding Bonds
(PacifiCorp Project) Series 1994

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 Pollution Control Revenue Refunding Bonds (PacifiCorp Project) Series 1994, in the aggregate principal amount of $8,190,000 (the *"Bonds"*). The Bonds are being issued pursuant to the provisions of Sections 15-1-701 to 15-1-710, inclusive, Wyoming Statutes (1977), as amended and supplemented (the *"Act"*), for the purpose of refunding the Issuer's Collateralized Pollution Control Revenue Bonds (Pacific Power & Light Company Project) Series 1977 now outstanding in the amount of $8,190,000 (the *"Refunded Bonds"*). The Refunded Bonds were issued for the purpose of financing a portion of the cost of water and air pollution control facilities (the *"Project"*) at the Dave Johnston Plant (the *"Station"*) in Converse County, Wyoming, for use by Pacific Power & Light Company, a Maine corporation which, subsequent to the issuance of the Refunded Bonds, merged with PacifiCorp, an Oregon corporation (the *"Company"*). The proceeds of the Bonds, together with other moneys to be provided by the Company, are to be deposited with the trustee for the Refunded Bonds to provide for the payment of the Refunded Bonds.

The Bonds mature on November 1, 2024, 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 said issue of Bonds under the laws of the State of Wyoming now in force.

Pursuant to a Loan Agreement, dated as of November 1, 1994 (the *"Loan Agreement"*), by and between the Company and the Issuer, the Issuer has agreed to loan the proceeds from the sale of the Bonds to the Company for the purpose of refunding the Refunded Bonds, and the Company has agreed to pay amounts at least sufficient to pay the principal of, premium, if any, and interest on the Bonds when due, whether at stated maturity, call for redemption or acceleration. The Loan Agreement (an executed counterpart of which has been examined by us) has, in our opinion, been duly authorized, executed and delivered by the Issuer, and, assuming the due authorization, execution and delivery by the Company, is a valid and binding obligation of the Issuer, enforceable in accordance with its terms, subject to the qualification that the enforcement thereof may be limited by bankruptcy, insolvency, reorganization and other similar laws relating to the enforcement of creditors' rights generally or usual equity principles in the event equitable remedies should be sought.

We have also examined an executed counterpart of the Trust Indenture, dated as of November 1, 1994 (the *"Indenture"*), by and between the Issuer and The First National Bank of Chicago, as Trustee (the *"Trustee"*), securing the Bonds and setting forth the covenants and undertakings of the Issuer in connection with the Bonds and making provision under certain conditions for the remarketing of the Bonds by a Remarketing Agent (the *"Remarketing Agent"*), for the fixing of variable interest rates to be borne by the Bonds from time to time, which variable interest rate may be a Daily Interest Rate, a Weekly Interest Rate or a Flexible Interest Rate (each as defined in the Indenture), and for the conversion of the interest rate borne by the Bonds to a different variable interest rate or to a Term Interest Rate (as defined in the Indenture) under certain conditions. The Indenture provides that the Bonds bear interest at a Daily Interest Rate until conversion to a different variable interest rate or to a Term Interest Rate. Under the Indenture, the revenues derived by the Issuer under the Loan Agreement, together with certain of the rights of the Issuer thereunder, are pledged and assigned to the Trustee as security for the Bonds. From such examination, we are of the opinion that the proceedings of the Board of County Commissioners of the Issuer referred to above show lawful authority for the execution and delivery of the Indenture, that the Indenture is a valid and binding obligation of the Issuer, enforceable in accordance with its terms, subject to the qualification that the enforcement thereof may be limited by bankruptcy, insolvency, reorganization and other similar laws relating to the enforcement of creditors' rights generally or usual equity principles in the event equitable remedies should be sought, that the Bonds have been validly issued under the Indenture, and that all requirements under the Indenture precedent to delivery of the Bonds have been satisfied.

In connection with the issuance of the Bonds, the Company has entered into a Standby Bond Purchase Agreement dated as of November 1, 1994 (the *"Standby Purchase Agreement"*), with The Bank of New York (the *"Bank"*). Pursuant to the Standby Purchase Agreement, the Bank has agreed to provide (a) an amount sufficient to pay the purchase price or portion of the purchase price equal to the principal amount of Bonds delivered to the Trustee for purchase and not remarketed, plus (b) an amount equal to 62 days' accrued interest on the outstanding Bonds to pay the portion of the purchase price of the Bonds delivered to the Trustee equal to the accrued interest, if any, on such Bonds. Execution of

the Standby Purchase Agreement, however, does not release the Company from its payment obligation under the Loan Agreement. The stated expiration date of the Standby Purchase Agreement is November 17, 1999, subject to the provisions of the Standby Purchase Agreement.

For the purpose of securing the Company's obligation to repay the loan of the proceeds of sale of the Bonds made to the Company by the Issuer pursuant to the Loan Agreement, the Company has delivered to the Trustee, in trust for the benefit of the holders of the Bonds, its First Mortgage and Collateral Trust Bonds in the aggregate principal amount of $8,190,000 (the *"First Mortgage Bonds"*), issued by the Company under the Mortgage and Deed of Trust, dated as of January 9, 1989, between the Company and Chemical Bank, as successor trustee, as supplemented and amended by ten supplemental indentures, including a Tenth Supplemental Indenture dated as of August 1, 1994 (collectively, the *"Mortgage"*). Pursuant to the provisions of the Indenture, payments by the Company representing principal of and interest on the First Mortgage Bonds are deposited into the Bond Fund created under the Indenture and are used to pay the principal of and interest on the Bonds on an equal and ratable basis as the same become due. The First Mortgage Bonds are being issued as a part of a series of $216,470,000 aggregate principal of First Mortgage and Collateral Trust Bonds pursuant to the Mortgage on the date hereof to secure the Bonds and five other issues of pollution control revenue refunding bonds being issued on the date hereof by Emery County, Utah, Carbon County, Utah, Lincoln County, Wyoming, Sweetwater County, Wyoming, and Moffat County, Colorado (collectively, the *"Other Issuers"*), to finance certain pollution control or solid waste disposal facilities (the *"Facilities"*) for the benefit of the Company.

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.

Subject to the condition that the Company, the Issuer and the Other Issuers comply with certain covenants made to satisfy pertinent requirements of the Internal Revenue Code of 1954, as amended (the *"1954 Code"*), and the Internal Revenue Code of 1986, we are of the opinion that under present law interest on the Bonds is not includible in gross income of the owners thereof for federal income tax purposes, except for interest on any Bond for any period during which such Bond is owned by a person who is a substantial user of the Project or the Facilities or any person considered to be related to such person (within the meaning of Section 103(b)(13) of the 1954 Code), and interest on the Bonds will not be treated as an item of tax preference in computing the alternative minimum tax for individuals and corporations. Interest on the Bonds will be taken into account, however, in computing an adjustment used in determining the alternative minimum tax for certain corporations. Failure to comply with certain of such covenants could cause the interest on the Bonds to be included in gross income retroactive to the date of issuance of the Bonds. Ownership of the

Bonds may result in other federal tax consequences to certain taxpayers; we express no opinion regarding any such collateral consequences arising with respect to the Bonds. In rendering this opinion, we have relied upon certifications of even date herewith of the Company relating to the Station, the Project and the application of the proceeds of the Refunded Bonds and the proceeds of the Bonds with respect to certain material facts solely within the knowledge of the Company.

In our opinion, under 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 are not passing upon the Standby Purchase Agreement or any action taken by the Bank in connection therewith. The validity of the Standby Purchase Agreement has been passed upon by Davis Polk & Wardwell.

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

Stoel Rives Boley Jones & Grey has also rendered an opinion of even date herewith, as to the due authorization, execution and delivery of the First Mortgage Bonds and the Mortgage, the validity and binding effect thereof, the enforceability thereof in accordance with their respective terms and the requisite issuance of all orders, approvals, authorizations and consents of any court or administrative or governmental body with respect to the First Mortgage Bonds.

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

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

RJScott:BDPatterson:jgl

Chapman and Cutler

APPENDIX C-4

APPROVING OPINION OF BOND COUNSEL FOR THE LINCOLN BONDS

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November 17, 1994

Re: $15,060,000 Lincoln County, Wyoming, Pollution Control Revenue Refunding Bonds (PacifiCorp Project) Series 1994

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 Pollution Control Revenue Refunding Bonds (PacifiCorp Project) Series 1994, in the aggregate principal amount of $15,060,000 (the "*Bonds*"). The Bonds are being issued pursuant to the provisions of Sections 15-1-701 to 15-1-710, inclusive, Wyoming Statutes (1977), as amended and supplemented (the "*Act*"), for the purpose of refunding the Issuer's Pollution Control Revenue Bonds (Utah Power & Light Company Project) Series A of 1974 now outstanding in the amount of $15,060,000 (the "*Refunded Bonds*"). The Refunded Bonds were issued for the purpose of financing a portion of the cost of air pollution control facilities (the "*Project*") at the Naughton coal-fired electric generating plant (the "*Station*") in Lincoln County, Wyoming, for use by Utah Power & Light Company, a Utah corporation which, subsequent to the issuance of the Refunded Bonds, merged with PacifiCorp, an Oregon corporation (the "*Company*"). The proceeds of the Bonds, together with other moneys to be provided by the Company, are to be deposited with the trustee for the Refunded Bonds to provide for the payment of the Refunded Bonds.

The Bonds mature on November 1, 2024, 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 said issue of Bonds under the laws of the State of Wyoming now in force.

Pursuant to a Loan Agreement, dated as of November 1, 1994 (the "*Loan Agreement*"), by and between the Company and the Issuer, the Issuer has agreed to loan the proceeds from the sale of the Bonds to the Company for the purpose of refunding the Refunded Bonds, and the Company has agreed to pay amounts at least sufficient to pay the principal of, premium, if any, and interest on the Bonds when due, whether at stated maturity, call for redemption or acceleration. The Loan Agreement (an executed counterpart of which has been examined by us) has, in our opinion, been duly authorized, executed and delivered by the Issuer, and, assuming the due authorization, execution and delivery by the Company, is a valid and binding obligation of the Issuer, enforceable in accordance with its terms, subject to the qualification that the enforcement thereof may be limited by bankruptcy, insolvency, reorganization and other similar laws relating to the enforcement of creditors' rights generally or usual equity principles in the event equitable remedies should be sought.

We have also examined an executed counterpart of the Trust Indenture, dated as of November 1, 1994 (the "*Indenture*"), by and between the Issuer and The First National Bank of Chicago, as Trustee (the "*Trustee*"), securing the Bonds and setting forth the covenants and undertakings of the Issuer in connection with the Bonds and making provision under certain conditions for the remarketing of the Bonds by a Remarketing Agent (the "*Remarketing Agent*"), for the fixing of variable interest rates to be borne by the Bonds from time to time, which variable interest rate may be a Daily Interest Rate, a Weekly Interest Rate or a Flexible Interest Rate (each as defined in the Indenture), and for the conversion of the interest rate borne by the Bonds to a different variable interest rate or to a Term Interest Rate (as defined in the Indenture) under certain conditions. The Indenture provides that the Bonds bear interest at a Daily Interest Rate until conversion to a different variable interest rate or to a Term Interest Rate. Under the Indenture, the revenues derived by the Issuer under the Loan Agreement, together with certain of the rights of the Issuer thereunder, are pledged and assigned to the Trustee as security for the Bonds. From such examination, we are of the opinion that the proceedings of the Board of County Commissioners of the Issuer referred to above show lawful authority for the execution and delivery of the Indenture, that the Indenture is a valid and binding obligation of the Issuer, enforceable in accordance with its terms, subject to the qualification that the enforcement thereof may be limited by bankruptcy, insolvency, reorganization and other similar laws relating to the enforcement of creditors' rights generally or usual equity principles in the event equitable remedies should be sought, that the Bonds have been validly issued under the Indenture, and that all requirements under the Indenture precedent to delivery of the Bonds have been satisfied.

In connection with the issuance of the Bonds, the Company has entered into a Standby Bond Purchase Agreement dated as of November 1, 1994 (the "*Standby Purchase Agreement*"), with The Bank of New York (the "*Bank*"). Pursuant to the Standby Purchase Agreement, the Bank has agreed to provide (a) an amount sufficient to pay the purchase price or portion of the purchase price equal to the principal amount of Bonds delivered to the Trustee for purchase and not remarketed, plus (b) an amount equal to 62 days' accrued interest on the outstanding Bonds to pay the portion of the purchase price of the Bonds delivered to the Trustee equal to the accrued interest, if any, on such Bonds. Execution of

the Standby Purchase Agreement, however, does not release the Company from its payment obligation under the Loan Agreement. The stated expiration date of the Standby Purchase Agreement is November 17, 1999, subject to the provisions of the Standby Purchase Agreement.

For the purpose of securing the Company's obligation to repay the loan of the proceeds of sale of the Bonds made to the Company by the Issuer pursuant to the Loan Agreement, the Company has delivered to the Trustee, in trust for the benefit of the holders of the Bonds, its First Mortgage and Collateral Trust Bonds in the aggregate principal amount of $15,060,000 (the *"First Mortgage Bonds"*), issued by the Company under the Mortgage and Deed of Trust, dated as of January 9, 1989, between the Company and Chemical Bank, as successor trustee, as supplemented and amended by ten supplemental indentures, including a Tenth Supplemental Indenture dated as of August 1, 1994 (collectively, the *"Mortgage"*). Pursuant to the provisions of the Indenture, payments by the Company representing principal of and interest on the First Mortgage Bonds are deposited into the Bond Fund created under the Indenture and are used to pay the principal of and interest on the Bonds on an equal and ratable basis as the same become due. The First Mortgage Bonds are being issued as a part of a series of $216,470,000 aggregate principal of First Mortgage and Collateral Trust Bonds pursuant to the Mortgage on the date hereof to secure the Bonds and five other issues of pollution control revenue refunding bonds being issued on the date hereof by Emery County, Utah, Carbon County, Utah, Converse County, Wyoming, Sweetwater County, Wyoming, and Moffat County, Colorado (collectively, the *"Other Issuers"*), to refinance certain pollution control or solid waste disposal facilities (the *"Facilities"*) for the benefit of the Company.

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.

Subject to the condition that the Company, the Issuer and the Other Issuers comply with certain covenants made to satisfy pertinent requirements of the Internal Revenue Code of 1954, as amended (the *"1954 Code"*), and the Internal Revenue Code of 1986, we are of the opinion that under present law interest on the Bonds is not includible in gross income of the owners thereof for federal income tax purposes, except for interest on any Bond for any period during which such Bond is owned by a person who is a substantial user of the Project or the Facilities or any person considered to be related to such person (within the meaning of Section 103(b)(13) of the 1954 Code), and interest on the Bonds will not be treated as an item of tax preference in computing the alternative minimum tax for individuals and corporations. Interest on the Bonds will be taken into account, however, in computing an adjustment used in determining the alternative minimum tax for certain corporations. Failure to comply with certain of such covenants could cause the interest on the Bonds to be included in gross income retroactive to the date of issuance of the Bonds. Ownership of the

Bonds may result in other federal tax consequences to certain taxpayers; we express no opinion regarding any such collateral consequences arising with respect to the Bonds. In rendering this opinion, we have relied upon certifications of even date herewith of the Company relating to the Station, the Project and the application of the proceeds of the Refunded Bonds and the proceeds of the Bonds with respect to certain material facts solely within the knowledge of the Company.

In our opinion, under 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 are not passing upon the Standby Purchase Agreement or any action taken by the Bank in connection therewith. The validity of the Standby Purchase Agreement has been passed upon by Davis Polk & Wardwell.

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

Stoel Rives Boley Jones & Grey has also rendered an opinion of even date herewith, as to the due authorization, execution and delivery of the First Mortgage Bonds and the Mortgage, the validity and binding effect thereof, the enforceability thereof in accordance with their respective terms and the requisite issuance of all orders, approvals, authorizations and consents of any court or administrative or governmental body with respect to the First Mortgage Bonds.

Joseph B. Bluemel, County Attorney of the Issuer, has delivered an opinion of even date herewith with respect to the obligations of the Issuer under the Bonds, the Loan Agreement and the Indenture.

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

RJScott:BDPatterson:jgl

Chapman and Cutler

APPENDIX C-5

APPROVING OPINION OF BOND COUNSEL FOR THE SWEETWATER BONDS

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November 17, 1994

Re: $21,260,000 Sweetwater County, Wyoming, Pollution Control Revenue Refunding Bonds (PacifiCorp Project) Series 1994

We hereby certify that we have examined certified copy of the proceedings of record of the Board of County Commissioners of Sweetwater County, Wyoming (the "*Issuer*"), a political subdivision of the State of Wyoming, preliminary to the issuance by the Issuer of its Pollution Control Revenue Refunding Bonds (PacifiCorp Project) Series 1994, in the aggregate principal amount of $21,260,000 (the "*Bonds*"). The Bonds are being issued pursuant to the provisions of Sections 15-1-701 to 15-1-710, inclusive, Wyoming Statutes (1977), as amended and supplemented (the "*Act*"), for the purpose of refunding the Issuer's Taxable Pollution Control Revenue Refunding Bonds (PacifiCorp Project) Series 1994T now outstanding in the amount of $21,260,000 (the "*Refunded Bonds*"). The Refunded Bonds were issued for the purpose of refunding the Issuer's Pollution Control Revenue Bonds (Pacific Power & Light Company Project) Series 1973 (the "*1973 Bonds*") which were issued by the Issuer for the purpose of financing a portion of the cost of certain air and water pollution control facilities in which PacifiCorp, an Oregon corporation (the "*Company*") owns a 66-2/3% undivided interest (the "*Project*") at the Jim Bridger coal-fired steam electric generating plant (the "*Station*") in Sweetwater County, Wyoming. The proceeds of the Bonds, together with other moneys to be provided by the Company, are to be deposited with the trustee for the Refunded Bonds to provide for the payment of the Refunded Bonds.

The Bonds mature on November 1, 2024, 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 said issue of Bonds under the laws of the State of Wyoming now in force.

Pursuant to a Loan Agreement, dated as of November 1, 1994 (the "*Loan Agreement*"), by and between the Company and the Issuer, the Issuer has agreed to loan the proceeds from the sale of the Bonds to the Company for the purpose of refunding the Refunded Bonds, and the Company has agreed to pay amounts at least sufficient to pay the principal of, premium, if any, and interest on the Bonds when due, whether at stated maturity, call for redemption or acceleration. The Loan Agreement (an executed counterpart of which has been examined by us) has, in our opinion, been duly authorized, executed and delivered by the Issuer, and, assuming the due authorization, execution and delivery by the Company, is a valid and binding obligation of the Issuer, enforceable in accordance with its terms, subject to the qualification that the enforcement thereof may be limited by bankruptcy, insolvency, reorganization and other similar laws relating to the enforcement of creditors' rights generally or usual equity principles in the event equitable remedies should be sought.

We have also examined an executed counterpart of the Trust Indenture, dated as of November 1, 1994 (the "*Indenture*"), by and between the Issuer and The First National Bank of Chicago, as Trustee (the "*Trustee*"), securing the Bonds and setting forth the covenants and undertakings of the Issuer in connection with the Bonds and making provision under certain conditions for the remarketing of the Bonds by a Remarketing Agent (the "*Remarketing Agent*"), for the fixing of variable interest rates to be borne by the Bonds from time to time, which variable interest rate may be a Daily Interest Rate, a Weekly Interest Rate or a Flexible Interest Rate (each as defined in the Indenture), and for the conversion of the interest rate borne by the Bonds to a different variable interest rate or to a Term Interest Rate (as defined in the Indenture) under certain conditions. The Indenture provides that the Bonds bear interest at a Daily Interest Rate until conversion to a different variable interest rate or to a Term Interest Rate. Under the Indenture, the revenues derived by the Issuer under the Loan Agreement, together with certain of the rights of the Issuer thereunder, are pledged and assigned to the Trustee as security for the Bonds. From such examination, we are of the opinion that the proceedings of the Board of County Commissioners of the Issuer referred to above show lawful authority for the execution and delivery of the Indenture, that the Indenture is a valid and binding obligation of the Issuer, enforceable in accordance with its terms, subject to the qualification that the enforcement thereof may be limited by bankruptcy, insolvency, reorganization and other similar laws relating to the enforcement of creditors' rights generally or usual equity principles in the event equitable remedies should be sought, that the Bonds have been validly issued under the Indenture, and that all requirements under the Indenture precedent to delivery of the Bonds have been satisfied.

In connection with the issuance of the Bonds, the Company has entered into a Standby Bond Purchase Agreement dated as of November 1, 1994 (the "*Standby Purchase Agreement*"), with The Bank of New York (the "*Bank*"). Pursuant to the Standby Purchase Agreement, the Bank has agreed to provide (a) an amount sufficient to pay the purchase price or portion of the purchase price equal to the principal amount of Bonds delivered to the Trustee for purchase and not remarketed, plus (b) an amount equal to 62 days' accrued interest on the outstanding Bonds to pay the portion of the purchase price of the Bonds delivered to the Trustee equal to the accrued interest, if any, on such Bonds. Execution of

the Standby Purchase Agreement, however, does not release the Company from its payment obligation under the Loan Agreement. The stated expiration date of the Standby Purchase Agreement is November 17, 1999, subject to the provisions of the Standby Purchase Agreement.

For the purpose of securing the Company's obligation to repay the loan of the proceeds of sale of the Bonds made to the Company by the Issuer pursuant to the Loan Agreement, the Company has delivered to the Trustee, in trust for the benefit of the holders of the Bonds, its First Mortgage and Collateral Trust Bonds in the aggregate principal amount of $21,260,000 (the *"First Mortgage Bonds"*), issued by the Company under the Mortgage and Deed of Trust, dated as of January 9, 1989, between the Company and Chemical Bank, as successor trustee, as supplemented and amended by ten supplemental indentures, including a Tenth Supplemental Indenture dated as of August 1, 1994 (collectively, the *"Mortgage"*). Pursuant to the provisions of the Indenture, payments by the Company representing principal of and interest on the First Mortgage Bonds are deposited into the Bond Fund created under the Indenture and are used to pay the principal of and interest on the Bonds on an equal and ratable basis as the same become due. The First Mortgage Bonds are being issued as a part of a series of $216,470,000 aggregate principal of First Mortgage and Collateral Trust Bonds pursuant to the Mortgage on the date hereof to secure the Bonds and five other issues of pollution control revenue refunding bonds being issued on the date hereof by Emery County, Utah, Carbon County, Utah, Converse County, Wyoming, Lincoln County, Wyoming, and Moffat County, Colorado (collectively, the *"Other Issuers"*), to refinance certain pollution control or solid waste disposal facilities (the *"Facilities"*) for the benefit of the Company.

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.

Subject to the condition that the Company, the Issuer and the Other Issuers comply with certain covenants made to satisfy pertinent requirements of the Internal Revenue Code of 1954, as amended (the *"1954 Code"*), and the Internal Revenue Code of 1986, we are of the opinion that under present law interest on the Bonds is not includible in gross income of the owners thereof for federal income tax purposes, except for interest on any Bond for any period during which such Bond is owned by a person who is a substantial user of the Project or the Facilities or any person considered to be related to such person (within the meaning of Section 103(b)(13) of the 1954 Code), and interest on the Bonds will not be treated as an item of tax preference in computing the alternative minimum tax for individuals and corporations. Interest on the Bonds will be taken into account, however, in computing an adjustment used in determining the alternative minimum tax for certain corporations. Failure to comply with certain of such covenants could cause the interest on the Bonds to be included in gross income retroactive to the date of issuance of the Bonds. Ownership of the

Bonds may result in other federal tax consequences to certain taxpayers; we express no opinion regarding any such collateral consequences arising with respect to the Bonds. In rendering this opinion, we have relied upon certifications of even date herewith of the Company relating to the Station, the Project and the application of the proceeds of the 1973 Bonds and the Refunded Bonds and the proceeds of the Bonds with respect to certain material facts solely within the knowledge of the Company.

In our opinion, under present Wyoming law, the State of Wyoming imposes no income taxes 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 are not passing upon the Standby Purchase Agreement or any action taken by the Bank in connection therewith. The validity of the Standby Purchase Agreement has been passed upon by Davis Polk & Wardwell.

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

Stoel Rives Boley Jones & Grey has also rendered an opinion of even date herewith, as to the due authorization, execution and delivery of the First Mortgage Bonds and the Mortgage, the validity and binding effect thereof, the enforceability thereof in accordance with their respective terms and the requisite issuance of all orders, approvals, authorizations and consents of any court or administrative or governmental body with respect to the First Mortgage Bonds.

Sue Kearns, County and Prosecuting Attorney and G.R. Stewart, Civil Deputy County Attorney and Prosecuting Attorney of the Issuer, have delivered an opinion of even date herewith with respect to the obligations of the Issuer 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 or the Station.

RJScott:BDPatterson:jgl

Chapman and Cutler

APPENDIX C-6

APPROVING OPINION OF BOND COUNSEL FOR THE MOFFAT BONDS

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Law Offices of

CHAPMAN AND CUTLER

Theodore S. Chapman
1877-1943
Henry E. Cutler
1879-1959

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FAX (801) 533-9595
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2 North Central Avenue
Phoenix, Arizona 85004
(602) 256-4060

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

November 17, 1994

Re: $40,655,000 Moffat County, Colorado,
Pollution Control Revenue Refunding Bonds
(PacifiCorp Project) Series 1994

We hereby certify that we have examined certified copy of the proceedings of record of the Board of County Commissioners of Moffat County, Colorado (the "*Issuer*"), a body corporate and politic of the State of Colorado, preliminary to the issuance by the Issuer of its Pollution Control Revenue Refunding Bonds (PacifiCorp Project) Series 1994, in the aggregate principal amount of $40,655,000 (the "*Bonds*"). The Bonds are being issued pursuant to the provisions of the County and Municipality Development Revenue Bond Act, Colorado Revised Statutes 1973, as amended and supplemented (the "*Act*"), for the purpose of refunding the Issuer's Pollution Control Revenue Bonds, Series 1978 (Colorado-Ute Electric Association, Inc. Project) now outstanding in the amount of $42,855,000 (the "*Refunded Bonds*"). The Refunded Bonds were issued for the purpose of financing a portion of the cost of air and water pollution control facilities (the "*Project*") at the electric generating Units 1 and 2 at the Craig Station steam electric generating station (the "*Station*") in Moffat County, Colorado, for use by the Colorado-Ute Electric Association, Inc. ("*Colorado-Ute*"). Subsequent to the issuance of the Refunded Bonds, PacifiCorp, an Oregon corporation (the "*Company*"), purchased the Project from Colorado-Ute and assumed certain obligations and rights of Colorado-Ute with respect to the Project and the Refunded Bonds. The proceeds of the Bonds, together with other moneys to be provided by the Company, are to be deposited with the trustee for the Refunded Bonds to provide for the payment of the Refunded Bonds.

The Bonds mature on May 1, 2013, 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 said issue of Bonds under the laws of the State of Colorado now in force.

Pursuant to a Loan Agreement, dated as of November 1, 1994 (the *"Loan Agreement"*), by and between the Company and the Issuer, the Issuer has agreed to loan the proceeds from the sale of the Bonds to the Company for the purpose of refunding the Refunded Bonds, and the Company has agreed to pay amounts at least sufficient to pay the principal of, premium, if any, and interest on the Bonds when due, whether at stated maturity, call for redemption or acceleration. The Loan Agreement (an executed counterpart of which has been examined by us) has, in our opinion, been duly authorized, executed and delivered by the Issuer, and, assuming the due authorization, execution and delivery by the Company, is a valid and binding obligation of the Issuer, enforceable in accordance with its terms, subject to the qualification that the enforcement thereof may be limited by bankruptcy, insolvency, reorganization and other similar laws relating to the enforcement of creditors' rights generally or usual equity principles in the event equitable remedies should be sought.

We have also examined an executed counterpart of the Trust Indenture, dated as of November 1, 1994 (the *"Indenture"*), by and between the Issuer and The First National Bank of Chicago, as Trustee (the *"Trustee"*), securing the Bonds and setting forth the covenants and undertakings of the Issuer in connection with the Bonds and making provision under certain conditions for the remarketing of the Bonds by a Remarketing Agent (the *"Remarketing Agent"*), for the fixing of variable interest rates to be borne by the Bonds from time to time, which variable interest rate may be a Daily Interest Rate, a Weekly Interest Rate or a Flexible Interest Rate (each as defined in the Indenture), and for the conversion of the interest rate borne by the Bonds to a different variable interest rate or to a Term Interest Rate (as defined in the Indenture) under certain conditions. The Indenture provides that the Bonds bear interest at a Daily Interest Rate until conversion to a different variable interest rate or to a Term Interest Rate. Under the Indenture, the revenues derived by the Issuer under the Loan Agreement, together with certain of the rights of the Issuer thereunder, are pledged and assigned to the Trustee as security for the Bonds. From such examination, we are of the opinion that the proceedings of the Board of County Commissioners of the Issuer referred to above show lawful authority for the execution and delivery of the Indenture, that the Indenture is a valid and binding obligation of the Issuer, enforceable in accordance with its terms, subject to the qualification that the enforcement thereof may be limited by bankruptcy, insolvency, reorganization and other similar laws relating to the enforcement of creditors' rights generally or usual equity principles in the event equitable remedies should be sought, that the Bonds have been validly issued under the Indenture, and that all requirements under the Indenture precedent to delivery of the Bonds have been satisfied.

In connection with the issuance of the Bonds, the Company has entered into a Standby Bond Purchase Agreement dated as of November 1, 1994 (the *"Standby Purchase Agreement"*), with The Bank of New York (the *"Bank"*). Pursuant to the Standby Purchase Agreement, the Bank has agreed to provide (a) an amount sufficient to pay the purchase price or portion of the purchase price equal to the principal amount of Bonds delivered to the Trustee for purchase and not remarketed, plus (b) an amount equal to 62 days' accrued interest on the outstanding Bonds to pay the portion of the purchase price of the Bonds delivered to the Trustee equal to the accrued interest, if any, on such Bonds. Execution of

the Standby Purchase Agreement, however, does not release the Company from its payment obligation under the Loan Agreement. The stated expiration date of the Standby Purchase Agreement is November 17, 1999, subject to the provisions of the Standby Purchase Agreement.

For the purpose of securing the Company's obligation to repay the loan of the proceeds of sale of the Bonds made to the Company by the Issuer pursuant to the Loan Agreement, the Company has delivered to the Trustee, in trust for the benefit of the holders of the Bonds, its First Mortgage and Collateral Trust Bonds in the aggregate principal amount of $40,655,000 (the *"First Mortgage Bonds"*), issued by the Company under the Mortgage and Deed of Trust, dated as of January 9, 1989, between the Company and Chemical Bank, as successor trustee, as supplemented and amended by ten supplemental indentures, including a Tenth Supplemental Indenture dated as of August 1, 1994 (collectively, the *"Mortgage"*). Pursuant to the provisions of the Indenture, payments by the Company representing principal of and interest on the First Mortgage Bonds are deposited into the Bond Fund created under the Indenture and are used to pay the principal of and interest on the Bonds on an equal and ratable basis as the same become due. The First Mortgage Bonds are being issued as a part of a series of $216,470,000 aggregate principal of First Mortgage and Collateral Trust Bonds pursuant to the Mortgage on the date hereof to secure the Bonds and five other issues of pollution control revenue refunding bonds being issued on the date hereof by Emery County, Utah, Carbon County, Utah, Converse County, Wyoming, Lincoln County, Wyoming, and Sweetwater County, Wyoming (collectively, the *"Other Issuers"*), to refinance certain pollution control or solid waste disposal facilities (the *"Facilities"*) for the benefit of the Company.

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.

Subject to the condition that the Company, the Issuer and the Other Issuers comply with certain covenants made to satisfy pertinent requirements of the Internal Revenue Code of 1954, as amended (the *"1954 Code"*), and the Internal Revenue Code of 1986, we are of the opinion that under present law interest on the Bonds is not includible in gross income of the owners thereof for federal income tax purposes, except for interest on any Bond for any period during which such Bond is owned by a person who is a substantial user of the Project or the Facilities or any person considered to be related to such person (within the meaning of Section 103(b)(13) of the 1954 Code), and interest on the Bonds will not be treated as an item of tax preference in computing the alternative minimum tax for individuals and corporations. Interest on the Bonds will be taken into account, however, in computing an adjustment used in determining the alternative minimum tax for certain corporations. Failure to comply with certain of such covenants could cause the interest on the Bonds to be included in gross income retroactive to the date of issuance of the Bonds. Ownership of the

Bonds may result in other federal tax consequences to certain taxpayers; we express no opinion regarding any such collateral consequences arising with respect to the Bonds. In rendering this opinion, we have relied upon certifications of even date herewith of the Company relating to the Station, the Project and the application of the proceeds of the Refunded Bonds and the proceeds of the Bonds with respect to certain material facts solely within the knowledge of the Company.

In our opinion, under the laws of the State of Colorado, as presently enacted and construed, so long as interest on the Bonds is not included in gross income for federal income tax purposes, interest on the Bonds is not included in Colorado taxable income for purposes of the income tax imposed by the State of Colorado pursuant to Article 22 of Title 39 of the Colorado Revised Statutes, as amended, upon individuals, corporations, and estates and trusts. No opinion is expressed regarding taxation of interest on the Bonds under any other provisions of Colorado law. Ownership of the Bonds may result in other Colorado tax consequences to certain taxpayers and we express no opinion regarding any such collateral consequences arising with respect to the Bonds.

We are not passing upon the Standby Purchase Agreement or any action taken by the Bank in connection therewith. The validity of the Standby Purchase Agreement has been passed upon by Davis Polk & Wardwell.

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

Stoel Rives Boley Jones & Grey has also rendered an opinion of even date herewith, as to the due authorization, execution and delivery of the First Mortgage Bonds and the Mortgage, the validity and binding effect thereof, the enforceability thereof in accordance with their respective terms and the requisite issuance of all orders, approvals, authorizations and consents of any court or administrative or governmental body with respect to the First Mortgage Bonds.

Thomas Thornberry, County Attorney of the Issuer, has delivered an opinion of even date herewith with respect to the obligations of the Issuer under the Bonds, the Loan Agreement and the Indenture.

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

RJScott:DBRohbock:jgl

Chapman and Cutler

APPENDIX D-1

PROPOSED FORM OPINION OF BOND COUNSEL RELATING TO FIRST SUPPLEMENTAL INDENTURE AND FIRST SUPPLEMENTAL LOAN AGREEMENT FOR CARBON BONDS

[LETTERHEAD OF CHAPMAN AND CUTLER LLP]

[DATED THE CLOSING DATE]

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

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

Carbon County, Utah
120 East Main Street
Price, Utah 84510

Ambac Assurance Corporation
One State Street Plaza, 19th Floor
New York, New York 10004

JPMorgan Chase Bank, N.A.
as Agent Bank
270 Park Avenue, 4th Floor
New York, New York 10017

Morgan Stanley & Co. Incorporated
1221 Avenue of the Americas, 30th Floor
New York, New York 10020

Re: $9,365,000
Carbon County, Utah
Pollution Control Revenue Refunding Bonds
(PacifiCorp Project) Series 1994 (the *"Bonds"*)

Ladies and Gentlemen:

This opinion is being furnished in accordance with (a) Sections 12.02(c)(ii) and 12.06 of that certain the Trust Indenture, dated as of November 1, 1994 (the *"Original Indenture"*), between Carbon County, Utah (the *"Issuer"*) and The Bank of New York Mellon Trust Company, N.A., as successor trustee (the *"Trustee"*); (b) Section 1.4 of that certain Release Agreement, dated the date hereof (the *"Release Agreement"*), by and among the Issuer, the Trustee, PacifiCorp (the *"Company"*) and Ambac Assurance Corporation (*"Ambac"*) and (c) Section 5(e)(3)(B) of that certain Remarketing Agreement, dated November 18, 2008, between the Company and Morgan Stanley & Co. Incorporated, as remarketing agent. Prior to the date hereof, payment of principal of and interest on the Bonds was secured by a municipal bond insurance policy issued by Ambac (the *"Insurance Policy"*) and the purchase price of the Bonds

is currently secured by that certain Standby Bond Purchase Agreement, dated February 22, 2006 (the *"Standby Purchase Agreement"*), by and among the Company, the banks party thereto and JPMorgan Chase Bank, N.A., as agent bank. In order to replace the Insurance Policy and the Standby Purchase Agreement with a Letter of Credit to be issued by Wells Fargo Bank, N.A. (the *"Bank"*) for the benefit of the Trustee, and to make certain other permitted changes in connection therewith to the Original Indenture and the Loan Agreement, dated as of November 1, 1994 (the *"Original Loan Agreement"*), between the Issuer and the Company, (a) the Company, pursuant to Section 12.02 of the Original Indenture, has requested the Issuer and the Trustee to enter into the First Supplemental Trust Indenture, dated as of October 1, 2008 (the *"First Supplemental Indenture"*), in order to amend and restate the Original Indenture and (b) the Company and the Issuer, pursuant to Section 12.06 of the Original Indenture and Section 9.04 of the Original Loan Agreement, have determined to enter into the First Supplemental Loan Agreement, dated as of October 1, 2008 (the *"First Supplemental Loan Agreement"*), to amend and restate the Original Loan Agreement. It has been represented to us that the Owners of all of the Bonds have consented to the execution and delivery of the First Supplemental Indenture and the First Supplemental Loan Agreement.

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, including regarding the consent of the Owners, made to us without undertaking to verify the same by independent investigation.

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

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

1. The form of the restated bond prescribed in the First Supplemental Indenture (the *"Restated Bonds"*) satisfies the requirements of the Act and the Original Indenture and the authentication of the Restated Bonds will not adversely affect the Tax-Exempt status of the Bonds.

2. The First Supplemental Indenture is authorized or permitted by the Original Indenture and the Act and complies with their respective terms.

3. The modification, alteration, amendment and supplement of the Original Loan Agreement by the First Supplemental Loan Agreement is authorized or permitted by the Original Loan Agreement or the Original Indenture and the Act and complies with their respective terms.

4. The First Supplemental Indenture and the First Supplemental Loan Agreement will, upon execution and delivery thereof, be valid and binding obligations of the Issuer, enforceable in accordance with their respective 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 equitable principals in the event equitable remedies should be sought.

5. The execution and delivery of the First Supplemental Indenture and the First Supplemental Loan Agreement will not adversely affect the Tax-Exempt status of the Bonds.

6. The release of Ambac from its obligations under the Insurance Policy to pay principal of and interest on the Bonds will not, in and of itself, adversely affect the Tax-Exempt status of the Bonds. Except as expressly stated in the foregoing sentence, we have not been request to express, and do not express, any opinion with respect to such release or the Release Agreement. In rendering this opinion, we have assumed, with your permission, that the release of Ambac from its obligations under the Insurance Policy to pay principal of and interest on the Bonds will not result in the Issuer's capacity to meet the payment obligations on the Bonds changing from being adequate to primarily speculative.

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 Original Indenture, the Original Loan Agreement, the Tax Certificate and other documents relating to the Bonds, or to review any other events that may have occurred since we rendered such approving opinion other than with respect to the Company in connection with the conversion of the interest rate on the Bonds and the execution and delivery of the First Supplemental Indenture and the First Supplemental Loan Agreement and the release of the Insurance Policy. Accordingly, we do not express any opinion with respect to the Bonds, except as described above.

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

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

Respectfully submitted,

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APPENDIX D-2

PROPOSED FORM OPINION OF BOND COUNSEL RELATING TO FIRST SUPPLEMENTAL INDENTURE AND FIRST SUPPLEMENTAL LOAN AGREEMENT FOR CONVERSE BONDS

[LETTERHEAD OF CHAPMAN AND CUTLER LLP]

[DATED THE CLOSING DATE]

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

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

Converse County, Wyoming
107 North 5th Street
Douglas, Wyoming 82633

Ambac Assurance Corporation
One State Street Plaza, 19th Floor
New York, New York 10004

JPMorgan Chase Bank, N.A.,
as Agent Bank
270 Park Avenue, 4th Floor
New York, New York 10017

Banc of America Securities LLC
One Bryant Park, 11th Floor
New York, New York 10036

Re: $8,190,000
Converse County, Wyoming
Pollution Control Revenue Refunding Bonds
(PacifiCorp Project) Series 1994 (the *"Bonds"*)

Ladies and Gentlemen:

This opinion is being furnished in accordance with (a) Sections 12.02(c)(ii) and 12.06 of that certain the Trust Indenture, dated as of November 1, 1994 (the *"Original Indenture"*), between Converse County, Wyoming (the *"Issuer"*) and The Bank of New York Mellon Trust Company, N.A., as successor trustee (the *"Trustee"*); (b) Section 1.4 of that certain Release Agreement, dated the date hereof (the *"Release Agreement"*), by and among the Issuer, the Trustee, PacifiCorp (the *"Company"*) and Ambac Assurance Corporation (*"Ambac"*) and (c) Section 5(e)(3)(B) of that certain Remarketing Agreement, dated November 18, 2008, between the Company and Banc of America Securities LLC, as remarketing agent. Prior to the date hereof, payment of principal of and interest on the Bonds was secured by a municipal bond insurance policy issued by Ambac (the *"Insurance Policy"*) and the purchase price of the Bonds

is currently secured by that certain Standby Bond Purchase Agreement, dated February 22, 2006 (the *"Standby Purchase Agreement"*), by and among the Company, the banks party thereto and JPMorgan Chase Bank, N.A., as agent bank. In order to replace the Insurance Policy and the Standby Purchase Agreement with a Letter of Credit to be issued by Wells Fargo Bank, N.A. (the *"Bank"*) for the benefit of the Trustee, and to make certain other permitted changes in connection therewith to the Original Indenture and the Loan Agreement, dated as of November 1, 1994 (the *"Original Loan Agreement"*), between the Issuer and the Company, (a) the Company, pursuant to Section 12.02 of the Original Indenture, has requested the Issuer and the Trustee to enter into the First Supplemental Trust Indenture, dated as of October 1, 2008 (the *"First Supplemental Indenture"*), in order to amend and restate the Original Indenture and (b) the Company and the Issuer, pursuant to Section 12.06 of the Original Indenture and Section 9.04 of the Original Loan Agreement, have determined to enter into the First Supplemental Loan Agreement, dated as of October 1, 2008 (the *"First Supplemental Loan Agreement"*), to amend and restate the Original Loan Agreement. It has been represented to us that the Owners of all of the Bonds have consented to the execution and delivery of the First Supplemental Indenture and the First Supplemental Loan Agreement.

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, including regarding the consent of the Owners, made to us without undertaking to verify the same by independent investigation.

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

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

1. The form of the restated bond prescribed in the First Supplemental Indenture (the *"Restated Bonds"*) satisfies the requirements of the Act and the Original Indenture and the authentication of the Restated Bonds will not adversely affect the Tax-Exempt status of the Bonds.

2. The First Supplemental Indenture is authorized or permitted by the Original Indenture and the Act and complies with their respective terms.

3. The modification, alteration, amendment and supplement of the Original Loan Agreement by the First Supplemental Loan Agreement is authorized or permitted by the Original Loan Agreement or the Original Indenture and the Act and complies with their respective terms.

4. The First Supplemental Indenture and the First Supplemental Loan Agreement will, upon execution and delivery thereof, be valid and binding obligations of the Issuer, enforceable in accordance with their respective 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 equitable principals in the event equitable remedies should be sought.

5. The execution and delivery of the First Supplemental Indenture and the First Supplemental Loan Agreement will not adversely affect the Tax-Exempt status of the Bonds.

6. The release of Ambac from its obligations under the Insurance Policy to pay principal of and interest on the Bonds will not, in and of itself, adversely affect the Tax-Exempt status of the Bonds. Except as expressly stated in the foregoing sentence, we have not been request to express, and do not express, any opinion with respect to such release or the Release Agreement. In rendering this opinion, we have assumed, with your permission, that the release of Ambac from its obligations under the Insurance Policy to pay principal of and interest on the Bonds will not result in the Issuer's capacity to meet the payment obligations on the Bonds changing from being adequate to primarily speculative.

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 Original Indenture, the Original Loan Agreement, the Tax Certificate and other documents relating to the Bonds, or to review any other events that may have occurred since we rendered such approving opinion other than with respect to the Company in connection with the conversion of the interest rate on the Bonds and the execution and delivery of the First Supplemental Indenture and the First Supplemental Loan Agreement and the release of the Insurance Policy. Accordingly, we do not express any opinion with respect to the Bonds, except as described above.

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

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

Respectfully submitted,

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APPENDIX D-3

PROPOSED FORM OPINION OF BOND COUNSEL RELATING TO FIRST SUPPLEMENTAL INDENTURE AND FIRST SUPPLEMENTAL LOAN AGREEMENT FOR EMERY BONDS

[LETTERHEAD OF CHAPMAN AND CUTLER LLP]

[DATED THE CLOSING DATE]

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

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

Emery County, Utah
75 East Main Street
Castle Dale, Utah 84513

Ambac Assurance Corporation
One State Street Plaza, 19th Floor
New York, New York 10004

The Bank of Nova Scotia, New York Agency,
as Agent Bank
1 Liberty Plaza
New York, New York 10006

Wells Fargo Brokerage Services, LLC
MAC N9303-105
608 Second Avenue South
Minneapolis, Minnesota 55479

Re: $121,940,000
Emery County, Utah
Pollution Control Revenue Refunding Bonds
(PacifiCorp Project) Series 1994 (the *"Bonds"*)

Ladies and Gentlemen:

This opinion is being furnished in accordance with (a) Sections 12.02(c)(ii) and 12.06 of that certain the Trust Indenture, dated as of November 1, 1994 (the *"Original Indenture"*), between Emery County, Utah (the *"Issuer"*) and The Bank of New York Mellon Trust Company, N.A., as successor trustee (the *"Trustee"*); (b) Section 1.4 of that certain Release Agreement, dated the date hereof (the *"Release Agreement"*), by and among the Issuer, the Trustee, PacifiCorp (the *"Company"*) and Ambac Assurance Corporation (*"Ambac"*) and (c) Section 5(e)(3)(B) of that certain Remarketing Agreement, dated November 18, 2008, between the Company and Wells Fargo Brokerage Services, LLC, as remarketing agent. Prior to the date hereof, payment of principal of and interest on the Bonds was secured by a municipal bond insurance policy issued by Ambac (the *"Insurance Policy"*) and the purchase price of the Bonds

is currently secured by that certain Standby Bond Purchase Agreement, dated May 3, 2006 (the *"Standby Purchase Agreement"*), by and among the Company, the banks party thereto and The Bank of Nova Scotia, New York Agency, as agent bank. In order to replace the Insurance Policy and the Standby Purchase Agreement with a Letter of Credit to be issued by Wells Fargo Bank, N.A. (the *"Bank"*) for the benefit of the Trustee, and to make certain other permitted changes in connection therewith to the Original Indenture and the Loan Agreement, dated as of November 1, 1994 (the *"Original Loan Agreement"*), between the Issuer and the Company, (a) the Company, pursuant to Section 12.02 of the Original Indenture, has requested the Issuer and the Trustee to enter into the First Supplemental Trust Indenture, dated as of October 1, 2008 (the *"First Supplemental Indenture"*), in order to amend and restate the Original Indenture and (b) the Company and the Issuer, pursuant to Section 12.06 of the Original Indenture and Section 9.04 of the Original Loan Agreement, have determined to enter into the First Supplemental Loan Agreement, dated as of October 1, 2008 (the *"First Supplemental Loan Agreement"*), to amend and restate the Original Loan Agreement. It has been represented to us that the Owners of all of the Bonds have consented to the execution and delivery of the First Supplemental Indenture and the First Supplemental Loan Agreement.

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, including regarding the consent of the Owners, made to us without undertaking to verify the same by independent investigation.

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

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

1. The form of the restated bond prescribed in the First Supplemental Indenture (the *"Restated Bonds"*) satisfies the requirements of the Act and the Original Indenture and the authentication of the Restated Bonds will not adversely affect the Tax-Exempt status of the Bonds.

2. The First Supplemental Indenture is authorized or permitted by the Original Indenture and the Act and complies with their respective terms.

3. The modification, alteration, amendment and supplement of the Original Loan Agreement by the First Supplemental Loan Agreement is authorized or permitted by the Original Loan Agreement or the Original Indenture and the Act and complies with their respective terms.

4. The First Supplemental Indenture and the First Supplemental Loan Agreement will, upon execution and delivery thereof, be valid and binding obligations of the Issuer, enforceable in accordance with their respective 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 equitable principals in the event equitable remedies should be sought.

5. The execution and delivery of the First Supplemental Indenture and the First Supplemental Loan Agreement will not adversely affect the Tax-Exempt status of the Bonds.

6. The release of Ambac from its obligations under the Insurance Policy to pay principal of and interest on the Bonds will not, in and of itself, adversely affect the Tax-Exempt status of the Bonds. Except as expressly stated in the foregoing sentence, we have not been request to express, and do not express, any opinion with respect to such release or the Release Agreement. In rendering this opinion, we have assumed, with your permission, that the release of Ambac from its obligations under the Insurance Policy to pay principal of and interest on the Bonds will not result in the Issuer's capacity to meet the payment obligations on the Bonds changing from being adequate to primarily speculative.

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 Original Indenture, the Original Loan Agreement, the Tax Certificate and other documents relating to the Bonds, or to review any other events that may have occurred since we rendered such approving opinion other than with respect to the Company in connection with the conversion of the interest rate on the Bonds and the execution and delivery of the First Supplemental Indenture and the First Supplemental Loan Agreement and the release of the Insurance Policy. Accordingly, we do not express any opinion with respect to the Bonds, except as described above.

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

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

Respectfully submitted,

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APPENDIX D-4

PROPOSED FORM OPINION OF BOND COUNSEL RELATING TO FIRST SUPPLEMENTAL INDENTURE AND FIRST SUPPLEMENTAL LOAN AGREEMENT FOR LINCOLN BONDS

[LETTERHEAD OF CHAPMAN AND CUTLER LLP]

[DATED THE CLOSING DATE]

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

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

Lincoln County, Wyoming
925 Sage, Suite 302
Kemmerer, Wyoming 83101

Ambac Assurance Corporation
One State Street Plaza, 19th Floor
New York, New York 10004

JPMorgan Chase Bank, N.A.,
as Agent Bank
270 Park Avenue, 4th Floor
New York, New York 10017

Banc of America Securities LLC
One Bryant Park, 11th Floor
New York, New York 10036

Re: $15,060,000
Lincoln County, Wyoming
Pollution Control Revenue Refunding Bonds
(PacifiCorp Project) Series 1994 (the *"Bonds"*)

Ladies and Gentlemen:

This opinion is being furnished in accordance with (a) Sections 12.02(c)(ii) and 12.06 of that certain the Trust Indenture, dated as of November 1, 1994 (the *"Original Indenture"*), between Lincoln County, Wyoming (the *"Issuer"*) and The Bank of New York Mellon Trust Company, N.A., as successor trustee (the *"Trustee"*); (b) Section 1.4 of that certain Release Agreement, dated the date hereof (the *"Release Agreement"*), by and among the Issuer, the Trustee, PacifiCorp (the *"Company"*) and Ambac Assurance Corporation (*"Ambac"*) and (c) Section 5(e)(3)(B) of that certain Remarketing Agreement, dated November 18, 2008, between the Company and Banc of America Securities LLC, as remarketing agent. Prior to the date hereof, payment of principal of and interest on the Bonds was secured by a municipal bond insurance policy issued by Ambac (the *"Insurance Policy"*) and the purchase price of the Bonds

is currently secured by that certain Standby Bond Purchase Agreement, dated February 22, 2006 (the *"Standby Purchase Agreement"*), by and among the Company, the banks party thereto and JPMorgan Chase Bank, N.A., as agent bank. In order to replace the Insurance Policy and the Standby Purchase Agreement with a Letter of Credit to be issued by Wells Fargo Bank, N.A. (the *"Bank"*) for the benefit of the Trustee, and to make certain other permitted changes in connection therewith to the Original Indenture and the Loan Agreement, dated as of November 1, 1994 (the *"Original Loan Agreement"*), between the Issuer and the Company, (a) the Company, pursuant to Section 12.02 of the Original Indenture, has requested the Issuer and the Trustee to enter into the First Supplemental Trust Indenture, dated as of October 1, 2008 (the *"First Supplemental Indenture"*), in order to amend and restate the Original Indenture and (b) the Company and the Issuer, pursuant to Section 12.06 of the Original Indenture and Section 9.04 of the Original Loan Agreement, have determined to enter into the First Supplemental Loan Agreement, dated as of October 1, 2008 (the *"First Supplemental Loan Agreement"*), to amend and restate the Original Loan Agreement. It has been represented to us that the Owners of all of the Bonds have consented to the execution and delivery of the First Supplemental Indenture and the First Supplemental Loan Agreement.

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, including regarding the consent of the Owners, made to us without undertaking to verify the same by independent investigation.

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

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

1. The form of the restated bond prescribed in the First Supplemental Indenture (the *"Restated Bonds"*) satisfies the requirements of the Act and the Original Indenture and the authentication of the Restated Bonds will not adversely affect the Tax-Exempt status of the Bonds.

2. The First Supplemental Indenture is authorized or permitted by the Original Indenture and the Act and complies with their respective terms.

3. The modification, alteration, amendment and supplement of the Original Loan Agreement by the First Supplemental Loan Agreement is authorized or permitted by the Original Loan Agreement or the Original Indenture and the Act and complies with their respective terms.

4. The First Supplemental Indenture and the First Supplemental Loan Agreement will, upon execution and delivery thereof, be valid and binding obligations of the Issuer, enforceable in accordance with their respective 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 equitable principals in the event equitable remedies should be sought.

5. The execution and delivery of the First Supplemental Indenture and the First Supplemental Loan Agreement will not adversely affect the Tax-Exempt status of the Bonds.

6. The release of Ambac from its obligations under the Insurance Policy to pay principal of and interest on the Bonds will not, in and of itself, adversely affect the Tax-Exempt status of the Bonds. Except as expressly stated in the foregoing sentence, we have not been request to express, and do not express, any opinion with respect to such release or the Release Agreement. In rendering this opinion, we have assumed, with your permission, that the release of Ambac from its obligations under the Insurance Policy to pay principal of and interest on the Bonds will not result in the Issuer's capacity to meet the payment obligations on the Bonds changing from being adequate to primarily speculative.

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 Original Indenture, the Original Loan Agreement, the Tax Certificate and other documents relating to the Bonds, or to review any other events that may have occurred since we rendered such approving opinion other than with respect to the Company in connection with the conversion of the interest rate on the Bonds and the execution and delivery of the First Supplemental Indenture and the First Supplemental Loan Agreement and the release of the Insurance Policy. Accordingly, we do not express any opinion with respect to the Bonds, except as described above.

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

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

Respectfully submitted,

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APPENDIX D-5

PROPOSED FORM OPINION OF BOND COUNSEL RELATING TO FIRST SUPPLEMENTAL INDENTURE AND FIRST SUPPLEMENTAL LOAN AGREEMENT FOR MOFFAT BONDS

[LETTERHEAD OF CHAPMAN AND CUTLER LLP]

[DATED THE CLOSING DATE]

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

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

Moffat County, Colorado
221 West Victory Way, Suite 120
Craig, Colorado 81625

Ambac Assurance Corporation
One State Street Plaza, 19th Floor
New York, New York 10004

JPMorgan Chase Bank, N.A.,
as Agent Bank
270 Park Avenue, 4th Floor
New York, New York 10017

Morgan Stanley & Co. Incorporated
1221 Avenue of the Americas, 30th Floor
New York, New York 10020

Re: $40,655,000
Moffat County, Colorado
Pollution Control Revenue Refunding Bonds
(PacifiCorp Project) Series 1994 (the *"Bonds"*)

Ladies and Gentlemen:

This opinion is being furnished in accordance with (a) Sections 12.02(c)(ii) and 12.06 of that certain the Trust Indenture, dated as of November 1, 1994 (the *"Original Indenture"*), between Moffat County, Colorado (the *"Issuer"*) and The Bank of New York Mellon Trust Company, N.A., as successor trustee (the *"Trustee"*); (b) Section 1.4 of that certain Release Agreement, dated the date hereof (the *"Release Agreement"*), by and among the Issuer, the Trustee, PacifiCorp (the *"Company"*) and Ambac Assurance Corporation (*"Ambac"*) and (c) Section 5(e)(3)(B) of that certain Remarketing Agreement, dated November 18, 2008, between the Company and Morgan Stanley & Co. Incorporated, as remarketing agent. Prior to the date hereof, payment of principal of and interest on the Bonds was secured by a municipal bond insurance policy issued by Ambac (the *"Insurance Policy"*) and the purchase price of the Bonds

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is currently secured by that certain Standby Bond Purchase Agreement, dated February 22, 2006 (the *"Standby Purchase Agreement"*), by and among the Company, the banks party thereto and JPMorgan Chase Bank, N.A., as agent bank. In order to replace the Insurance Policy and the Standby Purchase Agreement with a Letter of Credit to be issued by Wells Fargo Bank, N.A. (the *"Bank"*) for the benefit of the Trustee, and to make certain other permitted changes in connection therewith to the Original Indenture and the Loan Agreement, dated as of November 1, 1994 (the *"Original Loan Agreement"*), between the Issuer and the Company, (a) the Company, pursuant to Section 12.02 of the Original Indenture, has requested the Issuer and the Trustee to enter into the First Supplemental Trust Indenture, dated as of October 1, 2008 (the *"First Supplemental Indenture"*), in order to amend and restate the Original Indenture and (b) the Company and the Issuer, pursuant to Section 12.06 of the Original Indenture and Section 9.04 of the Original Loan Agreement, have determined to enter into the First Supplemental Loan Agreement, dated as of October 1, 2008 (the *"First Supplemental Loan Agreement"*), to amend and restate the Original Loan Agreement. It has been represented to us that the Owners of all of the Bonds have consented to the execution and delivery of the First Supplemental Indenture and the First Supplemental Loan Agreement.

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, including regarding the consent of the Owners, made to us without undertaking to verify the same by independent investigation.

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

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

1. The form of the restated bond prescribed in the First Supplemental Indenture (the *"Restated Bonds"*) satisfies the requirements of the Act and the Original Indenture and the authentication of the Restated Bonds will not adversely affect the Tax-Exempt status of the Bonds.

2. The First Supplemental Indenture is authorized or permitted by the Original Indenture and the Act and complies with their respective terms.

3. The modification, alteration, amendment and supplement of the Original Loan Agreement by the First Supplemental Loan Agreement is authorized or permitted by the Original Loan Agreement or the Original Indenture and the Act and complies with their respective terms.

4. The First Supplemental Indenture and the First Supplemental Loan Agreement will, upon execution and delivery thereof, be valid and binding obligations of the Issuer, enforceable in accordance with their respective 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 equitable principals in the event equitable remedies should be sought.

5. The execution and delivery of the First Supplemental Indenture and the First Supplemental Loan Agreement will not adversely affect the Tax-Exempt status of the Bonds.

6. The release of Ambac from its obligations under the Insurance Policy to pay principal of and interest on the Bonds will not, in and of itself, adversely affect the Tax-Exempt status of the Bonds. Except as expressly stated in the foregoing sentence, we have not been request to express, and do not express, any opinion with respect to such release or the Release Agreement. In rendering this opinion, we have assumed, with your permission, that the release of Ambac from its obligations under the Insurance Policy to pay principal of and interest on the Bonds will not result in the Issuer's capacity to meet the payment obligations on the Bonds changing from being adequate to primarily speculative.

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 Original Indenture, the Original Loan Agreement, the Tax Certificate and other documents relating to the Bonds, or to review any other events that may have occurred since we rendered such approving opinion other than with respect to the Company in connection with the conversion of the interest rate on the Bonds and the execution and delivery of the First Supplemental Indenture and the First Supplemental Loan Agreement and the release of the Insurance Policy. Accordingly, we do not express any opinion with respect to the Bonds, except as described above.

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

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

Respectfully submitted,

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APPENDIX D-6

PROPOSED FORM OPINION OF BOND COUNSEL RELATING TO FIRST SUPPLEMENTAL INDENTURE AND FIRST SUPPLEMENTAL LOAN AGREEMENT FOR SWEETWATER BONDS

[LETTERHEAD OF CHAPMAN AND CUTLER LLP]

[DATED THE CLOSING DATE]

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

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

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

Ambac Assurance Corporation
One State Street Plaza, 19th Floor
New York, New York 10004

JPMorgan Chase Bank, N.A.,
as Agent Bank
270 Park Avenue, 4th Floor
New York, New York 10017

Morgan Stanley & Co. Incorporated
1221 Avenue of the Americas, 30th Floor
New York, New York 10020

Re: $21,260,000
Sweetwater County, Wyoming
Pollution Control Revenue Refunding Bonds
(PacifiCorp Project) Series 1994 (the *"Bonds"*)

Ladies and Gentlemen:

This opinion is being furnished in accordance with (a) Sections 12.02(c)(ii) and 12.06 of that certain the Trust Indenture, dated as of November 1, 1994 (the *"Original Indenture"*), between Sweetwater County, Wyoming (the *"Issuer"*) and The Bank of New York Mellon Trust Company, N.A., as successor trustee (the *"Trustee"*); (b) Section 1.4 of that certain Release Agreement, dated the date hereof (the *"Release Agreement"*), by and among the Issuer, the Trustee, PacifiCorp (the *"Company"*) and Ambac Assurance Corporation (*"Ambac"*) and (c) Section 5(e)(3)(B) of that certain Remarketing Agreement, dated November 18, 2008, between the Company and Morgan Stanley & Co. Incorporated, as remarketing agent. Prior to the date hereof, payment of principal of and interest on the Bonds was secured by a municipal bond insurance policy issued by Ambac (the *"Insurance Policy"*) and the purchase price of the Bonds

is currently secured by that certain Standby Bond Purchase Agreement, dated February 22, 2006 (the *"Standby Purchase Agreement"*), by and among the Company, the banks party thereto and JPMorgan Chase Bank, N.A., as agent bank. In order to replace the Insurance Policy and the Standby Purchase Agreement with a Letter of Credit to be issued by Wells Fargo Bank, N.A. (the *"Bank"*) for the benefit of the Trustee, and to make certain other permitted changes in connection therewith to the Original Indenture and the Loan Agreement, dated as of November 1, 1994 (the *"Original Loan Agreement"*), between the Issuer and the Company, (a) the Company, pursuant to Section 12.02 of the Original Indenture, has requested the Issuer and the Trustee to enter into the First Supplemental Trust Indenture, dated as of October 1, 2008 (the *"First Supplemental Indenture"*), in order to amend and restate the Original Indenture and (b) the Company and the Issuer, pursuant to Section 12.06 of the Original Indenture and Section 9.04 of the Original Loan Agreement, have determined to enter into the First Supplemental Loan Agreement, dated as of October 1, 2008 (the *"First Supplemental Loan Agreement"*), to amend and restate the Original Loan Agreement. It has been represented to us that the Owners of all of the Bonds have consented to the execution and delivery of the First Supplemental Indenture and the First Supplemental Loan Agreement.

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, including regarding the consent of the Owners, made to us without undertaking to verify the same by independent investigation.

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

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

1. The form of the restated bond prescribed in the First Supplemental Indenture (the *"Restated Bonds"*) satisfies the requirements of the Act and the Original Indenture and the authentication of the Restated Bonds will not adversely affect the Tax-Exempt status of the Bonds.

2. The First Supplemental Indenture is authorized or permitted by the Original Indenture and the Act and complies with their respective terms.

3. The modification, alteration, amendment and supplement of the Original Loan Agreement by the First Supplemental Loan Agreement is authorized or permitted by the Original Loan Agreement or the Original Indenture and the Act and complies with their respective terms.

4. The First Supplemental Indenture and the First Supplemental Loan Agreement will, upon execution and delivery thereof, be valid and binding obligations of the Issuer, enforceable in accordance with their respective 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 equitable principals in the event equitable remedies should be sought.

5. The execution and delivery of the First Supplemental Indenture and the First Supplemental Loan Agreement will not adversely affect the Tax-Exempt status of the Bonds.

6. The release of Ambac from its obligations under the Insurance Policy to pay principal of and interest on the Bonds will not, in and of itself, adversely affect the Tax-Exempt status of the Bonds. Except as expressly stated in the foregoing sentence, we have not been request to express, and do not express, any opinion with respect to such release or the Release Agreement. In rendering this opinion, we have assumed, with your permission, that the release of Ambac from its obligations under the Insurance Policy to pay principal of and interest on the Bonds will not result in the Issuer's capacity to meet the payment obligations on the Bonds changing from being adequate to primarily speculative.

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 Original Indenture, the Original Loan Agreement, the Tax Certificate and other documents relating to the Bonds, or to review any other events that may have occurred since we rendered such approving opinion other than with respect to the Company in connection with the conversion of the interest rate on the Bonds and the execution and delivery of the First Supplemental Indenture and the First Supplemental Loan Agreement and the release of the Insurance Policy. Accordingly, we do not express any opinion with respect to the Bonds, except as described above.

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

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

Respectfully submitted,

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APPENDIX E

FORM OF LETTER OF CREDIT

IRREVOCABLE LETTER OF CREDIT

November 19, 2008

Letter of Credit No. __________

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

Ladies and Gentlemen:

We hereby establish in your favor, as Trustee for the benefit of the owners of the Bonds under the Indenture described below, at the request and for the account of PacifiCorp, an Oregon corporation, our irrevocable letter of credit in the amount of U.S. $ (________________ Dollars) in connection with the Bonds (as defined below) available with ourselves by sight payment against presentation of one or more signed and dated demands addressed by you to Wells Fargo Bank, National Association, Letter of Credit Operations Office, San Francisco, California, each in the form of Annex A (an "A Drawing"), Annex B (a "B Drawing"), Annex C (a "C Drawing"), or Annex D (a "D Drawing") hereto, with all instructions in brackets therein being complied with. Each such demand must be presented to us in its original form at the Presentation Office (as hereinafter defined) or by facsimile transmission of such original form to us at (415) 296-8905.

Each such presentation must be made at or before 5:00 p.m. San Francisco time on a Business Day (as hereinafter defined) to our Letter of Credit Operations Office in San Francisco, California, presently located at One Front Street, 21st Floor, San Francisco, California 94111, (the "Presentation Office").

This Letter of Credit expires at our Letter of Credit Operations Office in San Francisco, California on November 19, 2009, but shall be automatically extended, without written amendment to, and shall expire on, November 19, 2010 unless on or before October 20, 2009, you have received written notice from us sent by express courier or registered mail to your address above or by facsimile transmission to (312) 827-8542 (the "Fax Number"), that we elect not to extend this Letter of Credit beyond November 19, 2009. (The date on which this Letter of Credit expires pursuant to the preceding sentence, or if such date is not a Business Day then the first (1st) succeeding Business Day thereafter, will be hereinafter referred to as the "Expiration Date".) To be effective, the notice from us described in the first sentence of this paragraph must be received by you on or before October 20, 2009.

As used herein the term "Business Day" shall mean a day on which our San Francisco Letter of Credit Operations Office is open for business.

The amount of any demand presented hereunder will be the amount inserted in numbered Paragraph 4 of said demand. By honoring any such demand we make no representation as to the correctness of the amount demanded.

We hereby agree with you that each demand presented hereunder in full compliance with the terms hereof will be duly honored by our payment to you of the amount of such demand, in immediately available funds of Wells Fargo Bank, National Association:

(i) not later than 10:00 a.m., San Francisco time, on the Business Day following the Business Day on which such demand is presented to us as aforesaid if such presentation is made to us at or before noon, San Francisco time, or

(ii) not later than 10:00 a.m., San Francisco time, on the second Business Day following the Business Day on which such demand is presented to us as aforesaid, if such presentation is made to us after noon, San Francisco time.

Notwithstanding the foregoing, any demand presented hereunder, in full compliance with the terms hereof, for a C Drawing will be duly honored (i) not later than 11:30 a.m., San Francisco time, on the Business Day on which such demand is presented to us as aforesaid if such presentation is made to us at or before 9:00 a.m., San Francisco time, and (ii) not later than 11:00 a.m., San Francisco time, on the Business Day following the Business Day on which such demand is presented to us as aforesaid if such presentation is made to us after 9:00 a.m., San Francisco time.

If the remittance instructions included with any demand presented under this Letter of Credit require that payment is to be made by transfer to an account with us or with another bank, we and/or such other bank may rely solely on the account number specified in such instructions even if the account is in the name of a person or entity different from the intended payee.

With respect to any demand that is honored hereunder, the total amount of this Letter of Credit shall be reduced as follows:

(A) With respect to each A Drawing paid by us, the total amount of this Letter of Credit shall be reduced by the amount of such A Drawing with respect to all demands presented to us after the time we receive such A Drawing; provided, however, that the amount of such A Drawing shall be automatically reinstated on the eighth (8th) Business Day following the date such A Drawing is honored by us, unless (i) you shall have received notice from us sent to you at your above address by express courier or registered mail or by facsimile transmission to the Fax Number, no later than seven (7) Business Days after such A Drawing is honored by us that there shall be no such reinstatement, or (ii) such eighth (8th) Business Day falls after the Expiration Date;

(B) With respect to each B Drawing paid by us, the total amount of this Letter of Credit shall be reduced by the sum of (1) the amount inserted as principal in paragraph 5(A) of the applicable demand plus (2) the **greater** of (a) the amount inserted as interest in paragraph 5(B) of the applicable demand and (b) interest on the amount inserted as principal in paragraph 5(A) of the applicable demand

calculated for 48 days at the rate of twelve percent (12%) per annum based on a year of 365 days (with any fraction of a cent being rounded upward to the nearest whole cent) with respect to all demands presented to us after the time we receive such B Drawing and shall not be reinstated;

(C) With respect to each C Drawing paid by us, the total amount of this Letter of Credit shall be reduced with respect to all demands presented to us after the time we receive such C Drawing by the sum of (1) the amount inserted as principal in paragraph 5(A) of the C Drawing plus (2) the **greater** of (a) the amount inserted as interest in paragraph 5(B) of the C Drawing and (b) interest on the amount inserted as principal in paragraph 5(A) of the C Drawing calculated for 48 days at the rate of twelve percent (12%) per annum based on a year of 365 days (with any fraction of a cent being rounded upward to the nearest whole cent); provided, however, that if the Bonds (as defined below) related to such C Drawing are remarketed and the remarketing proceeds are paid to us prior to the Expiration Date, then on the day we receive such remarketing proceeds the amount of this Letter of Credit shall be reinstated by an amount which equals the sum of (i) the amount paid to us from such remarketing proceeds and (ii) interest on such amount calculated for the same number of days, at the same interest rate, and on the basis of a year of the same number of days as is specified in (2)(b) of this paragraph (C) (with any fraction of a cent being rounded upward to the nearest whole cent), with such reinstatement and its amount being promptly advised to you; provided, however, that in no event will the total amount of all C Drawing reinstatements exceed the total amount of all Letter of Credit reductions made pursuant to this paragraph (C).

Upon presentation to us of a D Drawing in compliance with the terms of this Letter of Credit, no further demand whatsoever may be presented hereunder.

No more than one A Drawing which we honor shall be presented to us during any consecutive twenty-seven (27) calendar day period. No A Drawing which we honor shall be for an amount more than U.S. $_______.

It is a condition of this Letter of Credit that the amount available for drawing under this Letter of Credit shall be decreased automatically without amendment upon our receipt of each reduction authorization in the form of Annex E to this Letter of Credit (with all instructions therein in brackets being complied with) sent to us at the Presentation Office as a signed and dated original form or sent to us as an authenticated SWIFT message at the SWIFT Address.

This Letter of Credit is subject to, and engages us in accordance with the terms of, the Uniform Customs and Practice for Documentary Credits (2007 Revision), Publication No. 600 of the International Chamber of Commerce (the "UCP"); provided, however, that if any provision of the UCP contradicts a provision of this Letter of Credit such provision of the UCP will not be applicable to this Letter of Credit, and provided further that Article 32, the second sentence of Article 36, and subsection (e) of Article 38 of the UCP shall not apply to this Letter of Credit. Furthermore, as provided in the first sentence of Article 36 of the UCP, we assume no liability or responsibility for consequences arising out of the interruption of our business by Acts of God,

riots, civil commotions, insurrections, wars, acts of terrorism, or by any strikes or lockouts, or any other causes beyond our control. Matters related to this Letter of Credit which are not covered by the UCP will be governed by the laws of the State of California, including, without limitation, the Uniform Commercial Code as in effect in the State of California, except to the extent such laws are inconsistent with the provisions of the UCP or this Letter of Credit.

This Letter of Credit is transferable and may be transferred more than once, but in each case only in the amount of the full unutilized balance hereof to any single transferee who you shall have advised us pursuant to Annex F has succeeded The Bank of New York Mellon Trust Company, N.A. or a successor trustee as Trustee under the Trust Indenture dated as of November 1, 1994, as amended and restated by a First Supplemental Trust Indenture dated as of October 1, 2008, as further amended or supplemented from time to time (the "Indenture") between __________ County, _________ (the "Issuer") and The Bank of New York Mellon Trust Company, N.A., as Trustee, pursuant to which U.S. $_________ in aggregate principal amount of the Issuer's Pollution Control Revenue Refunding Bonds (PacifiCorp Project) Series 1994 (the "Bonds") were issued. Transfers may be effected without charge to the transferor and only through ourselves and only upon presentation to us at the Presentation Office of a duly executed instrument of transfer in the form attached hereto as Annex F. Any transfer of this Letter of Credit as aforesaid must be endorsed by us on the reverse hereof and may not change the place of presentation of demands from our Letter of Credit Operations Office in San Francisco, California.

All payments hereunder shall be made from our own funds.

This Letter of Credit sets forth in full our undertaking, and such undertaking shall not in any way be modified, amended, amplified or limited by reference to any document, instrument or agreement referred to herein (including, without limitation, the Bonds and the Indenture), except the UCP to the extent the UCP is not inconsistent with or made inapplicable by this Letter of Credit; and any such reference shall not be deemed to incorporate herein by reference any document, instrument or agreement except the UCP.

WELLS FARGO BANK, NATIONAL ASSOCIATION

By: ________________________________

Authorized Signature

Letter of Credit Operations Office
Telephone No.: 1-800-798-2815
Facsimile No.: (415) 296-8905

Annex A to Wells Fargo Bank, National Association
Irrevocable Letter of Credit No. __________

WELLS FARGO BANK, NATIONAL ASSOCIATION
LETTER OF CREDIT OPERATIONS OFFICE
ONE FRONT STREET, 21ST FLOOR
SAN FRANCISCO, CALIFORNIA 94111

FOR THE URGENT ATTENTION OF LETTER OF CREDIT MANAGER

[**INSERT NAME OF BENEFICIARY**] (THE "TRUSTEE") HEREBY CERTIFIES TO WELLS FARGO BANK, NATIONAL ASSOCIATION (THE "BANK") WITH REFERENCE TO IRREVOCABLE LETTER OF CREDIT NO. __________ (THE "LETTER OF CREDIT"; THE TERMS THE "BONDS", "BUSINESS DAY", THE "INDENTURE", AND THE "PRESENTATION OFFICE" USED HEREIN SHALL HAVE THEIR RESPECTIVE MEANINGS SET FORTH IN THE LETTER OF CREDIT) THAT:

(1) THE TRUSTEE IS THE TRUSTEE OR A SUCCESSOR TRUSTEE UNDER THE INDENTURE.

(2) THE TRUSTEE IS MAKING A DEMAND UNDER THE LETTER OF CREDIT FOR PAYMENT, ON AN INTEREST PAYMENT DATE (AS DEFINED IN THE INDENTURE), OF UNPAID INTEREST ON THE BONDS.

(3) THE AMOUNT OF THIS DEMAND FOR PAYMENT WAS COMPUTED IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THE BONDS AND THE INDENTURE AND IS DEMANDED IN ACCORDANCE WITH THE INDENTURE, WHICH AMOUNT PLEASE REMIT TO THE UNDERSIGNED AS FOLLOWS:

[**INSERT REMITTANCE INSTRUCTIONS**].

(4) THE AMOUNT HEREBY DEMANDED UNDER THE LETTER OF CREDIT IS $[**INSERT AMOUNT**].

(5) THE TRUSTEE HAS CONTACTED OR ATTEMPTED TO CONTACT BY TELEPHONE AN OFFICER OF THE BANK AT THE PRESENTATION OFFICE REGARDING THE AMOUNT OF THIS DEMAND AND THE DATE AND TIME BY WHICH PAYMENT IS DEMANDED; HOWEVER, SUCH CONTACT, WHETHER OR NOT ATTEMPTED OR MADE, IS NOT A CONDITION TO HONORING THE DEMAND FOR PAYMENT MADE PURSUANT HERETO.

(6) IF THIS DEMAND IS RECEIVED AT THE PRESENTATION OFFICE BY YOU AT OR BEFORE NOON, SAN FRANCISCO TIME ON A BUSINESS DAY, YOU MUST MAKE PAYMENT ON THIS DEMAND AT OR BEFORE 10:00 A.M., SAN FRANCISCO TIME, ON THE NEXT BUSINESS DAY. IF

THIS DEMAND IS RECEIVED BY YOU AT THE PRESENTATION OFFICE AFTER NOON, SAN FRANCISCO TIME, ON A BUSINESS DAY, YOU MUST MAKE PAYMENT ON THIS DEMAND AT OR BEFORE 10:00 A.M., SAN FRANCISCO TIME, ON THE SECOND BUSINESS DAY FOLLOWING SUCH BUSINESS DAY.

[INSERT NAME OF BENEFICIARY]

[INSERT SIGNATURE AND DATE]

WELLS FARGO BANK, NATIONAL ASSOCIATION
LETTER OF CREDIT OPERATIONS OFFICE
ONE FRONT STREET, 21ST FLOOR
SAN FRANCISCO, CALIFORNIA 94111

FOR THE URGENT ATTENTION OF LETTER OF CREDIT MANAGER.

[INSERT NAME OF BENEFICIARY] (THE "TRUSTEE") HEREBY CERTIFIES TO WELLS FARGO BANK, NATIONAL ASSOCIATION (THE "BANK") WITH REFERENCE TO IRREVOCABLE LETTER OF CREDIT NO. __________ (THE "LETTER OF CREDIT"; THE TERMS THE "BONDS", "BUSINESS DAY", THE "INDENTURE", AND THE "PRESENTATION OFFICE" USED HEREIN SHALL HAVE THEIR RESPECTIVE MEANINGS SET FORTH IN THE LETTER OF CREDIT) THAT:

(1) THE TRUSTEE IS THE TRUSTEE OR A SUCCESSOR TRUSTEE UNDER THE INDENTURE.

(2) THE TRUSTEE IS MAKING A DEMAND UNDER THE LETTER OF CREDIT FOR PAYMENT OF THE PRINCIPAL AMOUNT OF, AND THE UNPAID INTEREST ON, REDEEMED BONDS UPON AN OPTIONAL AND/OR MANDATORY REDEMPTION OF LESS THAN ALL OF THE BONDS CURRENTLY OUTSTANDING.

(3) THE AMOUNT OF THIS DEMAND FOR PAYMENT WAS COMPUTED IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THE BONDS AND THE INDENTURE AND IS DEMANDED IN ACCORDANCE WITH THE INDENTURE, WHICH AMOUNT PLEASE REMIT TO THE UNDERSIGNED AS FOLLOWS:

[INSERT REMITTANCE INSTRUCTIONS].

(4) THE AMOUNT HEREBY DEMANDED UNDER THE LETTER OF CREDIT IS $[INSERT AMOUNT WHICH IS THE SUM OF THE TWO AMOUNTS INSERTED IN PARAGRAPH 5 BELOW].

(5) THE AMOUNT HEREBY DEMANDED IS EQUAL TO THE SUM OF (A) **$[INSERT AMOUNT]** BEING DRAWN WITH RESPECT TO THE PAYMENT OF THE PRINCIPAL OF THE REDEEMED BONDS AND (B) **$[INSERT AMOUNT]** BEING DRAWN WITH RESPECT TO THE PAYMENT OF THE UNPAID INTEREST ON THE REDEEMED BONDS.

(6) THE TRUSTEE HAS CONTACTED OR ATTEMPTED TO CONTACT BY TELEPHONE AN OFFICER OF THE BANK AT THE PRESENTATION OFFICE REGARDING THE AMOUNT OF THIS DEMAND AND THE DATE AND TIME BY WHICH PAYMENT IS DEMANDED; HOWEVER, SUCH

CONTACT, WHETHER OR NOT ATTEMPTED OR MADE, IS NOT A CONDITION TO HONORING THE DEMAND FOR PAYMENT MADE PURSUANT HERETO.

(7) IF THIS DEMAND IS RECEIVED BY YOU AT THE PRESENTATION OFFICE AT OR BEFORE NOON, SAN FRANCISCO TIME ON A BUSINESS DAY, YOU MUST MAKE PAYMENT ON THIS DEMAND AT OR BEFORE 10.00 A.M., SAN FRANCISCO TIME, ON THE NEXT BUSINESS DAY. IF THIS DEMAND IS RECEIVED BY YOU AT THE PRESENTATION OFFICE AFTER NOON, SAN FRANCISCO TIME, ON A BUSINESS DAY, YOU MUST MAKE PAYMENT ON THIS DEMAND AT OR BEFORE 10:00 A.M., SAN FRANCISCO TIME, ON THE SECOND BUSINESS DAY FOLLOWING SUCH BUSINESS DAY.

[INSERT NAME OF BENEFICIARY]

[INSERT SIGNATURE AND DATE]

WELLS FARGO BANK, NATIONAL ASSOCIATION
LETTER OF CREDIT OPERATIONS OFFICE
ONE FRONT STREET, 21ST FLOOR
SAN FRANCISCO, CALIFORNIA 94111

FOR THE URGENT ATTENTION OF LETTER OF CREDIT MANAGER.

[**INSERT NAME OF BENEFICIARY**] (THE "TRUSTEE") HEREBY CERTIFIES TO WELLS FARGO BANK, NATIONAL ASSOCIATION (THE "BANK") WITH REFERENCE TO IRREVOCABLE LETTER OF CREDIT NO. __________ (THE "LETTER OF CREDIT"; THE TERMS THE "BONDS", "BUSINESS DAY", THE "INDENTURE", AND THE "PRESENTATION OFFICE" USED HEREIN SHALL HAVE THEIR RESPECTIVE MEANINGS SET FORTH IN THE LETTER OF CREDIT) THAT:

(1) THE TRUSTEE IS THE TRUSTEE OR A SUCCESSOR TRUSTEE UNDER THE INDENTURE.

(2) THE TRUSTEE IS MAKING A DEMAND UNDER THE LETTER OF CREDIT FOR PAYMENT OF THE PRINCIPAL AMOUNT OF, AND INTEREST DUE ON, THOSE BONDS WHICH THE REMARKETING AGENT (AS DEFINED IN THE INDENTURE) HAS BEEN UNABLE TO REMARKET WITHIN THE TIME LIMITS ESTABLISHED IN THE INDENTURE.

(3) THE AMOUNT OF THIS DEMAND FOR PAYMENT WAS COMPUTED IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THE BONDS AND THE INDENTURE AND IS DEMANDED IN ACCORDANCE WITH THE INDENTURE, WHICH AMOUNT PLEASE REMIT TO THE UNDERSIGNED AS FOLLOWS:

[**INSERT REMITTANCE INSTRUCTIONS**].

(4) THE AMOUNT HEREBY DEMANDED UNDER THE LETTER OF CREDIT IS $[INSERT AMOUNT WHICH IS THE SUM OF THE TWO AMOUNTS INSERTED IN PARAGRAPH 5 BELOW].

(5) THE AMOUNT OF THIS DEMAND IS EQUAL TO THE SUM OF (A) **$[INSERT AMOUNT]** BEING DRAWN WITH RESPECT TO THE PAYMENT OF PRINCIPAL OF THE BONDS AND (B) $[**INSERT AMOUNT**] BEING DRAWN WITH RESPECT TO THE PAYMENT OF INTEREST DUE ON THE BONDS.

(6) THE TRUSTEE HAS CONTACTED OR ATTEMPTED TO CONTACT BY TELEPHONE AN OFFICER OF THE BANK AT THE PRESENTATION OFFICE REGARDING THE AMOUNT OF THIS DEMAND AND THE DATE AND TIME BY WHICH PAYMENT IS DEMANDED; HOWEVER, SUCH

CONTACT, WHETHER OR NOT ATTEMPTED OR MADE, IS NOT A CONDITION TO HONORING THE DEMAND FOR PAYMENT MADE PURSUANT HERETO.

(7) IF THIS DEMAND IS RECEIVED BY YOU AT THE PRESENTATION OFFICE AT OR BEFORE 9:00 A.M., SAN FRANCISCO TIME ON A BUSINESS DAY, YOU MUST MAKE PAYMENT ON THIS DEMAND AT OR BEFORE 11:30 A.M., SAN FRANCISCO TIME, ON SAID BUSINESS DAY. IF THIS DEMAND IS RECEIVED BY YOU AT THE PRESENTATION OFFICE AFTER 9:00 A.M., SAN FRANCISCO TIME, ON A BUSINESS DAY, YOU MUST MAKE PAYMENT ON THIS DEMAND AT OR BEFORE 11:00 A.M., SAN FRANCISCO TIME, ON THE BUSINESS DAY FOLLOWING SAID BUSINESS DAY.

[INSERT NAME OF BENEFICIARY]

[INSERT SIGNATURE AND DATE]

Annex D to Wells Fargo Bank, National Association
Irrevocable Letter of Credit No. __________

WELLS FARGO BANK, NATIONAL ASSOCIATION
LETTER OF CREDIT OPERATIONS OFFICE
ONE FRONT STREET, 21ST FLOOR
SAN FRANCISCO, CALIFORNIA 94111

FOR THE URGENT ATTENTION OF LETTER OF CREDIT MANAGER.

[**INSERT NAME OF BENEFICIARY**] (THE "TRUSTEE") HEREBY CERTIFIES TO WELLS FARGO BANK, NATIONAL ASSOCIATION (THE "BANK") WITH REFERENCE TO IRREVOCABLE LETTER OF CREDIT NO. __________ (THE "LETTER OF CREDIT"; THE TERMS THE "BONDS", "BUSINESS DAY", THE "INDENTURE", AND THE "PRESENTATION OFFICE" USED HEREIN SHALL HAVE THEIR RESPECTIVE MEANINGS SET FORTH IN THE LETTER OF CREDIT) THAT:

(1) THE TRUSTEE IS THE TRUSTEE OR A SUCCESSOR TRUSTEE UNDER THE INDENTURE.

(2) THE TRUSTEE IS MAKING A DEMAND UNDER THE LETTER OF CREDIT FOR PAYMENT OF THE TOTAL UNPAID PRINCIPAL OF, AND UNPAID INTEREST ON, ALL OF THE BONDS WHICH ARE CURRENTLY OUTSTANDING UPON (A) THE STATED MATURITY OF ALL SUCH BONDS, (B) THE ACCELERATION OF ALL SUCH BONDS FOLLOWING AN EVENT OF DEFAULT UNDER THE INDENTURE OR (C) THE REDEMPTION OF ALL SUCH BONDS.

(3) THE AMOUNT OF THIS DEMAND FOR PAYMENT WAS COMPUTED IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THE BONDS AND THE INDENTURE AND IS DEMANDED IN ACCORDANCE WITH THE INDENTURE, WHICH AMOUNT PLEASE REMIT TO THE UNDERSIGNED AS FOLLOWS:

[**INSERT REMITTANCE INSTRUCTIONS**].

(4) THE AMOUNT HEREBY DEMANDED UNDER THE LETTER OF CREDIT IS $[INSERT AMOUNT WHICH IS THE SUM OF THE TWO AMOUNTS SET FORTH IN PARAGRAPH 5, BELOW].

(5) THE AMOUNT OF THIS DEMAND IS EQUAL TO THE SUM OF (A) $[**INSERT AMOUNT**] BEING DRAWN WITH RESPECT TO THE PAYMENT OF THE UNPAID PRINCIPAL OF THE OUTSTANDING BONDS AND (B) $[**INSERT AMOUNT**] BEING DRAWN WITH RESPECT TO THE PAYMENT OF THE UNPAID INTEREST ON THE OUTSTANDING BONDS.

(6) THE TRUSTEE HAS CONTACTED OR ATTEMPTED TO CONTACT BY TELEPHONE AN OFFICER OF THE BANK AT THE PRESENTATION

OFFICE REGARDING THE AMOUNT OF THIS DEMAND AND THE DATE AND TIME BY WHICH PAYMENT IS DEMANDED; HOWEVER, SUCH CONTACT, WHETHER OR NOT ATTEMPTED OR MADE, IS NOT A CONDITION TO HONORING THE DEMAND FOR PAYMENT MADE PURSUANT HERETO.

(7) IF THIS DEMAND IS RECEIVED BY YOU AT THE PRESENTATION OFFICE AT OR BEFORE NOON, SAN FRANCISCO TIME ON A BUSINESS DAY, YOU MUST MAKE PAYMENT ON THIS DEMAND AT OR BEFORE 10:00 A.M., SAN FRANCISCO TIME, ON THE NEXT BUSINESS DAY. IF THIS DEMAND IS RECEIVED BY YOU AT THE PRESENTATION OFFICE AFTER NOON, SAN FRANCISCO TIME, ON A BUSINESS DAY, YOU MUST MAKE PAYMENT ON THIS DEMAND AT OR BEFORE 10:00 A.M., SAN FRANCISCO TIME, ON THE SECOND BUSINESS DAY FOLLOWING SUCH BUSINESS DAY.

[INSERT NAME OF BENEFICIARY]

[INSERT SIGNATURE AND DATE]

WELLS FARGO BANK, NATIONAL ASSOCIATION.
LETTER OF CREDIT OPERATIONS OFFICE
ONE FRONT STREET, 21ST FLOOR
SAN FRANCISCO, CALIFORNIA 94111

FOR THE URGENT ATTENTION OF LETTER OF CREDIT MANAGER

LETTER OF CREDIT REDUCTION AUTHORIZATION

[INSERT NAME OF BENEFICIARY], WITH REFERENCE TO LETTER OF CREDIT NO. __________ ISSUED BY WELLS FARGO BANK, NATIONAL ASSOCIATION (THE "BANK"), HEREBY UNCONDITIONALLY AND IRREVOCABLY REQUESTS THAT THE BANK DECREASE THE AMOUNT AVAILABLE FOR DRAWING UNDER THE LETTER OF CREDIT BY **$[INSERT AMOUNT]**.

[FOR SIGNED REDUCTION AUTHORIZATIONS ONLY]

[INSERT NAME OF BENEFICIARY]

By: **[INSERT SIGNATURE]**
TITLE: **[INSERT TITLE]**

DATE: **[INSERT DATE]**

SIGNATURE GUARANTEED BY

[INSERT NAME OF BANK]

By: ________________________________
[INSERT NAME AND TITLE]

Annex F to Wells Fargo Bank, National Association
Irrevocable Letter of Credit No. __________

WELLS FARGO BANK, NATIONAL ASSOCIATION
LETTER OF CREDIT OPERATIONS OFFICE
One Front Street, 21st Floor,
San Francisco, California, 94111

FOR THE URGENT ATTENTION OF LETTER OF CREDIT MANAGER

[INSERT DATE]

Subject: Your Letter of Credit No. __________

Ladies and Gentlemen:

For value received, we hereby irrevocably assign and transfer all of our rights under the above-captioned Letter of Credit, as heretofore and hereafter amended, extended, increased or reduced to:

____
[Name of Transferee]
____
____
____
[Address of Transferee]

By this transfer, all of our rights in the Letter of Credit are transferred to the transferee, and the transferee shall have sole rights as beneficiary under the Letter of Credit, including sole rights relating to any amendments, whether increases or extensions or other amendments, and whether now existing or hereafter made. You are hereby irrevocably instructed to advise future amendment(s) of the Letter of Credit to the transferee without our consent or notice to us.

The original Letter of Credit is returned with all amendments to this date. Please notify the transferee in such form as you deem advisable of this transfer and of the terms and conditions to this Letter of Credit, including amendments as transferred.

You are hereby advised that the transferee named above has succeeded The Bank of New York Mellon Trust Company, N.A., or a successor trustee, as Trustee under the Trust Indenture dated as of November 1, 1994, as amended and restated by a First Supplemental Trust Indenture dated as of October 1, 2008, as further amended or supplemented from time to time (the "Indenture") between County, ________ (the "Issuer") and The Bank of New York Mellon Trust Company, N.A., as Trustee, pursuant to which U. S. $_________ in aggregate principal amount of Issuer's Pollution Control Refunding Revenue Bonds (PacifiCorp Project) Series 1994 (the "Bonds") were issued.

Very truly yours,

[Insert Name of Transferor]

By: ____________________________________
[Insert Name and Title]

TRANSFEROR'S SIGNATURE GUARANTEED

By: ____________________________________
[Bank Name]

By: ____________________________________
[Insert Name and Title]

By its signature below, the undersigned transferee acknowledges that it has duly succeeded ________________________________ or a successor trustee as Trustee under the Indenture.

[Insert Name of Transferee]

By: ______________________________
[Insert Name and Title]

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POLLUTION CONTROL REVENUE REFUNDING BONDS • (PACIFICORP PROJECTS) SERIES 1994

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APPENDIX SD

PROPOSED FORM OPINION OF BOND COUNSEL

[LETTERHEAD OF CHAPMAN AND CUTLER LLP]

[DATED THE CLOSING DATE]

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

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

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

The Bank of Nova Scotia
New York Agency
250 Vesey Street
New York, New York 10281

Re: $21,260,000
Sweetwater County, Wyoming
Pollution Control Revenue Refunding Bonds
(PacifiCorp Project) Series 1994 (the *"Bonds"*)

Ladies and Gentlemen:

This opinion is being furnished in accordance with Section 4.03(a)(1) of that certain Loan Agreement, dated as of November 1, 1994, as amended and restated as of October 1, 2008 (the *"Loan Agreement"*), between Sweetwater County, Wyoming (the *"Issuer"*) and PacifiCorp (the *"Company"*). Prior to the date hereof, payment of principal and purchase price of and interest on the Bonds was secured by a letter of credit issued by Wells Fargo Bank, National Association (the *"Prior Letter of Credit"*). On the date hereof, the Company desires to deliver an Irrevocable Transferable Direct Pay Letter of Credit (the *"Letter of Credit"*) to be issued by The Bank of Nova Scotia, acting through its New York Agency (the *"Bank"*), for the benefit of the Trustee.

We have examined the law and such documents and matters as we have deemed necessary to provide this opinion letter. As to questions of fact material to the opinions expressed herein, we have relied upon the provisions of the Trust Indenture, dated as of November 1, 1994, as amended and restated as of October 1, 2008 (the *"Indenture"*), between the Issuer and The Bank of New York Mellon Trust Company, N.A., as successor trustee (the *"Trustee"*) and related documents, and upon representations, including regarding the consent of the Owners, made to us without undertaking to verify the same by independent investigation.

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

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

1. The delivery of the Letter of Credit complies with the terms of the Loan Agreement.

2. The delivery of the Letter of Credit will not adversely affect the Tax Exempt status of 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 (as defined in the Indenture) and other documents relating to the Bonds, or to review any other events that may have occurred since such approving opinion was rendered other than with respect to the Company in connection with other than with respect to the Company in connection with (a) the delivery of a Standby Bond Purchase Agreement for the Bonds, described in our opinion dated November 15, 2002, (b) the delivery of an amendment to the applicable Standby Bond Purchase Agreement, described in our opinion dated January 21, 2005, (c) the delivery of an Amended and Restated Standby Bond Purchase Agreement, described in our opinion dated February 22, 2006, (d) the amendment and restatement of the Indenture and the Loan Agreement and delivery of the Prior Letter of Credit, described in our opinion dated November 19, 2008 and (e) the delivery of the Letter of Credit described herein. Accordingly, we do not express any opinion with respect to the Bonds, except as described above.

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

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

Respectfully submitted,

APPENDIX SE

FORM OF LETTER OF CREDIT

The Bank of Nova Scotia
New York Agency
250 Vesey Street
New York, New York 10281

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

Date: March [__], 2015

Amount: USD 21,595,501.00
Expiration Date: March 26, 2017

Beneficiary:

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

Applicant:

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

Dear Sir or Madam:

We hereby issue our Irrevocable Transferable Direct Pay Letter of Credit No. [__________] ("***Letter of Credit***") at the request and for the account of PacifiCorp (the "***Company***") pursuant to that certain Letter of Credit and Reimbursement Agreement, dated as of March [__], 2015, between the Company and us (as amended, supplemented or otherwise modified from time to time being herein referred to as the "***Reimbursement Agreement***"), in your favor, as Trustee under the Trust Indenture, dated as of November 1, 1994, as amended and restated by the First Supplemental Trust Indenture, dated as of October 1, 2008 (as further amended, supplemented or otherwise modified from time to time, the "***Indenture***"), between Sweetwater County, Wyoming (the "***Issuer***") and you, as Trustee for the benefit of the Bondholders referred to therein, pursuant to which USD 21,260,000.00 in aggregate principal amount of the Issuer's Pollution Control Revenue Refunding Bonds (PacifiCorp Project) Series 1994 (the "***Bonds***") were issued. This Letter of Credit is only available to be drawn upon with respect to Bonds bearing interest at a daily interest rate or a weekly interest rate pursuant to the Indenture. This Letter of Credit is in the total amount of USD 21,595,501.00 (subject to adjustment as provided below).

This Letter of Credit shall be effective immediately and shall expire upon the earliest to occur of (i) March 26, 2017, or if not a Business Day, the next succeeding Business Day (the "***Stated Expiration Date***"), (ii) four business days following your receipt of written notice from us notifying you of the occurrence and continuance of an Event of Default under the Reimbursement Agreement and stating that such notice is given pursuant to Section 9.01(g) of the Indenture and (A) directing you to accelerate the Bonds pursuant to Section 9.02 of the Indenture or (B) informing you pursuant to Section 3.02(a)(iv) of the Indenture that this Letter of Credit will not be reinstated in accordance with its terms following a Regular Drawing drawn against the Interest Component, (iii) the date on which we receive a written and completed certificate signed by you in the form of Exhibit 5 attached hereto, (iv) the date which is 15 days following the Conversion Date for all Bonds remaining outstanding to an interest rate mode other than a daily interest rate or a weekly interest rate pursuant to the Indenture as such date is specified in a written and completed certificate signed by you in the form of Exhibit 6 attached hereto and (v) the date on which we receive and honor a written and completed certificate signed by you in the form of Exhibit 1, Exhibit 2 or Exhibit 3 attached hereto, stating that the drawing thereunder is the final drawing under the Letter of Credit (such earliest date being the "***Cancellation Date***").

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

The aggregate amount which may be drawn under this Letter of Credit, subject to reductions in amount and reinstatement as provided below, is USD 21,595,501.00, of which the aggregate amounts set forth below may be drawn as indicated.

(i) An aggregate amount not exceeding USD 21,260,000.00, as such amount may be reduced and restored as provided below, may be drawn in respect of payment of principal of the Bonds (or the portion of the purchase price of Bonds corresponding to principal) (the "***Principal Component***").

(ii) An aggregate amount not exceeding USD 335,501.00, as such amount may be reduced and restored as provided below, may be drawn in respect of the payment of up to 48 days' interest on the principal amount of the Bonds computed at a maximum rate of 12% *per annum* calculated on the basis of a 365-day year (or the portion of the purchase price of Bonds corresponding thereto) (the "***Interest Component***").

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

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

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

Upon our honoring of any Redemption Drawing hereunder, the Principal Component shall be reduced immediately following such honoring by an amount equal to the principal amount of the Bonds to be redeemed with the proceeds of such Redemption Drawing and the Interest Component shall be reduced immediately following such honoring by an amount equal to 48 days' interest on such principal amount of the Bonds to be redeemed computed at a maximum rate of 12% *per annum* calculated on the basis of a 365-day year.

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

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

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

Drawing certificates and other certificates hereunder shall be dated the date of presentation and shall be presented on a business day (as hereinafter defined) by delivery via a nationally recognized overnight courier to our office located at The Bank of Nova Scotia, New

York Agency, 250 Vesey Street, New York, New York 10281, Standby Letter of Credit Department (or at any other office which may be designated by us by written notice delivered to you at least 15 days prior to the applicable date of Drawing) (the "***Bank's Office***"). The certificates you are required to submit to us may be submitted to us by facsimile transmission to the following numbers: (212) 225-6464 and (212) 225-5709, or any other facsimile number(s) which may be designated by us by written notice delivered to you at least 15 days prior to the applicable date of Drawing. You shall use your best efforts to confirm such notice of a Drawing by telephone to one of the following numbers (or any other telephone number which may be designated by us by written notice delivered to you at least 15 days prior to the applicable date of Drawing): (212) 225-5424 or (212) 225-5705, but such telephonic notice shall not be a condition to a Drawing hereunder. If we receive your certificate(s) at such office, all in strict conformity with the terms and conditions of this Letter of Credit, (i) with respect to any Regular Drawing or Redemption Drawing, at or before 12:00 noon (New York City time), we will honor such Drawing(s) at or before 10:00 A.M. (New York City time), on the next succeeding business day, and (ii) with respect to any Tender Drawing, at or before 12:00 noon (New York City time), on a business day on or before the Cancellation Date, we will honor such Drawing(s) at or before 2:30 P.M. (New York City time), on the same business day, in accordance with your payment instructions; *provided*, *however*, that you will use your best efforts to give us telephonic notification of any such pending presentation to the telephone numbers designated above, with respect to any Regular Drawing, Redemption Drawing or Tender Drawing, at or before 11:30 A.M. (New York City time) on the same business day. If we receive your certificate(s) at such office, all in strict conformity with the terms and conditions of this Letter of Credit, after 12:00 noon (New York City time), in the case of a Regular Drawing, a Redemption Drawing or a Tender Drawing, on any business day on or before the Cancellation Date, we will honor such certificate(s) at or before 2:00 P.M. (New York City time) on the next succeeding business day. Payment under this Letter of Credit will be made by wire transfer of Federal Funds to your account with any bank that is a member of the Federal Reserve System. All payments made by us under this Letter of Credit will be made with our own funds and not with any funds of the Company, its affiliates or the Issuer. As used herein, "***business day***" means a day except a Saturday, Sunday or other day (i) on which banking institutions in the city or cities in which the designated office under the Indenture of the Trustee, the remarketing agent under the Indenture or the paying agent under the Indenture or the office of the Bank which will honor draws upon this Letter of Credit are located are required or authorized by law or executive order to close or are closed, or (ii) on which the New York Stock Exchange, the Company or remarketing agent under the Indenture is closed.

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

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

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

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

EXHIBIT 1

REGULAR DRAWING CERTIFICATE

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

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

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

Principal: USD __________

Interest: USD __________

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

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

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

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

---

* Insert appropriate bracketed language.

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

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

By: ___________________________________

Title: __________________________________

EXHIBIT 2

TENDER DRAWING CERTIFICATE

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

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

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

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

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

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

(6) The Trustee or the Custodian under the Custodian and Pledge Agreement referred to below will register or cause to be registered in the name of the Company, upon payment of the amount drawn hereunder, Bonds in the principal amount of the Bonds being purchased with the amounts drawn hereunder and will hold such Bonds in accordance with the provisions of the Custodian and Pledge Agreement, dated as of March [__], 2015, among the Company, the Bank and The Bank of New York Mellon Trust Company, N.A., as Custodian, as amended or otherwise modified from time to time.

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

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

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

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

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

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

EXHIBIT 3

REDEMPTION DRAWING CERTIFICATE

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

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

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

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

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

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

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

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

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

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

By: ______________________________

Its: ______________________________

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

EXHIBIT 4

REDUCTION CERTIFICATE

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

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

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

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

(4) The Interest Component is hereby reduced to USD __________, equal to 48 days' interest on the reduced amount of principal set forth in paragraph (2) hereof computed at a maximum rate of 12% *per annum* calculated on the basis of a 365-day year.

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

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

EXHIBIT 5

TERMINATION CERTIFICATE

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

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

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

(3) The original of the Letter of Credit and all amendments thereto are returned herewith.

IN WITNESS WHEREOF, the Trustee has executed and delivered this Certificate as of the _____ day of __________, 20___.

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A., as Trustee
By: ____________________________________
Its: ____________________________________

[*****] To be used upon cancellation due to the Trustee's acceptance of an Alternate Credit Facility pursuant to the Indenture, upon Trustee's confirmation that no Bonds remain outstanding or upon termination pursuant to Section 6.04 of the Indenture.

EXHIBIT 6

NOTICE OF CONVERSION

The undersigned, a duly authorized officer of The Bank of New York Mellon Trust Company, N.A. (the "***Trustee***"), hereby certifies to The Bank of Nova Scotia (the "***Bank***"), with reference to Irrevocable Transferable Direct Pay Letter of Credit No. [__________] (the "***Letter of Credit***"; the terms defined therein and not otherwise defined herein being used herein as therein defined) issued by the Bank in favor of the Trustee, as follows:

(1) The Trustee is the Trustee under the Indenture for the holders of the Bonds.

(2) The interest rate on all Bonds remaining outstanding have been converted to a rate other than a daily interest rate or a weekly interest rate pursuant to the Indenture on __________ (the "***Conversion Date***"), and accordingly, said Letter of Credit shall terminate fifteen (15) days after such Conversion Date in accordance with its terms.

(3) The original of the Letter of Credit and all amendments thereto are returned herewith.

IN WITNESS WHEREOF, the Trustee has executed and delivered this Certificate as of the _____ day of __________, 20___.

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A., as Trustee
By: ______________________________________
Its: ______________________________________

EXHIBIT 7

INSTRUCTIONS TO TRANSFER

_______________, 20___

The Bank of Nova Scotia
New York Agency
250 Vesey Street
New York, New York 10281

RE: The Bank of Nova Scotia, New York Agency Irrevocable Transferable Direct Pay Letter of Credit No. [__________]

Ladies and Gentlemen:

The undersigned, as Trustee under the Trust Indenture, dated as of November 1, 1994, as amended and restated by the First Supplemental Trust Indenture, dated as of October 1, 2008 (as further amended, supplemented or otherwise modified from time to time, the "***Indenture***"), between Sweetwater County, Wyoming and The Bank of New York Mellon Trust Company, N.A., is named as beneficiary in the Letter of Credit referred to above (the "***Letter of Credit***"). The transferee named below has succeeded the undersigned as Trustee under the Indenture.

____
(Name of Transferee)

____
(Address)

Therefore, for value received, the undersigned hereby irrevocably instructs you to transfer to such transferee all rights of the undersigned to draw under the Letter of Credit.

By this transfer, all rights of the undersigned in the Letter of Credit are transferred to such transferee and such transferee shall hereafter have the sole rights as beneficiary under the Letter of Credit; *provided, however,* that no rights shall be deemed to have been transferred to such transferee until such transfer complies with the requirements of the Letter of Credit pertaining to transfers. The undersigned transferor confirms that the transferor no longer has any rights under or interest in the Letter of Credit. All amendments are to be advised directly to the transferee without the necessity of any consent of or notice to the undersigned transferor.

The original of such Letter of Credit and all amendments are being returned herewith, and in accordance therewith we ask you to endorse the within transfer on the reverse thereof and forward it directly to the transferee with your customary notice of transfer.

IN WITNESS WHEREOF, the undersigned has executed and delivered this Certificate as of the _____ day of __________, 20___.

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A., as transferor
By: ____
Its: ____

[NAME OF TRANSFEREE], as transferee
By: ____
Its: ____

EXHIBIT 8

EXTENSION AMENDMENT

The Bank of Nova Scotia
New York Agency
250 Vesey Street
New York, New York 10281

IRREVOCABLE TRANSFERABLE DIRECT PAY LETTER OF CREDIT NO. [__________]

Dated: _________________

Beneficiary:

The Bank of New York Mellon Trust Company, N.A., as Trustee
2 North LaSalle Street, Suite 1020
Chicago, Illinois 60602, USA
Attention: Global Corporate Trust

Applicant:

PacifiCorp
825 N.E. Multnomah Street, Suite 1900
Portland, Oregon 97232-4116, USA

We hereby amend our Irrevocable Transferable Direct Pay Letter of Credit Number [__________] as follows:

Amendment Sequence Number: _____

Stated Expiration Date is extended to: _____________________

All other terms and conditions remain unchanged. This Amendment is to be considered an integral part of the Letter of Credit and must be attached thereto.

THE BANK OF NOVA SCOTIA, NEW YORK AGENCY

_________________________ Authorized Signature

_________________________ Authorized Signature

___________________________________ *Authorized Signer*

___________________________________ *Authorized Signer*

REOFFERING-NOT A NEW ISSUE

SUPPLEMENT, DATED MARCH 11, 2015, TO REOFFERING CIRCULAR, DATED NOVEMBER 11, 2008

The opinion of Chapman and Cutler, Bond Counsel, delivered on November 17, 1994, stated that, subject to compliance by the Company and the Issuer with certain covenants, in the opinion of Chapman and Cutler, Bond Counsel, under then-existing law (a) interest on the Bonds is not includible in gross income of the owners thereof for federal income tax purposes, except for interest on any Bond for any period during which such Bond is owned by a person who is a substantial user of the Facilities or any person considered to be related to such person (within the meaning of Section 103(b)(13) of the Internal Revenue Code of 1954, as amended), and (b) interest on the Bonds will not be treated as an item of tax preference in computing the alternative minimum tax for individuals and corporations. However, such interest will be taken into account in computing the corporate alternative minimum tax. Such opinion of Bond Counsel was also to the effect that under then-existing law, interest on the Bonds is exempt from taxes imposed by the Utah Individual Income Tax Act. Such opinion has not been updated as of the date hereof. In the opinion of Bond Counsel to be delivered in connection with the delivery of the Replacement Letter of Credit, the delivery of the Replacement Letter of Credit will not adversely affect the treatment of interest on the Bonds for federal income tax purposes. See "TAX EXEMPTION" herein for a more complete discussion.

DELIVERY OF ALTERNATE CREDIT FACILITY AND REOFFERING
$121,940,000
EMERY COUNTY, UTAH
POLLUTION CONTROL REVENUE REFUNDING BONDS
(PacifiCorp Project)
Series 1994 (Non-AMT)
(CUSIP 291147 CE4[1])

Purchase Date: March 18, 2015 **Due: November 1, 2024**

The Bonds are limited obligations of the Issuer, payable solely from and secured by a pledge of payments to be made under a Loan Agreement entered into by the Issuer with, and secured by First Mortgage Bonds issued by,

PACIFICORP

Effective on March 19, 2015, and until March 19, 2017, unless earlier terminated or extended, the Bonds will be supported by an Irrevocable Transferable Direct Pay Letter of Credit (the "Replacement Letter of Credit") issued by the New York Branch of

CANADIAN IMPERIAL BANK OF COMMERCE

Under the Replacement Letter of Credit, the Trustee will be entitled to draw up to (a) an amount sufficient to pay (i) the outstanding unpaid principal amount of the Bonds or (ii) the portion of the purchase price of such Bonds corresponding to such unpaid principal amount plus (b) an amount sufficient to pay (i) up to 48 days' accrued interest on such Bonds, in each case calculated at the maximum rate of 12% per annum and on the basis of a year of 365 days or (ii) the portion of the purchase price of the Bonds corresponding to such accrued interest. The Replacement Letter of Credit will only be available to be drawn while the Bonds bear interest at a Daily Interest Rate or a Weekly Interest Rate pursuant to the Indenture. Failure to pay the purchase price when due and payable is an event of default under the Indenture.

The Bonds are currently supported by a Letter of Credit issued by Wells Fargo Bank, National Association (the "Existing Letter of Credit"). On March 19, 2015, the Replacement Letter of Credit will be delivered to the Trustee in substitution for the Existing Letter of Credit. After that date, the Bonds will not have the benefit of the Existing Letter of Credit.

The Bonds bear and, subject to the right under the Indenture of PacifiCorp to cause the interest rate on the Bonds to be converted to other interest rate determination methods, will continue to bear interest at a Weekly Interest Rate. The Bonds bearing interest at a Weekly Interest Rate are issuable as fully registered Bonds without coupons, initially in the denomination of $100,000 and integral multiples of $100,000 in excess thereof (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). Interest on the Bonds will be payable on the Interest Payment Date applicable to the Bonds. The Depository Trust Company, New York, New York ("DTC"), will continue to act as a securities depository for the Bonds. The Bonds are registered in the name of Cede & Co., as registered owner and nominee of DTC, and, except for the limited circumstances described herein, beneficial owners of interests in the Bonds will not receive certificates representing their interests in the Bonds. Payments of principal of, and premium, if any, and interest on the Bonds will be made through DTC and its Participants and disbursements of such payments to purchasers will be the responsibility of such Participants.

Certain legal matters related to the delivery of the Replacement Letter of Credit will be passed upon by Chapman and Cutler LLP, Bond Counsel to PacifiCorp. Certain legal matters will be passed upon for PacifiCorp by Paul J. Leighton, Esq., counsel to PacifiCorp, and for the Remarketing Agent by its counsel, Kutak Rock LLP.

Price 100%
(Plus Accrued Interest)

The Bonds are reoffered, subject to prior sale and certain other conditions.

WELLS FARGO BANK, NATIONAL ASSOCIATION
as Remarketing Agent

March 11, 2015

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No broker, dealer, salesman or other person has been authorized to give any information or to make any representations other than those contained in this Supplement to Reoffering Circular in connection with the reoffering made hereby, and, if given or made, such information or representations must not be relied upon as having been authorized by the Issuer, PacifiCorp, Canadian Imperial Bank of Commerce or the Remarketing Agent. Neither the delivery of this Supplement to Reoffering Circular nor any sale hereunder shall under any circumstances create any implication that there has been no change in the affairs of the Issuer, Canadian Imperial Bank of Commerce or PacifiCorp since the date hereof. The Issuer has not and will not assume any responsibility as to the accuracy or completeness of the information in this Supplement to Reoffering Circular. No representation is made by Canadian Imperial Bank of Commerce as to the accuracy, completeness or adequacy of the information contained in this Supplement to Reoffering Circular, except with respect to Appendix SB hereto. The Bonds are not registered under the United States Securities Act of 1933, as amended. Neither the United States Securities and Exchange Commission nor any other federal, state or other governmental entity has passed upon the accuracy or adequacy of this Supplement to Reoffering Circular.

In connection with this offering, the Remarketing Agent may overallot or effect transactions which stabilize or maintain the market price of the securities offered hereby at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

The Remarketing Agent has provided the following sentence for inclusion in this Supplement to Reoffering Circular: The Remarketing Agent has reviewed the information in this Supplement to 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 the transaction, but the Remarketing Agent does not guarantee the accuracy or completeness of such information.

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$121,940,000
EMERY COUNTY, UTAH
POLLUTION CONTROL REVENUE REFUNDING BONDS
(PacifiCorp Project)
Series 1994

GENERAL INFORMATION

THE REOFFERING CIRCULAR DATED NOVEMBER 11, 2008, A COPY OF WHICH IS ATTACHED HERETO AS APPENDIX SC (THE "ORIGINAL REOFFERING CIRCULAR" AND, TOGETHER WITH THIS SUPPLEMENT TO REOFFERING CIRCULAR, THE "REOFFERING CIRCULAR"), WAS PREPARED IN CONNECTION WITH THE REOFFERING OF SIX SEPARATE ISSUES OF BONDS RELATING TO PACIFICORP. THIS SUPPLEMENT TO REOFFERING CIRCULAR RELATES ONLY TO THE BONDS DESCRIBED ON THE COVER PAGE OF THIS SUPPLEMENT TO REOFFERING CIRCULAR, AND SUPERSEDES AND REPLACES THE SUPPLEMENT DATED MARCH 27, 2013 (THE "2013 SUPPLEMENT") TO THE ORIGINAL REOFFERING CIRCULAR INSOFAR AS THE 2013 SUPPLEMENT RELATES TO SUCH BONDS .

THIS SUPPLEMENT TO REOFFERING CIRCULAR DOES NOT CONTAIN COMPLETE DESCRIPTIONS OF DOCUMENTS AND OTHER INFORMATION WHICH IS SET FORTH IN THE ORIGINAL REOFFERING CIRCULAR, EXCEPT WHERE THERE HAS BEEN A CHANGE IN THE DOCUMENTS OR MORE RECENT INFORMATION SINCE THE DATE OF THE ORIGINAL REOFFERING CIRCULAR. THIS SUPPLEMENT TO REOFFERING CIRCULAR SHOULD THEREFORE BE READ ONLY IN CONJUNCTION WITH THE ORIGINAL REOFFERING CIRCULAR.

This Supplement to Reoffering Circular is provided to furnish certain information with respect to the reoffering of the $121,940,000 aggregate principal amount of Pollution Control Revenue Refunding Bonds (PacifiCorp Project), Series 1994 (the "Bonds"), issued by Emery County, Utah (the "Issuer").

The Bonds were issued pursuant to a Trust Indenture dated as of November 1, 1994, as amended and restated by a First Supplemental Trust Indenture, dated as of October 1, 2008 (the "Indenture"), between the Issuer and The Bank of New York Mellon Trust Company, N.A. (successor in interest to The First National Bank of Chicago), as Trustee (the "Trustee").

The proceeds from the sale of the Bonds were loaned to PacifiCorp (the "Company") pursuant to the terms of a Loan Agreement, dated as of November 1, 1994, as amended and restated by a First Supplemental Loan Agreement dated as of October 1, 2008 (the "Agreement"), between the Issuer and the Company. Under the Agreement, the Company is unconditionally obligated to pay amounts sufficient to provide for payment of the principal of, premium, if any, and interest on the Bonds and for payment of the purchase price of the Bonds. The proceeds of the Bonds, together with certain other moneys of the Company, were used for the purpose set forth in the Original Reoffering Circular.

In order to secure the Company's obligation to repay the loans made to it by the Issuer under the Agreement, the Company has issued and delivered to the Trustee its Series 1994-1 First Mortgage and Collateral Trust Bonds (the "First Mortgage Bonds,") in the principal amount of the Bonds. See "THE FIRST MORTGAGE BONDS" in the Original Reoffering Circular for a description of the First Mortgage Bonds and certain related matters.

The Bonds, together with premium, if any, and interest thereon, are limited and not general, obligations of the Issuer not constituting or giving rise to a pecuniary liability of the Issuer nor any charge against its general credit or taxing powers nor an indebtedness of or a loan of credit thereof, shall be payable solely from the Revenues (as defined in the Indenture and which includes moneys drawn under the hereinafter-defined Replacement Letter of Credit) and other moneys pledged therefor under the Indenture, and shall be a valid claim of the respective holders thereof only against the Bond Fund (as defined in the Indenture), the Revenues and the other moneys held by the Trustee as part of the Trust Estate (as defined in the Indenture). The Issuer shall not be obligated to pay the purchase price of any of the Bonds from any source.

No recourse shall be had for the payment of the principal of, or premium, if any, or interest on any of the Bonds or for any claim based thereon or upon any obligation, covenant or agreement contained in the Indenture, against any past, present or future officer or employee of the Issuer, or any incorporator, officer, director or member of any successor corporation, as such, either directly, or through the Issuer or any successor corporation, under any rule of law or equity, statute or constitution or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such incorporator, officer, director or member as such was expressly waived and released as a condition of and in consideration for the execution of the Indenture and the issuance of the Bonds.

The Company has exercised its right under the Agreement and the Indenture to terminate on March 19, 2015 the Letter of Credit dated April 18, 2012 (the "Existing Letter of Credit") and issued by Wells Fargo Bank, National Association (the "Existing Bank"), which has supported payment of the principal, interest and purchase price of the Bonds since the date the Existing Letter of Credit was issued. Pursuant to the Indenture, the Company has elected to replace the Existing Letter of Credit with an Irrevocable Transferable Direct Pay Letter of Credit (the "Replacement Letter of Credit") to be issued by the New York Branch of the Canadian Imperial Bank of Commerce, a bank organized under the laws of Canada, ("CIBC" or the "Bank"). **The Replacement Letter of Credit will be delivered to the Trustee on March 19, 2015 and, after March 19, 2015, the Bonds will not have the benefit of the Existing Letter of Credit.**

All references in the Original Reoffering Circular (unless expressly stated otherwise) to the Letter of Credit shall be deemed to refer to the Replacement Letter of Credit and not to the Existing Letter of Credit, and all references to the Bank shall be deemed to refer to CIBC and not to the Existing Bank. The letters of credit described in the Original Reoffering Circular are no longer in effect as of March 19, 2015 and the information in the Original Reoffering Circular with respect thereto and their issuing bank should be disregarded. The information about the "Credit Agreement" in the Original Reoffering Circular, as supplemented by the 2013 Supplement, is inapplicable to the Replacement Letter of Credit and also should be disregarded.

With respect to the Bonds, the Trustee will be entitled to draw under the Replacement Letter of Credit up to (a) an amount sufficient to pay (i) the outstanding unpaid principal amount of the Bonds or (ii) the portion of the purchase price of the Bonds corresponding to such unpaid principal amount plus (b) an amount sufficient to pay (i) up to 48 days' accrued interest on the Bonds (in each case calculated at the maximum rate of 12% per annum and on the basis of a year

of 365 days) or (ii) the portion of the purchase price of the Bonds corresponding to such accrued interest. The Replacement Letter of Credit will only be available to be drawn on with respect to Bonds bearing interest at a daily rate or a weekly rate under the Indenture.

After the date of delivery of the Replacement Letter of Credit, the Company is permitted under the Agreement and the Indenture to provide a substitute letter of credit (the "Substitute Letter of Credit"), which is issued by the same Bank that issued the then existing Letter of Credit and which is identical to such Letter of Credit except for (i) an increase or decrease in the Interest Coverage Rate (as defined in the Indenture), (ii) an increase or decrease in the Interest Coverage Period (as defined in the Indenture) or (iii) any combination of (i) and (ii). As used hereafter, "Letter of Credit" shall, unless the context otherwise requires, mean such Substitute Letter of Credit from and after the issuance date thereof. The Company also is permitted under the Agreement and Indenture to provide for the delivery of an alternate credit facility, including a letter of credit of a commercial bank or a credit facility from a financial institution, or any other credit support agreement or mechanism arranged by the Company (which may involve a letter of credit or other credit facility or first mortgage bonds of the Company or an insurance policy), the administration provisions of which are acceptable to the Trustee (an "Alternate Credit Facility"), to replace a Letter of Credit or provide for the termination of a Letter of Credit or any Alternate Credit Facility then in effect. See "THE LETTER OF CREDIT" and the Original Reoffering Circular attached as Appendix SC hereto under the caption "THE BONDS—Purchase of Bonds."

As of the date hereof, the Bonds bear interest at a Weekly Interest Rate. Following the delivery of the Replacement Letter of Credit, the Bonds will continue to bear interest at a Weekly Interest Rate, subject to the right of the Company to cause the interest rate on the Bonds to be converted to other interest rate determination methods as described in the Original Reoffering Circular.

Reference is hereby made to the Bonds in their entirety for the detailed provisions thereof.

Brief descriptions of the Issuer, the Bonds, the Replacement Letter of Credit, the Reimbursement Agreement, the Agreement, the Indenture and the First Mortgage Bonds are included in this Supplement to Reoffering Circular, including the Original Reoffering Circular attached as Appendix SC hereto. Information regarding the business, properties and financial condition of the Company is included in Appendix SA attached hereto. A brief description of CIBC is included as Appendix SB hereto. The descriptions herein of the Agreement, the Indenture, the First Mortgage Bonds, the Replacement Letter of Credit and the Reimbursement Agreement are qualified in their entirety by reference to such documents, and the descriptions herein of the Bonds are qualified in their entirety by reference to the form thereof and the information with respect thereto included in the aforesaid documents. All such descriptions are further qualified in their entirety by reference to laws and principles of equity relating to or affecting the enforcement of creditors' rights generally. Copies of such documents may be obtained from the principal corporate trust office of the Trustee in Chicago, Illinois and at the principal offices of the Remarketing Agent in New York, New York.

THE LETTER OF CREDIT AND THE REIMBURSEMENT AGREEMENT

The following is a brief summary of certain provisions of the Replacement Letter of Credit and that certain Letter of Credit and Reimbursement Agreement dated as of March 19, 2015 between the Company and Canadian Imperial Bank of Commerce (together with all related documents, the "Reimbursement Agreement"). This summary is not a complete recital of the terms of the Replacement Letter of Credit or the Reimbursement Agreement and reference is made to the Replacement Letter of Credit or the Reimbursement Agreement, as applicable, in its entirety.

THE LETTER OF CREDIT

The Replacement Letter of Credit will be an irrevocable transferable direct pay obligation of the Bank to pay to the Trustee, upon request and in accordance with the terms thereof, up to (a) an amount sufficient to pay (i) the outstanding unpaid principal amount of the Bonds or (ii) the portion of the purchase price of such Bonds corresponding to such unpaid principal amount plus (b) an amount sufficient to pay (i) up to 48 days' accrued interest on such Bonds (in each case calculated at the maximum rate of 12% per annum and on the basis of a year of 365 days) or (ii) the portion of the purchase price of the Bonds corresponding to such accrued interest. The Replacement Letter of Credit will only be available to be drawn while the Bonds bear interest at a daily rate or a weekly rate pursuant to the Indenture. The Replacement Letter of Credit will be substantially in the form attached hereto as Appendix SE. The Replacement Letter of Credit will be issued pursuant to the Reimbursement Agreement.

The Bank's obligation under the Replacement Letter of Credit will be reduced to the extent of any drawings thereunder. However, with respect to a drawing by the Trustee to enable the Remarketing Agent or the Trustee to pay the purchase price of Bonds delivered for purchase and not remarketed by the Remarketing Agent, such amounts shall be immediately reinstated upon reimbursement. With respect to a drawing by the Trustee for the payment of interest only on the Bonds, the amount that may be drawn under the Replacement Letter of Credit will be automatically reinstated on the ninth business day following the Bank's honoring of such drawing by the amount drawn, unless the Trustee has received notice (a "Non-Reinstatement Notice") from the Bank no later than the ninth business day following the date of such honoring that there will be no such reinstatement.

Upon an acceleration of the maturity of Bonds due to an event of default under the Indenture, the Trustee will be entitled to draw on the Replacement Letter of Credit, if it is then in effect, to the extent of the aggregate principal amount of the Bonds outstanding, plus up to 48 days' interest accrued and unpaid on the Bonds (less amounts paid in respect of principal or interest for which the Replacement Letter of Credit has not been reinstated).

The Replacement Letter of Credit shall expire on the earliest of: (a) March 19, 2017 (such date, as it may be extended as provided in the Replacement Letter of Credit, the "Scheduled Expiration Date"), (b) four business days following the Trustee's receipt of (i) written notice from the Bank that an event of default has occurred under the Reimbursement Agreement or (ii) a Non-Reinstatement Notice, (c) the date that the Trustee informs the Bank that the conditions for termination of the Replacement Letter of Credit as set forth in the Indenture have been satisfied and that the Replacement Letter of Credit has terminated in accordance with its

terms, (d) the date that is 15 days after the conversion of the Bonds to an interest rate mode other than a Daily Interest Rate or a Weekly Interest Rate under the Indenture, and (e) the date of a final drawing under the Replacement Letter of Credit.

THE REIMBURSEMENT AGREEMENT

General. The Company has executed and delivered the Reimbursement Agreement requesting that the Bank issue an irrevocable direct pay letter of credit for the Bonds and governing the issuance thereof. The Replacement Letter of Credit is issued pursuant to the Reimbursement Agreement.

Under the Reimbursement Agreement, the Company has agreed to reimburse the Bank for any drawings under the Replacement Letter of Credit, to pay certain fees and expenses, to pay interest on any unreimbursed drawings or other amounts unpaid, and to reimburse the Bank for certain other costs and expenses incurred.

Defined Terms. Capitalized terms used in this section and in the Reimbursement Agreement, as applicable, that are not otherwise defined in this Supplement will have the meanings set forth below.

"Applicable Law" means (a) all applicable common law and principles of equity and (b) all applicable provisions of all (i) constitutions, statutes, rules, regulations and orders of all Governmental Authorities, (ii) Governmental Approvals and (iii) orders, decisions, judgments and decrees of all courts (whether at law or in equity or admiralty) and arbitrators.

"Consolidated Assets" means, on any date of determination, the total of all assets (including revaluations thereof as a result of commercial appraisals, price level restatement or otherwise) appearing on the latest consolidated balance sheet of the Company and its Consolidated Subsidiaries as of such date of determination.

"Credit Documents" means, with respect to the Replacement Letter of Credit, the Reimbursement Agreement, Custodian Agreement, Fee Letter (each as defined in the Reimbursement Agreement) and any and all other instruments and documents executed and delivered by the Company in connection with any of the foregoing.

"Debt" of any Person means, at any date, without duplication, (a) all indebtedness of such Person for borrowed money, (b) all obligations of such Person for the deferred purchase price of property or services (other than trade payables incurred in the ordinary course of such Person's business), (c) all obligations of such Person evidenced by notes, bonds, debentures or other similar instruments, (d) all obligations of such Person as lessee under leases that have been, in accordance with GAAP, recorded as capital leases, (e) all obligations of such Person in respect of reimbursement agreements with respect to acceptances, letters of credit (other than trade letters of credit) or similar extensions of credit and (f) all guaranties.

"ERISA" means the Employee Retirement Income Security Act of 1974, and the regulations promulgated and rulings issued thereunder, each as amended, modified and in effect from time to time.

"ERISA Affiliate" means, with respect to any Person, each trade or business (whether or not incorporated) that is considered to be a single employer with such entity within the meaning of Section 414(b), (c), (m) or (o) of the Internal Revenue Code.

"ERISA Event" means (a) any "reportable event," as defined in Section 4043 of ERISA with respect to a Pension Plan; (b) the failure to make a required contribution to any Pension Plan that would result in the imposition of a lien or other encumbrance or the provision of security under the Internal Revenue Code (the "Code") or ERISA, or there being or arising any "unpaid minimum required contribution" or "accumulated funding deficiency" (as defined or otherwise set forth in Code or ERISA), whether or not waived, or the filing of any request for or receipt of a minimum funding waiver under the Internal Revenue Code with respect to any Pension Plan or Multiemployer Plan, or a determination that any Pension Plan is, or is reasonably expected to be, in at-risk status under ERISA; (c) the filing of a notice of intent to terminate, or the termination of any Pension Plan under certain provisions of ERISA; (d) the institution of proceedings, or the occurrence of an event or condition that would reasonably be expected to constitute grounds for the institution of proceedings by the PBGC, under certain provisions of ERISA, for the termination of, or the appointment of a trustee to administer, any Pension Plan; (e) the complete or partial withdrawal of the Company or any of its ERISA Affiliates from a Multiemployer Plan, the reorganization or insolvency under ERISA of any Multiemployer Plan, or the receipt by the Company or any of its ERISA Affiliates of any notice that a Multiemployer Plan is in endangered or critical status under certain provisions of ERISA; (f) the failure by the Company or any of its ERISA Affiliates to comply with ERISA or the related provisions of the Code with respect to any Pension Plan; (g) the Company or any of its ERISA Affiliates incurring any liability under certain provisions of ERISA with respect to any Pension Plan (other than premiums due and not delinquent under ERISA) or (h) the failure by the Company or any of its Subsidiaries to comply with Applicable Law with respect to any Foreign Plan.

"Foreign Plan" means any pension, profit-sharing, deferred compensation, or other employee benefit plan, program or arrangement (other than a Pension Plan or a Multiemployer Plan) maintained by any Subsidiary of the Company that, under applicable local foreign law, is required to be funded through a trust or other funding vehicle.

"Governmental Approval" means any authorization, consent, approval, license or exemption of, registration or filing with, or report or notice to, any Governmental Authority.

"Governmental Authority" means the government of the United States of America or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or

functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank).

"Lien" means any lien, security interest or other charge or encumbrance of any kind, or any other type of preferential arrangement, including, without limitation, the lien or retained security title of a conditional vendor and any easement, right of way or other encumbrance on title to real property.

"Material Adverse Effect" means a material adverse effect on (a) on the business, operations, properties, financial condition, assets or liabilities (including, without limitation, contingent liabilities) of the Company and its Subsidiaries, taken as a whole, (b) the ability of the Company to perform its obligations under any Credit Document or any Related Document to which the Company is a party or (c) the ability of the Bank to enforce its rights under any Credit Document or any Related Document to which the Company is a party.

"Material Subsidiaries" means any Subsidiary of the Company with respect to which (x) the Company's percentage ownership interest multiplied by (y) the book value of the Consolidated Assets of such Subsidiary represents at least 15% of the Consolidated Assets of the Company as reflected in the latest financial statements of the Company.

"Multiemployer Plan" means any "multiemployer plan" (as such term is defined in Section 4001(a)(3) of ERISA), which is contributed to by (or to which there is or may be an obligation to contribute of) the Company or any of its ERISA Affiliates or with respect to which the Company or any of its ERISA Affiliates has, or could reasonably be expected to have, any liability.

"Pension Plan" means any "employee pension benefit plan" (as defined in Section 3(2) of ERISA) (other than a Multiemployer Plan), subject to the provisions of Title IV of ERISA or Section 412 of the Code or Section 302 of ERISA, maintained or contributed to by the Company or any of its ERISA Affiliates or to which the Company or any of its ERISA Affiliates has or may have an obligation to contribute (or is deemed under Section 4069 of ERISA to have maintained or contributed to or to have had an obligation to contribute to, or otherwise to have liability with respect to) such plan.

"Person" means an individual, partnership, corporation (including, without limitation, a business trust), joint stock company, limited liability company, trust, unincorporated association, joint venture or other entity, or a government or any political subdivision or agency thereof.

"Pledged Bonds" means the Bonds purchased with moneys received under the Replacement Letter of Credit in connection with a tender drawing under the Replacement Letter of Credit and owned or held by the Company or an affiliate of the Company or by the Trustee and pledged to the Bank pursuant to the Custodian Agreement.

"Rating Decline" means the occurrence of the following on, or within 90 days after, the earlier of (a) the occurrence of a Change of Control (as defined below) and (b) the earlier of (x) the date of public notice of the occurrence of a Change of Control

and (y) the date of the public notice of the Company's (or its direct or indirect parent company's) intention to effect a Change of Control, which 90-day period will be extended so long as the S&P Rating or Moody's Rating is under publicly announced consideration for possible downgrading by S&P or Moody's, as applicable: the S&P Rating is reduced below BBB+ or the Moody's Rating is reduced below Baa1.

"Reimbursement Obligation" means the obligation of the Company under the Reimbursement Agreement to reimburse the Bank for the full amount of each payment by the Bank under the Replacement Letter of Credit, including, without limitation, amounts in respect of any reinstatement of interest on the Bonds at the election of the Bank notwithstanding any failure by the Company to reimburse the Bank for any previous drawing to pay interest on the Bonds.

"Related Documents" means, with regard to the Replacement Letter of Credit, the Bonds, the Indenture, the Loan Agreement (as defined in the Reimbursement Agreement), the Remarketing Agreement (as defined in the Reimbursement Agreement) and the Custodian Agreement.

"Subsidiary" of any Person means any corporation, partnership, joint venture, limited liability company, trust or estate of which (or in which) more than 50% of (a) the issued and outstanding capital stock having ordinary voting power to elect a majority of the board of directors of such corporation (irrespective of whether at the time capital stock of any other class or classes of such corporation shall or might have voting power upon the occurrence of any contingency), (b) the interest in the capital or profits of such limited liability company, partnership or joint venture or (c) the beneficial interest in such trust or estate is at the time directly or indirectly owned or controlled by such Person, by such Person and one or more of its other Subsidiaries or by one or more of such Person's other Subsidiaries.

Events of Default. Any one or more of the following events (whether voluntary or involuntary) constitute an event of default (an "Event of Default") under the Reimbursement Agreement:

(a) (i) Any principal of any Reimbursement Obligation is not paid when due and payable or (ii) any interest on any Reimbursement Obligation or any fees or other amounts payable under the Reimbursement Agreement or under any other Credit Document is not paid within five days after the same becomes due and payable; or

(b) Any representation or warranty made by the Company in the Reimbursement Agreement or by the Company (or any of its officers) in any Credit Document or in connection with any Related Document or any document delivered pursuant to such documents proves to have been incorrect in any material respect when made; or

(c) (i) The Company fails to (A) preserve, and to cause its Material Subsidiaries to preserve, their corporate, partnership or limited liability company existence, (B) cause all Bonds that it acquires to be registered in accordance with the

Indenture and the Custodian Agreement in the name of the Company or its nominee, (C) maintain a required debt to capitalization ratio or (D) observe certain covenants relating to restrictions on liens, mergers, asset sales, use of proceeds, optional redemption of the Bonds, amendments to the Indenture and amendments to the Reoffering Circular (as defined in the Reimbursement Agreement), all in accordance with the Reimbursement Agreement or (ii) the Company fails to perform or observe any other term, covenant or agreement contained in the Reimbursement Agreement or any other Credit Document or Related Document on its part to be performed or observed if such failure remains unremedied for 30 days after written notice has been given to the Company by the Bank; or

(d) Any material provision of the Reimbursement Agreement or any other Credit Document or Related Document to which the Company is a party shall at any time and for any reason cease to be valid and binding upon the Company, except pursuant to the terms thereof, or is declared to be null and void, or the validity or enforceability is contested in any manner by the Company or any Governmental Authority, or the Company denies in any manner that it has any or further liability or obligation under the Reimbursement Agreement or any other Credit Document or Related Document to which the Company is a party; or

(e) The Company or any Material Subsidiary fails to pay any principal of or premium or interest on any Debt (other than Debt under the Reimbursement Agreement) that is outstanding in a principal amount in excess of $100,000,000 in the aggregate when due and payable (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise), and such failure continues after any applicable grace period specified in the agreement or instrument relating to such Debt; or any other event shall occur or condition shall exist under any agreement or instrument relating to any such Debt and shall continue after any applicable grace period, if the effect of such event or condition is to accelerate, or permit the acceleration of, the maturity of such Debt; or any such Debt shall be declared to be due and payable, or required to be prepaid or redeemed (other than by a regularly scheduled required prepayment or redemption), prior to the stated maturity thereof; or

(f) Any judgment or order for the payment of money in excess of $100,000,000 to the extent not paid or insured shall be rendered against the Company or any Material Subsidiary and either (i) enforcement proceedings shall have been commenced by any creditor upon such judgment or order or (ii) there shall be any period of 30 consecutive days during which a stay of enforcement of such judgment or order, by reason of a pending appeal or otherwise, shall not be in effect; or

(g) The Company or any Material Subsidiary shall generally not pay its debts as they become due, or admits in writing its inability to pay its debts generally, or makes a general assignment for the benefit of creditors; or any proceeding is instituted by or against the Company or any Material Subsidiary seeking to adjudicate it a bankrupt or insolvent, or seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief, or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors, or seeking the entry of an order for relief

or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its property and, in the case of any such proceeding instituted against it (but not instituted by it), either such proceeding shall remain undismissed or unstayed for a period of 60 days, or any of the actions sought in such proceeding (including, without limitation, the entry of an order for relief against, or the appointment of a receiver, trustee, custodian or other similar official for, it or for any substantial part of its property) shall occur; or the Company or any Material Subsidiary shall take any corporate action to authorize any of the actions set forth above in this paragraph; or

(h) An ERISA Event has occurred that, when taken together with all other ERISA Events that have occurred, has resulted in, or is reasonably likely to result in, a Material Adverse Effect; or

(i) (i) Berkshire Hathaway Inc. shall fail to own, directly or indirectly, at least 50% of the issued and outstanding shares of common stock of the Company, calculated on a fully diluted basis or (ii) Berkshire Hathaway Energy Company shall fail to own, directly or indirectly, at least 80% of the issued and outstanding shares of common stock of the Company, calculated on a fully diluted basis (each, a "Change of Control"); provided that, in each case, such failure shall not constitute an Event of Default unless and until a Rating Decline has occurred; or

(j) Any "Event of Default" under and as defined in the Indenture shall have occurred and be continuing; or

(k) Any approval or order of any Governmental Authority related to any Credit Document or any Related Document shall be (i) rescinded, revoked or set aside or otherwise cease to remain in full force and effect or (ii) modified in any manner that, in the opinion of the Bank, could reasonably be expected to have a material adverse effect on (A) the business, assets, operations, condition (financial or otherwise) or prospects of the Company and its Subsidiaries taken as a whole, (B) the legality, validity or enforceability of any of the Credit Documents or the Related Documents to which the Company is a party, or the rights, remedies and benefits available to the parties thereunder or (C) the ability of the Company to perform its obligations under the Credit Documents or the Related Documents to which the Company is a party; or

(l) Any change in Applicable Law or any action by any Governmental Authority shall occur which has the effect of making the transactions contemplated by the Credit Documents or the Related Documents unauthorized, illegal or otherwise contrary to Applicable Law; or

(m) The Custodian Agreement after delivery under the Reimbursement Agreement, except to the extent permitted by the terms thereof, fails or ceases to create valid and perfected Liens in any of the collateral purported to be covered thereby, subject to certain cure rights.

Remedies. If an Event of Default occurs under the Reimbursement Agreement and is continuing, the Bank may (a) by notice to the Company, declare the obligation of the Bank to issue the Replacement Letter of Credit to be terminated, (b) give notice to the Trustee (i) under the Indenture that the Replacement Letter of Credit will not be reinstated following a drawing for the payment of interest on the Bonds, which will result in the mandatory purchase of the Bonds, and/or (ii) as provided in the Indenture to declare the principal of all Bonds then outstanding to be immediately due and payable, (c) declare the principal amount of all Reimbursement Obligations, all interest thereon and all other amounts payable under the Reimbursement Agreement or any other Credit Document to be forthwith due and payable, which will cause all such principal, interest and all such other amounts to become due and payable, without presentment, demand, protest, or further notice of any kind, all of which are expressly waived by the Company and (d) in addition to other rights and remedies provided for in the Reimbursement Agreement or in the Custodian Agreement or otherwise available to the Bank, as holder of the Pledged Bonds or otherwise, exercise all the rights and remedies of a secured party on default under the Uniform Commercial Code in effect in the State of New York at that time; provided that, if an Event of Default described in subpart (g) or (i) under the heading "Events of Default," above, shall have occurred, automatically, (x) the obligation of the Bank under the Reimbursement Agreement to issue the Replacement Letter of Credit shall terminate, and (y) all Reimbursement Obligations, all interest thereon and all other amounts payable under the Reimbursement Agreement or under any other Credit Document will become due and payable, without presentment, demand, protest, or further notice of any kind, all of which are expressly waived by the Company.

REMARKETING AGENT

General. Wells Fargo Bank, National Association (the "Remarketing Agent"), will continue as remarketing agent for the Bonds. Subject to certain conditions, the Remarketing Agent has agreed to determine the rates of interest on the Bonds and use its best efforts to remarket all tendered Bonds.

In the ordinary course of its business, the Remarketing Agent has engaged, and may in the future engage, in investment banking and/or commercial banking transactions with the Company, its subsidiaries and its other affiliates, for which it has received and will receive customary compensation.

Special Considerations. *The Remarketing Agent is Paid by the Company.* The Remarketing Agent's responsibilities include determining the interest rate from time to time and remarketing Bonds that are optionally or mandatorily tendered by the owners thereof (subject, in each case, to the terms of the Indenture and the Remarketing Agreement), all as further described in this 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 the Indenture and the Remarketing Agreement, the Remarketing Agent is required to determine the applicable rate of interest that, in its judgment, is the lowest rate that would permit the sale of the Bonds bearing interest at the applicable interest rate at par plus accrued interest, if any, on and as of the applicable interest rate determination date. The interest rate will reflect, among other factors, the level of market demand for the Bonds (including whether the Remarketing Agent is willing to purchase Bonds for its own accounts). There may or may not be Bonds tendered and remarketed on an interest rate determination date, the Remarketing Agent may or may not be able to remarket any Bonds tendered for purchase on such date at par and the Remarketing Agent may sell Bonds at varying prices to different investors on such date or any other date. The Remarketing Agent is not obligated to advise purchasers in a remarketing if it does not have third party buyers for all of the Bonds at the remarketing price. In the event the Remarketing Agent owns any Bonds for its own account, it may, in its sole discretion in a secondary market transaction outside the tender process, offer such Bonds on any date, including the interest rate determination date, at a discount to par to some investors.

The Ability to Sell the Bonds Other Than Through the Tender Process May be Limited. The Remarketing Agent may buy and sell Bonds other than through the tender process. However, it is not obligated to do so and may cease doing so at any time without notice and may require Holders that wish to tender their Bonds to do so through the Trustee with appropriate notice. Thus, investors who purchase the Bonds, whether in a remarketing or otherwise, should not assume that they will be able to sell their Bonds other than by tendering the Bonds in accordance with the tender process.

The Remarketing Agent May Resign, Be Removed or Cease Remarketing the Bonds, Without a Successor Being Named. Under certain circumstances, the Remarketing Agent may be removed or have the ability to resign or cease its remarketing efforts without a successor having been named, subject to the terms of the Indenture and the Remarketing Agreement.

TAX EXEMPTION

The opinion of Chapman and Cutler delivered on November 17, 1994 with respect to the Bonds stated that, subject to compliance by the Company and the Issuer with certain covenants made to satisfy pertinent requirements of the United States Internal Revenue Code of 1954, as amended (the "1954 Code") and the United States Internal Revenue Code of 1986, as amended, under then-existing law, interest on the Bonds is not includible in gross income of the owners thereof for federal income tax purposes, except for interest on any Bond for any period during which such Bond is owned by a person who is a substantial user of the Facilities (as defined in the Indenture) or any person considered to be related to such person (within the meaning of Section 103(b)(13) of the 1954 Code), and the interest on the Bonds will not be treated as an item of tax preference in computing the alternative minimum tax for individuals and corporations (because the Prior Bonds, as defined in the Original Reoffering Circular, were issued prior to August 8, 1986). Such interest will be taken into account, however, in computing an adjustment used in determining the alternative minimum tax for certain corporations. As indicated in such opinions, the failure to comply with certain of such covenants of the Issuer and the Company could cause the interest on the Bonds to be included in gross income retroactive to the date of issuance of the Bonds. Chapman and Cutler LLP ("Bond Counsel") has made no independent investigation to confirm that such covenants have been complied with.

Such opinion of Bond Counsel also stated that, under then-existing statutes and laws of Utah, interest on the Bonds is exempt from taxes imposed by the Utah Individual Income Tax Act.

Bond Counsel will deliver an opinion for the Bonds in connection with the delivery of the Replacement Letter of Credit, in substantially the form attached hereto as Appendix SD, to the effect that the delivery of the Replacement Letter of Credit (i) complies with the terms of the Agreement and (ii) will not adversely affect the Tax-Exempt (as defined in the Indenture) status of the Bonds. Except with respect to (a) the delivery of a Standby Bond Purchase Agreement for the Bonds, described in its opinion dated November 15, 2002, (b) the delivery of an Amended and Restated Standby Bond Purchase Agreement and the execution and delivery of a First Supplemental Trust Indenture, described in its opinions dated May 3, 2006, (c) the amendment and restatement of the Indenture and the Loan Agreement and delivery of the Prior Letter of Credit, described in its opinion dated November 19, 2008 and (d) as necessary to render the foregoing opinions, Bond Counsel has not reviewed any factual or legal matters relating to the Bonds subsequent to their date of issuance. The opinions delivered in connection with the delivery of the Replacement Letter of Credit are not to be interpreted as a reissuance of the original approving opinion dated November 17, 1994 as of the date of this Supplement to Reoffering Circular.

Ownership of the Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, corporations subject to either the environmental tax or the branch profits tax, financial institutions, certain insurance companies, certain S Corporations, individual recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry tax-exempt obligations. Prospective purchasers of the Bonds should consult their tax advisors as to applicability of any such collateral consequences.

MISCELLANEOUS

This Supplement to Reoffering Circular has been approved by the Company for distribution by the Remarketing Agent to current Bondholders and potential purchasers of the Bonds. **THE ISSUER MAKES NO REPRESENTATION WITH RESPECT TO AND HAS NOT PARTICIPATED IN THE PREPARATION OF ANY PORTION OF THIS SUPPLEMENT TO REOFFERING CIRCULAR**.

APPENDIX SA

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, vertically integrated electric utility 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. PacifiCorp owns, or has interests in, 75 thermal, hydroelectric, wind-powered and geothermal generating facilities, with a net owned capacity of 11,136 megawatts. PacifiCorp also owns, or has interests in, electric transmission and distribution assets, and transmits electricity through approximately 16,400 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 customer 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 Berkshire Hathaway Energy Company ("BHE"), a holding company based in Des Moines, Iowa, that owns subsidiaries principally engaged in energy businesses. BHE is a consolidated subsidiary of Berkshire Hathaway Inc. BHE controls substantially all of the Company's 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, and compliance with, laws and regulations, including reliability and safety standards, affecting the Company's operations or 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, new technologies and various conservation, energy efficiency and distributed generation measures and programs, that could affect customer growth and usage, electricity supply or the Company's ability to obtain long-term contracts with customers and suppliers; a high degree of variance between actual and forecasted load or generation that could impact the Company's hedging strategy and the cost 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; 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 generating capacity and energy costs; 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; the effects of catastrophic and other unforeseen events, which may be caused by factors beyond the Company's control or by a breakdown or failure of the Company's operating assets, including storms, floods, fires, earthquakes, explosions, landslides, mining accidents, litigation, wars, terrorism and embargoes; 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 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 the Company's consolidated financial results; 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 Street, Portland, Oregon 97232; the telephone number is (503) 813-5608. The Company was initially incorporated in 1910 under the laws of the state of Maine under the name Pacific Power & Light Company. In 1984, Pacific Power & Light Company changed its name to PacifiCorp. In 1989, it merged with Utah Power and Light Company, a Utah corporation, in a transaction wherein both corporations merged into a newly formed Oregon corporation. The resulting Oregon corporation was re-named PacifiCorp, which is the operating entity today.

AVAILABLE INFORMATION

The Company is subject to the informational requirements of the United States 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, 2014.

2. All other documents filed by the Company pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act after the date hereof.

All documents filed by the Company pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act after the filing of the Annual Report on Form 10-K for the fiscal year ended December 31, 2014 and before the termination of the reoffering made by this Supplement to Reoffering Circular (the "Supplement") shall be deemed to be incorporated by reference in this Supplement and to be a part hereof from the date of filing such documents (such documents and the documents enumerated above, being hereinafter referred to as the "Incorporated Documents"), provided, however, that the documents enumerated above and the documents subsequently filed by the Company pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act in each year during which the reoffering made by this Supplement is in effect before the filing of the Company's Annual Report on Form 10-K covering such year shall not be Incorporated Documents or be incorporated by reference in this Supplement or be a part hereof from and after such filing of such Annual Report on Form 10-K.

Any statement contained in an Incorporated Document shall be deemed to be modified or superseded for purposes hereof to the extent that a statement contained herein or in any other subsequently filed Incorporated Document modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part hereof.

The Incorporated Documents are not presented in this Supplement or delivered herewith. The Company hereby undertakes to provide without charge to each person to whom a copy of this Supplement has been delivered, on the written or oral request of any such person, a copy of any or all of the Incorporated Documents, other than exhibits to such documents, unless such exhibits are specifically incorporated by reference therein. Requests for such copies should be directed to PacifiCorp, 825 N.E. Multnomah Street, Portland, Oregon 97232, telephone number (503) 813-5608. The information relating to the Company contained in this Supplement does not purport to be comprehensive and should be read together with the information contained in the Incorporated Documents.

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APPENDIX SB

CANADIAN IMPERIAL BANK OF COMMERCE

The following information concerning Canadian Imperial Bank of Commerce ("CIBC") has been provided by representatives of CIBC and has not been independently confirmed or verified by the Issuer, the Company or any other party. No representation is made by the Company or the Issuer as to the accuracy, completeness or adequacy of such information and no representation is made as to the absence of material adverse changes in such information subsequent to the date hereof, or that the information contained or incorporated herein by reference is correct as of any time subsequent to its date.

CIBC is a diversified financial institution governed by the Bank Act. CIBC was formed through the amalgamation of The Canadian Bank of Commerce and Imperial Bank of Canada in 1961. The Canadian Bank of Commerce was originally incorporated as Bank of Canada by special act of the legislature of the Province of Canada in 1858. Subsequently, the name was changed to The Canadian Bank of Commerce and it opened for business under that name in 1867. Imperial Bank of Canada was incorporated in 1875 by special act of the Parliament of Canada and commenced operations in that year. The address of the registered and head office of CIBC is Commerce Court, 199 Bay St., Toronto, Canada M5L 1A2 and the telephone number is 1-416-980-3096.

As extracted from its latest audited consolidated financial statements, at 31 October 2014 CIBC had total assets of C$415 billion, total deposits of C$325 billion and common shareholders' equity of C$19 billion. These financial statements were prepared in accordance with IFRS. CIBC is rated "A+/A-1" by Standard & Poor's Financial Services LLC, a subsidiary of McGraw Hill Financial Inc., and "Aa3/P-1" by Moody's Investors Service, Inc.

CIBC is responsible only for the information contained in this Appendix SB to the Supplement to Reoffering Circular and did not participate in the preparation of, or in any way verify the information contained in, any other part of the Supplement to Reoffering Circular. Accordingly, CIBC assumes no responsibility for and makes no representation or warranty as to the accuracy or completeness of information contained in any other part of the Supplement to Reoffering Circular.

The information contained in this Appendix SB relates to and has been obtained from CIBC. The delivery of the Supplement to Reoffering Circular shall not create any implication that there has been no change in the affairs of Canadian Imperial Bank of Commerce since the date hereof, or that the information contained or referred to in this Appendix SB is correct as of any time subsequent to its date.

APPENDIX SC

REOFFERING CIRCULAR DATED NOVEMBER 11, 2008

NOT NEW ISSUES
Book-Entry Only

The opinions of Chapman and Cutler, Bond Counsel, delivered on November 17, 1994, state that, subject to compliance by the Company and the Issuers with certain covenants, in the opinion of Chapman and Cutler, Bond Counsel, under then existing law (a) interest on the Bonds is not includible in gross income of the owners thereof for federal income tax purposes, except for interest on any Bond for any period during which such Bond is owned by a person who is a substantial user of the Facilities or any person considered to be related to such person (within the meaning of Section 103(b)(13) of the Internal Revenue Code of 1954, as amended), and (b) interest on the Bonds is not treated as an item of tax preference in computing the alternative minimum tax for individuals and corporations. However, such interest is taken into account in computing the corporate alternative minimum tax. Such opinions of Bond Counsel were also to the effect that under then existing law (a) interest on the Emery Bonds and Carbon Bonds is exempt from taxes imposed by the Utah Individual Income Tax Act, (b) the State of Wyoming imposes no income taxes that would be applicable to interest on the Converse Bonds, the Lincoln Bonds or the Sweetwater Bonds and (c) interest on the Moffat Bonds is not included in Colorado taxable income for purposes of the income tax imposed by the State of Colorado pursuant to Article 22 of Title 39 of the Colorado Revised Statutes, as amended. Such opinions have not been updated as of the date hereof. See "TAX EXEMPTION" herein for a more complete discussion.

COMPOSITE REOFFERING
$216,470,000
POLLUTION CONTROL REVENUE REFUNDING BONDS
(PACIFICORP PROJECTS)
SERIES 1994

Dated: Original Date of Delivery **Due: See Inside Cover**

The Bonds of each issue described in this Reoffering Circular are limited obligations of the respective Issuers 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 respective Issuers with, and secured by First Mortgage Bonds issued by,

PacifiCorp

On November 19, 2008, the Bonds of each issue will be remarketed and will bear interest at a Weekly Interest Rate payable the first Business Day of each month commencing December 1, 2008. The initial Weekly Interest Rate and each subsequent Weekly Interest Rate to be borne by the each issue of the Bonds will be determined by the applicable Remarketing Agent. Thereafter, the interest rate on the Bonds may be changed from time to time to Daily, Weekly, Flexible or Term Interest Rates, designated and determined as described herein. The Bonds are subject to purchase at the option of the owners thereof and, under certain circumstances, are subject to mandatory purchase in the manner and at the times described herein. The Bonds are subject to optional and mandatory redemption prior to maturity as described herein.

Following the remarketing of the Bonds on November 19, 2008, the payment of the principal of and interest on each issue of the Bonds and the payment of the purchase price of each issue of the Bonds tendered for purchase and not remarketed will be supported by a separate irrevocable Letter of Credit issued by Wells Fargo Bank, National Association, to The Bank of New York Mellon Trust Company, N.A., as Trustee, for the benefit of the registered holders of the related Bonds.

Wells Fargo Bank, National Association

Each Letter of Credit will expire by its terms on November 19, 2009, unless it expires earlier in accordance with its terms. Each Letter of Credit will be automatically extended to November 19, 2010, unless the Trustee receives notice of the Bank's election not to extend on or before October 20, 2009. Each Letter of Credit may be replaced by an Alternate Credit Facility as permitted under the separate Indentures and Loan Agreements. Unless a Letter of Credit is extended before its scheduled expiration date, the related Bonds will be subject to mandatory tender for purchase prior to such expiration date. THIS REOFFERING CIRCULAR ONLY PERTAINS TO THE BONDS WHILE THEY ARE SECURED BY THE LETTERS OF CREDIT PROVIDED BY THE BANK.

The Bonds are issuable as fully registered Bonds without coupons and will be registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company, New York, New York. DTC initially will act as securities depository for the Bonds. Only beneficial interests in book-entry form are being offered. The Bonds are issuable during any 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, as nominee for DTC, the principal of and premium, if any, and interest on the Bonds will be paid by the Trustee directly to DTC, which will, in turn, remit such amounts to DTC participants for subsequent disbursement to the beneficial owners of the Bonds. See "THE BONDS—Book-Entry System."

Price 100%

The Bonds of each issue are reoffered by the Remarketing Agents referred to below, subject to withdrawal or modification of the offer without notice and certain other conditions. At the time of the original issuance and delivery of each issue of the Bonds, Chapman and Cutler, Bond Counsel to the Company, delivered its opinion as to the legality of such issue of Bonds. Such opinions spoke only as to their respective dates of delivery and will not be reissued in connection with this reoffering. Certain legal matters in connection with the reoffering will be passed upon by Chapman and Cutler LLP, Bond Counsel to the Company. Certain legal matters in connection with the remarketing will be passed upon for PacifiCorp by Paul J. Leighton, Esq., counsel to the Company. Certain legal matters will be passed upon for the Remarketing Agents by King & Spalding LLP. It is expected that delivery of the Bonds will be made through the facilities of DTC in New York, New York, on or about November 19, 2008.

Banc of America Securities LLC **Morgan Stanley**

Wells Fargo Brokerage Services, LLC

November 11, 2008

COMPOSITE REOFFERING
POLLUTION CONTROL REVENUE REFUNDING BONDS
(PACIFICORP PROJECTS)
SERIES 1994

$9,365,000
Carbon County, Utah
Series 1994
Due: November 1, 2024

$8,190,000
Converse County, Wyoming
Series 1994
Due: November 1, 2024

$121,940,000
Emery County, Utah
Series 1994
Due: November 1, 2024

$15,060,000
Lincoln County, Wyoming
Series 1994
Due: November 1, 2024

$40,655,000
Moffat County, Colorado
Series 1994
Due: May 1, 2013

$21,260,000
Sweetwater County, Wyoming
Series 1994
Due: November 1, 2024

This reoffering is for six issues with separate Issuers and Remarketing Agents in respect of each issue as follows:

ISSUER	AMOUNT	REMARKETING AGENT	CUSIP
Carbon County	$ 9,365,000	Morgan Stanley & Co. Incorporated	140890 AD6
Converse County	8,190,000	Banc of America Securities LLC	212491 AM6
Emery County	121,940,000	Wells Fargo Brokerage Services, LLC	291147 CE4
Lincoln County	15,060,000	Banc of America Securities LLC	533485 AZ1
Moffat County	40,655,000	Morgan Stanley & Co. Incorporated	607874 CM4
Sweetwater County	21,260,000	Morgan Stanley & Co. Incorporated	870487 CP0

No broker, dealer, salesman or other person has been authorized to give any information or to make any representations other than those contained in this Reoffering Circular in connection with the offering made hereby, and, if given or made, such information or representations must not be relied upon as having been authorized by Carbon County, Utah, Converse County, Wyoming, Emery County, Utah, Lincoln County, Wyoming, Moffat County, Colorado or Sweetwater County, Wyoming (sometimes referred to individually as an *"Issuer"* and collectively as the *"Issuers"*), PacifiCorp, or the Remarketing Agents. Neither the delivery of this Reoffering Circular nor any sale hereunder shall under any circumstances create any implication that there has been no change in the affairs of the Issuers or the Company any since the date hereof. This Reoffering Circular does not constitute an offer or solicitation in any jurisdiction in which such offer or solicitation is not authorized, or in which the person making such offering or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation. None of the Issuers has assumed or will assume any responsibility as to the accuracy or completeness of the information in this Reoffering Circular, other than that relating to itself under the caption "THE ISSUERS." Upon issuance, the Bonds will not be registered under the Securities Act of 1933, as amended, and will not be listed on any stock or other securities exchange. Neither the Securities and Exchange Commission nor any other federal state, municipal or other governmental entity will have passed upon the accuracy or adequacy of this Reoffering Circular or, other than the Issuers, approved the Bonds for sale.

In connection with this offering, the Remarketing Agents may overallot or effect transactions which stabilize or maintain the market price of the securities offered hereby at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

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COMPOSITE REOFFERING
POLLUTION CONTROL REVENUE REFUNDING BONDS
(PACIFICORP PROJECTS)
SERIES 1994

$9,365,000 **Carbon County, Utah** **Series 1994** **Due: November 1, 2024**	**$8,190,000** **Converse County, Wyoming** **Series 1994** **Due: November 1, 2024**	**$121,940,000** **Emery County, Utah** **Series 1994** **Due: November 1, 2024**
$15,060,000 **Lincoln County, Wyoming** **Series 1994** **Due: November 1, 2024**	**$40,655,000** **Moffat County, Colorado** **Series 1994** **Due: May 1, 2013**	**$21,260,000** **Sweetwater County, Wyoming** **Series 1994** **Due: November 1, 2024**

INTRODUCTORY STATEMENT

This Reoffering Circular, including the Appendices hereto and the documents incorporated by reference herein, is provided to furnish certain information with respect to the reoffering by the Issuers of six separate issues of Pollution Control Revenue Refunding Bonds (PacifiCorp Projects) Series 1994 (collectively, the *"Bonds"*), as follows:

(a) $9,365,000 principal amount of Carbon County, Utah Pollution Control Revenue Refunding Bonds (PacifiCorp Project) Series 1994 (the *"Carbon Bonds"*);

(b) $8,190,000 principal amount of Converse County, Wyoming Pollution Control Revenue Refunding Bonds (PacifiCorp Project) Series 1994 (the *"Converse Bonds"*);

(c) $121,940,000 principal amount of Emery County, Utah Pollution Control Revenue Refunding Bonds (PacifiCorp Project) Series 1994 (the *"Emery Bonds"*);

(d) $15,060,000 principal amount of Lincoln County, Wyoming Pollution Control Revenue Refunding Bonds (PacifiCorp Project) Series 1994 (the *"Lincoln Bonds"*);

(e) $40,655,000 principal amount of Moffat County, Colorado Pollution Control Revenue Refunding Bonds (PacifiCorp Project) Series 1994 (the *"Moffat Bonds"*); and

(f) $21,260,000 principal amount of Sweetwater County, Wyoming Pollution Control Revenue Refunding Bonds (PacifiCorp Project) Series 1994 (the *"Sweetwater Bonds"*).

The Carbon Bonds, the Converse Bonds, the Emery Bonds, the Lincoln Bonds, the Moffat Bonds and the Sweetwater Bonds have been issued under separate Trust Indentures dated as of November 1, 1994 (each a *"Trust Indenture"* and collectively, the *"Trust Indentures"*) between Carbon County, Utah (*"Carbon County"*), Converse County, Wyoming (*"Converse County"*), Emery County, Utah (*"Emery County"*), Lincoln County, Wyoming (*"Lincoln County"*), Moffat County, Colorado (*"Moffat County"*), and Sweetwater County, Wyoming (*"Sweetwater County"*), as applicable (each an *"Issuer"* and collectively, the *"Issuers"*), and The Bank of New York Mellon Trust Company, N.A., as successor trustee (the *"Trustee"*), each as amended and restated by a separate First Supplemental Trust Indenture, dated as of October 1, 2008, (each a *"First Supplemental Indenture"* and collectively, the *"First Supplemental Indentures"*), between each of the respective Issuers and the Trustee, and under resolutions of the governing bodies of the respective Issuers. The Trust Indentures, as amended and restated by the First Supplemental Indentures, are sometimes referred to herein as the *"Indentures."* Pursuant to separate Loan Agreements between PacifiCorp (the *"Company"*) and each of the respective Issuers (each an *"Original Loan Agreement"* and collectively the *"Original Loan Agreements"*), each as amended and restated by a First Supplemental Loan Agreement, dated as of October 1, 2008, between the Company and each of the respective Issuers (each a *"First Supplemental Loan Agreement"* and collectively the *"First Supplemental Loan Agreements"*), the respective Issuers have lent the proceeds from the original sale of the Bonds to the Company. The Original Loan Agreements, as amended and restated by the First Supplemental Loan Agreements, are sometimes referred to herein as the *"Loan Agreements."*

The proceeds of the Bonds were used, together with certain other moneys of the Company, to refund all of the outstanding (a) $9,365,000 principal amount of Carbon County, Utah, Pollution Control Revenue Bonds (Utah Power & Light Company Project) Series A of 1974 due February 1, 2004 (the *"Prior Carbon Bonds"*); (b) $8,190,000 principal amount of Converse County, Wyoming Collateralized Pollution Control Revenue Bonds (Pacific Power & Light Company Project) Series 1977 (the *"Prior Converse Bonds"*); (c) $13,190,000 principal amount of Emery County, Utah, Pollution Control Revenue Bonds (Utah Power & Light Company Project) Series A of 1974 due February 1, 2004 (the *"Prior Emery 1974 Bonds"*); (d) $50,000,000 principal amount of Emery County, Utah, Pollution Control Revenue Bonds, 6-3/8% Series due November 1, 2006 (Utah Power & Light Company Project) (the *"Prior Emery 6-3/8% Bonds"*); (e) $42,000,000 principal amount of Emery County, Utah, Pollution Control Revenue Bonds, 5.90% Series due April 1, 2008 (Utah Power & Light Company Project) (the *"Prior Emery 5.90% Bonds"*); (f) $16,750,000 principal amount of Emery County, Utah, Pollution Control Revenue Bonds (Utah Power & Light Company Project), 10.70% Series due September 1, 2014 (the *"Prior Emery 10.70% Bonds"*); (g) $15,060, 000 principal amount of Lincoln County, Wyoming, Pollution Control Revenue Bonds (Utah Power & Light Company Project) Series A of 1974 (the *"Prior Lincoln Bonds"*); (h) $40,655,000 principal amount of Moffat County, Colorado, Pollution Control Revenue Bonds, Series 1978 (Colorado-Ute Electric Association, Inc. Project) (the *"Prior Moffat Bonds"*); and (i) $21,260,000 principal amount of Sweetwater County, Wyoming, Taxable Pollution Control Revenue Refunding Bonds

(PacifiCorp Project) Series 1994T (the *"Prior Sweetwater 1994T Bonds"*). These obligations have been assumed by the Company as the surviving corporation in its 1989 merger with Utah Power & Light Company, a Utah corporation, and PacifiCorp, a Maine corporation or, in the case of the Prior Moffat Bonds, under that certain Assignment and Assumption Agreement, dated April 15, 1992, between Colorado-Ute Electric Association, Inc. (*"Colorado-Ute"*) and the Company.

The Prior Emery 1974 Bonds, the Prior Emery 6-3/8% Bonds, the Prior Emery 5.90% Bonds and the Prior Emery 10.70% Bonds are hereinafter collectively referred to as the *"Prior Emery Bonds."* The Prior Carbon Bonds, the Prior Converse Bonds, the Prior Emery Bonds, the Prior Lincoln Bonds, the Prior Moffat Bonds and the Prior Sweetwater 1994T Bonds are hereinafter collectively referred to as the *"Prior Bonds."* The Prior Bonds were issued to finance various qualifying solid waste disposal facilities and air and water pollution control facilities as described herein. See "THE FACILITIES."

In order to secure the Company's obligation to repay the loans made to it by the Issuers under the Loan Agreements, the Company has issued and delivered to the Trustee for each issue its Series 1994-1 First Mortgage and Collateral Trust Bonds (the *"First Mortgage Bonds"*) in a principal amount equal to the principal amount of such issue of the Bonds. The First Mortgage Bonds may be released upon delivery of collateral in substitution for the First Mortgage Bonds 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 (the *"Company Mortgage Trustee"*), as supplemented and amended by various supplemental indentures, including a Tenth Supplemental Indenture dated as of August 1, 1994 (the *"Tenth 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" 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 Facilities (as hereinafter defined). The First Mortgage Bonds will be registered in the name of and held by the Trustee for the benefit of the *"Owners"* of the applicable series of the Bonds and will not be transferable except to a successor trustee under the Indentures. *"Owner"* means the registered owner of any Bond; *provided, however,* when used in the context of the Tax-Exempt (as hereinafter defined) status of the Bonds, the term *"Owner"* includes each actual purchaser of any Bond (*"Beneficial Owner"*).

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 Bonds or the Loan Agreements constitutes a debt or gives rise to a general obligation or liability of any of the Issuers 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 are payable solely from the receipts and revenues to be received from the Company

as payments under the related Loan Agreements, or otherwise on the First Mortgage Bonds, and from any other moneys pledged therefor. Such receipts and revenues and all of the Issuers' rights and interests under the Loan Agreements (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 related series of the Bonds. The payments required to be made by the Company under the Loan Agreements, or otherwise on the First Mortgage Bonds, will be sufficient, together with other funds available for such purpose, to pay the principal of and premium, if any, and interest on the related series of the Bonds. Under no circumstances will any Issuer have any obligation, responsibility or liability with respect to the Facilities, the Loan Agreements, the Indentures, the Bonds or this Reoffering Circular, except for the special limited obligation set forth in the Indentures and the Loan Agreements whereby each series of the Bonds are payable solely from amounts derived from the Company and the applicable Letter of Credit (or Alternate Credit Facility (as hereinafter defined), as the case may be). Nothing contained in the Indentures, the Bonds or the Loan Agreements, or in any other related documents may be construed to require any Issuer to operate, maintain or have any responsibility with respect to any of the Facilities (as hereinafter defined). The Issuers have no liability in the event of wrongful disbursement by the Trustee or otherwise. No recourse may 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.

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 delivered 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.

Each issue of the Bonds will be supported by a separate irrevocable Letter of Credit (each a *"Letter of Credit"* and, collectively, the *"Letters of Credit"*) to be issued by Wells Fargo Bank, National Association (the *"Bank"*) in favor of the Trustee, as beneficiary. The Letters of Credit have substantially identical terms.

Under each of the Letters of Credit, the Trustee will be entitled to draw, upon a properly presented and conforming drawing, up to an amount sufficient to pay one hundred percent (100%) of the principal amount of the applicable Bonds on the date of the draw (whether at maturity, upon acceleration, mandatory or optional purchase or redemption, plus 48 days' accrued interest on the applicable Bonds, at a rate of up to the maximum interest rate of twelve percent (12%) per annum calculated on the basis of a year of 365 days for the actual days elapsed, so long as the Bonds bear interest at the Weekly Interest Rate or the Daily Interest Rate. The Company has agreed to reimburse the Bank for drawings made under the Letter of Credit and to make certain other payments to the Bank. The Letters of Credit will expire on

November 19, 2009, unless extended or earlier terminated in accordance with their terms. See "THE LETTERS OF CREDIT."

Banc of America Securities LLC has been appointed by the Company as Remarketing Agent with respect to the Converse Bonds and the Lincoln Bonds. Morgan Stanley & Co. Incorporated has been appointed by the Company as Remarketing Agent with respect to the Carbon Bonds, the Moffat Bonds and the Sweetwater Bonds. Wells Fargo Brokerage Services, LLC has been appointed by the Company as Remarketing Agent with respect to the Emery Bonds. Banc of America Securities LLC, Morgan Stanley & Co. Incorporated and Wells Fargo Brokerage Services, LLC, are referred to herein as the *"Remarketing Agents."* The Company will enter into a separate Remarketing Agreement with the Remarketing Agent with respect to the Bonds to be remarketed by such Remarketing Agent.

Under certain circumstances described in the applicable Loan Agreement, a Letter of Credit may be replaced by an alternate credit facility supporting payment of the principal of and interest on the applicable Bonds when due and for the payment of the purchase price of tendered or deemed tendered Bonds (each an *"Alternate Credit Facility"*). The entity or entities, as the case may be, obligated to make payment on an Alternate Credit Facility are referred to herein as the *"Obligor on an Alternate Credit Facility."* In addition, a Letter of Credit may be replaced by a substitute letter of credit (a *"Substitute Letter of Credit"*). The replacement of a Letter of Credit or an Alternate Credit Facility, including with a Substitute Letter of Credit, will result in the mandatory purchase of Bonds. See "THE LOAN AGREEMENTS—The Letter of Credit; Alternate Credit Facility" and "—Substitute Letter of Credit."

Concurrently with the issuance of the Bonds, AMBAC Indemnity Corporation (*"Ambac"*) issued a municipal bond insurance policy with respect to the Bonds of each issue (each, an *"Ambac Insurance Policy"* and, collectively, the *"Ambac Insurance Policies"*). In connection with the delivery of the Letters of Credit, Ambac, the Company, the Trustee, each of the Issuers and the Company, acting as owner of Bonds, will enter into separate Release Agreements, pursuant to which Ambac will be released from all liabilities under each Ambac Insurance Policy, will surrender any and all rights under the Trust Indentures and payment of principal of and interest on the Bonds when due will no longer be guaranteed by Ambac under the Ambac Insurance Policies. Purchasers of the Bonds will be deemed to have consented to the provisions of the Release Agreements. See "TERMINATION OF BOND INSURANCE."

Brief descriptions of the Issuers, the Facilities and the Bank and summaries of certain provisions of the Bonds, the Loan Agreements, the Letters of Credit, the Indentures and the First Mortgage Bonds are included in this Reoffering Circular, including the Appendices hereto. Information regarding the business, properties and financial condition of the Company is included in and incorporated by reference in Appendix A hereto. A brief description of the Bank is included as Appendix B hereto. Appendices C-1 through C-6 set forth the approving opinions of Chapman and Cutler, Bond Counsel, delivered on the date of original issuance of each issue of the Bonds.

The descriptions herein of the Loan Agreements, the Indentures, the Company Mortgage and the Letters of Credit 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.

This Reoffering Circular provides certain information with respect to the Bank, the terms of, and security for the Bonds and other related matters. While certain information relating to the Company is included and incorporated within, the Bonds are being remarketed on the basis of their Letters of Credit and the financing strength of the Bank and are not being remarketed on the basis of the financial strength of the Issuers, the Company or any other security. This Reoffering Circular does not describe the financial condition of the Company and no representation is made concerning the financial status or prospects of the Company or the value or financial viability of the Project.

THE ISSUERS

CARBON COUNTY

Carbon County is a political subdivision, duly organized and existing under the Constitution and laws of the State of Utah (*"Utah"*). Pursuant to the Utah Industrial Facilities and Development Act, Title 11, Chapter 17, Utah Code Annotated 1953, as amended (the *"Utah Act"*), Carbon County was and is authorized to issue the Carbon Bonds, to enter into the Indenture and the Loan Agreement to which it is a party and to secure the Carbon Bonds by a pledge to the Trustee of the payments to be made by the Company under such Loan Agreement and the First Mortgage Bonds.

CONVERSE COUNTY

Converse County is a political subdivision, duly organized and existing under the Constitution and laws of the State of Wyoming (*"Wyoming"*). Pursuant to the Sections 15-1-701 to 15-1-710, inclusive, of the Wyoming Statutes (1977), as amended (the *"Wyoming Act"*), Converse County was and is authorized to issue the Converse Bonds, to enter into the Indenture and the Loan Agreement to which it is a party and to secure the Converse Bonds by a pledge to the Trustee of the payments to be made by the Company under such Loan Agreement and the First Mortgage Bonds.

EMERY COUNTY

Emery County is a political subdivision, duly organized and existing under the Constitution and laws of Utah. Pursuant to the Utah Act, Emery County was and is authorized to issue the Emery Bonds, to enter into the Indenture and the Loan Agreement to which it is a party

and to secure the Emery Bonds by a pledge to the Trustee of the payments to be made by the Company under such Loan Agreements and the First Mortgage Bonds.

LINCOLN COUNTY

Lincoln County is a political subdivision, duly organized and existing under the Constitution and laws of Wyoming. Pursuant to the Wyoming Act, Lincoln County was and is authorized to issue the Lincoln Bonds, to enter into the Indenture and the Loan Agreement to which it is a party and to secure the Lincoln Bonds by a pledge to the Trustee of the payments to be made by the Company under such Loan Agreement and the First Mortgage Bonds.

MOFFAT COUNTY

Moffat County is a public body corporate and politic, duly organized and existing under the Constitution and laws of the State of Colorado (*"Colorado"*). Pursuant to the County and Municipality Development Revenue Bond Act, Title 29, Article 3, Colorado Revised Statutes 1973, as amended (the *"Colorado Act"*), Moffat County was and is authorized to issue the Moffat Bonds, to enter into the Indenture and the Loan Agreement to which it is a party and to secure the Moffat Bonds by a pledge to the Trustee of the payments to be made by the Company under such Loan Agreement and the First Mortgage Bonds.

SWEETWATER COUNTY

Sweetwater County is a political subdivision, duly organized and existing under the Constitution and laws of Wyoming. Pursuant to the Wyoming Act, Sweetwater County was and is authorized to issue the Sweetwater Bonds, to enter into the Indenture and the Loan Agreement to which it is a party and to secure the Sweetwater Bonds by a pledge to the Trustee of the payments to be made by the Company under such Loan Agreement and the First Mortgage Bonds.

THE FACILITIES

The Prior Carbon Bonds were issued by Carbon County to finance qualifying solid waste disposal facilities or air or water pollution control facilities (the *"Carbon Facilities"*) for the Carbon coal-fired electric generating plant (the *"Carbon Plant"*) located in Carbon County.

The Prior Converse Bonds were issued to finance qualifying air and water pollution control facilities (the *"Dave Johnston Facilities"*) for the Dave Johnston coal-fired electric generating plant (the *"Dave Johnston Plant"*) located near the town of Glenrock, Wyoming.

The Prior Emery 1974 Bonds were issued by Emery County to finance qualifying solid waste disposal facilities or air or water pollution control facilities (the *"Huntington Facilities"*) for the Huntington coal-fired electric generating plant (the *"Huntington Plant"*) located in Emery County.

The Prior Emery 6-3/8% Bonds were issued to finance qualifying solid waste disposal facilities or air or water pollution control facilities (the *"Emery 1 Facilities"*) for the second unit of the Huntington Plant and the Emery generating plant, which is now known as the Hunter coal-fired steam electric generating plant (the *"Hunter Plant"*), each of which is located in Emery County.

The Prior Emery 5.90% Bonds were issued to finance qualifying water and air pollution control facilities (the *"Emery 2 Facilities"*) for the second unit of the Huntington Plant and the Hunter Plant in Emery County.

The Prior Emery 10.70% Bonds were issued to refund the Emery County, Utah $16,750,000 Pollution Control Revenue Bonds (Utah Power & Light Company Project), dated May 11, 1984 (the *"Emery May 1984 Bonds"*), that were issued to finance qualifying air or water pollution control facilities (the *"Hunter Facilities"*) for Unit 3 of the Hunter Plant located in Emery County.

The Prior Lincoln Bonds were issued to finance qualifying solid waste disposal facilities or air pollution control facilities (the *"Naughton Facilities"*) for the Naughton coal-fired electric generating plant (the *"Naughton Plant"*) located in Lincoln County.

The Prior Moffat Bonds were issued to finance Colorado-Ute's undivided 29% interest in air and water pollution control facilities (the *"Craig Facilities"*) in connection with electric generating units 1 and 2 of the Craig Station (the *"Craig Station"*) located in Moffat County. The Prior Moffat Bonds had been in default prior to the time the Company assumed an obligation to make payments with respect to the Prior Moffat Bonds in connection with the Company's acquisition of its interest in the Craig Facilities.

The Prior Sweetwater 1994T Bonds were issued to temporarily refund the $21,260,000 principal amount of Sweetwater County, Wyoming, Pollution Control Revenue Bonds (Pacific Power & Light Company Project) Series 1973 (the *"Sweetwater 1973 Bonds"*), which were issued to finance the Company's undivided 66-2/3% interest in the qualifying air and water pollution control facilities (the *"Jim Bridger Facilities"*) for the Jim Bridger coal-fired steam electric generating plant (the *"Jim Bridger Plant"*) located in Sweetwater County.

The Carbon Plant, the Dave Johnston Plant, the Huntington Plant, the Hunter Plant, the Naughton Plant, the Craig Station and the Jim Bridger Plant are hereinafter referred to collectively as the *"Plants"* and the Carbon Facilities, the Huntington Facilities, the Dave Johnston Facilities, the Emery 1 Facilities, the Emery 2 Facilities, the Hunter Facilities, the Naughton Facilities, the Craig Facilities and the Jim Bridger Facilities are hereinafter referred to collectively as the *"Facilities."* The interest of the Company in each of the Facilities is hereinafter referred to as the *"Project."*

USE OF PROCEEDS

The proceeds from the initial sale of the Bonds, together with funds of the Company, were applied to the redemption of the principal amount of the Prior Bonds outstanding immediately prior to redemption on January 15, 1995.

THE BONDS

The six issues of Bonds are each an entirely separate issue but contain substantially the same terms and provisions. The following is a summary of certain provisions common to the Bonds of the six 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. Optional or mandatory redemption of one issue of the Bonds may be made in the manner described below without redemption of the other issues. Reference is hereby made to the forms of the Bonds in their entirety for the detailed provisions thereof. References to the Issuer, the Trustee, the Bank, the Paying Agent, the Registrar, the Remarketing Agent, the Bonds, the Prior Bonds, the Plant, the Facilities, the Project, the Indenture, the Loan Agreement, the Letter of Credit and other documents and parties are deemed to refer to the Issuer, the Trustee, the Bank, the Paying Agent, the Registrar, the Remarketing Agent, the Bonds, the Prior Bonds, the Plant, the Facilities, the Project, the Indenture, the Loan Agreement, the Letter of Credit and such other documents and parties, respectively, relating to each issue of the Bonds. Initially capitalized terms used herein and not otherwise defined are used as defined in the Indenture.

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 dates set forth on the inside front 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 as described herein. Following the reoffering of the Bonds on November 19, 2008, the Rate Period (as defined below) for the Bonds of each issue 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 denomination 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; $100,000 or any integral

multiple of $5,000 in excess of $100,000, when the Bonds bear interest at a Flexible Interest Rate; and $5,000 or any integral multiple thereof, when the Bonds bear interest at a Term Interest Rate (collectively, *"Authorized Denominations"*). Exchanges and transfers will be made without charge to the Owners, except for any applicable tax or other governmental charge.

A *"Business Day"* is a day except a Saturday, Sunday or other day (a) on which commercial banks located in the cities in which the principal office of the Bank or the principal office of the Obligor on an Alternate Credit 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, Inc. is closed.

"Interest Payment Date" means (a) with respect to any Daily or Weekly Interest Rate Period, the first Business Day of each calendar month, (b) 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, (c) with respect to any Flexible Segment, the Business Day next succeeding the last day of such Flexible Segment, (d) with respect to any Rate Period, the Business Day next succeeding the last day thereof and (e) with respect to any Bond when it bears interest at a Flexible Interest Rate, any date on which there is a mandatory purchase of the Bond as described in subparagraph (c) of the first paragraph under "—Mandatory Purchase" and (f) with respect to any Pledged Bond bearing interest at a Flexible Interest Rate, regardless of the duration of the Flexible Segment, the date on which such Pledged Bond is remarketed pursuant to the Indenture.

"Rate Period" means any Daily Interest Rate Period, Weekly Interest Rate Period, Flexible Interest Rate Period or Term Interest Rate Period.

"Record Date" means (a) 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 (b) 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 includible 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"*), whether or not such interest is includible as an item of tax preference or otherwise includible directly or indirectly for purposes of calculating other tax liabilities, including any alternative minimum tax or environmental tax under the Internal Revenue Code of 1986, as amended (the *"Code"*).

PAYMENT OF PRINCIPAL AND INTEREST

The principal of and premium, if any, on the Bonds is 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 is payable (i) by bank check or draft mailed by first class mail on the Interest Payment Date to the Owners as of the Record Date or (ii) during any Rate Period other than a Term Interest Rate Period, in immediately available funds (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 in 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 who has provided wire transfer instructions to the Paying Agent prior to the close of business on such Record Date.

Interest on each Bond is payable on each Interest Payment Date for each such Bond for the period commencing on the immediately preceding Interest Payment Date (or if no interest has been paid thereon, commencing on the date of issuance thereof) to, but not including, such Interest Payment Date. Interest is computed, in the case of any Daily, Weekly, or Flexible Interest Rate Period, on the basis of a 365- or 366-day year, as applicable, for the number of days actually elapsed and, in the case of a Term Interest Rate Period, on the basis of a 360-day year consisting of twelve 30-day months.

RATE PERIODS

The term of the Bonds is divided into consecutive Rate Periods, during which such Bonds bear interest at a Daily Interest Rate, Weekly Interest Rate, Flexible Interest Rate or Term Interest Rate, as described below. At any time the Rate Period applicable to any issue of Bonds may be different from that applicable to any other issue of Bonds.

WEEKLY INTEREST RATE PERIOD

Determination of Weekly Interest Rate. During each Weekly Interest Rate Period, the Bonds of an issue bear interest at the Weekly Interest Rate determined by the Remarketing Agent no later than the first day of such Weekly Interest Rate Period and thereafter no later than Tuesday of each week during such Weekly Interest Rate Period, unless any such Tuesday is not a Business Day, in which event the Weekly Interest Rate will be determined by the Remarketing Agent no later than the Business Day 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 lesser of 12% per annum or the rate specified in any Letter of Credit or Alternate Credit Facility then in effect (initially 12% per annum).

Adjustment to Weekly Interest Rate Period. The interest rate borne by Bonds of an issue 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 (a) must specify the effective date of such adjustment to a Weekly Interest Rate, which must be (i) 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), (ii) in the case of an adjustment from a Term Interest Rate Period, a day on which the Bonds could be redeemed at the option of the Company or the day immediately following the last day of the then-current Term Interest Rate Period, and (iii) in the case of an adjustment from a Flexible Interest Rate Period, either the day immediately following the last day of the then-current Flexible Interest Rate Period or the day immediately following the last day of the last Flexible Segment for each Bond in the then-current Flexible Interest Rate Period, all as determined in accordance with clause (a) or (b), respectively, under "—Flexible Interest Rate Period-Adjustment from Flexible Interest Rates;" *provided, however*, that if prior to the Company's making such election, any Bonds 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; and (b) if the adjustment is from a Term Interest Rate Period having a duration in excess of one year, must be accompanied by an opinion of nationally recognized bond counsel (*"Bond Counsel"*) to the effect that such adjustment (i) is authorized or permitted by the Indenture and the Utah Act, the Wyoming Act or the Colorado Act, as applicable, and (ii) will not adversely affect the Tax-Exempt status of the interest on the Bonds.

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 such Bonds will be adjusted to a Weekly Interest Rate (subject to the Company's ability to rescind its election as described below under *"Rescission of Election"*), (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 of an issue 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 lesser of 12% per annum or the rate specified in any Letter of Credit or Alternate Credit Facility then in effect (initially 12% per annum).

Adjustment to Daily Interest Rate Period. The interest rate borne by Bonds of an issue 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 (a) must specify the effective date of the adjustment to a Daily Interest Rate, which must be (i) 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), (ii) in the case of an adjustment from a Term Interest Rate Period, a day on which the Bonds could be redeemed at the option of the Company or the day immediately following the last day of the then-current Term Interest Rate Period, and (iii) in the case of an adjustment from a Flexible Interest Rate Period, either the day immediately following the last day of the then-current Flexible Interest Rate Period or the day immediately following the last day of the last Flexible Segment for each Bond in the then-current Flexible Interest Rate Period, all as determined in accordance with clause (a) or (b), respectively, under "—Flexible Interest Rate Period-Adjustment from Flexible Interest Rates;" *provided, however*, that if prior to the Company's making such election, any Bonds 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; and (b) if the adjustment is from a Term Interest Rate Period having a duration in excess of one year, is accompanied by an opinion of Bond Counsel to the effect that such adjustment (i) is authorized or permitted by the Indenture and the Utah Act, the Wyoming Act or the Colorado Act, as applicable, and (ii) will not adversely affect the Tax-Exempt status of the interest on the Bonds.

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.

TERM INTEREST RATE PERIOD

Determination of Term Interest Rate. During each Term Interest Rate Period, the Bonds of an issue bear interest at the Term Interest Rate determined by the Remarketing Agent on a Business Day selected by the Remarketing Agent, but not more than 30 days prior to and not later than the effective date of such Term Interest Rate Period.

The Term Interest Rate is the rate determined by the Remarketing Agent on such date, and communicated on such date to the Trustee, the Paying Agent, the Company and the Bank (or the Obligor on an Alternate Credit Facility, as the case may be), as being the lowest rate (based on an examination of Tax-Exempt obligations comparable to the Bonds known by the Remarketing Agent to have been priced or traded under then prevailing market conditions) which would enable the Remarketing Agent to sell the Bonds on the effective date of such Term Interest Rate Period at a price (without regard to accrued interest) equal to 100% of the principal amount thereof. If, for any reason, a Term Interest Rate for any Term Interest Rate Period has not be determined or effective, then (a) if the then-current Term Interest Rate Period is for one year or less, the Rate Period for such Bonds will automatically convert to a Daily Interest Rate Period and (b) if the then-current Term Interest Rate Period is for more than one year, the Rate Period for the Bonds will automatically adjust to a Term Interest Rate Period of one year and one day; *provided, however,* that if the last day of any successive Term Interest Rate Period is not a day immediately preceding a Business Day, then such successive Term Interest Rate Period will end on the first day immediately preceding the Business Day next succeeding such day or, if such Term Interest Rate Period would end after the day prior to the final maturity date of the Bonds, the next succeeding Rate Period will be a Term Interest Rate Period ending on the day prior to the final maturity date of the Bonds; *provided*, further, that in the case of clause (b) above, if the Company delivers to the Trustee an approving opinion of Bond Counsel prior to the end of the then-effective Term Interest Rate Period, the Rate Period for the Bonds will adjust to a Daily Interest Rate Period. If the Daily Interest Rate for the first day of any such Daily Interest Rate Period is not determined as described under "—Daily Interest Rate Period-Determination of Daily Interest Rate," the Daily Interest Rate for the first day of such Daily Interest Rate Period will be 80% of the most recent One-Year Note Index theretofore published in *The Bond Buyer* (or, if *The Bond Buyer* is no longer published or no longer publishes the One-Year Note Index, the one-year note index contained in the publication determined by the Remarketing Agent as most comparable to *The Bond Buyer*). If a Term Interest Rate for any such Term Interest Rate Period described in clause (b) above is not determined as described in the second preceding sentence, the Term Interest Rate for such Term Interest Rate Period will be 100% of the most recent One-Year Note Index theretofore published in *The Bond Buyer* (or, if *The Bond Buyer* is no longer published or no longer publishes the One-Year Note Index, the one-year note index contained in the publication determined by the Remarketing Agent as most comparable to *The Bond Buyer*). In no event may any Term Interest Rate exceed the lesser of 12% per annum or the rate specified in any Alternate Credit Facility then in effect.

Adjustment to or Continuation of Term Interest Rate Period. The interest rate borne by Bonds of an issue may be adjusted to or continued as a Term 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, which notice specifies the duration of the Term Interest Rate Period during which the Bonds bear, or continue to bear, interest at a Term Interest Rate. Such notice may specify two or more consecutive Term Interest Rate Periods and, if it so specifies, must specify the duration of each such Term Interest Rate Period as provided in this paragraph. Such notice must specify the effective date of each Term Interest Rate Period, which must be (a) a Business Day not earlier than the twentieth day following the third Business Day after the date of receipt by the Trustee and Paying Agent of such notice (or such shorter period after the date of such receipt as is acceptable to the Trustee), (b) in the case of an adjustment from or continuation of a Term Interest Rate Period, a day on which the Bonds could be redeemed at the option of the Company or the day immediately following the last day of the then-current Term Interest Rate Period, and (c) in the case of an adjustment from a Flexible Interest Rate Period, either the day immediately following the last day of the then-current Flexible Interest Rate Period or the day immediately following the last day of the last Flexible Segment for each Bond in the then-current Flexible Interest Rate Period, all as determined in accordance with clause (a) or (b), respectively, under "—Flexible Interest Rate Period-Adjustment from Flexible Interest Rates;" *provided, however,* that if prior to the Company's making such election, any Bonds have been called for redemption and such redemption has not been effected, the effective date of such Term Interest Rate Period may not precede such redemption date. Such notice must also specify (i) the last day of such Term Interest Rate Period (which is either the day preceding the maturity date of the Bonds or a day which both immediately precedes a Business Day and is at least one year after such effective date) and (ii) unless such Term Interest Rate Period immediately succeeds a Term Interest Rate Period of the same duration and is subject to the same optional redemption rights, is accompanied by an opinion of Bond Counsel to the effect that such adjustment (A) is authorized or permitted by the Indenture and the Utah Act, the Wyoming Act or the Colorado Act, as applicable, and (B) will not adversely affect the Tax-Exempt status of the interest on the Bonds.

If, by 20 days prior to the end of the then-current Term Interest Rate Period, the Trustee has not received the Company's notice of an adjustment to a Daily Interest Rate Period, a Weekly Interest Rate Period, a Term Interest Rate Period or a Flexible Interest Rate Period, accompanied by appropriate opinions of Bond Counsel, then (a) in the event the then-current Term Interest Rate Period is for one year or less, the Rate Period for the Bonds will automatically convert to a Daily Interest Rate Period and (b) in the event the current Term Interest Rate Period is for more than one year, the Rate Period for the Bonds will automatically adjust to a Term Interest Rate Period of one year and one day; *provided, however,* that if the last day of any successive Term Interest Rate Period will not be a day immediately preceding a Business Day, then such successive Term Interest Rate Period will end on the first day immediately preceding the Business Day next succeeding such day or, if such Term Interest Rate Period would end after the day prior to the final maturity date of the Bonds, the next succeeding Rate Period will be a Term Interest Rate Period ending on the day prior to the final maturity date of the Bonds; *provided,* further, that in the case of clause (b) above, if the Company delivers to the Trustee an approving opinion of Bond Counsel prior to the end of the then-effective Term Interest Rate Period, the Rate Period for the Bonds will adjust to a Daily Interest Rate Period. If

the Daily Interest Rate for the first day of any such Daily Interest Rate Period is not determined as described under "—Daily Interest Rate Period-Determination of Daily Interest Rate," the Daily Interest Rate for the first day of such Daily Interest Rate Period will be 80% of the most recent One-Year Note Index theretofore published in *The Bond Buyer* (or, if *The Bond Buyer* is no longer published or no longer publishes the One-Year Note Index, the one-year note index contained in the publication determined by the Remarketing Agent as most comparable to *The Bond Buyer*). If a Term Interest Rate for any such Term Interest Rate Period described in clause (b) above is not determined as described in the second preceding sentence, the Term Interest Rate for such Term Interest Rate Period will be 100% of the most recent One-Year Note Index theretofore published in *The Bond Buyer* (or, if *The Bond Buyer* is no longer published or no longer publishes the One-Year Note Index, the one-year note index contained in the publication determined by the Remarketing Agent as the most comparable to *The Bond Buyer*).

The notice of an adjustment to or continuation of a Term Interest Rate may specify that such Term Interest Rate Period will be automatically renewed for successive Term Interest Rate Periods each having the same duration as the Term Interest Rate Period so specified; *provided, however*, that such election must be accompanied by an opinion of Bond Counsel to the effect that such continuing automatic renewals of such Term Interest Rate Period (a) are authorized or permitted by the Indenture and the Utah Act, the Wyoming Act or the Colorado Act, as applicable, and (b) will not adversely affect the Tax-Exempt status of interest on the Bonds. If such election is made, no opinion of Bond Counsel is required in connection with the commencement of each successive Term Interest Rate Period determined in accordance with such election. At the same time the Company elects to have the Bonds bear interest at a Term Interest Rate, or to continue to bear interest at a Term Interest Rate, the Company may also specify in the notice to the Trustee optional redemption prices and periods different from those set forth in the Indenture during the Term Interest Rate Period(s) with respect to which such election is made; *provided, however,* that such notice is accompanied by an opinion of Bond Counsel to the effect that such changes are authorized or permitted by the Utah Act, the Wyoming Act or the Colorado Act, as applicable, and the Indenture and will not adversely affect the Tax-Exempt status of the Bonds.

Notice of Adjustment to or Continuation of Term Interest Rate Period. The Trustee will give notice by mail of an adjustment to or continuation of a Term Interest Rate Period to the Owners not less than 20 days prior to the effective date of such Term Interest Rate Period. Such notice must state (a) that the interest rate on the Bonds will be adjusted to, or continue to be, a Term Interest Rate (subject to the Company's ability to rescind its election as described below under "*Rescission of Election*"), (b) the effective date and the last date of such Term Interest Rate Period, (c) that the Term Interest Rate for such Term Interest Rate Period will be determined not later than the effective date thereof, (d) how such Term Interest Rate may be obtained from the Remarketing Agent, (e) the Interest Payment Dates after such effective date, (f) that during such Term Interest Rate Period the holders of such Bonds will not have the right to tender their Bonds for purchase, (g) that, except when the new Term Interest Rate Period is preceded by a Term Interest Rate Period of the same duration, such Bonds are subject to mandatory purchase on such effective date, and (h) the redemption provisions that will apply to the Bonds during such Term Interest Rate Period.

FLEXIBLE INTEREST RATE PERIOD

Determination of Flexible Segments and Flexible Interest Rates. During each Flexible Interest Rate Period, each Bond bears interest during each Flexible Segment for such Bond at the Flexible Interest Rate for such Bond. Each Flexible Segment for any Bond will be a period ending on a day immediately preceding a Business Day, of not less than one nor more than 365 days determined by the Remarketing Agent to be, in its judgment, the period which, together with all other Flexible Segments for all Bonds of such issue then outstanding, is likely to result in the lowest overall net interest expense on such Bonds. Any Bond purchased on behalf of the Company and remaining unsold by the Remarketing Agent as of the close of business on the effective date of the Flexible Segment for such Bond will have a Flexible Segment of one day or, if such Flexible Segment would not end on a day immediately preceding a Business Day, a Flexible Segment of more than one day ending on the day immediately preceding the next Business Day. No Flexible Segment may extend beyond the final maturity date of the Bonds.

The Flexible Interest Rate for each Flexible Segment for each Bond 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) no later than the first day of such Flexible Segment (and in the case of a Flexible Segment of one day, no later than 12:30 p.m. New York time, on such date) to be the lowest rate which would enable the Remarketing Agent to sell the Bonds on the effective date of such rate at a price (without regard to accrued interest) equal to 100% of the principal amount thereof. If a Flexible Segment or a Flexible Interest Rate for a Flexible Segment is not determined or effective, the Flexible Segment for such Bond will be a Flexible Segment of one day, and the interest rate for such Flexible Segment of one day 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*). In no event may any Flexible Interest Rate exceed the lesser of 12% per annum or the rate specified in any Alternate Credit Facility then in effect.

Adjustment to Flexible Interest Rate Period. The interest rate borne by Bonds of an issue may be adjusted to Flexible Interest Rates 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 (a) must specify the effective date of the Flexible Interest Rate Period which must be (i) 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) and (ii) in the case of an adjustment from a Term Interest Rate Period, a day on which the Bonds could be redeemed at the option of the Company or the day immediately following the last day of the then-current Term Interest Rate Period; *provided, however,* that if prior to the Company's making such election any Bonds have been called for redemption and such redemption has not theretofore been effected, the effective date of the Flexible Interest Rate Period may not precede such redemption date and (b) in the case of an adjustment from a Term Interest Rate Period having a duration in excess of one year, is accompanied by an opinion of Bond Counsel to the effect that such adjustment (i) is authorized or permitted by the Indenture

and the Utah Act, the Wyoming Act or the Colorado Act, as applicable, and (ii) will not adversely affect the Tax-Exempt status of the interest on the Bonds. During each Flexible Interest Rate Period commencing on the date so specified (provided that the opinion of Bond Counsel described in clause (b) above, if required, is reaffirmed as of such date) and ending on the day immediately preceding the effective date of the next succeeding Rate Period, each Bond will bear interest at a Flexible Interest Rate during each Flexible Segment for such Bond.

Notice of Adjustment to Flexible Interest Rate Period. The Trustee will give notice by mail of an adjustment to a Flexible Interest Rate Period to the Owners not less than 20 days prior to the effective date of such Flexible Interest Rate Period. Such notice must state (a) that the interest rate on the Bonds will be adjusted to Flexible Interest Rates (subject to the Company's ability to rescind its election as described below under *"Rescission of Election"*), (b) the effective date of such Flexible Interest Rate Period, (c) that such Bonds are subject to mandatory purchase on the effective date of such Flexible Interest Rate Period, (d) the procedures for such mandatory purchase, and (e) that the Owners of such Bonds do not have the right to retain their Bonds on such effective date.

Adjustment from Flexible Interest Rates. At any time during a Flexible Interest Rate Period, the interest rate borne by Bonds of an issue may be adjusted from Flexible Interest Rates and the Bonds will instead bear interest as otherwise permitted in the Indenture, 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 written notice from the Company specifying the Rate Period to follow with respect to such Bonds and instructing the Remarketing Agent to:

(a) determine Flexible Segments of such duration that, as soon as possible, all Flexible Segments will end on the same date, not earlier than the eleventh day following the third Business Day (or such shorter period acceptable to the Trustee) following the receipt by the Trustee and Paying Agent of notice from the Company, which date will be the last day of the then-current Flexible Interest Rate Period, and, upon the establishment of such Flexible Segments, the day next succeeding the last day of all such Flexible Segments is the effective date of the Rate Period elected by the Company; or

(b) determine Flexible Segments of such duration that will, in the judgment of the Remarketing Agent, best promote an orderly transition to the next succeeding Rate Period beginning not earlier than the eleventh day following the third Business Day (or such shorter period acceptable to the Trustee) after the receipt by the Trustee and Paying Agent of such notice.

If the Company selects alternative (b) above, the day next succeeding the last day of the Flexible Segment for each Bond of an issue will be with respect to such Bond the effective date of the Rate Period elected by the Company. An adjustment from a Flexible Interest Rate Period described in this paragraph may result in some of the Bonds of an issue bearing interest at a Daily Interest Rate, Weekly Interest Rate or Term Interest Rate while other Bonds of such issue continue to bear interest at Flexible Interest Rates.

Determination Conclusive

The determination of the various interest rates referred to above is conclusive and binding upon the Remarketing Agent, the Trustee, the Paying Agent, the Issuer, the Company, the Owners of the Bonds and the Bank (or the Obligor on an Alternate Credit Facility, as the case may be).

Rescission of Election

The Company may rescind any election by it to adjust to or, in the case of a Term Interest Rate Period, continue a Rate Period prior to the effective date of such adjustment or continuation by giving written notice of rescission to the Issuer, the Trustee, the Paying Agent 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; *provided, however,* that if the Rate Period then in effect is a Term Interest Rate Period, the subsequent Term Interest Rate Period may not be of a different duration than the Term Interest Rate Period then in effect unless the Company provides to the Trustee an approving opinion of Bond Counsel prior to the expiration of the then-current Term Interest Rate Period. If the Trustee receives notice of such rescission prior to the time the Trustee has given notice to the Owners of the change in or continuation of Rate Periods, then such notice of change in or continuation of Rate Periods 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 from other than a Term Interest Rate Period in excess of one year or an attempted adjustment from one Rate Period (other than a Term Interest Rate Period in excess of one year) to another Rate Period does not become effective for any other reason and if the Company does not elect to continue the Term Interest Rate Period then in effect, then the Rate Period for the Bonds 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 the Trustee receives notice of such rescission after the Trustee has given notice to the Owners of an adjustment from a Term Interest Rate Period in excess of one year to another Rate Period (including a Term Interest Rate Period of a different duration), or if an attempted adjustment from a Term Interest Rate Period in excess of one year to another Rate Period (including a Term Interest Rate Period of a different duration) does not become effective for any reason and if the Company does not elect to continue the Term Interest Rate Period then in effect, then the Rate Period for the Bonds will continue to be a Term Interest Rate Period of the same duration as the immediately preceding Term Interest Rate Period, subject to the second proviso contained in the paragraph above under "—Term Interest Rate Period-Determination of Term Interest Rate;" *provided* that if the Company delivers to the Trustee an approving opinion of Bond Counsel prior to the end of the then effective Term Interest Rate Period, the Rate Period for the Bonds will be as directed by the Company in writing. If a Daily Interest Rate for the first day of any Daily Interest Rate Period to which a Rate Period is adjusted in accordance with this paragraph is not determined as described in "-Daily Interest Rate Period-Determination of Daily Interest Rate," the Daily Interest Rate for the first day of such Daily Interest Rate Period 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 adjust 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

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:

(a) 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 in 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

(b) except when the Bond is held in book-entry form, delivery of such Bond, accompanied by an instrument of transfer (which may be the form printed on the Bond) executed in blank by its Owner, with such signature guaranteed by a 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.

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 owner thereof on any Wednesday, or if such Wednesday is not a Business Day, the next succeeding Business Day at a purchase price equal to 100% of the principal amount thereof plus accrued interest, if any, to the date of purchase upon:

(a) delivery to the Trustee at the Delivery Office of the Trustee of an irrevocable written notice or telephonic notice (promptly confirmed in writing) by 5:00 p.m., New York time, on any Business Day, which states the principal amount and certificate number (if the Bonds are not then held in book-entry form) of such Bond to be purchased and the date on which such Bond is to be purchased, which date may not be prior to the seventh day next succeeding the date of the delivery of such notice to the Trustee; and

(b) except when the Bond is held in book-entry form, delivery of such Bond, accompanied by an instrument of transfer (which may be the form printed on the Bond) executed in blank by its Owner, with such signature guaranteed by a 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.

Term Interest Rate Period. Any Bond (or portions thereof in Authorized Denominations) will be purchased at the option of the owner thereof on the first day of any Term Interest Rate Period that follows a Term Interest Rate Period of equal duration, at a purchase price equal to (x) if the Bond is purchased on or prior to the Record Date, 100% of the principal amount thereof plus accrued interest from the Interest Payment Date next preceding the date of purchase to the date of purchase (unless the date of purchase is an Interest Payment Date in which case the purchase price is equal to the principal amount thereof) or (y) if the Bond is purchased after the Record Date, 100% of the principal amount thereof, upon:

(a) delivery to the Trustee at the Delivery Office of the Trustee on any Business Day not less than 15 days before the purchase date of an irrevocable notice in writing by 5:00 p.m., New York time, which states the principal amount and certificate number (if the Bonds are not then held in book-entry form) of such Bond to be so tendered for purchase; and

(b) except when the Bond is held in book-entry form, delivery of such Bond, accompanied by an instrument of transfer (which may be the form printed on the Bond) executed in blank by its Owner, with such signature guaranteed by a 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 date of such purchase.

FOR SO LONG AS THE BONDS ARE HELD IN BOOK-ENTRY FORM, THE BENEFICIAL OWNER OF THE BONDS THROUGH ITS DIRECT PARTICIPANT (AS HEREINAFTER DEFINED) 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 " — BOOK-ENTRY SYSTEM."

MANDATORY PURCHASE

The Bonds are subject to mandatory purchase at a purchase price equal to 100% of the principal amount thereof, plus accrued interest to the purchase date described below, upon the occurrence of any of the events stated below:

(a) as to any Bond, on the effective date of any change in a Rate Period, other than the effective date of a Term Interest Rate Period which was preceded by a Term Interest Rate Period of the same duration;

(b) as to each Bond in a Flexible Interest Rate Period, on the day next succeeding the last day of any Flexible Segment with respect to such Bond; or

(c) as to all Bonds of an issue, on the Business Day preceding an Expiration of the Term of the Letter of Credit or an Expiration of the Term of an Alternate Credit Facility; or

(d) as to all of the Bonds of an issue, on the next succeeding Business Day following the day that the Trustee receives notice from the Bank or the Obligor on an Alternate Credit Facility, as the case may be, that, following a drawing on the Letter of Credit or the Alternate Credit Facility on an Interest Payment Date for the payment of unpaid interest on the Bonds, the Letter of Credit or the Alternate Credit Facility will not be reinstated in accordance with its terms.

When Bonds are subject to redemption pursuant to paragraph (c) below under "—Optional Redemption of Bonds," the Bonds are also subject to mandatory purchase on a day that the Bonds would be subject to redemption, at a purchase price equal to 100% of the principal amount thereof plus an amount equal to any premium which would have been payable on such redemption date had the Bonds been redeemed if the Company gives notice to the Trustee on the day prior to the redemption date that it elects to have the Bonds purchased in lieu of redemption. If the Bonds are purchased on or prior to the Record Date, the purchase price will include accrued interest from the Interest Payment Date next preceding the date of purchase to the date of purchase (unless the date of purchase is an Interest Payment Date, in which case the purchase price is equal to the amount specified in the preceding sentence). If the Bonds are purchased after the Record Date, the purchase price does not include accrued interest.

If the Bonds are subject to mandatory purchase in accordance with the provisions described in subparagraph (c) of the second preceding paragraph, the Trustee will give notice by mail to the Remarketing Agent and the Owners of the Bonds of the Expiration of the Term of the Letter of Credit or the Expiration of the Term of an Alternate Credit Facility, as the case may be, not less than 15 days prior to such Expiration, which notice must (a) describe generally any Letter of Credit or any Alternate Credit Facility in effect prior to such Expiration, and any Substitute Letter of Credit or Alternate Credit Facility to be in effect upon such Expiration and state the name of the provider thereof; (b) state the date of the Expiration of the Term of the Letter of Credit or the Expiration of the Term of an Alternate Credit Facility, as the case may be; (c) state the rating or ratings, if any, which the Bonds are expected to receive from any rating agency following such Expiration; (d) state that the Bonds are subject to mandatory purchase; (e) state the purchase date; and (f) except when the Bonds are held in book-entry form, state that the Bonds must be delivered to the New York office designated by the Trustee as the "Delivery Office of the Trustee."

If the Bonds are subject to mandatory purchase in accordance with the provisions described in subparagraph (d) of the third preceding paragraph, the Trustee shall, immediately upon receipt of notice from the Bank or the Obligor on a Alternate Credit Facility, as the case may be, that the Letter of Credit or the Alternate Credit Facility will not be reinstated in accordance with its terms, give Electronic Notice and notice by overnight mail service to the Remarketing Agent and to the Owners of the Bonds at their addresses shown on the registration books kept by the Registrar, which notice shall (a) describe generally any Letter of Credit or any Alternate Credit Facility in effect prior to such mandatory purchase; (b) state that the Letter of

Credit or the Alternate Credit Facility, as the case may be, is not being reinstated in accordance with its terms; (c) state that the Bonds are subject to mandatory purchase; (d) state the purchase date; and (e) except when the Bonds are held in book-entry form, state that the Bonds must be delivered to the New York office designated by the Trustee as the "Delivery Office of the Trustee."

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 any 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 are deemed satisfied when the ownership rights in the Bonds are transferred by Direct Participants on the records of DTC. See "Book-Entry System."

Purchase of Bonds

On the date on which Bonds are delivered to the Trustee for purchase as specified above under "—Optional Purchase" or "—Mandatory Purchase," the Trustee will pay the purchase price of such Bonds solely from the following sources in the order of priority indicated, and the Trustee has no obligation to use funds from any other source:

(a) Available Moneys (as hereinafter defined) furnished by the Company to the Trustee for the purchase of Bonds;

(b) proceeds of the sale of such Bonds (other than Bonds sold to the Company, any subsidiary of the Company, any guarantor of the Company, the Issuer or any "insider" (as defined in the United States Bankruptcy Code) of any of the aforementioned) by the Remarketing Agent;

(c) Available Moneys or moneys provided pursuant to the Letter of Credit or an Alternate Credit Facility, as the case may be, for the payment of the purchase price of the Bonds furnished by the Trustee pursuant to the Indenture for the purchase of Bonds deemed paid in accordance with the defeasance provisions of the Indenture;

(d) moneys furnished pursuant to the Letter of Credit or an Alternate Credit Facility, as the case may be, to the Trustee for the payment of the purchase price of the Bonds; and

(e) 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 may be derived only from the sources described in (c) above, in such order of priority.

"Available Moneys" means (a) during such time as a Letter of Credit or an Alternate Credit Facility is in effect, (i) moneys on deposit in trust with the Trustee as agent and bailee for the Owners of the Bonds for a period of at least 123 days prior to and during which no petition in bankruptcy or similar insolvency proceeding has been filed by or against the Company or the Issuer (or any subsidiary of the Company, any guarantor of the Company or any insider (as defined in the United States Bankruptcy Code), to the extent that such moneys were deposited by any of such subsidiary, guarantor or insider) or is pending (unless such petition has been dismissed and such dismissal is final and not subject to appeal) and (ii) (A) proceeds of the issuance of refunding bonds (including proceeds from the investment thereof), and (B) any other moneys, if, in the written opinion of nationally recognized counsel experienced in bankruptcy matters selected by the Company (which opinion is in a form acceptable to the Trustee, to Moody's, if the Bonds are then rated by Moody's and to S&P, if the Bonds are then rated by S&P, and is delivered to the Trustee at or prior to the time of the deposit of such proceeds with the Trustee), the deposit and use of such proceeds or other moneys will not constitute a voidable preference under Section 547 of the United States Bankruptcy Code in the event either the Issuer or the Company were to become a debtor under the United States Bankruptcy Code (the *"Preference Opinion Condition"*), and (b) at any time that a Letter of Credit or an Alternate Credit Facility is not in effect, any moneys on deposit with the Trustee as agent and bailee for the Owners of the Bonds and proceeds from the investment thereof.

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.

Anything in the Indenture to the contrary notwithstanding, at any time during which the Letter of Credit or an Alternate Credit Facility, as the case may be, is in effect, there will be no sales of Bonds as described in the preceding paragraph, if (a) there has occurred and has not been cured or waived an Event of Default described in paragraphs (a), (b) or (c) under the caption "THE INDENTURES—Defaults" of which the Remarketing Agent and the Trustee have actual knowledge or (b) the Bonds have been declared to be immediately due and payable as described under the caption "THE INDENTURES—Remedies" and such declaration has not been rescinded pursuant to the Indenture.

OPTIONAL REDEMPTION OF BONDS

Bonds of any issue may be redeemed at the option of the Company (but only with the consent of the Bank (or, if applicable, by the Obligor on an Alternate Credit Facility, if required by the Alternate Credit Facility)), in whole, or in part by lot, prior to their maturity date as follows:

(a) On any Business Day during a Daily Interest Rate Period or Weekly Interest Rate Period, the Bonds of an issue may be redeemed at a redemption price equal

to 100% of the principal amount thereof plus accrued interest, if any, to the date of redemption.

(b) During any Flexible Interest Rate Period, each Bond may be redeemed on the day next succeeding the last day of each Flexible Segment for such Bond at a redemption price equal to 100% of its principal amount.

(c) During any Term Interest Rate Period and on the day next succeeding the last day of each Term Interest Rate Period, the Bonds of an issue may be redeemed during the periods specified below, in whole or in part at any time, at the redemption prices set forth below plus accrued interest, if any, to the redemption date:

LENGTH OF TERM INTEREST RATE PERIOD	REDEMPTION DATES AND PRICES
Greater than 13 years	At any time on or after the 10th anniversary of the effective date of the Term Interest Rate Period at 102% declining 1% annually to 100%
Greater than 10 and less than or equal to 13 years	At any time on or after the 5th anniversary of the effective date of the Term Interest Rate Period at 102% declining 1% annually to 100%
Greater than 7 and less than or equal to 10 years	At any time on or after the 3rd anniversary of the effective date of the Term Interest Rate Period at 102% declining 1% annually to 100%
Greater than 4 and less than or equal to 7 years	At any time on or after the 2nd anniversary of the effective date of the Term Interest Rate Period at 101% declining 1/2% annually to 100%
Greater than 2 and less than or equal to 4 years	At any time on or after the 2nd anniversary of the effective date of the Term Interest Rate Period at 101% declining 1/2% each six months thereafter to 100%
Greater than 1 and less than or equal to 2 years	At any time on or after the 1st anniversary of the effective date of the Term Interest Rate Period at 100-1/2% declining 1/2% six months thereafter to 100%
Less than or equal to 1 year	Not redeemable

With respect to any Term Interest Rate Period, the Company may specify in the notice described above in the third paragraph under "—Term Interest Rate Period-Adjustment to or Continuation of Term Interest Rate Period" redemption provisions, prices and periods other than those set forth above; *provided, however*, that such notice is accompanied by an opinion of Bond Counsel to the effect that such changes are authorized or permitted by the Utah Act, the Wyoming Act or the Colorado Act, as applicable, and the Indenture and will not adversely affect the Tax-Exempt status of the Bonds.

EXTRAORDINARY OPTIONAL REDEMPTION OF BONDS

At any time, the Bonds of an issue 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 (but only with the consent of the Bank (or, if applicable, by the Obligor on an Alternate Credit Facility, if required by the Alternate Credit Facility)) stating that any of the following events has occurred and that the Company therefore intends to exercise its option to prepay the payments due under the Loan Agreement in whole or in part and thereby effect the redemption of the Bonds of an issue in whole or in part to the extent of such prepayments:

(a) the Company has determined that the continued operation of the Plant is impracticable, uneconomical or undesirable for any reason; or

(b) the Company has determined that the continued operation of the Project is impracticable, uneconomical or undesirable due to (i) the imposition of taxes, other than ad valorem taxes currently levied upon privately owned property used for the same general purpose as the Project, or other liabilities or burdens with respect to the Project or the operation thereof, (ii) changes in technology, in environmental standards or legal requirements or in the economic availability of materials, supplies, equipment or labor or (iii) destruction of or damage to all or part of the Project; or

(c) all or substantially all of the Project or the Plant has been condemned or taken by eminent domain; or

(d) the operation of the Project or 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 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 Insurer, the Bank (or the Obligor on an Alternate Credit Facility, as the case may be), the Issuer and the owner of each Bond then outstanding. If a final decree or action as described above thereafter occurs and the Trustee has received written notice thereof at least 45 days prior to the redemption date, the Trustee 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 Agreements, 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. Notwithstanding the foregoing provisions, Pledged Bonds shall be redeemed prior to any other Bonds. 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 will be paid and redeemed. Notice of redemption will be given by mail as provided in the Indenture, at least 30 days and not more than 60 days prior to the redemption date, provided that the failure to duly give notice by mailing to any Owner, or any defect therein, 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 Insurer, the Bank or the Obligor on an Alternative Credit Facility, as the case may be, the Company Mortgage Trustee, Moody's, 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 Available Moneys

sufficient to pay the principal of, premium, if any, and interest on such Bonds to be redeemed. If such Available 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.

SPECIAL CONSIDERATIONS RELATING TO THE BONDS

The Remarketing Agents are Paid By the Company. The Remarketing Agents' 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 applicable Indenture and the Remarketing Agreement), all as further described in this Reoffering Circular. The Remarketing Agents are appointed by the Company and paid by the Company for their services. As a result, the interests of the Remarketing Agents may differ from those of existing Holders and potential purchasers of Bonds.

The Remarketing Agents May Purchase Bonds for their Own Accounts. The Remarketing Agents act as remarketing agents for a variety of variable rate demand obligations and, in their sole discretion, may purchase such obligations for their own accounts. The Remarketing Agents are permitted, but not obligated, to purchase tendered Bonds for their own accounts and, in their 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 Agents are not obligated to purchase Bonds, and may cease doing so at any time without notice. The Remarketing Agents 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 Agents are not required to make a market in the Bonds. The Remarketing Agents may also sell any Bonds they have purchased to one or more affiliated investment vehicles for collective ownership or enter into derivative arrangements with affiliates or others in order to reduce their exposure to the Bonds. The purchase of Bonds by the Remarketing Agents may create the appearance that there is greater third party demand for the Bonds in the market than is actually the case. The practices described above also may result in fewer Bonds being tendered in a remarketing.

Bonds May be Offered at Different Prices on Any Date Including an Interest Rate Determination Date. Pursuant to the Indentures and the Remarketing Agreements, the Remarketing Agents are required to determine the applicable rate of interest that, in their judgment, is the lowest rate that would permit the sale of the Bonds bearing interest at the applicable interest rate at par plus accrued interest, if any, on and as of the applicable interest rate determination date. The interest rate will reflect, among other factors, the level of market demand for the Bonds (including whether the Remarketing Agents are willing to purchase Bonds for their own accounts). There may or may not be Bonds tendered and remarketed on an interest rate determination date, the Remarketing Agents may or may not be able to remarket any Bonds tendered for purchase on such date at par and the Remarketing Agents may sell Bonds at varying prices to different investors on such date or any other date. The Remarketing Agents are not obligated to advise purchasers in a remarketing if they do not have third party buyers for all of the Bonds at the remarketing price. In the event a Remarketing Agent owns any Bonds for its

own account, it may, in its sole discretion in a secondary market transaction outside the tender process, offer such Bonds on any date, including the interest rate determination date, at a discount to par to some investors.

The Ability to Sell the Bonds Other Than Through the Tender Process May Be Limited. The Remarketing Agents may buy and sell Bonds other than through the tender process. However, they are 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 Tender Agent with appropriate notice. Thus, investors who purchase the Bonds, whether in a remarketing or otherwise, should not assume that they will be able to sell their Bonds other than by tendering the Bonds in accordance with the tender process.

The Remarketing Agents May Resign, Without a Successor Being Named. The Remarketing Agents may resign, upon 30 days' prior written notice, without a successor having been named.

BOOK-ENTRY SYSTEM

The following information in this section concerning The Depository Trust Company, New York, New York ("DTC"), and its book-entry system has been furnished for use in the Reoffering Circular by DTC. None of the Company, the Issuers or the Remarketing Agents take any responsibility for the accuracy of such information.

DTC will act as securities depository for the Bonds. The Bonds were issued as fully-registered bonds registered in the name of Cede & Co. (DTC's partnership nominee). One fully-registered Bond certificate will be issued for the Bonds of each issue, in the aggregate principal amount thereof, and will be deposited with DTC. One fully-registered Bond was issued for each issue of the Bonds, in the aggregate principal amount of such issue, and was 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 securities 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 whole-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 and trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (*"Indirect Participants"*). DTC has Standard & Poor's highest rating: AAA. 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 and www.dtc.org.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each Beneficial Owner is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. 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, does 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. Beneficial Owners of Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults and proposed amendments to documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

While Bonds are in the book-entry system, 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.

As long as the book-entry system is used for the Bonds, redemption notices will be sent to Cede & Co. If less than all of the Bonds of any 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 such other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

As long as the book-entry system is used for the Bonds, principal or purchase price of and premium, if any, and interest payments on, the Bonds will be made to 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 fund and corresponding detailed information from the Issuer or the Trustee, on the 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 securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Company, the Paying Agent, the Trustee, the Remarketing Agent or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, purchase price, premium and interest with respect to the Bonds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Issuer or the Paying Agent, disbursement of such payments to Direct Participants are the responsibility of DTC, and disbursement of such payments to the Beneficial Owners are the responsibility of Direct and Indirect Participants.

A Beneficial Owner must give notice to elect to have its Bonds purchased or tendered, through its Participant, to the Remarketing Agent, and must 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 a 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 a book-entry credit of tendered Bonds to the Remarketing Agent's DTC account.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the Issuer or the Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, Bond certificates are required to be printed and delivered.

The Company may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered.

None of the Issuer, the Company, the Remarketing Agent, the Trustee nor the Paying Agent will have any responsibility or obligation to any securities depository, any Participants in the Book-Entry System or the Beneficial Owners with respect to (a) the accuracy of any records maintained by the securities depository or any Participant; (b) the payment by the securities depository or by any Participant of any amount due to any Beneficial Owner in respect of the principal amount or redemption of, or interest on, any Bonds; (c) the delivery of any notice by the securities depository or any Participant; (d) the selection of the Beneficial Owners to receive payment in the event of any partial redemption of the Bonds; or (e) any other action taken by the securities depository or any Participant.

TERMINATION OF BOND INSURANCE

Concurrently with the issuance of the Bonds, Ambac issued an Ambac Insurance Policy with respect to the Bonds of each issue to guarantee the payment of principal of and interest on the applicable Bonds when due. In connection with the delivery of the Letters of Credit, Ambac, the Company, the Trustee, each of the Issuers and the Company, acting as owner of Bonds, will enter into separate Release Agreements, pursuant to which Ambac will be released from all liabilities under each Ambac Insurance Policy and will surrender any and all rights under the Trust Indentures and payment of principal of and interest on the Bonds when due will no longer be guaranteed by Ambac under the Ambac Insurance Policies. Purchasers of the Bonds will be deemed to have consented to the provisions of the Release Agreements, including but not limited to the release of Ambac from all liabilities under the applicable Ambac Insurance Policy.

Purchasers of the Bonds have no claims against Ambac for the payment of principal of and interest on the Bonds under the Ambac Insurance Policies and may only look to the Bank (so long as the Bank is obligated to make such payment under the Letter of Credit), an Obligor on an Alternate Credit Facility (to the extent the such Obligor is obligated to make such payment under an Alternate Credit Facility) or the Company.

Under the Indenture and the Loan Agreement, PacifiCorp has reserved the right following the expiration or termination of the Letter of Credit to obtain an Insurance Policy as all or part of an Alternate Credit Facility. *References in the Indenture, the Loan Agreement and in this Reoffering Circular to the Insurer or an Insurance Policy, refer to the provider of such Insurance Policy or such Insurance Policy and not to Ambac or the Ambac Insurance Policies; provided, however, that Ambac is not prevented from providing an Insurance Policy in the future as all or part of an Alternate Credit Facility. No Insurance Policy will be in place while the Letter of Credit is in effect.*

THE LETTERS OF CREDIT AND THE CREDIT AGREEMENTS

Each Letter of Credit will operate independently. A default under a Letter of Credit with respect to the Bonds of one issue may not, in and of itself, constitute a default under a Letter of Credit with respect to the Bonds of any other issue; however, the same occurrence may constitute a default under the Letter of Credit with respect to Bonds of more than one issue. The Letters of Credit contain substantially identical terms, and the following is a summary of certain

provisions common to the Letters of Credit. All references in this summary to the Issuer, the Trustee, the Bank, the Remarketing Agent, the Letter of Credit, the Indenture, the Loan Agreement, the Bonds and other documents and parties are deemed to refer to the Issuer, the Trustee, the Bank, the Remarketing Agent, the Letter of Credit, the Indenture, the Bonds and such other documents and parties, respectively, relating to each issue of the Bonds.

LETTERS OF CREDIT

On the date of reoffering of the Bonds, the Bank will issue in favor of the Trustee for each issue of Bonds a separate Letter of Credit in the form of a direct pay letter of credit. Each Letter of Credit will be issued in the aggregate principal amount of the applicable issue of Bonds plus 48 days' interest at 12% per annum, on the basis of a 365 day year (as from time to time reduced and reinstated as provided in each Letter of Credit). Each Letter of Credit will permit the Trustee to draw up to an amount equal to the then outstanding principal amount of the applicable issue of Bonds to pay the unpaid principal thereof and accrued interest on such Bonds, subject to the terms, conditions and limitations stated therein. The Letter of Credit for each issue of the Bonds will be substantially in the form attached hereto as Appendix E.

Each Letter of Credit will expire on November 19, 2009, but will be automatically extended, without written amendment, to, and shall expire on, November 19, 2010, unless on or before October 20, 2009, notice is received by the Trustee stating that the Bank elects not to extend such Letter of Credit beyond November 19, 2009. The date on which the Letter of Credit expires as described in the preceding sentence, or if such date is not a Business Day then the first succeeding Business Day thereafter is defined in the Letter of Credit as the Expiration Date. As used in each Letter of Credit, the term "Business Day" means a day on which the San Francisco Letter of Credit Operations Office of the Bank is open for business.

Each drawing honored by the Bank under each Letter of Credit will immediately reduce the available amount thereunder by the amount of such drawing. Any drawing to pay interest will be automatically reinstated on the eighth (8th) Business Day following the date such drawing is honored by the Bank, unless the Company shall have received notice from the Bank no later than seven (7) Business Days after such drawing is honored that there shall be no such reinstatement. Any drawing to pay the purchase price of a Bond shall be reinstated if the Bonds related to such drawing are remarketed and the remarketing proceeds are paid to the Bank prior to the Expiration Date in an amount equal to the sum of (i) the amount paid to the Bank from such remarketing proceeds and (ii) interest on such amount. See Appendix E.

CREDIT AGREEMENTS

General. The Company is party to that certain $800,000,000 Amended and Restated Credit Agreement dated July 6, 2006 among the Company, the financial institutions party thereto, the Administrative Agent (as defined below) and The Royal Bank of Scotland plc, as syndication agent (together with all related documents, the *"2006 Credit Agreement"*) and that certain $700,000,000 Credit Agreement dated October 23, 2007 among the Company, the financial institutions party thereto, the Administrative Agent and The Royal Bank of Scotland plc, as syndication agent (together with all related documents, the *"2007 Credit Agreement"*). In

addition, the Company has executed and delivered a separate Letter of Credit Agreement (each, a "Letter of Credit Agreement" and collectively, the *"Letter of Credit Agreements"*) requesting that the Bank issue a letter of credit for each issue of Bonds and governing the issuance thereof. The Letter of Credit Agreements, the 2006 Credit Agreement and the 2007 Credit Agreement are collectively referred to herein as the "Credit Agreements." Each Letter of Credit is issued pursuant to either the 2006 Credit Agreement or the 2007 Credit Agreement, together with the related Letter of Credit Agreement.

The Credit Agreements define the relationship between the Company and the financial institutions party thereto, including the Bank; neither the Issuers nor the Trustee have any interest in the Credit Agreements or in any of the funds or accounts created under them. Under the Credit Agreements, the Company has agreed to reimburse the Bank for any drawings under the related Letter of Credit, to pay certain fees and expenses, to pay interest on any unreimbursed drawings or other amounts unpaid, and to reimburse the Bank for certain other costs and expenses incurred.

Defined Terms. Capitalized terms used in this section and in the 2006 Credit Agreement or the 2007 Credit Agreement, as applicable, that are not otherwise defined in this Reoffering Circular will have the meanings set forth below.

"Administrative Agent" means, with respect to the 2006 Credit Agreement, JPMorgan Chase Bank, N.A. in its capacity as administrative agent for the Syndicate Banks and its successors in such capacity, and with respect to the 2007 Credit Agreement, Union Bank of California, N.A. in its capacity as administrative agent for the Syndicate Banks and its successors in such capacity.

"Commitment" means (i) with respect to any Syndicate Bank listed on the signature pages to the respective Credit Agreement, the amount set forth opposite its name on the commitment schedule as its Commitment and (ii) with respect to each additional Syndicate Bank or assignee which becomes a Syndicate Bank pursuant to either of the Credit Agreements, the amount of the Commitment thereby assumed by it, in each case as such amount may from time to time be reduced or increased pursuant to the respective Credit Agreement.

"Debt" of any Person means at any date, without duplication, (i) all obligations of such Person for borrower money, (ii) all obligations of such Person evidenced by bonds (other than surety bonds), debentures, notes or other similar instruments, (iii) all obligations of such Person to pay the deferred purchase price of property or services, except trade accounts payable arising in the ordinary course of business, (iv) all Capitalized Lease Obligations (as defined in the respective Credit Agreement) of such Person, (v) all non-contingent reimbursement, indemnity or similar obligations of such Person in respect of amounts paid under a letter of credit, surety bond or similar instrument, (vi) all Debt of others secured by a Lien on any asset of such Person, whether or not such Debt is assumed by such Person, and (vii) all Debts of others Guaranteed (as defined in the respective Credit Agreement) by such Person.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended, or any successor statute.

"ERISA Group" means all members of a controlled group of corporations and all trades or business (whether or not incorporated) under common control which, together with Company, are treated as a single employer under Section 414 of the Internal Revenue Code.

"Issuing Bank" means any Syndicate Bank designated by Company that may agree to issue letters of credit pursuant to an instrument in form reasonably satisfactory to the Administrative Agent, each in its capacity as an issuer of a letter of credit under the respective Credit Agreement.

"Loans" means Committed Loans or Competitive Bid Loans (as such terms are defined in the respective Credit Agreement) or any combination of the foregoing pursuant to the respective Credit Agreement.

"Material Debt" means Debt of the Company arising under a single or series of related instruments or other agreements exceeding $35,000,000 in principal amount.

"PBGC" means the Pension Benefit Guaranty Corporation or any entity succeeding to any or all of its functions under ERISA.

"Person" means any individual, a corporation, a partnership, an association, a trust or any other entity or organization, including a government or political subdivision or an agency or instrumentality thereof.

"Reimbursement Obligations" means, if Commitments remain in effect on the date payment is made by the Issuing Bank, all such amounts paid by an Issuing Bank and remaining unpaid by the Company after the date and time required for payment under the respective Credit Agreement.

"Required Banks" means at any time Syndicate Banks having more than 50% of the total Commitments under the respective Credit Agreement, or if the Commitments shall have been terminated, holding more than 50% of the sum of the outstanding Loans and letter of credit liabilities.

"Syndicate Bank" or *"Syndicate Banks"* means, individually or collectively, each bank or other financial institution listed on the signature pages to the respective Credit Agreements, each assignee which becomes a Syndicate Bank pursuant to the respective Credit Agreements, and their respective successors.

Events of Default and Remedies. Any one or more of the following events constitute an event of default (an *"Event of Default"*) under the respective Credit Agreement:

(a) the Company shall fail to pay when due any principal of any Loan or any Reimbursement Obligation or shall fail to pay, within five days of the due date thereof, any interest, commitment fees or facility fees payable hereunder or shall fail to cash collateralize any letter of credit pursuant to the respective Credit Agreement;

(b) the Company shall fail to pay any other amount claimed by one or more Syndicate Banks under the respective Credit Agreement within five days of the due date thereof, unless (i) such claim is disputed in good faith by the Company, (ii) such unpaid claimed amount does not exceed $100,000 and (iii) the aggregate of all such unpaid claimed amounts does not exceed $300,000;

(c) the Company shall fail to observe or perform certain specified financial covenants contained in the respective Credit Agreement;

(d) the Company shall fail to observe or perform any covenant or agreement contained in the respective Credit Agreement (other than those covered by clause (a), (b) or (c) above) for 15 days after written notice thereof has been given to the Company by the Administrative Agent at the request of any Syndicate Bank;

(e) any representation, warranty, certification or statement made by the Company in the respective Credit Agreement or in any certificate, financial statement or other document delivered pursuant to such Credit Agreement shall prove to have been incorrect in any material respect when made (or deemed made);

(f) the Company shall fail to make any payment in respect of any Material Debt (other than Loans or any Reimbursement Obligation) or Material Hedging Obligations (as defined in the respective Credit Agreement) when due or within any applicable grace period;

(g) any event or condition shall occur which results in the acceleration of the maturity of any Material Debt of the Company or enables the holder of such Material Debt or any Person acting on such holder's behalf to accelerate the maturity thereof;

(h) the Company shall commence a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to itself or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property; or shall consent to any such relief or to the appoint of or taking possession by any such official in an involuntary case or other proceeding commenced against it, or shall make a general assignment for the benefit of creditors, or shall fail generally to pay its debts as they become due, or shall take any corporate action to authorize any of the foregoing;

(i) an involuntary case or other proceeding shall be commenced against the Company seeking liquidation, reorganization or other relief with respect to it or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, and such involuntary case or other proceeding shall remain undismissed and unstayed for a period of 60 days; or an order for relief shall be entered against the Company under the federal bankruptcy laws as now or hereafter in effect;

(j) the Company or any member of the ERISA Group shall fail to pay when due an amount or amounts aggregating in excess of $25,000,000 which it shall have become liable to pay to the PBGC or to a Plan under Title IV of ERISA; or notice of intent to terminate a Material Plan (as defined in the 2006 Credit Agreement) shall be filed under Title IV of ERISA by any member of the ERISA Group, any plan administrator or any combination of the foregoing; or the PBGC shall institute proceedings under Title IV of ERISA to terminate, to impose liability in excess of $25,000,000 (other than for premiums under Section 4007 of ERISA) in respect of, or to cause a trustee to be appointed to administer any Material Plan or a proceeding shall be instituted by a fiduciary of any Multiemployer Plan (as defined in the 2006 Credit Agreement) against any member of the ERISA Group to enforce Section 515 or 4219(c)(5) of ERISA in respect of an amount or amounts aggregating in excess of $25,000,000, and such proceeding shall not have been dismissed within 20 days thereafter; or a condition shall exist by reason of which the PBGC would be entitled to obtain a decree adjudicating that any Material Plan must be terminated; or there shall occur a complete or partial withdrawal from, or a default, within the meaning of Section 4219(c)(5) of ERISA, with respect to, one or more Multiemployer Plans which would cause one or more members of the ERISA Group to incur a current payment obligation in excess of $25,000,000;

(k) a judgment or order for the payment of money in excess of $25,000,000 shall be rendered against the Company and such judgment or order shall continue unsatisfied and unstayed for a period of 30 days;

(l) MidAmerican Energy Holdings Company or any wholly-owned subsidiary thereof that owns common stock of the Company (*"MidAmerican"*) shall fail to own (directly or indirectly through one or more Subsidiaries) at least 80% of the outstanding shares of common stock of the Company; any person or group of persons (within the meaning of Section 13 or 14 of the Securities Exchange Act of 1934, as amended), except Berkshire Hathaway Inc. or any wholly-owned subsidiary thereof, shall acquire a beneficial ownership (within the meaning of Rule 13d-3 promulgated by the Securities and Exchange Commission under said Act) of 35% or more of the outstanding shares of common stock of MidAmerican; or, during any period of 14 consecutive calendar months commencing on or after March 21, 2006, individuals who were directors of the Company on the first day of such period and any new director whose election by the board of directors of the Company or nomination for election by the Company's shareholders was approved by a vote of at least a majority of the directors then still in office who either were directors at the beginning of the applicable period or whose election or nomination for election was previously so approved, shall cease to constitute a majority of the board of directors of the Company.

Upon the occurrence of any Event of Default under the respective Credit Agreement, the Administrative Agent shall (i) if request by the Required Banks, by notice to the Company terminate the Commitments and the obligation of each Syndicate Bank to make Loans thereunder and the obligation of each Issuing Bank to issue any letter of credit thereunder and such obligations to make Loans and issue new Letters of Credit shall thereupon terminate, and

(ii) if requested by the Required Banks, by notice to the Company declare the Loans (together with accrued interest thereon) and any outstanding Reimbursement Obligations in respect of any drawing under a letter of credit issued under the respective Credit Agreement to be, and the same shall thereupon become, immediately due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Company; *provided* that in the case of any of the Events of Default specified in clause (h) or (i) above with respect to the Company, without any notice to the Company or any other act by the Administrative Agent or the Syndicate Banks, the Commitments shall thereupon terminate and the Loans (together with accrued interest thereon) and any outstanding Reimbursement Obligations in respect of any drawing under a letter of credit issued under the respective Credit Agreement shall become immediately due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Company.

The Company agrees, in addition to the Events of Default provisions above, that upon the occurrence and during the continuance of any Event of Default, it shall, if requested by the Administrative Agent upon the instruction of the Required Banks or any Issuing Bank having an outstanding letter of credit issued under the respective Credit Agreement, pay to the Administrative Agent an amount in immediately available funds (which funds shall be held as collateral pursuant to arrangements satisfactory to the Administrative Agent) equal to the aggregate amount available for drawing under all letters of credit issued under the respective Credit Agreements outstanding at such time (or, in the case of a request by an Issuing Bank, all such letters of credit issued by it); provided that, upon the occurrence of any Event of Default specified in clause (h) or (i) above with respect to the Company, and on the scheduled termination date of the respective Credit Agreement, the Company shall pay such amount forthwith without any notice or demand or any other act by the Administrative Agent, any Issuing Bank or any Syndicate Bank.

THE LOAN AGREEMENTS

Each Loan Agreement will operate independently. 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 Bank, the Loan Agreement and payments thereunder, the Indenture, the Letter of Credit, the Bonds, the Prior Bonds, the Facilities, the Project and other documents and parties are deemed to refer to the Issuer, the Bank, the Loan Agreement and such payments, the Indenture, the Letter of Credit, the Bonds, the Prior Bonds, the Facilities, the Project and such other documents and parties, respectively, relating to each issue of the Bonds.

ISSUANCE OF THE BONDS; LOAN OF PROCEEDS

The Issuer issued the Bonds for the purpose of refunding the Prior Bonds, the proceeds of which were used to finance or refinance, as the case may be, a portion of the Company's share of the costs of acquiring and improving the Facilities. The proceeds of the sale of the Bonds have been used to refund the Prior Bonds.

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, premium, if any, and interest on the Bonds when due on the dates, in the amounts and in the manner provided in the Indenture for the payment of the principal of, premium, if any, and interest on the Bonds, whether at maturity, upon redemption, acceleration or otherwise (*"Loan Payments"*); *provided, however,* that the obligation of the Company to make any such Loan Payment will be reduced by the amount of any reduction under the Indenture of the amount of the corresponding payment required to be made by the Issuer thereunder; and *provided further* that the obligation of the Company to make any such payment is deemed to be satisfied and discharged to the extent of the corresponding payment made (a) by the Bank to the Trustee under the Letter of Credit, (b) by the Obligor on an Alternate Credit Facility to the Trustee under such Alternate Credit Facility or (c) by the Company of principal of or premium, if any, or interest on the First Mortgage Bonds.

The Company's obligation to repay the loan made to it by the Issuer is 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 are 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 and from the Bank or Obligor on an Alternate Credit Facility, as the case may be, 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.

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.

From the date of delivery of the Letter of Credit to and including the Interest Payment Date next preceding the Expiration of the Term of the Letter of Credit (or the Expiration of the Term of an Alternate Credit Facility, as the case may be), the Company will provide for the payment of the amounts to be paid by the Trustee for the purchase of Bonds by providing for the delivery of the Letter of Credit (or an Alternate Credit Facility, as the case may be) to the Trustee. The Trustee has been directed to draw moneys under the Letter of Credit (or an Alternate Credit Facility, as the case may be), in accordance with the provisions of the Indenture and the Letter of Credit (or an Alternate Credit Facility, as the case may be), to obtain the moneys necessary to pay the purchase price of Bonds when due.

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 is not 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, the Insurer, the Bank (or the Obligor on an Alternate Credit Facility, as the case may be), or any other party or out of any obligation or liability at any time owing to the Company by any such party.

EXPENSES

The Company is obligated to pay reasonable compensation and to reimburse certain expenses and advances of the Issuer, the Trustee, the Registrar, the Remarketing Agent, the Paying Agent, Moody's and S&P directly to such entity.

TAX COVENANTS; TAX-EXEMPT STATUS OF BONDS

The Company covenants that the Bond proceeds, the earnings thereon and other moneys on deposit with respect to the Bonds will not be used in such a manner as to cause the Bonds to be "arbitrage bonds" within the meaning of the Code.

The Company covenants that it has not taken, and will not take, or permit to be taken on its behalf, any action which would adversely affect the Tax-Exempt status of the Bonds and will take, or require to be taken, such action as may, from time to time, be required under applicable law or regulation to continue to cause the Bonds to be Tax-Exempt. See "TAX EXEMPTION."

OTHER COVENANTS OF THE COMPANY

Maintenance of Existence; Conditions Under Which Exceptions Permitted. The Company covenants that it 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 State of the Issuer, will not dissolve or otherwise dispose of all or substantially all of its assets and will not consolidate with or merge into another corporation; *provided, however,* that the Company may, without violating the foregoing,

undertake from time to time any one or more of the following: (a) consolidate with or merge into another domestic corporation (i.e., a corporation incorporated and existing under the laws of one of the states of the United States or of the District of Columbia), or sell or otherwise transfer to another domestic corporation all or substantially all of its assets as an entirety and thereafter dissolve, *provided* the resulting, surviving or transferee corporation, as the case may be, must be the Company or a corporation qualified to do business in the State of the Issuer as a foreign corporation or incorporated and existing under the laws of the State of the Issuer, 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, the First Mortgage Bonds and the Reimbursement Agreement; or (b) convey all or substantially all of its assets to one or more wholly owned subsidiaries of the Company so long as the Company remains in existence and primarily liable on all of its obligations under the Loan Agreement and such subsidiary or subsidiaries to which such assets are so conveyed guarantees in writing the performance of all of the Company's obligations under the Loan Agreement, the First Mortgage Bonds and the Reimbursement Agreement.

Assignment. With the consent of the Bank (or the Obligor on an Alternate Credit Facility, as the case may be), 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 will (a) adversely affect the Tax-Exempt status of the Bonds or (b) relieve (other than as described in *"Maintenance of Existence; Conditions Under Which Exceptions Permitted"* above) 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 with respect to payment of the purchase price of the Bonds or for any other of its obligations under the Loan Agreement; and subject further to the condition that the Company has delivered to the Trustee and the Bank (or the Obligor on an Alternate Credit Facility, as the case may be) an opinion of counsel to the Company that such assignment complies with the provisions described in this paragraph and an opinion of Bond Counsel to the effect that the proposed assignment will not impair the validity of the Bonds under the Utah Act, the Wyoming Act or the Colorado Act, as applicable, or adversely affect the Tax-Exempt status of the Bonds. The Company must, within 30 days after the delivery thereof, furnish to the Issuer, the Bank (or the Obligor on an Alternate Credit Facility, as the case may be) and the Trustee a true and complete copy of the agreements or other documents effectuating any such assignment.

Maintenance and Repair; Taxes, Etc. The Company will maintain the Project 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 Project.

The Company may at its own expense cause the Facilities to be remodeled or cause such substitutions, modifications and improvements to be made to the Facilities from time to time as the Company, in its discretion, may deem to be desirable for its uses and purposes, which remodeling, substitutions, modifications and improvements are included under the terms of the Loan Agreement as part of the Facilities; *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 Facilities in accordance with standard industry practice.

Anything in the Loan Agreement to the contrary notwithstanding, the Company has the right at any time to cause the operation of the Facilities to be terminated if the Company has determined that the continued operation of the Project or the Facilities is uneconomical for any reason.

LETTER OF CREDIT; ALTERNATE CREDIT FACILITY; SUBSTITUTE LETTER OF CREDIT

The Company may, at any time, at its option:

(a) provide for the delivery on any Business Day to the Trustee of an Alternate Credit Facility or a Substitute Letter of Credit, but only provided that:

(i) the Company shall deliver to the Trustee, the Remarketing Agent and the Bank (or the Obligor on the Alternate Credit Facility, as the case may be), a notice which (A) states (I) the effective date of the Alternate Credit Facility or Substitute Letter of Credit to be so provided, and (II) the Expiration of the Term of the Letter of Credit or the Expiration of the Term of the Alternate Credit Facility which is to be replaced (which Expiration shall not be prior to the effective date of the Alternate Credit Facility to be so provided), (B) describes the terms of the Alternate Credit Facility or Substitute Letter of Credit, (C) directs the Trustee to give notice of the mandatory purchase of the Bonds on the Business Day next preceding the Expiration of the Term of the Letter of Credit or the Expiration of the Term of the Alternate Credit Facility which is to be replaced (which Business Day shall be not less than 30 days from the date of receipt by the Trustee of the notice from the Company specified above), in accordance with the Indenture, and (D) directs the Trustee, after taking such actions as are required to be taken to provide moneys due under the Indenture in respect of the Bonds or the purchase thereof, to surrender the Letter of Credit or Alternate Credit Facility, as the case may be, which is to be replaced, to the obligor thereon on the next Business Day after the later of the effective date of the Alternate Credit Facility or the Substitute Letter of Credit to be provided and the Expiration of the Term of the Letter of Credit or Expiration of the Term of the Alternate Credit Facility which is to be replaced and thereupon to deliver any and all instruments which may be reasonably requested by such obligor and furnished to the Trustee (but such surrender shall occur only if the requirement of (ii) below has been satisfied);

(ii) on the date of delivery of the Alternate Credit Facility or the Substitute Letter of Credit (which shall be the effective date thereof), the Company shall furnish to the Trustee simultaneously with such delivery of the Alternate Credit Facility or Substitute Letter of Credit (which delivery must occur prior to 9:30 a.m., New York time, on such date, unless a later time on such date shall be acceptable to the Trustee) an opinion of Bond Counsel stating that the delivery of such Alternate Credit Facility or Substitute Letter of Credit (A) complies with the terms of the Loan Agreement and (B) will not adversely affect the Tax Exempt status of the Bonds; and

(iii) in the case of the delivery of a Substitute Letter of Credit, the Company has received the written consent of the Bank or the Obligor on an Alternate Credit Facility; or

(b) provide for the termination on any Business Day of the Letter of Credit or any Alternate Credit Facility then in effect, but only provided that:

(i) the Company shall deliver to the Trustee, the Remarketing Agent and the Bank (or the Obligor on the Alternate Credit Facility, as the case may be), a notice which (A) states the Expiration of the Term of the Letter of Credit or the Expiration of the Term of the Alternate Credit Facility which is to be terminated, (B) directs the Trustee to give notice of the mandatory purchase of the Bonds on the Business Day next preceding the Expiration of the Term of the Letter of Credit or the Expiration of the Term of the Alternate Credit Facility which is to be terminated (which Business Day shall be not less than 30 days from the date of receipt by the Trustee of the notice from the Company specified above), in accordance with the Indenture, and (C) directs the Trustee, after taking such actions as are required to be taken to provide moneys due under the Indenture in respect of the Bonds or the purchase thereof, to surrender the Letter of Credit or Alternate Credit Facility, as the case may be, which is to be terminated, to the obligor thereon on the next Business Day after the Expiration of the Term of the Letter of Credit or the Expiration of the Term of the Alternate Credit Facility which is to be terminated and to thereupon deliver any and all instruments which may be reasonably requested by such obligor and furnished to the Trustee (but such surrender shall occur only if the requirement of (ii) below has been satisfied); and

(ii) on the Business Day next preceding the Expiration of the Term of the Letter of Credit or the Expiration of the Term of the Alternate Credit Facility, which is to be terminated, the Company shall furnish to the Trustee (prior to 9:30 a.m., New York time, on such Business Day, unless a later time on such Business Day shall be acceptable to the Trustee) an opinion of Bond Counsel stating that the termination of such Alternate Credit Facility or Letter of Credit (A) complies with the terms of the Loan Agreement and (B) will not adversely affect the Tax Exempt status of the Bonds.

An Alternate Credit Facility may have an expiration date earlier than the maturity of the Bonds. Any Substitute Letter of Credit must be issued by the same Bank that is a party to the Letter of Credit in effect at the time of such substitution and must be identical in all material respects as to terms and conditions to the Letter of Credit being replaced, except that it may contain a later expiration date, provide for an increase or decrease in the interest rate or the number of days of interest coverage or any combination of the foregoing.

EXTENSION OF A LETTER OF CREDIT

The Company may, at its election, but only with the written consent of the Bank or the Obligor on an Alternate Credit Facility, as the case may be, at any time provide for the delivery to the Trustee with respect to any issue of Bonds of an extension of the Letter of Credit or

Alternate Credit Facility then in effect, as the case may be, for any period commencing after its then-current expiration date.

DEFAULTS

Each of the following events constitute an "Event of Default" under the Loan Agreement:

(a) a failure by the Company to make when due any Loan Payment, any payment required to be made to the Trustee for the purchase of Bonds or any payment on the First Mortgage Bonds, which failure has resulted in an "Event of Default" as described herein in paragraph (a), (b) or (c) under "THE INDENTURES—Defaults;"

(b) a failure by the Company to pay when due any 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, the Bank (or the Obligor on an Alternate Credit Facility, as the case may be) and the Trustee may agree to in writing) after written notice given to the Company and the Bank (or the Obligor on an Alternate Credit Facility, as the case may be) by the Trustee or to the Company, the Bank (or the Obligor on an Alternate Credit Facility, as the case may be) 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 does not constitute an Event of Default so long as the Company institutes corrective action within the applicable period and such action is being diligently pursued; or

(c) certain events of bankruptcy, dissolution, liquidation or reorganization of the Company.

The Loan Agreement provides that, with respect to any Event of Default described in clause (b) above if, by reason of acts of God, strikes, orders of political bodies, certain natural disasters, civil disturbances and certain other events specified in the Loan Agreement, or any cause or event not reasonably within the control of the Company, the Company is unable in whole or in part to carry out one or more of its agreements or obligations contained in the Loan Agreement (other than certain obligations specified in the Loan Agreement, including its obligations to make when due Loan Payments and otherwise on the First Mortgage Bonds, 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 agreements or performing such obligations during the continuance of such inability.

REMEDIES

Upon the occurrence and continuance of any Event of Default described in (a) or (c) 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 constitutes 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 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 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 subject to the limitations contained in the Loan Agreement and in the Indenture. See "THE INDENTURES—Amendment of the Loan Agreements."

THE INDENTURES

Each Indenture will operate independently. 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 Bank, the Loan Agreement and payments thereunder, the Indenture, the Bonds, the Bond Fund, the Letter of Credit, the Insurance Policy and other documents and parties are to the Issuer, the Bank, the Loan Agreement and such payments, the Indenture, the Bonds, the Bond Fund, the Letter of Credit, the Insurance Policy 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 applicable 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 deposited with the trustee for the Prior Bonds and used to refund the Prior Bonds. See "USE OF PROCEEDS." There is created under the Indenture a Bond Fund to be held by the Trustee and therein established a Principal Account and an Interest Account. Payments made by the Company under the Loan Agreement and otherwise on the First Mortgage Bonds in respect of the principal of, premium, if any, and interest on, the Bonds and certain other amounts specified in the Indenture are to be deposited in the appropriate account in the Bond Fund. While any Bonds are outstanding and except as provided in a Tax Exemption Certificate and Agreement among the Trustee, the Issuer and the Company (the *"Tax Certificate"*), moneys in the Bond Fund will be used solely for the payment of the principal of, and premium, if any, and interest on, the Bonds as the same 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. During the term of the Letter of Credit (or an Alternate Credit Facility, as the case may be) moneys received under the Letter of Credit (or an Alternate Credit Facility, as the case may be) are to be held uninvested.

DEFAULTS

Each of the following events will constitute an "Event of Default" under the Indenture:

(a) a failure to pay the principal of, or premium, if any, on any of the Bonds when the same becomes due and payable at maturity, upon redemption or otherwise, subject to certain exceptions for Pledged Bonds and Bonds held for the benefit of an Obligor on an Alternate Credit Facility;

(b) a failure to pay an installment of interest on any of the Bonds for a period of one day after such interest has become due and payable subject to certain exceptions for Pledged Bonds and Bonds held for the benefit of an Obligor on an Alternate Credit Facility;

(c) a failure to pay amounts due in respect of the purchase price of Bonds delivered to the Trustee for purchase after such payment has become due and payable as provided under the captions "THE BONDS—Optional Purchase" and "—Mandatory Purchase;"

(d) a failure by the Issuer to observe and perform any covenant, condition, agreement or provision contained in the Bonds or the Indenture (other than a failure described in clause (a), (b) or (c) above), which failure 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;

(e) an "Event of Default" under the Loan Agreement;

(f) a "Default" under the Company Mortgage; or

(g) the Trustee's receipt of written notice from the Bank (or the Obligor on an Alternate Credit Facility, as the case may be) of an event of default under and as defined in the Reimbursement Agreement.

REMEDIES

Upon the occurrence (without waiver or cure) of an Event of Default described in clause (a), (b), (c), (f) or (g) under "Defaults" above or an Event of Default described in clause (e) under "Defaults" above resulting from an "Event of Default" under the Loan Agreement as described under clause (a) or (c) of "THE LOAN AGREEMENTS—Defaults" herein, and further upon the conditions that, if (i) 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 and (ii) there has been filed with the Trustee a written direction of the Bank (if its Letter of Credit is in effect and if no Bank Default shall have occurred and be continuing) or the Insurer (if its Insurance Policy is in effect and no Insurer Default has occurred and is continuing), then the Bonds will, without further action, become immediately due and payable and, during the period the Letter of Credit or an Alternate Credit Facility, as the case may be, is in effect, with accrued interest on the Bonds payable on the Bond Payment Date fixed as described in the Indenture and the Trustee will as promptly as practicable draw moneys under the Letter of Credit or an Alternate Credit Facility, as the case may be, to the extent available thereunder, in an amount sufficient to pay principal of and accrued interest on the Bonds payable on the Bond Payment date established as described in the Indenture; *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, so long as no Letter of Credit or Alternate Credit Facility is outstanding, after the principal of the Bonds have been so declared to be due and payable and before any judgment or decree for the payment of the moneys due have 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 and the principal of any and all Bonds which have become due otherwise than by reason of such declaration (with interest upon such principal and, to the extent permissible by law, on overdue installments of interest, at the rate per annum specified in the Bonds) and such amount as are 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) has been remedied, then, in every such case, such Event of Default is 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.

The provisions described in the second preceding paragraph are, further, subject to the condition that, if an Event of Default described in clause (g) under "Defaults" above has occurred and if the Trustee thereafter has received written notice from the Bank (or the Obligor on the Alternate Credit Facility, as the case may be) (a) that the notice which caused such Event of Default to occur has been withdrawn and (b) that the amounts available to be drawn on the Letter of Credit (or the Alternate Credit Facility, as the case may be) to pay (i) the principal of the Bonds or the portion of purchase price equal to principal and (ii) interest on the Bonds and the portion of purchase price equal to accrued interest have been reinstated to an amount equal to the principal amount of the Bonds Outstanding plus accrued interest thereon for the applicable Interest Coverage Period at the Interest Coverage Rate, then, in every such case, such Event of Default is deemed waived and its consequences rescinded and annulled, and the Trustee will promptly give written notice of such waiver, rescission and annulment to the Issuer, the Company, the Bank (or the Obligor on the Alternate Credit Facility, as the case may be) and the Remarketing Agent, and, if notice of the acceleration of the Bonds has been given to the Owners of Bonds, will give notice thereof by Mail to all Owners of Outstanding Bonds; but no such waiver, rescission and annulment will extend to or affect any subsequent Event of Default or impair any right or remedy consequent thereon.

Upon the occurrence and continuance of any Event of Default under the Indenture, the Trustee may, with the consent of the Bank (if its Letter of Credit is in effect and if no Bank Default shall have occurred and be continuing) or the Insurer (if its policy is in effect and no Insurer Default has occurred and is continuing), 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 require the Company, the Issuer,

the Insurer or the Bank (or the Obligor on an Alternate Credit Facility, as the case may be) 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. So long as an Insurer Default has not occurred and is continuing, upon the occurrence and continuance of an Event of Default, the Insurer is entitled to control and direct the enforcement of all rights and remedies granted to the Owners or the Trustee for the benefit of the Owners under the Indenture. So long as a Bank Default has not occurred and is continuing, upon the occurrence and continuance of an Event of Default, the Bank is entitled to control and direct the enforcement of all rights and remedies granted to the owners or the Trustee for the benefit of Owners under the Indenture. 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 notify the Insurer of payments to be made pursuant to the Insurance Policy, to make certain payments with respect to the Bonds and to draw on the Letter of Credit (or Alternate Credit Facility, as the case may be)) or to enforce the trusts created by the Indenture except upon the written request of the Owners of not less than 25% in principal amount of the Bonds then outstanding and receipt of indemnity satisfactory to it.

The Owners of a majority in principal amount of Bonds then outstanding will have the right to direct the time, method and place of conducting all remedial proceedings 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 does not result in any personal liability of the Trustee.

No Owner of any Bond will have any right to institute any suit, action or proceeding in equity or at law for the execution of any trust or power of the Trustee unless such Owner has previously given the Trustee written notice of an Event of Default and unless the Owners of not less than 25% in principal amount of the Bonds then outstanding have made written request of the Trustee so to do, and unless satisfactory indemnity (except against gross negligence or willful misconduct) has been offered to the Trustee and the Trustee has not complied with such request within a reasonable time.

Notwithstanding any other provision in the Indenture, the right of any Owner to receive payment of the principal of, premium, if any, and interest on the Owner's Bond on or after the respective due dates expressed therein, or to institute suit for the enforcement of any such payment on or after such respective dates, will not be impaired or affected without the consent of such Owner of Bonds.

DEFEASANCE

All or any portions of Bonds (in Authorized Denominations) will, prior to the maturity or redemption date thereof, be deemed to have been paid for all purposes of the Indenture when:

(a) in the event said Bonds or portions thereof have been selected for redemption, the Trustee 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;

(b) there has been deposited with the Trustee moneys which constitute Available Moneys or moneys drawn under the Letter of Credit or an Alternate Credit Facility;

(c) the moneys so deposited with the Trustee are in an amount sufficient (without relying on any investment income) to pay when due the principal of, premium, if any, and interest due and to become due (which amount of interest to become due is 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 is calculated at the rate borne by such Bonds) on said Bonds or portions thereof on and prior to the redemption date or maturity date thereof, as the case may be; *provided, however,* that if such payment is to be made upon optional redemption, such payment is made from Available Moneys;

(d) in the event said 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 said Bonds or portions thereof and to the Insurer that the deposit required by clause (b) above has been made with the Trustee and that said Bonds or portions thereof are deemed to have been paid and stating the maturity or redemption date upon which moneys are to be available for the payment of the principal of and premium, if any, and interest on said Bonds or portions thereof;

(e) 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, and the Insurer have received an opinion of an independent public accountant of nationally recognized standing, selected by the Company (an *"Accountant's Opinion"*), to the effect that the requirements set forth in clause (c) above have been satisfied;

(f) the Issuer, the Company, the Trustee and the Insurer shall have received written evidence from Moody's, if the Bonds are then rated by Moody's, and S&P, if the Bonds are then rated by S&P, that such action will not result in a reduction, suspension or withdrawal of the rating; and

(g) 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, and the Insurer 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 are held in trust for, the payment of the principal of, premium, if any, and interest on said Bonds or portions thereof, or for the payment of the purchase price of

Bonds in accordance with the Indenture; *provided* that such moneys, if not then needed for such purpose, will, to the extent practicable, be invested and reinvested in Government Obligations maturing on or prior to the earlier of (a) the date moneys may be required for the purchase of Bonds or (b) the Interest Payment Date next succeeding the date of investment or reinvestment, and interest earned from such investments are 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, (b) the delivery of Bonds to the Trustee for purchase and the related obligations of the Trustee with respect thereto, (c) the mandatory purchase of the Bonds in connection with the Expiration of the Term of the Letter of Credit or the Expiration of the Term for Alternate Credit Facility, as the case may be, and (d) payment of the Bonds from such moneys, 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 next to 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) has been made or caused to be made in accordance with the terms thereof or (ii) has been provided for by irrevocably depositing with the Trustee in trust and irrevocably set aside exclusively for such payment, (A) moneys, which are Available Moneys or moneys drawn under the Letter of Credit or an Alternate Credit Facility, as the case may be, sufficient to make such payment and/or (B) Government Obligations purchased with Available Moneys or moneys drawn under the Letter of Credit or an Alternate Credit Facility, as the case may be, and 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; *provided, however,* that if such payment is to be made upon optional redemption, such payment is made from Available Moneys or from Government Obligations purchased with Available Moneys; (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 have been paid or the payment thereof provided for to the satisfaction of the Trustee; and (c) an Accountant's Opinion, to the effect that such moneys and/or Government Obligations will insure, without reinvestment, the availability of sufficient moneys to make such payment, a Bankruptcy Counsel's Opinion to the effect that the payment of the Bonds from the moneys and/or Government Obligations so deposited will not result in a voidable preference under Section 547 of the United States Bankruptcy Code in the event that either the Issuer of the Company were to become a debtor under the United States Bankruptcy Code and a Bond Counsel's Opinion has been delivered to 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. The provisions

of this paragraph 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 said 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 Indenture, that the deposit required by clause (a)(ii) above has been made with the Trustee and that said Bonds are deemed to have been paid in accordance with the Indenture and stating the maturity or redemption date upon which moneys are to be available for the payment of the principal of and the applicable redemption premium, if any, on said Bonds, plus interest thereon to the due date thereof; or (b) the maturity of such Bonds.

REMOVAL OF TRUSTEE

With the prior written consent of the Bank or the Obligor on an Alternate Credit Facility, as the case may be (which consent, if unreasonably withheld, will not be required), the Trustee may be removed at any time by filing with the Trustee so removed, and with the Issuer, the Company, the Insurer, the Registrar, the Remarketing Agent and the Bank (or the Obligor on an Alternate Credit Facility, as the case may be), an instrument or instruments in writing executed by (a) the Insurer, if no Insurer Default has occurred and is continuing, or (b) the Owners of not less than a majority in principal amount of the Bonds then outstanding and, if no Insurer Default has occurred and is continuing, the Insurer. 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, but with the consent of the Bank in certain circumstances, 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, the Insurer or the Bank (or the Obligor on an Alternate Credit Facility, as the case may be) 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 Owners of the Bonds; (c) to confirm, as further assurance, any pledge of or lien on any property subjected or to be subjected to the lien of the Indenture; (d) to comply with the requirements of the Trust Indenture Act of 1939, as amended; (e) to modify, alter, amend or supplement the Indenture or any supplemental indenture in any other respect which in the judgment of the Trustee is not materially adverse to the Owners of the Bonds; *provided, however,* that any such modification,

alteration, amendment or supplement will not take effect until the Insurer (unless an Insurer Default has occurred and is continuing) and the Bank or the Obligor on an Alternate Credit Facility, as the case may be, has consented in writing to such modification, alteration, amendment or supplement; *provided further* that in determining whether any such modification, alteration, amendment or supplement is materially adverse to the Owners of the Bonds, the Trustee will consider the effect on the Owners as if there were no Insurance Policy with respect to 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 under the Indenture of an Alternate Credit Facility or a Substitute Letter of Credit; (g) to provide for a depository to accept tendered 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 (as defined in the Indenture) and also in either of the two highest long-term debt Rating Categories; (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; (p) to modify, alter, amend or supplement the Indenture in any other respect (which in the judgment of the Trustee is not materially adverse to the Owners), if the effective date of such supplemental indenture or amendment is a date on which all of the Bonds affected thereby are subject to mandatory purchase and are so purchased; and (q) to provide for the delivery to the Trustee of an Insurance policy or replacement of the Insurer or for an additional Insurer following the occurrence of an Insurer Default or to provide for an additional Insurer following the withdrawal or suspension or reduction below AAA (or its equivalent rating) by S&P and Aaa (or its equivalent rating) by Moody's of the long-term ratings of the Insurer provided that the insurance policy provided by the replacement or additional Insurer would result in a long-term rating on the Bonds equal to AAA (or its equivalent rating) by S&P and Aaa (or its equivalent rating) by Moody's.

Before the Issuer and the Trustee enter into any supplemental indenture as described above, there must be delivered to the Trustee, the Company, the Insurer and the Bank (or the Obligor on an Alternate Credit Facility, as the case may be) 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 under the Utah Act, the Wyoming Act or the Colorado Act, as applicable, of the Bonds or adversely affect the Tax-Exempt status of the Bonds.

The Trustee will provide written notice of any Supplemental Indenture to the Insurer, the Bank (or the Obligor on an Alternate Credit Facility, as the case may be), Moody's, S&P and the Owners of all Bonds then outstanding at least 30 days prior to the effective date of such Supplemental Indenture. Such notice must state the effective date of such Supplemental

Indenture, briefly describe the nature of such Supplemental Indenture and state that a copy thereof is on file at the principal office of the Trustee for inspection by the parties mentioned in the preceding sentence.

Except for supplemental indentures entered into for the purposes described above, the Indenture will not be modified, altered, amended supplemented or rescinded without the consent of the Bank (if its Letter of Credit is in effect and no Bank Default shall have occurred and be continuing) or the Insurer (if its Insurance Policy is in effect and no Insurer Default has occurred and is continuing), together with the Owners of not less than 60% in aggregate principal amount of Bonds outstanding, who have the right to consent to and approve any supplemental indenture; *provided* that, unless approved in writing by the Bank (if its Letter of Credit is in effect and no Bank Default shall have occurred and be continuing) or the Insurer (unless an Insurer Default has occurred and is continuing), and 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 Revenues ranking prior to or on a parity with the claim, lien or pledge created by the Indenture, or (c) a reduction in the aggregate principal amount of Bonds the consent of the Owners of which is required to approve any such supplemental indenture or which is required to approve any amendment to the Loan Agreement. No such amendment of the Indenture will be effective without the prior written consent of the Company.

AMENDMENT OF THE LOAN AGREEMENTS

Without the consent of or notice to the Owners of the Bonds, the Issuer may, with the consent of the Insurer (unless an Insurer Default has occurred and is continuing), 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; *provided, however*, that any such modification, alteration, amendment or supplement will not take effect until the Insurer (unless an Insurer Default has occurred and is continuing) and the Bank or the Obligor on an Alternate Credit Facility, as the case may be, have consented in writing to such modification, alteration, amendment or supplement; *provided further* that in determining whether any such modification, alteration, amendment or supplement is materially adverse to the Owners of the Bonds, the Trustee will consider the effect on the Owners as if there were no Insurance Policy with respect to the Bonds; (d) to secure or maintain ratings for the Bonds from Moody's and/or S&P in both the highest short-term or commercial paper debt Rating Category and also in either of the two highest long-term debt Rating Categories; (e) 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 or of the Insurer or of the Bank (or the Obligor on an Alternate Credit Facility, as the case may be) 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 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; (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 herein, if the effective date of such supplement or amendment is a date on which all of the Bonds affected thereby are subject to mandatory purchase and are so purchased; and (k) to provide for the replacement of the Insurer or for an additional Insurer following the occurrence of an Insurer Default or to provide for an additional Insurer following the withdrawal or suspension or reduction below AAA (or its equivalent rating) by S&P and Aaa (or its equivalent rating) by Moody's of the long-term ratings of the Insurer provided that the insurance policy provided by the replacement or additional Insurer would result in a long-term rating on the Bonds equal to AAA (or its equivalent rating) by S&P and Aaa (or its equivalent rating) by Moody's.

Before the Issuer enters into, and the Trustee consents to, any modification, alteration, amendment or supplement to the Loan Agreement as described in the immediately preceding paragraph, (a) the Trustee will cause notice of such proposed modification, alteration, amendment or supplement to be provided to the Bank, the Insurer, Moody's and S&P, stating that a copy thereof is on file at the office of the Trustee for inspection by the Insurer, Moody's and S&P and (b) there must be delivered to the Bank, the Issuer, the Insurer 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 Utah Act, the Wyoming Act or the Colorado 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 Issuer will not enter into 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 Bank (or the Obligor on an Alternate Credit Facility, as the case may be), the Insurer (unless an Insurer Default has occurred and is continuing) and the Owners of not less than 60% in aggregate principal amount of the Bonds at the time outstanding; *provided, however,* that, unless approved in writing by the Owners of all Bonds affected thereby, nothing in the Indenture may permit, or be construed as permitting, a change in the obligations of the Company to make Loan Payments or payments to the Trustee for the purchase of Bonds or the nature of the obligations of the Company on the First Mortgage Bonds. No amendment of the Loan Agreement will become effective without the prior written consent of the Insurer (unless an Insurer Default has occurred and is continuing) and the Company and under certain circumstances, the Bank (or the Obligor on an Alternate Credit Facility, as the case may be).

Before the Issuer enters into, and the Trustee consents to, any modification, alteration, amendment or supplement to the Loan Agreement as described in the immediately preceding paragraph, there must be delivered to the Issuer, the Bank (or the Obligor on an Alternate Credit

Facility, as the case may be), the Insurer 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 Utah Act, the Wyoming Act or the Colorado 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 six separate Pledge Agreements each dated as of November 1, 1994 between the Company and the Trustee (individually, a "Pledge Agreement" and, collectively, the "Pledge Agreements"), the First Mortgage Bonds were issued by the Company to secure its obligations under the Loan Agreement relating to each of the six 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 such Mortgages. All references in this summary to the Trustee, the Bonds, the Indenture, the Loan Agreement and the Pledge Agreement are deemed to refer to the Trustee, the Bonds, the Indenture, the Loan Agreement, the Pledge Agreement and such other documents and parties, respectively, relating to each issue of the Bonds.

GENERAL

The First Mortgage Bonds are in the same principal amount and mature on the same dates as the Bonds. In addition, the First Mortgage Bonds are 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 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, if any, 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 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, including the additional

Company Mortgage Bonds that are to be issued, 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

Affiliates of The Bank of New York Mellon Trust Company, N.A., may act as lenders and as administrative agents under loan agreements with the Company and affiliates of the Company. The Bank of New York Mellon Trust Company, N.A., serves as trustee under indentures and other agreements involving the Company and its affiliates. The Bank of New York Mellon Trust Company, N.A., is the Company Mortgage Trustee.

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.

LITIGATION

There is no pending or, to the knowledge of each Issuer, threatened litigation against such Issuer that in any way questions or materially affects the Bonds of such Issuer, the validity or enforceability of the Loan Agreements or the Indentures to which such Issuer is a party or any proceedings or transaction relating to the reoffering of the Bonds.

REMARKETING

The Remarketing Agents have agreed with the Company, subject to the terms and provisions of separate Remarketing Agreements, dated November 18, 2008, between the Company and the Remarketing Agents, that the Remarketing Agents will use their best efforts, as remarketing agent, to solicit purchases from potential investors of the Bonds. Pursuant to such Remarketing Agreements, the Company has agreed to indemnify the Remarketing Agents against certain liabilities and expenses, including liabilities arising under federal and state securities laws, and to pay for certain expenses in connection with the reoffering of the Bonds.

In the ordinary course of business, the Remarketing Agents have provided investment banking services or bank financing to the Company, its subsidiaries or affiliates in the past for which they have received customary compensation and expense reimbursement, and may do so again in the future.

CERTAIN RELATIONSHIPS

Wells Fargo Brokerage Services, LLC (*"WFBS"*) is a registered broker/dealer and a member of the FINRA and SIPC. WFBS is a brokerage affiliate of Wells Fargo & Company. WFBS is solely responsible for its contractual obligations and commitments. Nondeposit investment products offered by WFBS are not FDIC insured, are subject to investment risk, including loss of principal, and are not guaranteed by a bank unless otherwise specified.

In addition to providing the Letters of Credit for the herein described Bonds, from time to time, Wells Fargo Bank, N. A. and other banks and companies affiliated with WFBS may lend money to an issuer of securities or debt that are underwritten or dealt in by WFBS. Within the prospectus or other documentation provided with each such underwriting or placement there will be a disclosure of any material lending relationship by an affiliate of WFBS with such an issuer and whether the proceeds of such an issuance of such debt securities will be used by the issuer to repay any outstanding indebtedness of any WFBS affiliate.

From time to time, WFBS may participate in a primary of secondary distribution of securities bought or sold by a purchase of bonds. WFBS and its affiliates may also act as an investment advisor to issuers whose securities may be sold to a purchaser of those bonds.

TAX EXEMPTION

CARBON BONDS AND EMERY BONDS

In connection with the original issuance and delivery of each of the Carbon Bonds and the Emery Bonds, Chapman and Cutler, as Bond Counsel to the Company, rendered an opinion with respect to each issue that subject to compliance by the Company and the applicable Issuer with certain covenants referenced in the opinion, under then existing law, interest on the Carbon Bonds and on the Emery Bonds, as applicable, would not be includible in the gross income of the Owners thereof for federal income tax purposes, except for interest on any Carbon Bond or Emery Bond, as applicable, for any period during which such Bond is owned by a person who is a substantial user of the related Project or Facilities or any person considered to be related to such person (within the meaning of Section 103(b)(13) of the 1954 Code) and such interest is not treated as an item of tax preference in computing the federal alternative minimum tax for individuals and corporations. Such interest is taken into account, however, in computing an adjustment used in determining the federal alternative minimum tax for certain corporations.

Bond Counsel also rendered an opinion that, under then existing statutes and laws of Utah, interest on the Carbon Bonds and on the Emery Bonds, is exempt from taxes imposed by the Utah Individual Income Tax Act.

A copy of each of the opinion letters provided by Bond Counsel in connection with the original issuance and delivery of the Carbon Bonds and the Emery Bonds is set forth in Appendix C-1 and C-2, respectively, but inclusion of such copies of the opinion letters is not to be construed as a reaffirmation of the opinions contained therein. The opinion letters speak only as of their dates.

Chapman and Cutler LLP will deliver separate opinions in connection with execution and delivery of the First Supplemental Indenture and the First Supplemental Loan Agreement for each of the Carbon Bonds and the Emery Bonds in each case to the effect that (a) each of such First Supplemental Indentures (i) is authorized or permitted by the Trust Indenture relating thereto and the Act and complies with their respective terms, (ii) upon the execution and delivery thereof, will be valid and binding upon the respective Issuer in accordance with its terms and (iii)

will not adversely affect the Tax-Exempt status of the Carbon Bonds or the Emery Bonds, as applicable and (b) each of such First Supplemental Loan Agreements (i) is authorized or permitted by the Original Loan Agreement or Trust Indenture relating thereto and the Act and complies with their respective terms, (ii) will be valid and binding upon the respective Issuer in accordance with its terms and (iii) will not adversely affect the Tax-Exempt status of the Carbon Bonds or the Emery Bonds, as applicable. Except as necessary to render the foregoing opinions, Chapman and Cutler has not reviewed any factual or legal maters relating to the prior opinion of Bond Counsel or the Carbon Bonds or the Emery Bonds subsequent to their date of issuance. The proposed form of such opinions are set forth in Appendix D-1 and Appendix D-3.

CONVERSE BONDS, LINCOLN BONDS AND SWEETWATER BONDS

In connection with the original issuance and delivery of each of the Converse Bonds, the Lincoln Bonds and the Sweetwater Bonds, Chapman and Cutler, as Bond Counsel to the Company, rendered an opinion with respect to each issue that subject to compliance by the Company and the Issuer with certain covenants referenced in the opinion, under then existing law, interest on the Converse Bonds, on the Lincoln Bonds and on the Sweetwater Bonds, as applicable, would not be includible in the gross income of the Owners thereof for federal income tax purposes, except for interest on any Converse Bond, Lincoln Bond or Sweetwater Bond, as applicable, for any period during which such Bond is owned by a person who is a substantial user of the related Project or Facilities or any person considered to be related to such person (within the meaning of Section 103(b)(13) of the 1954 Code) and such interest is not treated as an item of tax preference in computing the federal alternative minimum tax for individuals and corporations. Such interest is taken into account, however, in computing an adjustment used in determining the federal alternative minimum tax for certain corporations.

Bond Counsel also rendered an opinion that, under then existing statutes and laws of Wyoming, Wyoming imposed no income taxes that would be applicable to interest on the Converse Bonds, on the Lincoln Bonds or on the Emery Bonds, as applicable.

A copy of each of the opinion letters provided by Bond Counsel in connection with the original issuance and delivery of the Converse Bonds, the Lincoln Bonds and the Sweetwater Bonds is set forth in Appendix C-3, C-4 and C-5, respectively, but inclusion of such copies of the opinion letters is not to be construed as a reaffirmation of the opinions contained therein. The opinion letters speak only as of their dates.

Chapman and Cutler LLP will deliver separate opinions in connection with execution and delivery of the First Supplemental Indenture and the First Supplemental Loan Agreement for each of the Converse Bonds, the Lincoln Bonds and the Sweetwater Bonds in each case to the effect that (a) each of such First Supplemental Indentures (i) is authorized or permitted by the Trust Indenture relating thereto and the Act and complies with their respective terms, (ii) upon the execution and delivery thereof, will be valid and binding upon the respective Issuer in accordance with its terms and (iii) will not adversely affect the Tax-Exempt status of the Converse Bonds, the Lincoln Bonds or the Sweetwater Bonds, as applicable and (b) each of such First Supplemental Loan Agreements (i) is authorized or permitted by the Original Loan Agreement or Trust Indenture relating thereto and the Act and complies with their respective

terms, (ii) will be valid and binding upon the respective Issuer in accordance with its terms and (iii) will not adversely affect the Tax-Exempt status of the Converse Bonds, the Lincoln Bonds or the Sweetwater Bonds, as applicable. Except as necessary to render the foregoing opinions, Chapman and Cutler has not reviewed any factual or legal maters relating to the prior opinion of Bond Counsel or the Converse Bonds, the Lincoln Bonds or the Sweetwater Bonds subsequent to their date of issuance. The proposed form of such opinions are set forth in Appendix D-2, Appendix D-4 and Appendix D-6.

MOFFAT BONDS

In connection with the original issuance and delivery of the Moffat Bonds, Chapman and Cutler, as Bond Counsel to the Company, rendered an opinion that subject to compliance by the Company and the Issuer with certain covenants referenced in the opinion, under then existing law, interest on the Moffat Bonds would not be includible in the gross income of the Owners thereof for federal income tax purposes, except for interest on any Moffat Bond for any period during which such Bond is owned by a person who is a substantial user of the related Project or Facilities or any person considered to be related to such person (within the meaning of Section 103(b)(13) of the 1954 Code) and such interest is not treated as an item of tax preference in computing the federal alternative minimum tax for individuals and corporations. Such interest is taken into account, however, in computing an adjustment used in determining the federal alternative minimum tax for certain corporations.

Bond Counsel also rendered an opinion that, under then existing statutes and laws of Colorado, so long as interest on the Moffat Bonds is not included in gross income for federal income tax purposes, interest on the Moffat Bonds is not included in Colorado taxable income for purposes of the income tax imposed by Colorado pursuant to Article 22 of Title 39 of the Colorado Revised Statutes, as amended, upon individuals, corporations, and estates and trusts.

A copy of the opinion letter provided by Bond Counsel in connection with the original issuance and delivery of the Moffat Bonds is set forth in Appendix C-6, 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 speak only as of its date.

Chapman and Cutler LLP will deliver an opinion in connection with execution and delivery of the First Supplemental Indenture and the First Supplemental Loan Agreement relating to the Moffat Bonds to the effect that (a) such First Supplemental Indenture (i) is authorized or permitted by the Trust Indenture relating thereto and the Act and complies with their respective terms, (ii) upon the execution and delivery thereof, will be valid and binding upon Moffat County in accordance with its terms and (iii) will not adversely affect the Tax-Exempt status of the Moffat Bonds and (b) such First Supplemental Loan Agreement (i) is authorized or permitted by the Original Loan Agreement or Trust Indenture relating thereto and the Act and complies with their respective terms, (ii) will be valid and binding upon Moffat County in accordance with its terms and (iii) will not adversely affect the Tax-Exempt status of the Moffat Bonds. Except as necessary to render the foregoing opinion, Chapman and Cutler has not reviewed any factual or legal maters relating to the prior opinion of Bond Counsel or the

Moffat Bonds subsequent to their date of issuance. The proposed form of such opinion is set forth in Appendix D-5.

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 King & Spalding LLP. The validity of the Letter of Credit will be passed upon for the Bank by in-house counsel to the Bank.

MISCELLANEOUS

The attached Appendices (including the documents incorporated by reference therein) are an integral part of this Reoffering Circular and must be read together with all of the balance of this Reoffering Circular.

The Issuers have not assumed nor will assume any responsibility for the accuracy or completeness of any information contained herein (other than the material pertinent to each Issuer under "THE ISSUERS" or "LITIGATION" above) or in the Appendices hereto, all of which was furnished by others.

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 Agents, 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 is a United States regulated electricity company serving customers in portions of the states of Utah, Oregon, Wyoming, Washington, Idaho and California. The Company delivers electricity to customers in Utah, Wyoming and Idaho under the trade name Rocky Mountain Power and to customers in Oregon, Washington and California under the trade name Pacific Power. The Company's electric generation, commercial and energy trading, and coal-mining functions are operated under the trade name PacifiCorp Energy. The subsidiaries of the Company support its electric utility operations by providing coal mining facilities and services and environmental remediation services. PacifiCorp is an indirect subsidiary of MidAmerican Energy Holdings Company (*"MEHC"*), a holding company based in Des Moines, Iowa, owning subsidiaries that are principally engaged in energy businesses. MEHC is a consolidated subsidiary of Berkshire Hathaway Inc.

The Company's operations are exposed to risks, including general economic, political and business conditions in the jurisdictions in which the Company's facilities are located; changes in governmental, legislative or regulatory requirements affecting the Company or the electric utility industry, including limits on the ability of public utilities to recover income tax expenses in rates, such as Oregon Senate Bill 408; changes in, and compliance with, environmental laws, regulations, decisions and policies that could increase operating and capital improvement costs, reduce plant output and/or delay plant construction; the outcome of general rate cases and other proceedings conducted by regulatory commissions or other governmental and legal bodies; changes in economic, industry or weather conditions, as well as demographic trends that could affect customer growth and usage or supply of electricity; a high degree of variance between actual and forecasted load and prices that could impact the hedging strategy and costs to balance electricity load and supply; hydroelectric conditions, as well as the cost, feasibility and eventual outcome of hydroelectric relicensing proceedings that could have a significant impact on electric capacity and cost and on the Company's ability to generate electricity; changes in prices and availability for both purchases and sales of wholesale electricity, coal, natural gas and other fuel sources that could have a significant impact on generation capacity and energy costs; financial condition and creditworthiness of significant customers and suppliers; changes in business strategy or development plans; availability, terms and deployment of capital, including severe 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; performance of the Company's generation facilities, including unscheduled outages or repairs;

the impact of derivative instruments used to mitigate or manage volume and price risk and interest rate risk and changes in the commodity prices, interest rates and other conditions that affect the value of the derivatives; the impact of increases in health care costs, changes in interest rates, mortality, morbidity and investment performance on pension and other post-retirement benefits expense, as well as the impact of changes in legislation on funding requirements; changes in the Company's credit ratings; unanticipated construction delays, changes in costs, receipt of required permits and authorizations, and ability to fund capital projects and other factors that could affect future generation plants and infrastructure additions; the impact of new accounting pronouncements or changes in current accounting estimates and assumptions on financial results; other risks or unforeseen events, including litigation and wars, the effects of terrorism, embargos and other catastrophic events; and other business or investment considerations that may be disclosed from time to time in 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, Suite 2000, Portland, Oregon 97232; the telephone number is (503) 813-5000.

AVAILABLE INFORMATION

The Company is subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the *"Exchange Act"*), and in accordance therewith files reports and other information with the Commission. Such reports and other information (including proxy and information statements) filed by the Company may be inspected and copied at public reference rooms maintained by the Commission in Washington, D.C., New York, New York and Chicago, Illinois. Please call the Commission at 1-800-SEC-0330 for further information on the public reference rooms. The Company's filings with the Commission are also available to the public at the website maintained by the Commission at http://www.sec.gov.

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

The following documents filed by the Company with the Commission pursuant to the Exchange Act are incorporated herein by reference:

1. Annual Report on Form 10-K for the fiscal year ended December 31, 2007.

2. Quarterly Reports on Form 10-Q for the three months ended March 31, 2008, June 30, 2008 and September 30, 2008.

3. Current Report on Form 8-K, dated February 14, 2008.

4. Current Report on Form 8-K, dated February 22, 2008.

5. Current Report on Form 8-K, dated April 2, 2008.

6. Current Report on Form 8-K, dated April 15, 2008.

7. Current Report on Form 8-K, dated July 17, 2008.

8 Current Report on Form 8-K, dated September 15, 2008.

9. 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 Quarterly Report on Form 10-Q for the three months ended September 30, 2008 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 Investor Relations, PacifiCorp, 825 N.E. Multnomah, Suite 2000, Portland, Oregon 97232, telephone number (503) 813-5000. The information relating to the Company contained in this 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

INFORMATION REGARDING THE BANK

The information under this heading has been provided solely by the Bank and is believed to be reliable. This information has not been verified independently by the Company or any of the Remarketing Agents. Neither the Company nor any of the Remarketing Agents make any representation whatsoever as to the accuracy, adequacy or completeness of such information.

WELLS FARGO BANK, NATIONAL ASSOCIATION

Wells Fargo Bank, National Association (the *"Bank"*) is a national banking association organized under the laws of the United States of America with its main office at 101 North Phillips Avenue, Sioux Falls, South Dakota 57104, and engages in retail, commercial and corporate banking, real estate lending and trust and investment services. The Bank is an indirect, wholly owned subsidiary of Wells Fargo & Company, a diversified financial services company, a financial holding company and a bank holding company registered under the Bank Holding Company Act of 1956, as amended, with its principal executive offices located in San Francisco, California (*"Wells Fargo"*).

As of September 30, 2008, the Bank had total consolidated assets of approximately $514.9 billion, total domestic and foreign deposits of approximately $356.2 billion and total equity capital of approximately $44.2 billion.

On October 3, 2008, Wells Fargo announced that it had entered into a merger agreement with Wachovia Corporation providing for the acquisition of Wachovia and its subsidiaries by Wells Fargo in a stock-for-stock transaction. This press release and other materials filed with the Securities and Exchange Commission (*"SEC"*) by Wells Fargo relating to the proposed merger are available free of charge on the SEC's website at www.sec.gov. Copies of these filings are also available free of charge by writing to Wells Fargo's Corporate Secretary at the address given below.

Each quarter, the Bank files with the FDIC financial reports entitled "Consolidated Reports of Condition and Income for Insured Commercial Banks with Domestic and Foreign Offices," commonly referred to as the "Call Reports." The Bank's Call Reports are prepared in accordance with regulatory accounting principles, which may differ from generally accepted accounting principles. The publicly available portions of the Call Reports for the period ending June 30, 2008, and for Call Reports filed by the Bank with the FDIC after the date of this Offering Memorandum may be obtained from the FDIC, Disclosure Group, Room F518, 550 17th Street, N.W., Washington, D.C. 20429 at prescribed rates, or from the FDIC on its Internet site at http://www.fdic.gov, or by writing to Corporate Secretary's Office, Wells Fargo Center, Sixth and Marquette, MAC N9305-173, Minneapolis, MN 55479.

Each Letter of Credit will be solely an obligation of the Bank and will not be an obligation of, or otherwise guaranteed by, Wells Fargo, and no assets of Wells Fargo or any

affiliate of the Bank or Wells Fargo will be pledged to the payment thereof. Payment of the Letter of Credits will not be insured by the FDIC.

The information contained in this section, including financial information, relates to and has been obtained from the Bank, and is furnished solely to provide limited introductory information regarding the Bank and does not purport to be comprehensive. Any financial information provided in this section is qualified in its entirety by the detailed information appearing in the Call Reports referenced above. The delivery hereof shall not create any implication that there has been no change in the affairs of the Bank since the date hereof.

APPENDIX C-1

APPROVING OPINION OF BOND COUNSEL FOR THE CARBON BONDS

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November 17, 1994

Re: $9,365,000 Carbon County, Utah, Pollution Control Revenue Refunding Bonds (PacifiCorp Project) Series 1994

We hereby certify that we have examined certified copy of the proceedings of record of the Board of County Commissioners of Carbon County, Utah (the *"Issuer"*), a political subdivision of the State of Utah, preliminary to the issuance by the Issuer of its Pollution Control Revenue Refunding Bonds (PacifiCorp Project) Series 1994, in the aggregate principal amount of $9,365,000 (the *"Bonds"*). The Bonds are being issued pursuant to the provisions of the Utah Industrial Facilities and Development Act, Title 11, Chapter 17, Utah Code Annotated 1953, as amended and supplemented (the *"Act"*), for the purpose of refunding the Issuer's Pollution Control Revenue Bonds (Utah Power & Light Company Project) Series A of 1974 now outstanding in the amount of $9,365,000 (the *"Refunded Bonds"*). The Refunded Bonds were issued for the purpose of financing a portion of the cost of air and water pollution control facilities (the *"Project"*) at the Carbon coal-fired electric generating plant (the *"Station"*) in Carbon County, Utah for use by Utah Power & Light Company, a Utah corporation which, subsequent to the issuance of the Refunded Bonds, merged with PacifiCorp, an Oregon corporation (the *"Company"*). The proceeds of the Bonds, together with other moneys to be provided by the Company, are to be deposited with the trustee for the Refunded Bonds to provide for the payment of the Refunded Bonds.

The Bonds mature on November 1, 2024, 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 said issue of Bonds under the laws of the State of Utah now in force.

Pursuant to a Loan Agreement, dated as of November 1, 1994 (the *"Loan Agreement"*), by and between the Company and the Issuer, the Issuer has agreed to loan the proceeds from the sale of the Bonds to the Company for the purpose of refunding the Refunded Bonds, and the Company has agreed to pay amounts at least sufficient to pay the principal of, premium, if any, and interest on the Bonds when due, whether at stated maturity, call for redemption or acceleration. The Loan Agreement (an executed counterpart of which has been examined by us) has, in our opinion, been duly authorized, executed and delivered by the Issuer, and, assuming the due authorization, execution and delivery by the Company, is a valid and binding obligation of the Issuer, enforceable in accordance with its terms, subject to the qualification that the enforcement thereof may be limited by bankruptcy, insolvency, reorganization and other similar laws relating to the enforcement of creditors' rights generally or usual equity principles in the event equitable remedies should be sought.

We have also examined an executed counterpart of the Trust Indenture, dated as of November 1, 1994 (the *"Indenture"*), by and between the Issuer and The First National Bank of Chicago, as Trustee (the *"Trustee"*), securing the Bonds and setting forth the covenants and undertakings of the Issuer in connection with the Bonds and making provision under certain conditions for the remarketing of the Bonds by a Remarketing Agent (the *"Remarketing Agent"*), for the fixing of variable interest rates to be borne by the Bonds from time to time, which variable interest rate may be a Daily Interest Rate, a Weekly Interest Rate or a Flexible Interest Rate (each as defined in the Indenture), and for the conversion of the interest rate borne by the Bonds to a different variable interest rate or to a Term Interest Rate (as defined in the Indenture) under certain conditions. The Indenture provides that the Bonds bear interest at a Daily Interest Rate until conversion to a different variable interest rate or to a Term Interest Rate. Under the Indenture, the revenues derived by the Issuer under the Loan Agreement, together with certain of the rights of the Issuer thereunder, are pledged and assigned to the Trustee as security for the Bonds. From such examination, we are of the opinion that the proceedings of the Board of County Commissioners of the Issuer referred to above show lawful authority for the execution and delivery of the Indenture, that the Indenture is a valid and binding obligation of the Issuer, enforceable in accordance with its terms, subject to the qualification that the enforcement thereof may be limited by bankruptcy, insolvency, reorganization and other similar laws relating to the enforcement of creditors' rights generally or usual equity principles in the event equitable remedies should be sought, that the Bonds have been validly issued under the Indenture, and that all requirements under the Indenture precedent to delivery of the Bonds have been satisfied.

In connection with the issuance of the Bonds, the Company has entered into a Standby Bond Purchase Agreement dated as of November 1, 1994 (the *"Standby Purchase Agreement"*), with The Bank of New York (the *"Bank"*). Pursuant to the Standby Purchase Agreement, the Bank has agreed to provide (a) an amount sufficient to pay the purchase price or portion of the purchase price equal to the principal amount of Bonds delivered to the Trustee for purchase and not remarketed, plus (b) an amount equal to 62 days' accrued interest on the outstanding Bonds to pay the portion of the purchase price of the Bonds delivered to the Trustee equal to the accrued interest, if any, on such Bonds. Execution of

the Standby Purchase Agreement, however, does not release the Company from its payment obligation under the Loan Agreement. The stated expiration date of the Standby Purchase Agreement is November 17, 1999, subject to the provisions of the Standby Purchase Agreement.

For the purpose of securing the Company's obligation to repay the loan of the proceeds of sale of the Bonds made to the Company by the Issuer pursuant to the Loan Agreement, the Company has delivered to the Trustee, in trust for the benefit of the holders of the Bonds, its First Mortgage and Collateral Trust Bonds in the aggregate principal amount of $9,365,000 (the *"First Mortgage Bonds"*), issued by the Company under the Mortgage and Deed of Trust, dated as of January 9, 1989, between the Company and Chemical Bank, as successor trustee, as supplemented and amended by ten supplemental indentures, including a Tenth Supplemental Indenture dated as of August 1, 1994 (collectively, the *"Mortgage"*). Pursuant to the provisions of the Indenture, payments by the Company representing principal of and interest on the First Mortgage Bonds are deposited into the Bond Fund created under the Indenture and are used to pay the principal of and interest on the Bonds on an equal and ratable basis as the same become due. The First Mortgage Bonds are being issued as a part of a series of $216,470,000 aggregate principal of First Mortgage and Collateral Trust Bonds pursuant to the Mortgage on the date hereof to secure the Bonds and five other issues of pollution control revenue refunding bonds being issued on the date hereof by Emery County, Utah, Converse County, Wyoming, Lincoln County, Wyoming, Sweetwater County, Wyoming, and Moffat County, Colorado (collectively, the *"Other Issuers"*) to refinance certain pollution control or solid waste disposal facilities (the *"Facilities"*) for the benefit of the Company.

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.

Subject to the condition that the Company, the Issuer and the Other Issuers comply with certain covenants made to satisfy pertinent requirements of the Internal Revenue Code of 1954, as amended (the *"1954 Code"*), and the Internal Revenue Code of 1986, we are of the opinion that under present law interest on the Bonds is not includible in gross income of the owners thereof for federal income tax purposes, except for interest on any Bond for any period during which such Bond is owned by a person who is a substantial user of the Project or the Facilities or any person considered to be related to such person (within the meaning of Section 103(b)(13) of the 1954 Code), and interest on the Bonds will not be treated as an item of tax preference in computing the alternative minimum tax for individuals and corporations. Interest on the Bonds will be taken into account, however, in computing an adjustment used in determining the alternative minimum tax for certain corporations. Failure to comply with certain of such covenants could cause the interest on the Bonds to be included in gross income retroactive to the date of issuance of the Bonds. Ownership of the

Bonds may result in other federal tax consequences to certain taxpayers; we express no opinion regarding any such collateral consequences arising with respect to the Bonds. In rendering this opinion, we have relied upon certifications of even date herewith of the Company relating to the Station, the Project and the application of the proceeds of the Refunded Bonds and the proceeds of the Bonds with respect to certain material facts solely within the knowledge of the Company.

In our opinion, under the laws of the State of Utah as presently enacted and construed, interest on the Bonds will be exempt from taxes imposed by the Utah Individual Income Tax Act. No opinion is expressed with respect to any other taxes imposed by the State of Utah or any political subdivision thereof. Ownership of the Bonds may result in other Utah tax consequences to certain taxpayers; we express no opinion regarding any such collateral consequences arising with respect to the Bonds.

We are not passing upon the Standby Purchase Agreement or any action taken by the Bank in connection therewith. The validity of the Standby Purchase Agreement has been passed upon by Davis Polk & Wardwell.

Stoel Rives Boley Jones & Grey, counsel to the Company, has delivered an opinion of even date herewith concerning the obligations of the Company under the Loan Agreement. In rendering this opinion, we have relied upon said opinion with respect to, among other things: (i) the due organization of the Company, (ii) the good standing or existence of the Company in the States of Utah and Oregon, (iii) the approval of the execution and delivery by the Company of the Loan Agreement by all necessary regulatory authorities exercising jurisdiction over the Company, (iv) the corporate power of the Company to enter into, and the due authorization, execution and delivery by the Company of, the Loan Agreement, and (v) the binding effect of the Loan Agreement on the Company.

Stoel Rives Boley Jones & Grey has also rendered an opinion of even date herewith, as to the due authorization, execution and delivery of the First Mortgage Bonds and the Mortgage, the validity and binding effect thereof, the enforceability thereof in accordance with their respective terms and the requisite issuance of all orders, approvals, authorizations and consents of any court or administrative or governmental body with respect to the First Mortgage Bonds.

Gene Strate, County Attorney of the Issuer, has delivered an opinion of even date herewith with respect to the obligations of the Issuer under the Bonds, the Loan Agreement and the Indenture.

We express no opinion as to the title to, the description of, or the existence of any liens, charges or encumbrances on the Project or the Station.

RJScott:DBRohbock:jgl

Chapman and Cutler

APPENDIX C-2

APPROVING OPINION OF BOND COUNSEL FOR THE EMERY BONDS

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Law Offices of

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(312) 845-3000

November 17, 1994

Re: $121,940,000 Emery County, Utah, Pollution Control Revenue Refunding Bonds (PacifiCorp Project) Series 1994

We hereby certify that we have examined certified copy of the proceedings of record of the Board of County Commissioners of Emery County, Utah (the *"Issuer"*), a political subdivision of the State of Utah, preliminary to the issuance by the Issuer of its Pollution Control Revenue Refunding Bonds (PacifiCorp Project) Series 1994, in the aggregate principal amount of $121,940,000 (the *"Bonds"*). The Bonds are being issued pursuant to the provisions of the Utah Industrial Facilities and Development Act, Title 11, Chapter 17, Utah Code Annotated 1953, as amended and supplemented (the *"Act"*), for the purpose of refunding the Issuer's Pollution Control Revenue Bonds (Utah Power & Light Company Project) Series A of 1974, Pollution Control Revenue Bonds, 6-3/8% Series due November 1, 2006 (Utah Power & Light Company Project), Pollution Control Revenue Bonds, 5.90% Series due April 1, 2008 (Utah Power & Light Company Project) and Pollution Control Revenue Bonds (Utah Power & Light Company Project), 10.70% Series Due September 1, 2014, collectively outstanding in the amount of $121,940,000 (collectively, the *"Refunded Bonds"*). The Refunded Bonds were issued for the purpose of financing or refinancing a portion of the cost of certain pollution control or solid waste disposal facilities (the *"Projects"*) at the Hunter coal-fired steam electric generating plant (formerly known as the Emery Generating plant) and the Huntington coal-fired electric generating plant (collectively, the *"Stations"*) in Emery County, Utah, for use by Utah Power & Light Company, a Utah corporation which, subsequent to the issuance of the Refunded Bonds, merged with PacifiCorp, an Oregon corporation (the *"Company"*). The proceeds of the Bonds, together with other moneys to be provided by the Company, are to be deposited with the respective trustee for each series of Refunded Bonds to provide for the payment of the Refunded Bonds.

The Bonds mature on November 1, 2024, 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 said issue of Bonds under the laws of the State of Utah now in force.

Pursuant to a Loan Agreement, dated as of November 1, 1994 (the "*Loan Agreement*"), by and between the Company and the Issuer, the Issuer has agreed to loan the proceeds from the sale of the Bonds to the Company for the purpose of refunding the Refunded Bonds, and the Company has agreed to pay amounts at least sufficient to pay the principal of, premium, if any, and interest on the Bonds when due, whether at stated maturity, call for redemption or acceleration. The Loan Agreement (an executed counterpart of which has been examined by us) has, in our opinion, been duly authorized, executed and delivered by the Issuer, and, assuming the due authorization, execution and delivery by the Company, is a valid and binding obligation of the Issuer, enforceable in accordance with its terms, subject to the qualification that the enforcement thereof may be limited by bankruptcy, insolvency, reorganization and other similar laws relating to the enforcement of creditors' rights generally or usual equity principles in the event equitable remedies should be sought.

We have also examined an executed counterpart of the Trust Indenture, dated as of November 1, 1994 (the "*Indenture*"), by and between the Issuer and The First National Bank of Chicago, as Trustee (the "*Trustee*"), securing the Bonds and setting forth the covenants and undertakings of the Issuer in connection with the Bonds and making provision under certain conditions for the remarketing of the Bonds by a Remarketing Agent (the "*Remarketing Agent*"), for the fixing of variable interest rates to be borne by the Bonds from time to time, which variable interest rate may be a Daily Interest Rate, a Weekly Interest Rate or a Flexible Interest Rate (each as defined in the Indenture), and for the conversion of the interest rate borne by the Bonds to a different variable interest rate or to a Term Interest Rate (as defined in the Indenture) under certain conditions. The Indenture provides that the Bonds bear interest at a Daily Interest Rate until conversion to a different variable interest rate or to a Term Interest Rate. Under the Indenture, the revenues derived by the Issuer under the Loan Agreement, together with certain of the rights of the Issuer thereunder, are pledged and assigned to the Trustee as security for the Bonds. From such examination, we are of the opinion that the proceedings of the Board of County Commissioners of the Issuer referred to above show lawful authority for the execution and delivery of the Indenture, that the Indenture is a valid and binding obligation of the Issuer, enforceable in accordance with its terms, subject to the qualification that the enforcement thereof may be limited by bankruptcy, insolvency, reorganization and other similar laws relating to the enforcement of creditors' rights generally or usual equity principles in the event equitable remedies should be sought, that the Bonds have been validly issued under the Indenture, and that all requirements under the Indenture precedent to delivery of the Bonds have been satisfied.

In connection with the issuance of the Bonds, the Company has entered into a Standby Bond Purchase Agreement dated as of November 1, 1994 (the *"Standby Purchase Agreement"*), with The Bank of Nova Scotia (the *"Bank"*). Pursuant to the Standby Purchase Agreement, the Bank has agreed to provide (a) an amount sufficient to pay the purchase price or portion of the purchase price equal to the principal amount of Bonds delivered to the Trustee for purchase and not remarketed, plus (b) an amount equal to 62 days' accrued interest on the outstanding Bonds to pay the portion of the purchase price of the Bonds delivered to the Trustee equal to the accrued interest, if any, on such Bonds. Execution of the Standby Purchase Agreement, however, does not release the Company from its payment obligation under the Loan Agreement. The stated expiration date of the Standby Purchase Agreement is November 17, 1999, subject to the provisions of the Standby Purchase Agreement.

For the purpose of securing the Company's obligation to repay the loan of the proceeds of sale of the Bonds made to the Company by the Issuer pursuant to the Loan Agreement, the Company has delivered to the Trustee, in trust for the benefit of the holders of the Bonds, its First Mortgage and Collateral Trust Bonds in the aggregate principal amount of $121,940,000 (the *"First Mortgage Bonds"*), issued by the Company under the Mortgage and Deed of Trust, dated as of January 9, 1989, between the Company and Chemical Bank, as successor trustee, as supplemented and amended by ten supplemental indentures, including a Tenth Supplemental Indenture dated as of August 1, 1994 (collectively, the *"Mortgage"*). Pursuant to the provisions of the Indenture, payments by the Company representing principal of and interest on the First Mortgage Bonds are deposited into the Bond Fund created under the Indenture and are used to pay the principal of and interest on the Bonds on an equal and ratable basis as the same become due. The First Mortgage Bonds are being issued as a part of a series of $216,470,000 aggregate principal of First Mortgage and Collateral Trust Bonds pursuant to the Mortgage on the date hereof to secure the Bonds and five other issues of pollution control revenue refunding bonds being issued on the date hereof by Carbon County, Utah, Converse County, Wyoming, Lincoln County, Wyoming, Sweetwater County, Wyoming, and Moffat County, Colorado (collectively, the *"Other Issuers"*), to refinance certain pollution control or solid waste disposal facilities (the *"Facilities"*) for the benefit of the Company.

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.

Subject to the condition that the Company, the Issuer and the Other Issuers comply with certain covenants made to satisfy pertinent requirements of the Internal Revenue Code of 1954, as amended (the *"1954 Code"*), and the Internal Revenue Code of 1986, we are of the opinion that under present law interest on the Bonds is not includible in gross income of the owners thereof for federal income tax purposes, except for interest on any Bond for any

period during which such Bond is owned by a person who is a substantial user of any of the Projects or the Facilities or any person considered to be related to such person (within the meaning of Section 103(b)(13) of the 1954 Code), and interest on the Bonds will not be treated as an item of tax preference in computing the alternative minimum tax for individuals and corporations. Interest on the Bonds will be taken into account, however, in computing an adjustment used in determining the alternative minimum tax for certain corporations. Failure to comply with certain of such covenants could cause the interest on the Bonds to be included in gross income retroactive to the date of issuance of the Bonds. Ownership of the Bonds may result in other federal tax consequences to certain taxpayers; we express no opinion regarding any such collateral consequences arising with respect to the Bonds. In rendering this opinion, we have relied upon certifications of even date herewith of the Company relating to the Stations, the Projects and the application of the proceeds of the Bonds, the Refunded Bonds and the Issuer's $16,750,000 Pollution Control Revenue Bonds (Utah Power & Light Company Project), dated May 11, 1984, with respect to certain material facts solely within the knowledge of the Company.

In our opinion, under the laws of the State of Utah as presently enacted and construed, interest on the Bonds will be exempt from taxes imposed by the Utah Individual Income Tax Act. No opinion is expressed with respect to any other taxes imposed by the State of Utah or any political subdivision thereof. Ownership of the Bonds may result in other Utah tax consequences to certain taxpayers; we express no opinion regarding any such collateral consequences arising with respect to the Bonds.

We are not passing upon the Standby Purchase Agreement or any action taken by the Bank in connection therewith. The validity of the Standby Purchase Agreement has been passed upon by Davis Polk & Wardwell.

Stoel Rives Boley Jones & Grey, counsel to the Company, has delivered an opinion of even date herewith concerning the obligations of the Company under the Loan Agreement. In rendering this opinion, we have relied upon said opinion with respect to, among other things: (i) the due organization of the Company, (ii) the good standing or existence of the Company in the States of Utah and Oregon, (iii) the approval of the execution and delivery by the Company of the Loan Agreement by all necessary regulatory authorities exercising jurisdiction over the Company, (iv) the corporate power of the Company to enter into, and the due authorization, execution and delivery by the Company of, the Loan Agreement, and (v) the binding effect of the Loan Agreement on the Company.

Stoel Rives Boley Jones & Grey has also rendered an opinion of even date herewith, as to the due authorization, execution and delivery of the First Mortgage Bonds and the Mortgage, the validity and binding effect thereof, the enforceability thereof in accordance with their respective terms and the requisite issuance of all orders, approvals, authorizations and consents of any court or administrative or governmental body with respect to the First Mortgage Bonds.

Ray, Quinney & Nebeker, special counsel to the Issuer, and David A. Blackwell, County Attorney of the Issuer, have delivered opinions of even date herewith with respect to the obligations of the Issuer 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 Projects or the Stations.

RJScott:DBRohbock:jgl

Chapman and Cutler

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APPENDIX C-3

APPROVING OPINION OF BOND COUNSEL FOR THE CONVERSE BONDS

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November 17, 1994

Re: $8,190,000 Converse County, Wyoming,
Pollution Control Revenue Refunding Bonds
(PacifiCorp Project) Series 1994

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 Pollution Control Revenue Refunding Bonds (PacifiCorp Project) Series 1994, in the aggregate principal amount of $8,190,000 (the *"Bonds"*). The Bonds are being issued pursuant to the provisions of Sections 15-1-701 to 15-1-710, inclusive, Wyoming Statutes (1977), as amended and supplemented (the *"Act"*), for the purpose of refunding the Issuer's Collateralized Pollution Control Revenue Bonds (Pacific Power & Light Company Project) Series 1977 now outstanding in the amount of $8,190,000 (the *"Refunded Bonds"*). The Refunded Bonds were issued for the purpose of financing a portion of the cost of water and air pollution control facilities (the *"Project"*) at the Dave Johnston Plant (the *"Station"*) in Converse County, Wyoming, for use by Pacific Power & Light Company, a Maine corporation which, subsequent to the issuance of the Refunded Bonds, merged with PacifiCorp, an Oregon corporation (the *"Company"*). The proceeds of the Bonds, together with other moneys to be provided by the Company, are to be deposited with the trustee for the Refunded Bonds to provide for the payment of the Refunded Bonds.

The Bonds mature on November 1, 2024, 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 said issue of Bonds under the laws of the State of Wyoming now in force.

Pursuant to a Loan Agreement, dated as of November 1, 1994 (the *"Loan Agreement"*), by and between the Company and the Issuer, the Issuer has agreed to loan the proceeds from the sale of the Bonds to the Company for the purpose of refunding the Refunded Bonds, and the Company has agreed to pay amounts at least sufficient to pay the principal of, premium, if any, and interest on the Bonds when due, whether at stated maturity, call for redemption or acceleration. The Loan Agreement (an executed counterpart of which has been examined by us) has, in our opinion, been duly authorized, executed and delivered by the Issuer, and, assuming the due authorization, execution and delivery by the Company, is a valid and binding obligation of the Issuer, enforceable in accordance with its terms, subject to the qualification that the enforcement thereof may be limited by bankruptcy, insolvency, reorganization and other similar laws relating to the enforcement of creditors' rights generally or usual equity principles in the event equitable remedies should be sought.

We have also examined an executed counterpart of the Trust Indenture, dated as of November 1, 1994 (the *"Indenture"*), by and between the Issuer and The First National Bank of Chicago, as Trustee (the *"Trustee"*), securing the Bonds and setting forth the covenants and undertakings of the Issuer in connection with the Bonds and making provision under certain conditions for the remarketing of the Bonds by a Remarketing Agent (the *"Remarketing Agent"*), for the fixing of variable interest rates to be borne by the Bonds from time to time, which variable interest rate may be a Daily Interest Rate, a Weekly Interest Rate or a Flexible Interest Rate (each as defined in the Indenture), and for the conversion of the interest rate borne by the Bonds to a different variable interest rate or to a Term Interest Rate (as defined in the Indenture) under certain conditions. The Indenture provides that the Bonds bear interest at a Daily Interest Rate until conversion to a different variable interest rate or to a Term Interest Rate. Under the Indenture, the revenues derived by the Issuer under the Loan Agreement, together with certain of the rights of the Issuer thereunder, are pledged and assigned to the Trustee as security for the Bonds. From such examination, we are of the opinion that the proceedings of the Board of County Commissioners of the Issuer referred to above show lawful authority for the execution and delivery of the Indenture, that the Indenture is a valid and binding obligation of the Issuer, enforceable in accordance with its terms, subject to the qualification that the enforcement thereof may be limited by bankruptcy, insolvency, reorganization and other similar laws relating to the enforcement of creditors' rights generally or usual equity principles in the event equitable remedies should be sought, that the Bonds have been validly issued under the Indenture, and that all requirements under the Indenture precedent to delivery of the Bonds have been satisfied.

In connection with the issuance of the Bonds, the Company has entered into a Standby Bond Purchase Agreement dated as of November 1, 1994 (the *"Standby Purchase Agreement"*), with The Bank of New York (the *"Bank"*). Pursuant to the Standby Purchase Agreement, the Bank has agreed to provide (a) an amount sufficient to pay the purchase price or portion of the purchase price equal to the principal amount of Bonds delivered to the Trustee for purchase and not remarketed, plus (b) an amount equal to 62 days' accrued interest on the outstanding Bonds to pay the portion of the purchase price of the Bonds delivered to the Trustee equal to the accrued interest, if any, on such Bonds. Execution of

the Standby Purchase Agreement, however, does not release the Company from its payment obligation under the Loan Agreement. The stated expiration date of the Standby Purchase Agreement is November 17, 1999, subject to the provisions of the Standby Purchase Agreement.

For the purpose of securing the Company's obligation to repay the loan of the proceeds of sale of the Bonds made to the Company by the Issuer pursuant to the Loan Agreement, the Company has delivered to the Trustee, in trust for the benefit of the holders of the Bonds, its First Mortgage and Collateral Trust Bonds in the aggregate principal amount of $8,190,000 (the *"First Mortgage Bonds"*), issued by the Company under the Mortgage and Deed of Trust, dated as of January 9, 1989, between the Company and Chemical Bank, as successor trustee, as supplemented and amended by ten supplemental indentures, including a Tenth Supplemental Indenture dated as of August 1, 1994 (collectively, the *"Mortgage"*). Pursuant to the provisions of the Indenture, payments by the Company representing principal of and interest on the First Mortgage Bonds are deposited into the Bond Fund created under the Indenture and are used to pay the principal of and interest on the Bonds on an equal and ratable basis as the same become due. The First Mortgage Bonds are being issued as a part of a series of $216,470,000 aggregate principal of First Mortgage and Collateral Trust Bonds pursuant to the Mortgage on the date hereof to secure the Bonds and five other issues of pollution control revenue refunding bonds being issued on the date hereof by Emery County, Utah, Carbon County, Utah, Lincoln County, Wyoming, Sweetwater County, Wyoming, and Moffat County, Colorado (collectively, the *"Other Issuers"*), to finance certain pollution control or solid waste disposal facilities (the *"Facilities"*) for the benefit of the Company.

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.

Subject to the condition that the Company, the Issuer and the Other Issuers comply with certain covenants made to satisfy pertinent requirements of the Internal Revenue Code of 1954, as amended (the *"1954 Code"*), and the Internal Revenue Code of 1986, we are of the opinion that under present law interest on the Bonds is not includible in gross income of the owners thereof for federal income tax purposes, except for interest on any Bond for any period during which such Bond is owned by a person who is a substantial user of the Project or the Facilities or any person considered to be related to such person (within the meaning of Section 103(b)(13) of the 1954 Code), and interest on the Bonds will not be treated as an item of tax preference in computing the alternative minimum tax for individuals and corporations. Interest on the Bonds will be taken into account, however, in computing an adjustment used in determining the alternative minimum tax for certain corporations. Failure to comply with certain of such covenants could cause the interest on the Bonds to be included in gross income retroactive to the date of issuance of the Bonds. Ownership of the

Bonds may result in other federal tax consequences to certain taxpayers; we express no opinion regarding any such collateral consequences arising with respect to the Bonds. In rendering this opinion, we have relied upon certifications of even date herewith of the Company relating to the Station, the Project and the application of the proceeds of the Refunded Bonds and the proceeds of the Bonds with respect to certain material facts solely within the knowledge of the Company.

In our opinion, under 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 are not passing upon the Standby Purchase Agreement or any action taken by the Bank in connection therewith. The validity of the Standby Purchase Agreement has been passed upon by Davis Polk & Wardwell.

Stoel Rives Boley Jones & Grey, counsel to the Company, has delivered an opinion of even date herewith concerning the obligations of the Company under the Loan Agreement. In rendering this opinion, we have relied upon said opinion with respect to, among other things: (i) the due organization of the Company, (ii) the good standing or existence of the Company in the States of Wyoming and Oregon, (iii) the approval of the execution and delivery by the Company of the Loan Agreement by all necessary regulatory authorities exercising jurisdiction over the Company, (iv) the corporate power of the Company to enter into, and the due authorization, execution and delivery by the Company of, the Loan Agreement, and (v) the binding effect of the Loan Agreement on the Company.

Stoel Rives Boley Jones & Grey has also rendered an opinion of even date herewith, as to the due authorization, execution and delivery of the First Mortgage Bonds and the Mortgage, the validity and binding effect thereof, the enforceability thereof in accordance with their respective terms and the requisite issuance of all orders, approvals, authorizations and consents of any court or administrative or governmental body with respect to the First Mortgage Bonds.

Thomas A. Burley, Esq., County Attorney of the Issuer, has delivered an opinion of even date herewith with respect to the obligations of the Issuer under the Bonds, the Loan Agreement and the Indenture.

We express no opinion as to the title to, the description of, or the existence of any liens, charges or encumbrances on the Project or the Station.

RJScott:BDPatterson:jgl

Chapman and Cutler

Appendix C-4

Approving Opinion of Bond Counsel for the Lincoln Bonds

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November 17, 1994

Re: $15,060,000 Lincoln County, Wyoming, Pollution Control Revenue Refunding Bonds (PacifiCorp Project) Series 1994

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 Pollution Control Revenue Refunding Bonds (PacifiCorp Project) Series 1994, in the aggregate principal amount of $15,060,000 (the *"Bonds"*). The Bonds are being issued pursuant to the provisions of Sections 15-1-701 to 15-1-710, inclusive, Wyoming Statutes (1977), as amended and supplemented (the *"Act"*), for the purpose of refunding the Issuer's Pollution Control Revenue Bonds (Utah Power & Light Company Project) Series A of 1974 now outstanding in the amount of $15,060,000 (the *"Refunded Bonds"*). The Refunded Bonds were issued for the purpose of financing a portion of the cost of air pollution control facilities (the *"Project"*) at the Naughton coal-fired electric generating plant (the *"Station"*) in Lincoln County, Wyoming, for use by Utah Power & Light Company, a Utah corporation which, subsequent to the issuance of the Refunded Bonds, merged with PacifiCorp, an Oregon corporation (the *"Company"*). The proceeds of the Bonds, together with other moneys to be provided by the Company, are to be deposited with the trustee for the Refunded Bonds to provide for the payment of the Refunded Bonds.

The Bonds mature on November 1, 2024, 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 said issue of Bonds under the laws of the State of Wyoming now in force.

Pursuant to a Loan Agreement, dated as of November 1, 1994 (the "*Loan Agreement*"), by and between the Company and the Issuer, the Issuer has agreed to loan the proceeds from the sale of the Bonds to the Company for the purpose of refunding the Refunded Bonds, and the Company has agreed to pay amounts at least sufficient to pay the principal of, premium, if any, and interest on the Bonds when due, whether at stated maturity, call for redemption or acceleration. The Loan Agreement (an executed counterpart of which has been examined by us) has, in our opinion, been duly authorized, executed and delivered by the Issuer, and, assuming the due authorization, execution and delivery by the Company, is a valid and binding obligation of the Issuer, enforceable in accordance with its terms, subject to the qualification that the enforcement thereof may be limited by bankruptcy, insolvency, reorganization and other similar laws relating to the enforcement of creditors' rights generally or usual equity principles in the event equitable remedies should be sought.

We have also examined an executed counterpart of the Trust Indenture, dated as of November 1, 1994 (the "*Indenture*"), by and between the Issuer and The First National Bank of Chicago, as Trustee (the "*Trustee*"), securing the Bonds and setting forth the covenants and undertakings of the Issuer in connection with the Bonds and making provision under certain conditions for the remarketing of the Bonds by a Remarketing Agent (the "*Remarketing Agent*"), for the fixing of variable interest rates to be borne by the Bonds from time to time, which variable interest rate may be a Daily Interest Rate, a Weekly Interest Rate or a Flexible Interest Rate (each as defined in the Indenture), and for the conversion of the interest rate borne by the Bonds to a different variable interest rate or to a Term Interest Rate (as defined in the Indenture) under certain conditions. The Indenture provides that the Bonds bear interest at a Daily Interest Rate until conversion to a different variable interest rate or to a Term Interest Rate. Under the Indenture, the revenues derived by the Issuer under the Loan Agreement, together with certain of the rights of the Issuer thereunder, are pledged and assigned to the Trustee as security for the Bonds. From such examination, we are of the opinion that the proceedings of the Board of County Commissioners of the Issuer referred to above show lawful authority for the execution and delivery of the Indenture, that the Indenture is a valid and binding obligation of the Issuer, enforceable in accordance with its terms, subject to the qualification that the enforcement thereof may be limited by bankruptcy, insolvency, reorganization and other similar laws relating to the enforcement of creditors' rights generally or usual equity principles in the event equitable remedies should be sought, that the Bonds have been validly issued under the Indenture, and that all requirements under the Indenture precedent to delivery of the Bonds have been satisfied.

In connection with the issuance of the Bonds, the Company has entered into a Standby Bond Purchase Agreement dated as of November 1, 1994 (the "*Standby Purchase Agreement*"), with The Bank of New York (the "*Bank*"). Pursuant to the Standby Purchase Agreement, the Bank has agreed to provide (a) an amount sufficient to pay the purchase price or portion of the purchase price equal to the principal amount of Bonds delivered to the Trustee for purchase and not remarketed, plus (b) an amount equal to 62 days' accrued interest on the outstanding Bonds to pay the portion of the purchase price of the Bonds delivered to the Trustee equal to the accrued interest, if any, on such Bonds. Execution of

the Standby Purchase Agreement, however, does not release the Company from its payment obligation under the Loan Agreement. The stated expiration date of the Standby Purchase Agreement is November 17, 1999, subject to the provisions of the Standby Purchase Agreement.

For the purpose of securing the Company's obligation to repay the loan of the proceeds of sale of the Bonds made to the Company by the Issuer pursuant to the Loan Agreement, the Company has delivered to the Trustee, in trust for the benefit of the holders of the Bonds, its First Mortgage and Collateral Trust Bonds in the aggregate principal amount of $15,060,000 (the "*First Mortgage Bonds*"), issued by the Company under the Mortgage and Deed of Trust, dated as of January 9, 1989, between the Company and Chemical Bank, as successor trustee, as supplemented and amended by ten supplemental indentures, including a Tenth Supplemental Indenture dated as of August 1, 1994 (collectively, the "*Mortgage*"). Pursuant to the provisions of the Indenture, payments by the Company representing principal of and interest on the First Mortgage Bonds are deposited into the Bond Fund created under the Indenture and are used to pay the principal of and interest on the Bonds on an equal and ratable basis as the same become due. The First Mortgage Bonds are being issued as a part of a series of $216,470,000 aggregate principal of First Mortgage and Collateral Trust Bonds pursuant to the Mortgage on the date hereof to secure the Bonds and five other issues of pollution control revenue refunding bonds being issued on the date hereof by Emery County, Utah, Carbon County, Utah, Converse County, Wyoming, Sweetwater County, Wyoming, and Moffat County, Colorado (collectively, the "*Other Issuers*"), to refinance certain pollution control or solid waste disposal facilities (the "*Facilities*") for the benefit of the Company.

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.

Subject to the condition that the Company, the Issuer and the Other Issuers comply with certain covenants made to satisfy pertinent requirements of the Internal Revenue Code of 1954, as amended (the "*1954 Code*"), and the Internal Revenue Code of 1986, we are of the opinion that under present law interest on the Bonds is not includible in gross income of the owners thereof for federal income tax purposes, except for interest on any Bond for any period during which such Bond is owned by a person who is a substantial user of the Project or the Facilities or any person considered to be related to such person (within the meaning of Section 103(b)(13) of the 1954 Code), and interest on the Bonds will not be treated as an item of tax preference in computing the alternative minimum tax for individuals and corporations. Interest on the Bonds will be taken into account, however, in computing an adjustment used in determining the alternative minimum tax for certain corporations. Failure to comply with certain of such covenants could cause the interest on the Bonds to be included in gross income retroactive to the date of issuance of the Bonds. Ownership of the

Bonds may result in other federal tax consequences to certain taxpayers; we express no opinion regarding any such collateral consequences arising with respect to the Bonds. In rendering this opinion, we have relied upon certifications of even date herewith of the Company relating to the Station, the Project and the application of the proceeds of the Refunded Bonds and the proceeds of the Bonds with respect to certain material facts solely within the knowledge of the Company.

In our opinion, under 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 are not passing upon the Standby Purchase Agreement or any action taken by the Bank in connection therewith. The validity of the Standby Purchase Agreement has been passed upon by Davis Polk & Wardwell.

Stoel Rives Boley Jones & Grey, counsel to the Company, has delivered an opinion of even date herewith concerning the obligations of the Company under the Loan Agreement. In rendering this opinion, we have relied upon said opinion with respect to, among other things: (i) the due organization of the Company, (ii) the good standing or existence of the Company in the States of Wyoming and Oregon, (iii) the approval of the execution and delivery by the Company of the Loan Agreement by all necessary regulatory authorities exercising jurisdiction over the Company, (iv) the corporate power of the Company to enter into, and the due authorization, execution and delivery by the Company of, the Loan Agreement, and (v) the binding effect of the Loan Agreement on the Company.

Stoel Rives Boley Jones & Grey has also rendered an opinion of even date herewith, as to the due authorization, execution and delivery of the First Mortgage Bonds and the Mortgage, the validity and binding effect thereof, the enforceability thereof in accordance with their respective terms and the requisite issuance of all orders, approvals, authorizations and consents of any court or administrative or governmental body with respect to the First Mortgage Bonds.

Joseph B. Bluemel, County Attorney of the Issuer, has delivered an opinion of even date herewith with respect to the obligations of the Issuer under the Bonds, the Loan Agreement and the Indenture.

We express no opinion as to the title to, the description of, or the existence of any liens, charges or encumbrances on the Project or the Station.

RJScott:BDPatterson:jgl

Chapman and Cutler

APPENDIX C-5

APPROVING OPINION OF BOND COUNSEL FOR THE SWEETWATER BONDS

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November 17, 1994

Re: $21,260,000 Sweetwater County, Wyoming, Pollution Control Revenue Refunding Bonds (PacifiCorp Project) Series 1994

We hereby certify that we have examined certified copy of the proceedings of record of the Board of County Commissioners of Sweetwater County, Wyoming (the "*Issuer*"), a political subdivision of the State of Wyoming, preliminary to the issuance by the Issuer of its Pollution Control Revenue Refunding Bonds (PacifiCorp Project) Series 1994, in the aggregate principal amount of $21,260,000 (the "*Bonds*"). The Bonds are being issued pursuant to the provisions of Sections 15-1-701 to 15-1-710, inclusive, Wyoming Statutes (1977), as amended and supplemented (the "*Act*"), for the purpose of refunding the Issuer's Taxable Pollution Control Revenue Refunding Bonds (PacifiCorp Project) Series 1994T now outstanding in the amount of $21,260,000 (the "*Refunded Bonds*"). The Refunded Bonds were issued for the purpose of refunding the Issuer's Pollution Control Revenue Bonds (Pacific Power & Light Company Project) Series 1973 (the "*1973 Bonds*") which were issued by the Issuer for the purpose of financing a portion of the cost of certain air and water pollution control facilities in which PacifiCorp, an Oregon corporation (the "*Company*") owns a 66-$^{2}/_{3}$% undivided interest (the "*Project*") at the Jim Bridger coal-fired steam electric generating plant (the "*Station*") in Sweetwater County, Wyoming. The proceeds of the Bonds, together with other moneys to be provided by the Company, are to be deposited with the trustee for the Refunded Bonds to provide for the payment of the Refunded Bonds.

The Bonds mature on November 1, 2024, 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 said issue of Bonds under the laws of the State of Wyoming now in force.

Pursuant to a Loan Agreement, dated as of November 1, 1994 (the "*Loan Agreement*"), by and between the Company and the Issuer, the Issuer has agreed to loan the proceeds from the sale of the Bonds to the Company for the purpose of refunding the Refunded Bonds, and the Company has agreed to pay amounts at least sufficient to pay the principal of, premium, if any, and interest on the Bonds when due, whether at stated maturity, call for redemption or acceleration. The Loan Agreement (an executed counterpart of which has been examined by us) has, in our opinion, been duly authorized, executed and delivered by the Issuer, and, assuming the due authorization, execution and delivery by the Company, is a valid and binding obligation of the Issuer, enforceable in accordance with its terms, subject to the qualification that the enforcement thereof may be limited by bankruptcy, insolvency, reorganization and other similar laws relating to the enforcement of creditors' rights generally or usual equity principles in the event equitable remedies should be sought.

We have also examined an executed counterpart of the Trust Indenture, dated as of November 1, 1994 (the "*Indenture*"), by and between the Issuer and The First National Bank of Chicago, as Trustee (the "*Trustee*"), securing the Bonds and setting forth the covenants and undertakings of the Issuer in connection with the Bonds and making provision under certain conditions for the remarketing of the Bonds by a Remarketing Agent (the "*Remarketing Agent*"), for the fixing of variable interest rates to be borne by the Bonds from time to time, which variable interest rate may be a Daily Interest Rate, a Weekly Interest Rate or a Flexible Interest Rate (each as defined in the Indenture), and for the conversion of the interest rate borne by the Bonds to a different variable interest rate or to a Term Interest Rate (as defined in the Indenture) under certain conditions. The Indenture provides that the Bonds bear interest at a Daily Interest Rate until conversion to a different variable interest rate or to a Term Interest Rate. Under the Indenture, the revenues derived by the Issuer under the Loan Agreement, together with certain of the rights of the Issuer thereunder, are pledged and assigned to the Trustee as security for the Bonds. From such examination, we are of the opinion that the proceedings of the Board of County Commissioners of the Issuer referred to above show lawful authority for the execution and delivery of the Indenture, that the Indenture is a valid and binding obligation of the Issuer, enforceable in accordance with its terms, subject to the qualification that the enforcement thereof may be limited by bankruptcy, insolvency, reorganization and other similar laws relating to the enforcement of creditors' rights generally or usual equity principles in the event equitable remedies should be sought, that the Bonds have been validly issued under the Indenture, and that all requirements under the Indenture precedent to delivery of the Bonds have been satisfied.

In connection with the issuance of the Bonds, the Company has entered into a Standby Bond Purchase Agreement dated as of November 1, 1994 (the "*Standby Purchase Agreement*"), with The Bank of New York (the "*Bank*"). Pursuant to the Standby Purchase Agreement, the Bank has agreed to provide (a) an amount sufficient to pay the purchase price or portion of the purchase price equal to the principal amount of Bonds delivered to the Trustee for purchase and not remarketed, plus (b) an amount equal to 62 days' accrued interest on the outstanding Bonds to pay the portion of the purchase price of the Bonds delivered to the Trustee equal to the accrued interest, if any, on such Bonds. Execution of

the Standby Purchase Agreement, however, does not release the Company from its payment obligation under the Loan Agreement. The stated expiration date of the Standby Purchase Agreement is November 17, 1999, subject to the provisions of the Standby Purchase Agreement.

For the purpose of securing the Company's obligation to repay the loan of the proceeds of sale of the Bonds made to the Company by the Issuer pursuant to the Loan Agreement, the Company has delivered to the Trustee, in trust for the benefit of the holders of the Bonds, its First Mortgage and Collateral Trust Bonds in the aggregate principal amount of $21,260,000 (the *"First Mortgage Bonds"*), issued by the Company under the Mortgage and Deed of Trust, dated as of January 9, 1989, between the Company and Chemical Bank, as successor trustee, as supplemented and amended by ten supplemental indentures, including a Tenth Supplemental Indenture dated as of August 1, 1994 (collectively, the *"Mortgage"*). Pursuant to the provisions of the Indenture, payments by the Company representing principal of and interest on the First Mortgage Bonds are deposited into the Bond Fund created under the Indenture and are used to pay the principal of and interest on the Bonds on an equal and ratable basis as the same become due. The First Mortgage Bonds are being issued as a part of a series of $216,470,000 aggregate principal of First Mortgage and Collateral Trust Bonds pursuant to the Mortgage on the date hereof to secure the Bonds and five other issues of pollution control revenue refunding bonds being issued on the date hereof by Emery County, Utah, Carbon County, Utah, Converse County, Wyoming, Lincoln County, Wyoming, and Moffat County, Colorado (collectively, the *"Other Issuers"*), to refinance certain pollution control or solid waste disposal facilities (the *"Facilities"*) for the benefit of the Company.

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.

Subject to the condition that the Company, the Issuer and the Other Issuers comply with certain covenants made to satisfy pertinent requirements of the Internal Revenue Code of 1954, as amended (the *"1954 Code"*), and the Internal Revenue Code of 1986, we are of the opinion that under present law interest on the Bonds is not includible in gross income of the owners thereof for federal income tax purposes, except for interest on any Bond for any period during which such Bond is owned by a person who is a substantial user of the Project or the Facilities or any person considered to be related to such person (within the meaning of Section 103(b)(13) of the 1954 Code), and interest on the Bonds will not be treated as an item of tax preference in computing the alternative minimum tax for individuals and corporations. Interest on the Bonds will be taken into account, however, in computing an adjustment used in determining the alternative minimum tax for certain corporations. Failure to comply with certain of such covenants could cause the interest on the Bonds to be included in gross income retroactive to the date of issuance of the Bonds. Ownership of the

Bonds may result in other federal tax consequences to certain taxpayers; we express no opinion regarding any such collateral consequences arising with respect to the Bonds. In rendering this opinion, we have relied upon certifications of even date herewith of the Company relating to the Station, the Project and the application of the proceeds of the 1973 Bonds and the Refunded Bonds and the proceeds of the Bonds with respect to certain material facts solely within the knowledge of the Company.

In our opinion, under present Wyoming law, the State of Wyoming imposes no income taxes 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 are not passing upon the Standby Purchase Agreement or any action taken by the Bank in connection therewith. The validity of the Standby Purchase Agreement has been passed upon by Davis Polk & Wardwell.

Stoel Rives Boley Jones & Grey, counsel to the Company, has delivered an opinion of even date herewith concerning the obligations of the Company under the Loan Agreement. In rendering this opinion, we have relied upon said opinion with respect to, among other things: (i) the due organization of the Company, (ii) the good standing or existence of the Company in the States of Wyoming and Oregon, (iii) the approval of the execution and delivery by the Company of the Loan Agreement by all necessary regulatory authorities exercising jurisdiction over the Company, (iv) the corporate power of the Company to enter into, and the due authorization, execution and delivery by the Company of, the Loan Agreement, and (v) the binding effect of the Loan Agreement on the Company.

Stoel Rives Boley Jones & Grey has also rendered an opinion of even date herewith, as to the due authorization, execution and delivery of the First Mortgage Bonds and the Mortgage, the validity and binding effect thereof, the enforceability thereof in accordance with their respective terms and the requisite issuance of all orders, approvals, authorizations and consents of any court or administrative or governmental body with respect to the First Mortgage Bonds.

Sue Kearns, County and Prosecuting Attorney and G.R. Stewart, Civil Deputy County Attorney and Prosecuting Attorney of the Issuer, have delivered an opinion of even date herewith with respect to the obligations of the Issuer 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 or the Station.

RJScott:BDPatterson:jgl

Chapman and Cutler

APPENDIX C-6

APPROVING OPINION OF BOND COUNSEL FOR THE MOFFAT BONDS

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Law Offices of

CHAPMAN AND CUTLER

Theodore S. Chapman
1877-1943
Henry E. Cutler
1879-1959

50 South Main Street, Salt Lake City, Utah 84144-0402
FAX (801) 533-9595
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2 North Central Avenue
Phoenix, Arizona 85004
(602) 256-4060

111 West Monroe Street
Chicago, Illinois 60603
(312) 845-3000

November 17, 1994

Re: $40,655,000 Moffat County, Colorado,
Pollution Control Revenue Refunding Bonds
(PacifiCorp Project) Series 1994

We hereby certify that we have examined certified copy of the proceedings of record of the Board of County Commissioners of Moffat County, Colorado (the "*Issuer*"), a body corporate and politic of the State of Colorado, preliminary to the issuance by the Issuer of its Pollution Control Revenue Refunding Bonds (PacifiCorp Project) Series 1994, in the aggregate principal amount of $40,655,000 (the "*Bonds*"). The Bonds are being issued pursuant to the provisions of the County and Municipality Development Revenue Bond Act, Colorado Revised Statutes 1973, as amended and supplemented (the "*Act*"), for the purpose of refunding the Issuer's Pollution Control Revenue Bonds, Series 1978 (Colorado-Ute Electric Association, Inc. Project) now outstanding in the amount of $42,855,000 (the "*Refunded Bonds*"). The Refunded Bonds were issued for the purpose of financing a portion of the cost of air and water pollution control facilities (the "*Project*") at the electric generating Units 1 and 2 at the Craig Station steam electric generating station (the "*Station*") in Moffat County, Colorado, for use by the Colorado-Ute Electric Association, Inc. ("*Colorado-Ute*"). Subsequent to the issuance of the Refunded Bonds, PacifiCorp, an Oregon corporation (the "*Company*"), purchased the Project from Colorado-Ute and assumed certain obligations and rights of Colorado-Ute with respect to the Project and the Refunded Bonds. The proceeds of the Bonds, together with other moneys to be provided by the Company, are to be deposited with the trustee for the Refunded Bonds to provide for the payment of the Refunded Bonds.

The Bonds mature on May 1, 2013, 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 said issue of Bonds under the laws of the State of Colorado now in force.

Pursuant to a Loan Agreement, dated as of November 1, 1994 (the *"Loan Agreement"*), by and between the Company and the Issuer, the Issuer has agreed to loan the proceeds from the sale of the Bonds to the Company for the purpose of refunding the Refunded Bonds, and the Company has agreed to pay amounts at least sufficient to pay the principal of, premium, if any, and interest on the Bonds when due, whether at stated maturity, call for redemption or acceleration. The Loan Agreement (an executed counterpart of which has been examined by us) has, in our opinion, been duly authorized, executed and delivered by the Issuer, and, assuming the due authorization, execution and delivery by the Company, is a valid and binding obligation of the Issuer, enforceable in accordance with its terms, subject to the qualification that the enforcement thereof may be limited by bankruptcy, insolvency, reorganization and other similar laws relating to the enforcement of creditors' rights generally or usual equity principles in the event equitable remedies should be sought.

We have also examined an executed counterpart of the Trust Indenture, dated as of November 1, 1994 (the *"Indenture"*), by and between the Issuer and The First National Bank of Chicago, as Trustee (the *"Trustee"*), securing the Bonds and setting forth the covenants and undertakings of the Issuer in connection with the Bonds and making provision under certain conditions for the remarketing of the Bonds by a Remarketing Agent (the *"Remarketing Agent"*), for the fixing of variable interest rates to be borne by the Bonds from time to time, which variable interest rate may be a Daily Interest Rate, a Weekly Interest Rate or a Flexible Interest Rate (each as defined in the Indenture), and for the conversion of the interest rate borne by the Bonds to a different variable interest rate or to a Term Interest Rate (as defined in the Indenture) under certain conditions. The Indenture provides that the Bonds bear interest at a Daily Interest Rate until conversion to a different variable interest rate or to a Term Interest Rate. Under the Indenture, the revenues derived by the Issuer under the Loan Agreement, together with certain of the rights of the Issuer thereunder, are pledged and assigned to the Trustee as security for the Bonds. From such examination, we are of the opinion that the proceedings of the Board of County Commissioners of the Issuer referred to above show lawful authority for the execution and delivery of the Indenture, that the Indenture is a valid and binding obligation of the Issuer, enforceable in accordance with its terms, subject to the qualification that the enforcement thereof may be limited by bankruptcy, insolvency, reorganization and other similar laws relating to the enforcement of creditors' rights generally or usual equity principles in the event equitable remedies should be sought, that the Bonds have been validly issued under the Indenture, and that all requirements under the Indenture precedent to delivery of the Bonds have been satisfied.

In connection with the issuance of the Bonds, the Company has entered into a Standby Bond Purchase Agreement dated as of November 1, 1994 (the *"Standby Purchase Agreement"*), with The Bank of New York (the *"Bank"*). Pursuant to the Standby Purchase Agreement, the Bank has agreed to provide (a) an amount sufficient to pay the purchase price or portion of the purchase price equal to the principal amount of Bonds delivered to the Trustee for purchase and not remarketed, plus (b) an amount equal to 62 days' accrued interest on the outstanding Bonds to pay the portion of the purchase price of the Bonds delivered to the Trustee equal to the accrued interest, if any, on such Bonds. Execution of

the Standby Purchase Agreement, however, does not release the Company from its payment obligation under the Loan Agreement. The stated expiration date of the Standby Purchase Agreement is November 17, 1999, subject to the provisions of the Standby Purchase Agreement.

For the purpose of securing the Company's obligation to repay the loan of the proceeds of sale of the Bonds made to the Company by the Issuer pursuant to the Loan Agreement, the Company has delivered to the Trustee, in trust for the benefit of the holders of the Bonds, its First Mortgage and Collateral Trust Bonds in the aggregate principal amount of $40,655,000 (the *"First Mortgage Bonds"*), issued by the Company under the Mortgage and Deed of Trust, dated as of January 9, 1989, between the Company and Chemical Bank, as successor trustee, as supplemented and amended by ten supplemental indentures, including a Tenth Supplemental Indenture dated as of August 1, 1994 (collectively, the *"Mortgage"*). Pursuant to the provisions of the Indenture, payments by the Company representing principal of and interest on the First Mortgage Bonds are deposited into the Bond Fund created under the Indenture and are used to pay the principal of and interest on the Bonds on an equal and ratable basis as the same become due. The First Mortgage Bonds are being issued as a part of a series of $216,470,000 aggregate principal of First Mortgage and Collateral Trust Bonds pursuant to the Mortgage on the date hereof to secure the Bonds and five other issues of pollution control revenue refunding bonds being issued on the date hereof by Emery County, Utah, Carbon County, Utah, Converse County, Wyoming, Lincoln County, Wyoming, and Sweetwater County, Wyoming (collectively, the *"Other Issuers"*), to refinance certain pollution control or solid waste disposal facilities (the *"Facilities"*) for the benefit of the Company.

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.

Subject to the condition that the Company, the Issuer and the Other Issuers comply with certain covenants made to satisfy pertinent requirements of the Internal Revenue Code of 1954, as amended (the *"1954 Code"*), and the Internal Revenue Code of 1986, we are of the opinion that under present law interest on the Bonds is not includible in gross income of the owners thereof for federal income tax purposes, except for interest on any Bond for any period during which such Bond is owned by a person who is a substantial user of the Project or the Facilities or any person considered to be related to such person (within the meaning of Section 103(b)(13) of the 1954 Code), and interest on the Bonds will not be treated as an item of tax preference in computing the alternative minimum tax for individuals and corporations. Interest on the Bonds will be taken into account, however, in computing an adjustment used in determining the alternative minimum tax for certain corporations. Failure to comply with certain of such covenants could cause the interest on the Bonds to be included in gross income retroactive to the date of issuance of the Bonds. Ownership of the

Bonds may result in other federal tax consequences to certain taxpayers; we express no opinion regarding any such collateral consequences arising with respect to the Bonds. In rendering this opinion, we have relied upon certifications of even date herewith of the Company relating to the Station, the Project and the application of the proceeds of the Refunded Bonds and the proceeds of the Bonds with respect to certain material facts solely within the knowledge of the Company.

In our opinion, under the laws of the State of Colorado, as presently enacted and construed, so long as interest on the Bonds is not included in gross income for federal income tax purposes, interest on the Bonds is not included in Colorado taxable income for purposes of the income tax imposed by the State of Colorado pursuant to Article 22 of Title 39 of the Colorado Revised Statutes, as amended, upon individuals, corporations, and estates and trusts. No opinion is expressed regarding taxation of interest on the Bonds under any other provisions of Colorado law. Ownership of the Bonds may result in other Colorado tax consequences to certain taxpayers and we express no opinion regarding any such collateral consequences arising with respect to the Bonds.

We are not passing upon the Standby Purchase Agreement or any action taken by the Bank in connection therewith. The validity of the Standby Purchase Agreement has been passed upon by Davis Polk & Wardwell.

Stoel Rives Boley Jones & Grey, counsel to the Company, has delivered an opinion of even date herewith concerning the obligations of the Company under the Loan Agreement. In rendering this opinion, we have relied upon said opinion with respect to, among other things: (i) the due organization of the Company, (ii) the good standing or existence of the Company in the States of Colorado and Oregon, (iii) the approval of the execution and delivery by the Company of the Loan Agreement by all necessary regulatory authorities exercising jurisdiction over the Company, (iv) the corporate power of the Company to enter into, and the due authorization, execution and delivery by the Company of, the Loan Agreement, and (v) the binding effect of the Loan Agreement on the Company.

Stoel Rives Boley Jones & Grey has also rendered an opinion of even date herewith, as to the due authorization, execution and delivery of the First Mortgage Bonds and the Mortgage, the validity and binding effect thereof, the enforceability thereof in accordance with their respective terms and the requisite issuance of all orders, approvals, authorizations and consents of any court or administrative or governmental body with respect to the First Mortgage Bonds.

Thomas Thornberry, County Attorney of the Issuer, has delivered an opinion of even date herewith with respect to the obligations of the Issuer under the Bonds, the Loan Agreement and the Indenture.

We express no opinion as to the title to, the description of, or the existence of any liens, charges or encumbrances on the Project or the Station.

RJScott:DBRohbock:jgl

Chapman and Cutler

APPENDIX D-1

PROPOSED FORM OPINION OF BOND COUNSEL RELATING TO FIRST SUPPLEMENTAL INDENTURE AND FIRST SUPPLEMENTAL LOAN AGREEMENT FOR CARBON BONDS

[LETTERHEAD OF CHAPMAN AND CUTLER LLP]

[DATED THE CLOSING DATE]

The Bank of New York Mellon,
Trust Company, N.A.,
as successor Trustee
2 North LaSalle Street, Suite 1020
Chicago, Illinois 60602

PacifiCorp
825 N.E. Multnomah Street,
Suite 1900
Portland, Oregon 97232-4116

Carbon County, Utah
120 East Main Street
Price, Utah 84510

Ambac Assurance Corporation
One State Street Plaza, 19th Floor
New York, New York 10004

JPMorgan Chase Bank, N.A.
as Agent Bank
270 Park Avenue, 4th Floor
New York, New York 10017

Morgan Stanley & Co. Incorporated
1221 Avenue of the Americas, 30th Floor
New York, New York 10020

Re: $9,365,000
Carbon County, Utah
Pollution Control Revenue Refunding Bonds
(PacifiCorp Project) Series 1994 (the *"Bonds"*)

Ladies and Gentlemen:

This opinion is being furnished in accordance with (a) Sections 12.02(c)(ii) and 12.06 of that certain the Trust Indenture, dated as of November 1, 1994 (the *"Original Indenture"*), between Carbon County, Utah (the *"Issuer"*) and The Bank of New York Mellon Trust Company, N.A., as successor trustee (the *"Trustee"*); (b) Section 1.4 of that certain Release Agreement, dated the date hereof (the *"Release Agreement"*), by and among the Issuer, the Trustee, PacifiCorp (the *"Company"*) and Ambac Assurance Corporation (*"Ambac"*) and (c) Section 5(e)(3)(B) of that certain Remarketing Agreement, dated November 18, 2008, between the Company and Morgan Stanley & Co. Incorporated, as remarketing agent. Prior to the date hereof, payment of principal of and interest on the Bonds was secured by a municipal bond insurance policy issued by Ambac (the *"Insurance Policy"*) and the purchase price of the Bonds

is currently secured by that certain Standby Bond Purchase Agreement, dated February 22, 2006 (the *"Standby Purchase Agreement"*), by and among the Company, the banks party thereto and JPMorgan Chase Bank, N.A., as agent bank. In order to replace the Insurance Policy and the Standby Purchase Agreement with a Letter of Credit to be issued by Wells Fargo Bank, N.A. (the *"Bank"*) for the benefit of the Trustee, and to make certain other permitted changes in connection therewith to the Original Indenture and the Loan Agreement, dated as of November 1, 1994 (the *"Original Loan Agreement"*), between the Issuer and the Company, (a) the Company, pursuant to Section 12.02 of the Original Indenture, has requested the Issuer and the Trustee to enter into the First Supplemental Trust Indenture, dated as of October 1, 2008 (the *"First Supplemental Indenture"*), in order to amend and restate the Original Indenture and (b) the Company and the Issuer, pursuant to Section 12.06 of the Original Indenture and Section 9.04 of the Original Loan Agreement, have determined to enter into the First Supplemental Loan Agreement, dated as of October 1, 2008 (the *"First Supplemental Loan Agreement"*), to amend and restate the Original Loan Agreement. It has been represented to us that the Owners of all of the Bonds have consented to the execution and delivery of the First Supplemental Indenture and the First Supplemental Loan Agreement.

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, including regarding the consent of the Owners, made to us without undertaking to verify the same by independent investigation.

The terms used herein denoted by initial capitals and not otherwise defined shall have the meanings specified in the Indenture.

Based upon the foregoing and as of the date hereof, we are of the opinion that:

1. The form of the restated bond prescribed in the First Supplemental Indenture (the *"Restated Bonds"*) satisfies the requirements of the Act and the Original Indenture and the authentication of the Restated Bonds will not adversely affect the Tax-Exempt status of the Bonds.

2. The First Supplemental Indenture is authorized or permitted by the Original Indenture and the Act and complies with their respective terms.

3. The modification, alteration, amendment and supplement of the Original Loan Agreement by the First Supplemental Loan Agreement is authorized or permitted by the Original Loan Agreement or the Original Indenture and the Act and complies with their respective terms.

4. The First Supplemental Indenture and the First Supplemental Loan Agreement will, upon execution and delivery thereof, be valid and binding obligations of the Issuer, enforceable in accordance with their respective 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 equitable principals in the event equitable remedies should be sought.

5. The execution and delivery of the First Supplemental Indenture and the First Supplemental Loan Agreement will not adversely affect the Tax-Exempt status of the Bonds.

6. The release of Ambac from its obligations under the Insurance Policy to pay principal of and interest on the Bonds will not, in and of itself, adversely affect the Tax-Exempt status of the Bonds. Except as expressly stated in the foregoing sentence, we have not been request to express, and do not express, any opinion with respect to such release or the Release Agreement. In rendering this opinion, we have assumed, with your permission, that the release of Ambac from its obligations under the Insurance Policy to pay principal of and interest on the Bonds will not result in the Issuer's capacity to meet the payment obligations on the Bonds changing from being adequate to primarily speculative.

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 Original Indenture, the Original Loan Agreement, the Tax Certificate and other documents relating to the Bonds, or to review any other events that may have occurred since we rendered such approving opinion other than with respect to the Company in connection with the conversion of the interest rate on the Bonds and the execution and delivery of the First Supplemental Indenture and the First Supplemental Loan Agreement and the release of the Insurance Policy. Accordingly, we do not express any opinion with respect to the Bonds, except as described above.

Our opinion represents our legal judgment based upon our review of the law and the facts that we deem relevant to render such opinion and is not a guarantee of a result. This opinion is given as of the date hereof and we assume no obligation to review or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

In rendering this opinion as Bond Counsel, we are passing only upon those matters set forth in this opinion and are not passing upon the adequacy, accuracy or completeness of any information furnished to any person in connection with any offer or sale of the Bonds.

Respectfully submitted,

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APPENDIX D-2

PROPOSED FORM OPINION OF BOND COUNSEL RELATING TO FIRST SUPPLEMENTAL INDENTURE AND FIRST SUPPLEMENTAL LOAN AGREEMENT FOR CONVERSE BONDS

[LETTERHEAD OF CHAPMAN AND CUTLER LLP]

[DATED THE CLOSING DATE]

The Bank of New York Mellon,
Trust Company, N.A.,
as successor Trustee
2 North LaSalle Street, Suite 1020
Chicago, Illinois 60602

PacifiCorp
825 N.E. Multnomah Street,
Suite 1900
Portland, Oregon 97232-4116

Converse County, Wyoming
107 North 5th Street
Douglas, Wyoming 82633

Ambac Assurance Corporation
One State Street Plaza, 19th Floor
New York, New York 10004

JPMorgan Chase Bank, N.A.,
as Agent Bank
270 Park Avenue, 4th Floor
New York, New York 10017

Banc of America Securities LLC
One Bryant Park, 11th Floor
New York, New York 10036

Re: $8,190,000
Converse County, Wyoming
Pollution Control Revenue Refunding Bonds
(PacifiCorp Project) Series 1994 (the *"Bonds"*)

Ladies and Gentlemen:

This opinion is being furnished in accordance with (a) Sections 12.02(c)(ii) and 12.06 of that certain the Trust Indenture, dated as of November 1, 1994 (the *"Original Indenture"*), between Converse County, Wyoming (the *"Issuer"*) and The Bank of New York Mellon Trust Company, N.A., as successor trustee (the *"Trustee"*); (b) Section 1.4 of that certain Release Agreement, dated the date hereof (the *"Release Agreement"*), by and among the Issuer, the Trustee, PacifiCorp (the *"Company"*) and Ambac Assurance Corporation (*"Ambac"*) and (c) Section 5(e)(3)(B) of that certain Remarketing Agreement, dated November 18, 2008, between the Company and Banc of America Securities LLC, as remarketing agent. Prior to the date hereof, payment of principal of and interest on the Bonds was secured by a municipal bond insurance policy issued by Ambac (the *"Insurance Policy"*) and the purchase price of the Bonds

is currently secured by that certain Standby Bond Purchase Agreement, dated February 22, 2006 (the *"Standby Purchase Agreement"*), by and among the Company, the banks party thereto and JPMorgan Chase Bank, N.A., as agent bank. In order to replace the Insurance Policy and the Standby Purchase Agreement with a Letter of Credit to be issued by Wells Fargo Bank, N.A. (the *"Bank"*) for the benefit of the Trustee, and to make certain other permitted changes in connection therewith to the Original Indenture and the Loan Agreement, dated as of November 1, 1994 (the *"Original Loan Agreement"*), between the Issuer and the Company, (a) the Company, pursuant to Section 12.02 of the Original Indenture, has requested the Issuer and the Trustee to enter into the First Supplemental Trust Indenture, dated as of October 1, 2008 (the *"First Supplemental Indenture"*), in order to amend and restate the Original Indenture and (b) the Company and the Issuer, pursuant to Section 12.06 of the Original Indenture and Section 9.04 of the Original Loan Agreement, have determined to enter into the First Supplemental Loan Agreement, dated as of October 1, 2008 (the *"First Supplemental Loan Agreement"*), to amend and restate the Original Loan Agreement. It has been represented to us that the Owners of all of the Bonds have consented to the execution and delivery of the First Supplemental Indenture and the First Supplemental Loan Agreement.

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, including regarding the consent of the Owners, made to us without undertaking to verify the same by independent investigation.

The terms used herein denoted by initial capitals and not otherwise defined shall have the meanings specified in the Indenture.

Based upon the foregoing and as of the date hereof, we are of the opinion that:

1. The form of the restated bond prescribed in the First Supplemental Indenture (the *"Restated Bonds"*) satisfies the requirements of the Act and the Original Indenture and the authentication of the Restated Bonds will not adversely affect the Tax-Exempt status of the Bonds.

2. The First Supplemental Indenture is authorized or permitted by the Original Indenture and the Act and complies with their respective terms.

3. The modification, alteration, amendment and supplement of the Original Loan Agreement by the First Supplemental Loan Agreement is authorized or permitted by the Original Loan Agreement or the Original Indenture and the Act and complies with their respective terms.

4. The First Supplemental Indenture and the First Supplemental Loan Agreement will, upon execution and delivery thereof, be valid and binding obligations of the Issuer, enforceable in accordance with their respective 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 equitable principals in the event equitable remedies should be sought.

5. The execution and delivery of the First Supplemental Indenture and the First Supplemental Loan Agreement will not adversely affect the Tax-Exempt status of the Bonds.

6. The release of Ambac from its obligations under the Insurance Policy to pay principal of and interest on the Bonds will not, in and of itself, adversely affect the Tax-Exempt status of the Bonds. Except as expressly stated in the foregoing sentence, we have not been request to express, and do not express, any opinion with respect to such release or the Release Agreement. In rendering this opinion, we have assumed, with your permission, that the release of Ambac from its obligations under the Insurance Policy to pay principal of and interest on the Bonds will not result in the Issuer's capacity to meet the payment obligations on the Bonds changing from being adequate to primarily speculative.

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 Original Indenture, the Original Loan Agreement, the Tax Certificate and other documents relating to the Bonds, or to review any other events that may have occurred since we rendered such approving opinion other than with respect to the Company in connection with the conversion of the interest rate on the Bonds and the execution and delivery of the First Supplemental Indenture and the First Supplemental Loan Agreement and the release of the Insurance Policy. Accordingly, we do not express any opinion with respect to the Bonds, except as described above.

Our opinion represents our legal judgment based upon our review of the law and the facts that we deem relevant to render such opinion and is not a guarantee of a result. This opinion is given as of the date hereof and we assume no obligation to review or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

In rendering this opinion as Bond Counsel, we are passing only upon those matters set forth in this opinion and are not passing upon the adequacy, accuracy or completeness of any information furnished to any person in connection with any offer or sale of the Bonds.

Respectfully submitted,

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APPENDIX D-3

PROPOSED FORM OPINION OF BOND COUNSEL RELATING TO FIRST SUPPLEMENTAL INDENTURE AND FIRST SUPPLEMENTAL LOAN AGREEMENT FOR EMERY BONDS

[LETTERHEAD OF CHAPMAN AND CUTLER LLP]

[DATED THE CLOSING DATE]

The Bank of New York Mellon,
Trust Company, N.A.,
as successor Trustee
2 North LaSalle Street, Suite 1020
Chicago, Illinois 60602

PacifiCorp
825 N.E. Multnomah Street,
Suite 1900
Portland, Oregon 97232-4116

Emery County, Utah
75 East Main Street
Castle Dale, Utah 84513

Ambac Assurance Corporation
One State Street Plaza, 19th Floor
New York, New York 10004

The Bank of Nova Scotia, New York Agency,
as Agent Bank
1 Liberty Plaza
New York, New York 10006

Wells Fargo Brokerage Services, LLC
MAC N9303-105
608 Second Avenue South
Minneapolis, Minnesota 55479

Re: $121,940,000
Emery County, Utah
Pollution Control Revenue Refunding Bonds
(PacifiCorp Project) Series 1994 (the *"Bonds"*)

Ladies and Gentlemen:

This opinion is being furnished in accordance with (a) Sections 12.02(c)(ii) and 12.06 of that certain the Trust Indenture, dated as of November 1, 1994 (the *"Original Indenture"*), between Emery County, Utah (the *"Issuer"*) and The Bank of New York Mellon Trust Company, N.A., as successor trustee (the *"Trustee"*); (b) Section 1.4 of that certain Release Agreement, dated the date hereof (the *"Release Agreement"*), by and among the Issuer, the Trustee, PacifiCorp (the *"Company"*) and Ambac Assurance Corporation (*"Ambac"*) and (c) Section 5(e)(3)(B) of that certain Remarketing Agreement, dated November 18, 2008, between the Company and Wells Fargo Brokerage Services, LLC, as remarketing agent. Prior to the date hereof, payment of principal of and interest on the Bonds was secured by a municipal bond insurance policy issued by Ambac (the *"Insurance Policy"*) and the purchase price of the Bonds

is currently secured by that certain Standby Bond Purchase Agreement, dated May 3, 2006 (the *"Standby Purchase Agreement"*), by and among the Company, the banks party thereto and The Bank of Nova Scotia, New York Agency, as agent bank. In order to replace the Insurance Policy and the Standby Purchase Agreement with a Letter of Credit to be issued by Wells Fargo Bank, N.A. (the *"Bank"*) for the benefit of the Trustee, and to make certain other permitted changes in connection therewith to the Original Indenture and the Loan Agreement, dated as of November 1, 1994 (the *"Original Loan Agreement"*), between the Issuer and the Company, (a) the Company, pursuant to Section 12.02 of the Original Indenture, has requested the Issuer and the Trustee to enter into the First Supplemental Trust Indenture, dated as of October 1, 2008 (the *"First Supplemental Indenture"*), in order to amend and restate the Original Indenture and (b) the Company and the Issuer, pursuant to Section 12.06 of the Original Indenture and Section 9.04 of the Original Loan Agreement, have determined to enter into the First Supplemental Loan Agreement, dated as of October 1, 2008 (the *"First Supplemental Loan Agreement"*), to amend and restate the Original Loan Agreement. It has been represented to us that the Owners of all of the Bonds have consented to the execution and delivery of the First Supplemental Indenture and the First Supplemental Loan Agreement.

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, including regarding the consent of the Owners, made to us without undertaking to verify the same by independent investigation.

The terms used herein denoted by initial capitals and not otherwise defined shall have the meanings specified in the Indenture.

Based upon the foregoing and as of the date hereof, we are of the opinion that:

1. The form of the restated bond prescribed in the First Supplemental Indenture (the *"Restated Bonds"*) satisfies the requirements of the Act and the Original Indenture and the authentication of the Restated Bonds will not adversely affect the Tax-Exempt status of the Bonds.

2. The First Supplemental Indenture is authorized or permitted by the Original Indenture and the Act and complies with their respective terms.

3. The modification, alteration, amendment and supplement of the Original Loan Agreement by the First Supplemental Loan Agreement is authorized or permitted by the Original Loan Agreement or the Original Indenture and the Act and complies with their respective terms.

4. The First Supplemental Indenture and the First Supplemental Loan Agreement will, upon execution and delivery thereof, be valid and binding obligations of the Issuer, enforceable in accordance with their respective 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 equitable principals in the event equitable remedies should be sought.

5. The execution and delivery of the First Supplemental Indenture and the First Supplemental Loan Agreement will not adversely affect the Tax-Exempt status of the Bonds.

6. The release of Ambac from its obligations under the Insurance Policy to pay principal of and interest on the Bonds will not, in and of itself, adversely affect the Tax-Exempt status of the Bonds. Except as expressly stated in the foregoing sentence, we have not been request to express, and do not express, any opinion with respect to such release or the Release Agreement. In rendering this opinion, we have assumed, with your permission, that the release of Ambac from its obligations under the Insurance Policy to pay principal of and interest on the Bonds will not result in the Issuer's capacity to meet the payment obligations on the Bonds changing from being adequate to primarily speculative.

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 Original Indenture, the Original Loan Agreement, the Tax Certificate and other documents relating to the Bonds, or to review any other events that may have occurred since we rendered such approving opinion other than with respect to the Company in connection with the conversion of the interest rate on the Bonds and the execution and delivery of the First Supplemental Indenture and the First Supplemental Loan Agreement and the release of the Insurance Policy. Accordingly, we do not express any opinion with respect to the Bonds, except as described above.

Our opinion represents our legal judgment based upon our review of the law and the facts that we deem relevant to render such opinion and is not a guarantee of a result. This opinion is given as of the date hereof and we assume no obligation to review or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

In rendering this opinion as Bond Counsel, we are passing only upon those matters set forth in this opinion and are not passing upon the adequacy, accuracy or completeness of any information furnished to any person in connection with any offer or sale of the Bonds.

Respectfully submitted,

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APPENDIX D-4

PROPOSED FORM OPINION OF BOND COUNSEL RELATING TO FIRST SUPPLEMENTAL INDENTURE AND FIRST SUPPLEMENTAL LOAN AGREEMENT FOR LINCOLN BONDS

[LETTERHEAD OF CHAPMAN AND CUTLER LLP]

[DATED THE CLOSING DATE]

The Bank of New York Mellon,
Trust Company, N.A.,
as successor Trustee
2 North LaSalle Street, Suite 1020
Chicago, Illinois 60602

PacifiCorp
825 N.E. Multnomah Street,
Suite 1900
Portland, Oregon 97232-4116

Lincoln County, Wyoming
925 Sage, Suite 302
Kemmerer, Wyoming 83101

Ambac Assurance Corporation
One State Street Plaza, 19th Floor
New York, New York 10004

JPMorgan Chase Bank, N.A.,
as Agent Bank
270 Park Avenue, 4th Floor
New York, New York 10017

Banc of America Securities LLC
One Bryant Park, 11th Floor
New York, New York 10036

Re: $15,060,000
Lincoln County, Wyoming
Pollution Control Revenue Refunding Bonds
(PacifiCorp Project) Series 1994 (the *"Bonds"*)

Ladies and Gentlemen:

This opinion is being furnished in accordance with (a) Sections 12.02(c)(ii) and 12.06 of that certain the Trust Indenture, dated as of November 1, 1994 (the *"Original Indenture"*), between Lincoln County, Wyoming (the *"Issuer"*) and The Bank of New York Mellon Trust Company, N.A., as successor trustee (the *"Trustee"*); (b) Section 1.4 of that certain Release Agreement, dated the date hereof (the *"Release Agreement"*), by and among the Issuer, the Trustee, PacifiCorp (the *"Company"*) and Ambac Assurance Corporation (*"Ambac"*) and (c) Section 5(e)(3)(B) of that certain Remarketing Agreement, dated November 18, 2008, between the Company and Banc of America Securities LLC, as remarketing agent. Prior to the date hereof, payment of principal of and interest on the Bonds was secured by a municipal bond insurance policy issued by Ambac (the *"Insurance Policy"*) and the purchase price of the Bonds

is currently secured by that certain Standby Bond Purchase Agreement, dated February 22, 2006 (the *"Standby Purchase Agreement"*), by and among the Company, the banks party thereto and JPMorgan Chase Bank, N.A., as agent bank. In order to replace the Insurance Policy and the Standby Purchase Agreement with a Letter of Credit to be issued by Wells Fargo Bank, N.A. (the *"Bank"*) for the benefit of the Trustee, and to make certain other permitted changes in connection therewith to the Original Indenture and the Loan Agreement, dated as of November 1, 1994 (the *"Original Loan Agreement"*), between the Issuer and the Company, (a) the Company, pursuant to Section 12.02 of the Original Indenture, has requested the Issuer and the Trustee to enter into the First Supplemental Trust Indenture, dated as of October 1, 2008 (the *"First Supplemental Indenture"*), in order to amend and restate the Original Indenture and (b) the Company and the Issuer, pursuant to Section 12.06 of the Original Indenture and Section 9.04 of the Original Loan Agreement, have determined to enter into the First Supplemental Loan Agreement, dated as of October 1, 2008 (the *"First Supplemental Loan Agreement"*), to amend and restate the Original Loan Agreement. It has been represented to us that the Owners of all of the Bonds have consented to the execution and delivery of the First Supplemental Indenture and the First Supplemental Loan Agreement.

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, including regarding the consent of the Owners, made to us without undertaking to verify the same by independent investigation.

The terms used herein denoted by initial capitals and not otherwise defined shall have the meanings specified in the Indenture.

Based upon the foregoing and as of the date hereof, we are of the opinion that:

1. The form of the restated bond prescribed in the First Supplemental Indenture (the *"Restated Bonds"*) satisfies the requirements of the Act and the Original Indenture and the authentication of the Restated Bonds will not adversely affect the Tax-Exempt status of the Bonds.

2. The First Supplemental Indenture is authorized or permitted by the Original Indenture and the Act and complies with their respective terms.

3. The modification, alteration, amendment and supplement of the Original Loan Agreement by the First Supplemental Loan Agreement is authorized or permitted by the Original Loan Agreement or the Original Indenture and the Act and complies with their respective terms.

4. The First Supplemental Indenture and the First Supplemental Loan Agreement will, upon execution and delivery thereof, be valid and binding obligations of the Issuer, enforceable in accordance with their respective 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 equitable principals in the event equitable remedies should be sought.

5. The execution and delivery of the First Supplemental Indenture and the First Supplemental Loan Agreement will not adversely affect the Tax-Exempt status of the Bonds.

6. The release of Ambac from its obligations under the Insurance Policy to pay principal of and interest on the Bonds will not, in and of itself, adversely affect the Tax-Exempt status of the Bonds. Except as expressly stated in the foregoing sentence, we have not been request to express, and do not express, any opinion with respect to such release or the Release Agreement. In rendering this opinion, we have assumed, with your permission, that the release of Ambac from its obligations under the Insurance Policy to pay principal of and interest on the Bonds will not result in the Issuer's capacity to meet the payment obligations on the Bonds changing from being adequate to primarily speculative.

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 Original Indenture, the Original Loan Agreement, the Tax Certificate and other documents relating to the Bonds, or to review any other events that may have occurred since we rendered such approving opinion other than with respect to the Company in connection with the conversion of the interest rate on the Bonds and the execution and delivery of the First Supplemental Indenture and the First Supplemental Loan Agreement and the release of the Insurance Policy. Accordingly, we do not express any opinion with respect to the Bonds, except as described above.

Our opinion represents our legal judgment based upon our review of the law and the facts that we deem relevant to render such opinion and is not a guarantee of a result. This opinion is given as of the date hereof and we assume no obligation to review or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

In rendering this opinion as Bond Counsel, we are passing only upon those matters set forth in this opinion and are not passing upon the adequacy, accuracy or completeness of any information furnished to any person in connection with any offer or sale of the Bonds.

Respectfully submitted,

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APPENDIX D-5

PROPOSED FORM OPINION OF BOND COUNSEL RELATING TO FIRST SUPPLEMENTAL INDENTURE AND FIRST SUPPLEMENTAL LOAN AGREEMENT FOR MOFFAT BONDS

[LETTERHEAD OF CHAPMAN AND CUTLER LLP]

[DATED THE CLOSING DATE]

The Bank of New York Mellon,
Trust Company, N.A.,
as successor Trustee
2 North LaSalle Street, Suite 1020
Chicago, Illinois 60602

PacifiCorp
825 N.E. Multnomah Street,
Suite 1900
Portland, Oregon 97232-4116

Moffat County, Colorado
221 West Victory Way, Suite 120
Craig, Colorado 81625

Ambac Assurance Corporation
One State Street Plaza, 19th Floor
New York, New York 10004

JPMorgan Chase Bank, N.A.,
as Agent Bank
270 Park Avenue, 4th Floor
New York, New York 10017

Morgan Stanley & Co. Incorporated
1221 Avenue of the Americas, 30th Floor
New York, New York 10020

Re: $40,655,000
Moffat County, Colorado
Pollution Control Revenue Refunding Bonds
(PacifiCorp Project) Series 1994 (the *"Bonds"*)

Ladies and Gentlemen:

This opinion is being furnished in accordance with (a) Sections 12.02(c)(ii) and 12.06 of that certain the Trust Indenture, dated as of November 1, 1994 (the *"Original Indenture"*), between Moffat County, Colorado (the *"Issuer"*) and The Bank of New York Mellon Trust Company, N.A., as successor trustee (the *"Trustee"*); (b) Section 1.4 of that certain Release Agreement, dated the date hereof (the *"Release Agreement"*), by and among the Issuer, the Trustee, PacifiCorp (the *"Company"*) and Ambac Assurance Corporation (*"Ambac"*) and (c) Section 5(e)(3)(B) of that certain Remarketing Agreement, dated November 18, 2008, between the Company and Morgan Stanley & Co. Incorporated, as remarketing agent. Prior to the date hereof, payment of principal of and interest on the Bonds was secured by a municipal bond insurance policy issued by Ambac (the *"Insurance Policy"*) and the purchase price of the Bonds

is currently secured by that certain Standby Bond Purchase Agreement, dated February 22, 2006 (the *"Standby Purchase Agreement"*), by and among the Company, the banks party thereto and JPMorgan Chase Bank, N.A., as agent bank. In order to replace the Insurance Policy and the Standby Purchase Agreement with a Letter of Credit to be issued by Wells Fargo Bank, N.A. (the *"Bank"*) for the benefit of the Trustee, and to make certain other permitted changes in connection therewith to the Original Indenture and the Loan Agreement, dated as of November 1, 1994 (the *"Original Loan Agreement"*), between the Issuer and the Company, (a) the Company, pursuant to Section 12.02 of the Original Indenture, has requested the Issuer and the Trustee to enter into the First Supplemental Trust Indenture, dated as of October 1, 2008 (the *"First Supplemental Indenture"*), in order to amend and restate the Original Indenture and (b) the Company and the Issuer, pursuant to Section 12.06 of the Original Indenture and Section 9.04 of the Original Loan Agreement, have determined to enter into the First Supplemental Loan Agreement, dated as of October 1, 2008 (the *"First Supplemental Loan Agreement"*), to amend and restate the Original Loan Agreement. It has been represented to us that the Owners of all of the Bonds have consented to the execution and delivery of the First Supplemental Indenture and the First Supplemental Loan Agreement.

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, including regarding the consent of the Owners, made to us without undertaking to verify the same by independent investigation.

The terms used herein denoted by initial capitals and not otherwise defined shall have the meanings specified in the Indenture.

Based upon the foregoing and as of the date hereof, we are of the opinion that:

1. The form of the restated bond prescribed in the First Supplemental Indenture (the *"Restated Bonds"*) satisfies the requirements of the Act and the Original Indenture and the authentication of the Restated Bonds will not adversely affect the Tax-Exempt status of the Bonds.

2. The First Supplemental Indenture is authorized or permitted by the Original Indenture and the Act and complies with their respective terms.

3. The modification, alteration, amendment and supplement of the Original Loan Agreement by the First Supplemental Loan Agreement is authorized or permitted by the Original Loan Agreement or the Original Indenture and the Act and complies with their respective terms.

4. The First Supplemental Indenture and the First Supplemental Loan Agreement will, upon execution and delivery thereof, be valid and binding obligations of the Issuer, enforceable in accordance with their respective 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 equitable principals in the event equitable remedies should be sought.

5. The execution and delivery of the First Supplemental Indenture and the First Supplemental Loan Agreement will not adversely affect the Tax-Exempt status of the Bonds.

6. The release of Ambac from its obligations under the Insurance Policy to pay principal of and interest on the Bonds will not, in and of itself, adversely affect the Tax-Exempt status of the Bonds. Except as expressly stated in the foregoing sentence, we have not been request to express, and do not express, any opinion with respect to such release or the Release Agreement. In rendering this opinion, we have assumed, with your permission, that the release of Ambac from its obligations under the Insurance Policy to pay principal of and interest on the Bonds will not result in the Issuer's capacity to meet the payment obligations on the Bonds changing from being adequate to primarily speculative.

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 Original Indenture, the Original Loan Agreement, the Tax Certificate and other documents relating to the Bonds, or to review any other events that may have occurred since we rendered such approving opinion other than with respect to the Company in connection with the conversion of the interest rate on the Bonds and the execution and delivery of the First Supplemental Indenture and the First Supplemental Loan Agreement and the release of the Insurance Policy. Accordingly, we do not express any opinion with respect to the Bonds, except as described above.

Our opinion represents our legal judgment based upon our review of the law and the facts that we deem relevant to render such opinion and is not a guarantee of a result. This opinion is given as of the date hereof and we assume no obligation to review or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

In rendering this opinion as Bond Counsel, we are passing only upon those matters set forth in this opinion and are not passing upon the adequacy, accuracy or completeness of any information furnished to any person in connection with any offer or sale of the Bonds.

Respectfully submitted,

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APPENDIX D-6

PROPOSED FORM OPINION OF BOND COUNSEL RELATING TO FIRST SUPPLEMENTAL INDENTURE AND FIRST SUPPLEMENTAL LOAN AGREEMENT FOR SWEETWATER BONDS

[LETTERHEAD OF CHAPMAN AND CUTLER LLP]

[DATED THE CLOSING DATE]

The Bank of New York Mellon,
Trust Company, N.A.,
as successor Trustee
2 North LaSalle Street, Suite 1020
Chicago, Illinois 60602

PacifiCorp
825 N.E. Multnomah Street,
Suite 1900
Portland, Oregon 97232-4116

Sweetwater County, Wyoming
80 West Flaming Gorge Way
Green River, Wyoming 82935

Ambac Assurance Corporation
One State Street Plaza, 19th Floor
New York, New York 10004

JPMorgan Chase Bank, N.A.,
as Agent Bank
270 Park Avenue, 4th Floor
New York, New York 10017

Morgan Stanley & Co. Incorporated
1221 Avenue of the Americas, 30th Floor
New York, New York 10020

Re: $21,260,000
Sweetwater County, Wyoming
Pollution Control Revenue Refunding Bonds
(PacifiCorp Project) Series 1994 (the *"Bonds"*)

Ladies and Gentlemen:

This opinion is being furnished in accordance with (a) Sections 12.02(c)(ii) and 12.06 of that certain the Trust Indenture, dated as of November 1, 1994 (the *"Original Indenture"*), between Sweetwater County, Wyoming (the *"Issuer"*) and The Bank of New York Mellon Trust Company, N.A., as successor trustee (the *"Trustee"*); (b) Section 1.4 of that certain Release Agreement, dated the date hereof (the *"Release Agreement"*), by and among the Issuer, the Trustee, PacifiCorp (the *"Company"*) and Ambac Assurance Corporation (*"Ambac"*) and (c) Section 5(e)(3)(B) of that certain Remarketing Agreement, dated November 18, 2008, between the Company and Morgan Stanley & Co. Incorporated, as remarketing agent. Prior to the date hereof, payment of principal of and interest on the Bonds was secured by a municipal bond insurance policy issued by Ambac (the *"Insurance Policy"*) and the purchase price of the Bonds

is currently secured by that certain Standby Bond Purchase Agreement, dated February 22, 2006 (the *"Standby Purchase Agreement"*), by and among the Company, the banks party thereto and JPMorgan Chase Bank, N.A., as agent bank. In order to replace the Insurance Policy and the Standby Purchase Agreement with a Letter of Credit to be issued by Wells Fargo Bank, N.A. (the *"Bank"*) for the benefit of the Trustee, and to make certain other permitted changes in connection therewith to the Original Indenture and the Loan Agreement, dated as of November 1, 1994 (the *"Original Loan Agreement"*), between the Issuer and the Company, (a) the Company, pursuant to Section 12.02 of the Original Indenture, has requested the Issuer and the Trustee to enter into the First Supplemental Trust Indenture, dated as of October 1, 2008 (the *"First Supplemental Indenture"*), in order to amend and restate the Original Indenture and (b) the Company and the Issuer, pursuant to Section 12.06 of the Original Indenture and Section 9.04 of the Original Loan Agreement, have determined to enter into the First Supplemental Loan Agreement, dated as of October 1, 2008 (the *"First Supplemental Loan Agreement"*), to amend and restate the Original Loan Agreement. It has been represented to us that the Owners of all of the Bonds have consented to the execution and delivery of the First Supplemental Indenture and the First Supplemental Loan Agreement.

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, including regarding the consent of the Owners, made to us without undertaking to verify the same by independent investigation.

The terms used herein denoted by initial capitals and not otherwise defined shall have the meanings specified in the Indenture.

Based upon the foregoing and as of the date hereof, we are of the opinion that:

1. The form of the restated bond prescribed in the First Supplemental Indenture (the *"Restated Bonds"*) satisfies the requirements of the Act and the Original Indenture and the authentication of the Restated Bonds will not adversely affect the Tax-Exempt status of the Bonds.

2. The First Supplemental Indenture is authorized or permitted by the Original Indenture and the Act and complies with their respective terms.

3. The modification, alteration, amendment and supplement of the Original Loan Agreement by the First Supplemental Loan Agreement is authorized or permitted by the Original Loan Agreement or the Original Indenture and the Act and complies with their respective terms.

4. The First Supplemental Indenture and the First Supplemental Loan Agreement will, upon execution and delivery thereof, be valid and binding obligations of the Issuer, enforceable in accordance with their respective 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 equitable principals in the event equitable remedies should be sought.

5. The execution and delivery of the First Supplemental Indenture and the First Supplemental Loan Agreement will not adversely affect the Tax-Exempt status of the Bonds.

6. The release of Ambac from its obligations under the Insurance Policy to pay principal of and interest on the Bonds will not, in and of itself, adversely affect the Tax-Exempt status of the Bonds. Except as expressly stated in the foregoing sentence, we have not been request to express, and do not express, any opinion with respect to such release or the Release Agreement. In rendering this opinion, we have assumed, with your permission, that the release of Ambac from its obligations under the Insurance Policy to pay principal of and interest on the Bonds will not result in the Issuer's capacity to meet the payment obligations on the Bonds changing from being adequate to primarily speculative.

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 Original Indenture, the Original Loan Agreement, the Tax Certificate and other documents relating to the Bonds, or to review any other events that may have occurred since we rendered such approving opinion other than with respect to the Company in connection with the conversion of the interest rate on the Bonds and the execution and delivery of the First Supplemental Indenture and the First Supplemental Loan Agreement and the release of the Insurance Policy. Accordingly, we do not express any opinion with respect to the Bonds, except as described above.

Our opinion represents our legal judgment based upon our review of the law and the facts that we deem relevant to render such opinion and is not a guarantee of a result. This opinion is given as of the date hereof and we assume no obligation to review or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

In rendering this opinion as Bond Counsel, we are passing only upon those matters set forth in this opinion and are not passing upon the adequacy, accuracy or completeness of any information furnished to any person in connection with any offer or sale of the Bonds.

Respectfully submitted,

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APPENDIX E

FORM OF LETTER OF CREDIT

IRREVOCABLE LETTER OF CREDIT

November 19, 2008

Letter of Credit No. __________

The Bank of New York Mellon Trust Company, N.A.
2 North LaSalle Street, Suite 1020
Chicago, IL 60602
Attention: Global Corporate Trust

Ladies and Gentlemen:

We hereby establish in your favor, as Trustee for the benefit of the owners of the Bonds under the Indenture described below, at the request and for the account of PacifiCorp, an Oregon corporation, our irrevocable letter of credit in the amount of U.S. $ (Dollars) in connection with the Bonds (as defined below) available with ourselves by sight payment against presentation of one or more signed and dated demands addressed by you to Wells Fargo Bank, National Association, Letter of Credit Operations Office, San Francisco, California, each in the form of Annex A (an "A Drawing"), Annex B (a "B Drawing"), Annex C (a "C Drawing"), or Annex D (a "D Drawing") hereto, with all instructions in brackets therein being complied with. Each such demand must be presented to us in its original form at the Presentation Office (as hereinafter defined) or by facsimile transmission of such original form to us at (415) 296-8905.

Each such presentation must be made at or before 5:00 p.m. San Francisco time on a Business Day (as hereinafter defined) to our Letter of Credit Operations Office in San Francisco, California, presently located at One Front Street, 21st Floor, San Francisco, California 94111, (the "Presentation Office").

This Letter of Credit expires at our Letter of Credit Operations Office in San Francisco, California on November 19, 2009, but shall be automatically extended, without written amendment to, and shall expire on, November 19, 2010 unless on or before October 20, 2009, you have received written notice from us sent by express courier or registered mail to your address above or by facsimile transmission to (312) 827-8542 (the "Fax Number"), that we elect not to extend this Letter of Credit beyond November 19, 2009. (The date on which this Letter of Credit expires pursuant to the preceding sentence, or if such date is not a Business Day then the first (1st) succeeding Business Day thereafter, will be hereinafter referred to as the "Expiration Date".) To be effective, the notice from us described in the first sentence of this paragraph must be received by you on or before October 20, 2009.

As used herein the term "Business Day" shall mean a day on which our San Francisco Letter of Credit Operations Office is open for business.

The amount of any demand presented hereunder will be the amount inserted in numbered Paragraph 4 of said demand. By honoring any such demand we make no representation as to the correctness of the amount demanded.

We hereby agree with you that each demand presented hereunder in full compliance with the terms hereof will be duly honored by our payment to you of the amount of such demand, in immediately available funds of Wells Fargo Bank, National Association:

(i) not later than 10:00 a.m., San Francisco time, on the Business Day following the Business Day on which such demand is presented to us as aforesaid if such presentation is made to us at or before noon, San Francisco time, or

(ii) not later than 10:00 a.m., San Francisco time, on the second Business Day following the Business Day on which such demand is presented to us as aforesaid, if such presentation is made to us after noon, San Francisco time.

Notwithstanding the foregoing, any demand presented hereunder, in full compliance with the terms hereof, for a C Drawing will be duly honored (i) not later than 11:30 a.m., San Francisco time, on the Business Day on which such demand is presented to us as aforesaid if such presentation is made to us at or before 9:00 a.m., San Francisco time, and (ii) not later than 11:00 a.m., San Francisco time, on the Business Day following the Business Day on which such demand is presented to us as aforesaid if such presentation is made to us after 9:00 a.m., San Francisco time.

If the remittance instructions included with any demand presented under this Letter of Credit require that payment is to be made by transfer to an account with us or with another bank, we and/or such other bank may rely solely on the account number specified in such instructions even if the account is in the name of a person or entity different from the intended payee.

With respect to any demand that is honored hereunder, the total amount of this Letter of Credit shall be reduced as follows:

(A) With respect to each A Drawing paid by us, the total amount of this Letter of Credit shall be reduced by the amount of such A Drawing with respect to all demands presented to us after the time we receive such A Drawing; <u>provided, however</u>, that the amount of such A Drawing shall be automatically reinstated on the eighth (8th) Business Day following the date such A Drawing is honored by us, unless (i) you shall have received notice from us sent to you at your above address by express courier or registered mail or by facsimile transmission to the Fax Number, no later than seven (7) Business Days after such A Drawing is honored by us that there shall be no such reinstatement, or (ii) such eighth (8th) Business Day falls after the Expiration Date;

(B) With respect to each B Drawing paid by us, the total amount of this Letter of Credit shall be reduced by the sum of (1) the amount inserted as principal in paragraph 5(A) of the applicable demand plus (2) the **<u>greater</u>** of (a) the amount inserted as interest in paragraph 5(B) of the applicable demand and (b) interest on the amount inserted as principal in paragraph 5(A) of the applicable demand

calculated for 48 days at the rate of twelve percent (12%) per annum based on a year of 365 days (with any fraction of a cent being rounded upward to the nearest whole cent) with respect to all demands presented to us after the time we receive such B Drawing and shall not be reinstated;

(C) With respect to each C Drawing paid by us, the total amount of this Letter of Credit shall be reduced with respect to all demands presented to us after the time we receive such C Drawing by the sum of (1) the amount inserted as principal in paragraph 5(A) of the C Drawing plus (2) the **greater** of (a) the amount inserted as interest in paragraph 5(B) of the C Drawing and (b) interest on the amount inserted as principal in paragraph 5(A) of the C Drawing calculated for 48 days at the rate of twelve percent (12%) per annum based on a year of 365 days (with any fraction of a cent being rounded upward to the nearest whole cent); provided, however, that if the Bonds (as defined below) related to such C Drawing are remarketed and the remarketing proceeds are paid to us prior to the Expiration Date, then on the day we receive such remarketing proceeds the amount of this Letter of Credit shall be reinstated by an amount which equals the sum of (i) the amount paid to us from such remarketing proceeds and (ii) interest on such amount calculated for the same number of days, at the same interest rate, and on the basis of a year of the same number of days as is specified in (2)(b) of this paragraph (C) (with any fraction of a cent being rounded upward to the nearest whole cent), with such reinstatement and its amount being promptly advised to you; provided, however, that in no event will the total amount of all C Drawing reinstatements exceed the total amount of all Letter of Credit reductions made pursuant to this paragraph (C).

Upon presentation to us of a D Drawing in compliance with the terms of this Letter of Credit, no further demand whatsoever may be presented hereunder.

No more than one A Drawing which we honor shall be presented to us during any consecutive twenty-seven (27) calendar day period. No A Drawing which we honor shall be for an amount more than U.S. $_______.

It is a condition of this Letter of Credit that the amount available for drawing under this Letter of Credit shall be decreased automatically without amendment upon our receipt of each reduction authorization in the form of Annex E to this Letter of Credit (with all instructions therein in brackets being complied with) sent to us at the Presentation Office as a signed and dated original form or sent to us as an authenticated SWIFT message at the SWIFT Address.

This Letter of Credit is subject to, and engages us in accordance with the terms of, the Uniform Customs and Practice for Documentary Credits (2007 Revision), Publication No. 600 of the International Chamber of Commerce (the "UCP"); provided, however, that if any provision of the UCP contradicts a provision of this Letter of Credit such provision of the UCP will not be applicable to this Letter of Credit, and provided further that Article 32, the second sentence of Article 36, and subsection (e) of Article 38 of the UCP shall not apply to this Letter of Credit. Furthermore, as provided in the first sentence of Article 36 of the UCP, we assume no liability or responsibility for consequences arising out of the interruption of our business by Acts of God,

riots, civil commotions, insurrections, wars, acts of terrorism, or by any strikes or lockouts, or any other causes beyond our control. Matters related to this Letter of Credit which are not covered by the UCP will be governed by the laws of the State of California, including, without limitation, the Uniform Commercial Code as in effect in the State of California, except to the extent such laws are inconsistent with the provisions of the UCP or this Letter of Credit.

This Letter of Credit is transferable and may be transferred more than once, but in each case only in the amount of the full unutilized balance hereof to any single transferee who you shall have advised us pursuant to Annex F has succeeded The Bank of New York Mellon Trust Company, N.A. or a successor trustee as Trustee under the Trust Indenture dated as of November 1, 1994, as amended and restated by a First Supplemental Trust Indenture dated as of October 1, 2008, as further amended or supplemented from time to time (the "Indenture") between __________ County, ________ (the "Issuer") and The Bank of New York Mellon Trust Company, N.A., as Trustee, pursuant to which U.S. $_________ in aggregate principal amount of the Issuer's Pollution Control Revenue Refunding Bonds (PacifiCorp Project) Series 1994 (the "Bonds") were issued. Transfers may be effected without charge to the transferor and only through ourselves and only upon presentation to us at the Presentation Office of a duly executed instrument of transfer in the form attached hereto as Annex F. Any transfer of this Letter of Credit as aforesaid must be endorsed by us on the reverse hereof and may not change the place of presentation of demands from our Letter of Credit Operations Office in San Francisco, California.

All payments hereunder shall be made from our own funds.

This Letter of Credit sets forth in full our undertaking, and such undertaking shall not in any way be modified, amended, amplified or limited by reference to any document, instrument or agreement referred to herein (including, without limitation, the Bonds and the Indenture), except the UCP to the extent the UCP is not inconsistent with or made inapplicable by this Letter of Credit; and any such reference shall not be deemed to incorporate herein by reference any document, instrument or agreement except the UCP.

WELLS FARGO BANK, NATIONAL ASSOCIATION

By: ____________________________________
Authorized Signature

Letter of Credit Operations Office
Telephone No.: 1-800-798-2815
Facsimile No.: (415) 296-8905

WELLS FARGO BANK, NATIONAL ASSOCIATION
LETTER OF CREDIT OPERATIONS OFFICE
ONE FRONT STREET, 21ST FLOOR
SAN FRANCISCO, CALIFORNIA 94111

FOR THE URGENT ATTENTION OF LETTER OF CREDIT MANAGER

[**INSERT NAME OF BENEFICIARY**] (THE "TRUSTEE") HEREBY CERTIFIES TO WELLS FARGO BANK, NATIONAL ASSOCIATION (THE "BANK") WITH REFERENCE TO IRREVOCABLE LETTER OF CREDIT NO. __________ (THE "LETTER OF CREDIT"; THE TERMS THE "BONDS", "BUSINESS DAY", THE "INDENTURE", AND THE "PRESENTATION OFFICE" USED HEREIN SHALL HAVE THEIR RESPECTIVE MEANINGS SET FORTH IN THE LETTER OF CREDIT) THAT:

(1) THE TRUSTEE IS THE TRUSTEE OR A SUCCESSOR TRUSTEE UNDER THE INDENTURE.

(2) THE TRUSTEE IS MAKING A DEMAND UNDER THE LETTER OF CREDIT FOR PAYMENT, ON AN INTEREST PAYMENT DATE (AS DEFINED IN THE INDENTURE), OF UNPAID INTEREST ON THE BONDS.

(3) THE AMOUNT OF THIS DEMAND FOR PAYMENT WAS COMPUTED IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THE BONDS AND THE INDENTURE AND IS DEMANDED IN ACCORDANCE WITH THE INDENTURE, WHICH AMOUNT PLEASE REMIT TO THE UNDERSIGNED AS FOLLOWS:

[**INSERT REMITTANCE INSTRUCTIONS**].

(4) THE AMOUNT HEREBY DEMANDED UNDER THE LETTER OF CREDIT IS $[**INSERT AMOUNT**].

(5) THE TRUSTEE HAS CONTACTED OR ATTEMPTED TO CONTACT BY TELEPHONE AN OFFICER OF THE BANK AT THE PRESENTATION OFFICE REGARDING THE AMOUNT OF THIS DEMAND AND THE DATE AND TIME BY WHICH PAYMENT IS DEMANDED; HOWEVER, SUCH CONTACT, WHETHER OR NOT ATTEMPTED OR MADE, IS NOT A CONDITION TO HONORING THE DEMAND FOR PAYMENT MADE PURSUANT HERETO.

(6) IF THIS DEMAND IS RECEIVED AT THE PRESENTATION OFFICE BY YOU AT OR BEFORE NOON, SAN FRANCISCO TIME ON A BUSINESS DAY, YOU MUST MAKE PAYMENT ON THIS DEMAND AT OR BEFORE 10:00 A.M., SAN FRANCISCO TIME, ON THE NEXT BUSINESS DAY. IF

THIS DEMAND IS RECEIVED BY YOU AT THE PRESENTATION OFFICE AFTER NOON, SAN FRANCISCO TIME, ON A BUSINESS DAY, YOU MUST MAKE PAYMENT ON THIS DEMAND AT OR BEFORE 10:00 A.M., SAN FRANCISCO TIME, ON THE SECOND BUSINESS DAY FOLLOWING SUCH BUSINESS DAY.

[INSERT NAME OF BENEFICIARY]

[INSERT SIGNATURE AND DATE]

WELLS FARGO BANK, NATIONAL ASSOCIATION
LETTER OF CREDIT OPERATIONS OFFICE
ONE FRONT STREET, 21ST FLOOR
SAN FRANCISCO, CALIFORNIA 94111

FOR THE URGENT ATTENTION OF LETTER OF CREDIT MANAGER.

[**INSERT NAME OF BENEFICIARY**] (THE "TRUSTEE") HEREBY CERTIFIES TO WELLS FARGO BANK, NATIONAL ASSOCIATION (THE "BANK") WITH REFERENCE TO IRREVOCABLE LETTER OF CREDIT NO. __________ (THE "LETTER OF CREDIT"; THE TERMS THE "BONDS", "BUSINESS DAY", THE "INDENTURE", AND THE "PRESENTATION OFFICE" USED HEREIN SHALL HAVE THEIR RESPECTIVE MEANINGS SET FORTH IN THE LETTER OF CREDIT) THAT:

(1) THE TRUSTEE IS THE TRUSTEE OR A SUCCESSOR TRUSTEE UNDER THE INDENTURE.

(2) THE TRUSTEE IS MAKING A DEMAND UNDER THE LETTER OF CREDIT FOR PAYMENT OF THE PRINCIPAL AMOUNT OF, AND THE UNPAID INTEREST ON, REDEEMED BONDS UPON AN OPTIONAL AND/OR MANDATORY REDEMPTION OF LESS THAN ALL OF THE BONDS CURRENTLY OUTSTANDING.

(3) THE AMOUNT OF THIS DEMAND FOR PAYMENT WAS COMPUTED IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THE BONDS AND THE INDENTURE AND IS DEMANDED IN ACCORDANCE WITH THE INDENTURE, WHICH AMOUNT PLEASE REMIT TO THE UNDERSIGNED AS FOLLOWS:

[**INSERT REMITTANCE INSTRUCTIONS**].

(4) THE AMOUNT HEREBY DEMANDED UNDER THE LETTER OF CREDIT IS $[INSERT AMOUNT WHICH IS THE SUM OF THE TWO AMOUNTS INSERTED IN PARAGRAPH 5 BELOW].

(5) THE AMOUNT HEREBY DEMANDED IS EQUAL TO THE SUM OF (A) $[**INSERT AMOUNT**] BEING DRAWN WITH RESPECT TO THE PAYMENT OF THE PRINCIPAL OF THE REDEEMED BONDS AND (B) $[**INSERT AMOUNT**] BEING DRAWN WITH RESPECT TO THE PAYMENT OF THE UNPAID INTEREST ON THE REDEEMED BONDS.

(6) THE TRUSTEE HAS CONTACTED OR ATTEMPTED TO CONTACT BY TELEPHONE AN OFFICER OF THE BANK AT THE PRESENTATION OFFICE REGARDING THE AMOUNT OF THIS DEMAND AND THE DATE AND TIME BY WHICH PAYMENT IS DEMANDED; HOWEVER, SUCH

CONTACT, WHETHER OR NOT ATTEMPTED OR MADE, IS NOT A CONDITION TO HONORING THE DEMAND FOR PAYMENT MADE PURSUANT HERETO.

(7) IF THIS DEMAND IS RECEIVED BY YOU AT THE PRESENTATION OFFICE AT OR BEFORE NOON, SAN FRANCISCO TIME ON A BUSINESS DAY, YOU MUST MAKE PAYMENT ON THIS DEMAND AT OR BEFORE 10.00 A.M., SAN FRANCISCO TIME, ON THE NEXT BUSINESS DAY. IF THIS DEMAND IS RECEIVED BY YOU AT THE PRESENTATION OFFICE AFTER NOON, SAN FRANCISCO TIME, ON A BUSINESS DAY, YOU MUST MAKE PAYMENT ON THIS DEMAND AT OR BEFORE 10:00 A.M., SAN FRANCISCO TIME, ON THE SECOND BUSINESS DAY FOLLOWING SUCH BUSINESS DAY.

[INSERT NAME OF BENEFICIARY]

[INSERT SIGNATURE AND DATE]

WELLS FARGO BANK, NATIONAL ASSOCIATION
LETTER OF CREDIT OPERATIONS OFFICE
ONE FRONT STREET, 21ST FLOOR
SAN FRANCISCO, CALIFORNIA 94111

FOR THE URGENT ATTENTION OF LETTER OF CREDIT MANAGER.

[**INSERT NAME OF BENEFICIARY**] (THE "TRUSTEE") HEREBY CERTIFIES TO WELLS FARGO BANK, NATIONAL ASSOCIATION (THE "BANK") WITH REFERENCE TO IRREVOCABLE LETTER OF CREDIT NO. __________ (THE "LETTER OF CREDIT"; THE TERMS THE "BONDS", "BUSINESS DAY", THE "INDENTURE", AND THE "PRESENTATION OFFICE" USED HEREIN SHALL HAVE THEIR RESPECTIVE MEANINGS SET FORTH IN THE LETTER OF CREDIT) THAT:

(1) THE TRUSTEE IS THE TRUSTEE OR A SUCCESSOR TRUSTEE UNDER THE INDENTURE.

(2) THE TRUSTEE IS MAKING A DEMAND UNDER THE LETTER OF CREDIT FOR PAYMENT OF THE PRINCIPAL AMOUNT OF, AND INTEREST DUE ON, THOSE BONDS WHICH THE REMARKETING AGENT (AS DEFINED IN THE INDENTURE) HAS BEEN UNABLE TO REMARKET WITHIN THE TIME LIMITS ESTABLISHED IN THE INDENTURE.

(3) THE AMOUNT OF THIS DEMAND FOR PAYMENT WAS COMPUTED IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THE BONDS AND THE INDENTURE AND IS DEMANDED IN ACCORDANCE WITH THE INDENTURE, WHICH AMOUNT PLEASE REMIT TO THE UNDERSIGNED AS FOLLOWS:

[**INSERT REMITTANCE INSTRUCTIONS**].

(4) THE AMOUNT HEREBY DEMANDED UNDER THE LETTER OF CREDIT IS $[INSERT AMOUNT WHICH IS THE SUM OF THE TWO AMOUNTS INSERTED IN PARAGRAPH 5 BELOW].

(5) THE AMOUNT OF THIS DEMAND IS EQUAL TO THE SUM OF (A) $[**INSERT AMOUNT**] BEING DRAWN WITH RESPECT TO THE PAYMENT OF PRINCIPAL OF THE BONDS AND (B) $[**INSERT AMOUNT**] BEING DRAWN WITH RESPECT TO THE PAYMENT OF INTEREST DUE ON THE BONDS.

(6) THE TRUSTEE HAS CONTACTED OR ATTEMPTED TO CONTACT BY TELEPHONE AN OFFICER OF THE BANK AT THE PRESENTATION OFFICE REGARDING THE AMOUNT OF THIS DEMAND AND THE DATE AND TIME BY WHICH PAYMENT IS DEMANDED; HOWEVER, SUCH

CONTACT, WHETHER OR NOT ATTEMPTED OR MADE, IS NOT A CONDITION TO HONORING THE DEMAND FOR PAYMENT MADE PURSUANT HERETO.

(7) IF THIS DEMAND IS RECEIVED BY YOU AT THE PRESENTATION OFFICE AT OR BEFORE 9:00 A.M., SAN FRANCISCO TIME ON A BUSINESS DAY, YOU MUST MAKE PAYMENT ON THIS DEMAND AT OR BEFORE 11:30 A.M., SAN FRANCISCO TIME, ON SAID BUSINESS DAY. IF THIS DEMAND IS RECEIVED BY YOU AT THE PRESENTATION OFFICE AFTER 9:00 A.M., SAN FRANCISCO TIME, ON A BUSINESS DAY, YOU MUST MAKE PAYMENT ON THIS DEMAND AT OR BEFORE 11:00 A.M., SAN FRANCISCO TIME, ON THE BUSINESS DAY FOLLOWING SAID BUSINESS DAY.

[INSERT NAME OF BENEFICIARY]

[INSERT SIGNATURE AND DATE]

WELLS FARGO BANK, NATIONAL ASSOCIATION
LETTER OF CREDIT OPERATIONS OFFICE
ONE FRONT STREET, 21ST FLOOR
SAN FRANCISCO, CALIFORNIA 94111

FOR THE URGENT ATTENTION OF LETTER OF CREDIT MANAGER.

[**INSERT NAME OF BENEFICIARY**] (THE "TRUSTEE") HEREBY CERTIFIES TO WELLS FARGO BANK, NATIONAL ASSOCIATION (THE "BANK") WITH REFERENCE TO IRREVOCABLE LETTER OF CREDIT NO. __________ (THE "LETTER OF CREDIT"; THE TERMS THE "BONDS", "BUSINESS DAY", THE "INDENTURE", AND THE "PRESENTATION OFFICE" USED HEREIN SHALL HAVE THEIR RESPECTIVE MEANINGS SET FORTH IN THE LETTER OF CREDIT) THAT:

(1) THE TRUSTEE IS THE TRUSTEE OR A SUCCESSOR TRUSTEE UNDER THE INDENTURE.

(2) THE TRUSTEE IS MAKING A DEMAND UNDER THE LETTER OF CREDIT FOR PAYMENT OF THE TOTAL UNPAID PRINCIPAL OF, AND UNPAID INTEREST ON, ALL OF THE BONDS WHICH ARE CURRENTLY OUTSTANDING UPON (A) THE STATED MATURITY OF ALL SUCH BONDS, (B) THE ACCELERATION OF ALL SUCH BONDS FOLLOWING AN EVENT OF DEFAULT UNDER THE INDENTURE OR (C) THE REDEMPTION OF ALL SUCH BONDS.

(3) THE AMOUNT OF THIS DEMAND FOR PAYMENT WAS COMPUTED IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THE BONDS AND THE INDENTURE AND IS DEMANDED IN ACCORDANCE WITH THE INDENTURE, WHICH AMOUNT PLEASE REMIT TO THE UNDERSIGNED AS FOLLOWS:

[**INSERT REMITTANCE INSTRUCTIONS**].

(4) THE AMOUNT HEREBY DEMANDED UNDER THE LETTER OF CREDIT IS $[INSERT AMOUNT WHICH IS THE SUM OF THE TWO AMOUNTS SET FORTH IN PARAGRAPH 5, BELOW].

(5) THE AMOUNT OF THIS DEMAND IS EQUAL TO THE SUM OF (A) $[**INSERT AMOUNT**] BEING DRAWN WITH RESPECT TO THE PAYMENT OF THE UNPAID PRINCIPAL OF THE OUTSTANDING BONDS AND (B) $[**INSERT AMOUNT**] BEING DRAWN WITH RESPECT TO THE PAYMENT OF THE UNPAID INTEREST ON THE OUTSTANDING BONDS.

(6) THE TRUSTEE HAS CONTACTED OR ATTEMPTED TO CONTACT BY TELEPHONE AN OFFICER OF THE BANK AT THE PRESENTATION

OFFICE REGARDING THE AMOUNT OF THIS DEMAND AND THE DATE AND TIME BY WHICH PAYMENT IS DEMANDED; HOWEVER, SUCH CONTACT, WHETHER OR NOT ATTEMPTED OR MADE, IS NOT A CONDITION TO HONORING THE DEMAND FOR PAYMENT MADE PURSUANT HERETO.

(7) IF THIS DEMAND IS RECEIVED BY YOU AT THE PRESENTATION OFFICE AT OR BEFORE NOON, SAN FRANCISCO TIME ON A BUSINESS DAY, YOU MUST MAKE PAYMENT ON THIS DEMAND AT OR BEFORE 10:00 A.M., SAN FRANCISCO TIME, ON THE NEXT BUSINESS DAY. IF THIS DEMAND IS RECEIVED BY YOU AT THE PRESENTATION OFFICE AFTER NOON, SAN FRANCISCO TIME, ON A BUSINESS DAY, YOU MUST MAKE PAYMENT ON THIS DEMAND AT OR BEFORE 10:00 A.M., SAN FRANCISCO TIME, ON THE SECOND BUSINESS DAY FOLLOWING SUCH BUSINESS DAY.

[INSERT NAME OF BENEFICIARY]

[INSERT SIGNATURE AND DATE]

WELLS FARGO BANK, NATIONAL ASSOCIATION.
LETTER OF CREDIT OPERATIONS OFFICE
ONE FRONT STREET, 21ST FLOOR
SAN FRANCISCO, CALIFORNIA 94111

FOR THE URGENT ATTENTION OF LETTER OF CREDIT MANAGER

LETTER OF CREDIT REDUCTION AUTHORIZATION

[**INSERT NAME OF BENEFICIARY**], WITH REFERENCE TO LETTER OF CREDIT NO. __________ ISSUED BY WELLS FARGO BANK, NATIONAL ASSOCIATION (THE "BANK"), HEREBY UNCONDITIONALLY AND IRREVOCABLY REQUESTS THAT THE BANK DECREASE THE AMOUNT AVAILABLE FOR DRAWING UNDER THE LETTER OF CREDIT BY **$[INSERT AMOUNT]**.

[FOR SIGNED REDUCTION AUTHORIZATIONS ONLY]

[INSERT NAME OF BENEFICIARY]

By: **[INSERT SIGNATURE]**
TITLE: **[INSERT TITLE]**

DATE: **[INSERT DATE]**

SIGNATURE GUARANTEED BY

[INSERT NAME OF BANK]

By: ______________________________
[INSERT NAME AND TITLE]

Annex F to Wells Fargo Bank, National Association
Irrevocable Letter of Credit No. __________

WELLS FARGO BANK, NATIONAL ASSOCIATION
LETTER OF CREDIT OPERATIONS OFFICE
One Front Street, 21st Floor,
San Francisco, California, 94111

FOR THE URGENT ATTENTION OF LETTER OF CREDIT MANAGER

[INSERT DATE]

Subject: Your Letter of Credit No. __________

Ladies and Gentlemen:

For value received, we hereby irrevocably assign and transfer all of our rights under the above-captioned Letter of Credit, as heretofore and hereafter amended, extended, increased or reduced to:

____
[Name of Transferee]
____
____
____
[Address of Transferee]

By this transfer, all of our rights in the Letter of Credit are transferred to the transferee, and the transferee shall have sole rights as beneficiary under the Letter of Credit, including sole rights relating to any amendments, whether increases or extensions or other amendments, and whether now existing or hereafter made. You are hereby irrevocably instructed to advise future amendment(s) of the Letter of Credit to the transferee without our consent or notice to us.

The original Letter of Credit is returned with all amendments to this date. Please notify the transferee in such form as you deem advisable of this transfer and of the terms and conditions to this Letter of Credit, including amendments as transferred.

You are hereby advised that the transferee named above has succeeded The Bank of New York Mellon Trust Company, N.A., or a successor trustee, as Trustee under the Trust Indenture dated as of November 1, 1994, as amended and restated by a First Supplemental Trust Indenture dated as of October 1, 2008, as further amended or supplemented from time to time (the "Indenture") between County, ________ (the "Issuer") and The Bank of New York Mellon Trust Company, N.A., as Trustee, pursuant to which U. S. $_________ in aggregate principal amount of Issuer's Pollution Control Refunding Revenue Bonds (PacifiCorp Project) Series 1994 (the "Bonds") were issued.

Very truly yours,

[Insert Name of Transferor]

By: ____________________________________

[Insert Name and Title]

TRANSFEROR'S SIGNATURE GUARANTEED

By: ____________________________________

[Bank Name]

By: ____________________________________

[Insert Name and Title]

By its signature below, the undersigned transferee acknowledges that it has duly succeeded ________________________________ or a successor trustee as Trustee under the Indenture.

[Insert Name of Transferee]

By: ______________________________

[Insert Name and Title]

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POLLUTION CONTROL REVENUE REFUNDING BONDS • (PACIFICORP PROJECTS) SERIES 1994

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APPENDIX SD

PROPOSED FORM OPINION OF BOND COUNSEL

[LETTERHEAD OF CHAPMAN AND CUTLER LLP]

[DATED THE CLOSING DATE]

The Bank of New York Mellon,
Trust Company, N.A.,
as successor Trustee
2 North LaSalle Street, Suite 1020
Chicago, Illinois 60602

PacifiCorp
825 N.E. Multnomah Street,
Suite 1900
Portland, Oregon 97232-4116

Emery County, Utah
75 East Main Street
P.O. Box 907
Castle Dale, Utah 84513

Canadian Imperial Bank of Commerce
New York Branch
425 Lexington Avenue
New York, New York 10017

Re: $121,940,000
Emery County, Utah
Pollution Control Revenue Refunding Bonds
(PacifiCorp Project) Series 1994 (the *"Bonds"*)

Ladies and Gentlemen:

This opinion is being furnished in accordance with Section 4.03(a)(1) of that certain Loan Agreement, dated as of November 1, 1994, as amended and restated as of October 1, 2008 (the *"Loan Agreement"*), between Emery County, Utah (the *"Issuer"*) and PacifiCorp (the *"Company"*). Prior to the date hereof, payment of principal and purchase price of and interest on the Bonds was secured by a letter of credit issued by Wells Fargo Bank, National Association (the *"Prior Letter of Credit"*). On the date hereof, the Company desires to deliver an Irrevocable Transferable Direct Pay Letter of Credit (the *"Letter of Credit"*) to be issued by the Canadian Imperial Bank of Commerce, New York Branch (the *"Bank"*), for the benefit of the Trustee.

We have examined the law and such documents and matters as we have deemed necessary to provide this opinion letter. As to questions of fact material to the opinions expressed herein, we have relied upon the provisions of the Trust Indenture, dated as of November 1, 1994, as amended and restated as of October 1, 2008 (the *"Indenture"*), between the Issuer and The Bank of New York Mellon Trust Company, N.A., as successor trustee (the *"Trustee"*) and related documents, and upon representations, including regarding the consent of the Owners, made to us without undertaking to verify the same by independent investigation.

The terms used herein denoted by initial capitals and not otherwise defined shall have the meanings specified in the Indenture.

Based upon the foregoing and as of the date hereof, we are of the opinion that:

1. The delivery of the Letter of Credit complies with the terms of the Loan Agreement.

2. The delivery of the Letter of Credit will not adversely affect the Tax Exempt status of 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 (as defined in the Indenture) and other documents relating to the Bonds, or to review any other events that may have occurred since such approving opinion was rendered other than with respect to the Company in connection with other than with respect to the Company in connection with (a) the delivery of a Standby Bond Purchase Agreement for the Bonds, described in our opinion dated November 15, 2002, (b) the delivery of an Amended and Restated Standby Bond Purchase Agreement and the execution and delivery of a First Supplemental Trust Indenture, described in our opinions dated May 3, 2006, (c) the amendment and restatement of the Indenture and the Loan Agreement and delivery of the Prior Letter of Credit, described in our opinion dated November 19, 2008 and (d) the delivery of the Letter of Credit described herein. Accordingly, we do not express any opinion with respect to the Bonds, except as described above.

Our opinion represents our legal judgment based upon our review of the law and the facts that we deem relevant to render such opinion and is not a guarantee of a result. This opinion is given as of the date hereof and we assume no obligation to review or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

In rendering this opinion as Bond Counsel, we are passing only upon those matters set forth in this opinion and are not passing upon the adequacy, accuracy or completeness of any information furnished to any person in connection with any offer or sale of the Bonds.

Respectfully submitted,

APPENDIX SE

FORM OF LETTER OF CREDIT

CANADIAN IMPERIAL BANK OF COMMERCE, NEW YORK BRANCH
425 Lexington Avenue
New York, New York 10017

IRREVOCABLE TRANSFERABLE DIRECT PAY LETTER OF CREDIT NO. SBGT757054

Date: March __, 2015

Effective Date: March 19, 2015
Amount: USD 123,864,314.00
Expiration Date: March 19, 2017

Beneficiary:

The Bank of New York Mellon Trust Company, N.A.
as Trustee
2 North LaSalle Street, Suite 1020
Chicago, Illinois 60602, USA
Attention: Global Corporate Trust

Applicant:

PacifiCorp
825 N.E. Multnomah Street, Suite 1900
Portland, Oregon 97232-4116, USA

Dear Sir or Madam:

We hereby issue our Irrevocable Transferable Direct Pay Letter of Credit No. SBGT757054 ("***Letter of Credit***") at the request and for the account of PacifiCorp (the "***Company***") pursuant to that certain Letter of Credit and Reimbursement Agreement, dated as of March 19, 2015, between the Company and us (as amended, supplemented or otherwise modified from time to time being herein referred to as the "***Reimbursement Agreement***"), in your favor, as Trustee under the Trust Indenture, dated as of November 1, 1994 (as amended, supplemented or otherwise modified from time to time, the "***Indenture***"), between Emery County, Utah (the "***Issuer***") and you, as Trustee for the benefit of the Bondholders referred to therein, pursuant to which USD 121,940,000.00 in aggregate principal amount of the Issuer's Pollution Control Revenue Refunding Bonds (PacifiCorp Project) Series 1994 (the "***Bonds***") were issued. This Letter of Credit is only available to be drawn upon with respect to Bonds bearing interest at a rate other than a term interest rate pursuant to the Indenture. This Letter of Credit is in the total amount of USD 123,864,314.00 (subject to adjustment as provided below).

This Letter of Credit shall be effective immediately upon the Effective Date described above and shall expire upon the earliest to occur of (i) March 19, 2017, or if not a Business Day, the next succeeding Business Day (the "***Stated Expiration Date***"), (ii) four business days

following your receipt of written notice from us (A) notifying you of the occurrence and continuance of an Event of Default under the Reimbursement Agreement and stating that such notice is given pursuant to Section 9.01(g) of the Indenture, or (B) notifying you, not later than the seventh (7th) Business Day following the date we honor a Regular Drawing against the Interest Component, stating that such notice is being given pursuant to Section 3.02(a)(iv) of the Indenture and that this Letter of Credit will not be reinstated in accordance with its terms, (iii) the date on which we receive a written and completed certificate signed by you in the form of Exhibit 5 attached hereto, (iv) the date which is 15 days following the Conversion Date for all Bonds remaining outstanding to a term interest rate pursuant to the Indenture as such date is specified in a written and completed certificate signed by you in the form of Exhibit 6 attached hereto and (v) the date on which we receive and honor a written and completed certificate signed by you in the form of Exhibit 1, Exhibit 2 or Exhibit 3 attached hereto, stating that the drawing thereunder is the final drawing under the Letter of Credit (such earliest date being the "***Cancellation Date***").

Prior to the Cancellation Date, we may extend the Stated Expiration Date from time to time at the request of the Company by delivering to you an amendment to this Letter of Credit in the form of Exhibit 8 attached hereto designating the date to which the Stated Expiration Date is being extended. Each such extension of the Stated Expiration Date shall become effective on the date of such amendment and thereafter all references in this Letter of Credit to the Stated Expiration Date shall be deemed to be references to the date designated as such in such amendment. Any date to which the Stated Expiration Date has been extended as herein provided may be extended in a like manner.

The aggregate amount which may be drawn under this Letter of Credit, subject to reductions in amount and reinstatement as provided below, is USD 123,864,314.00, of which the aggregate amounts set forth below may be drawn as indicated.

(i) An aggregate amount not exceeding USD 121,940,000.00, as such amount may be reduced and restored as provided below, may be drawn in respect of payment of principal of the Bonds (or the portion of the purchase price of Bonds corresponding to principal) (the "***Principal Component***").

(ii) An aggregate amount not exceeding USD 1,924,314, as such amount may be reduced and restored as provided below, may be drawn in respect of the payment of up to 48 days' interest on the principal amount of the Bonds computed at a maximum rate of 12% *per annum* calculated on the basis of a 365-day year (or the portion of the purchase price of Bonds corresponding thereto) (the "***Interest Component***").

The Principal Component and the Interest Component shall be reduced effective upon our receipt of a certificate in the form of Exhibit 4 attached hereto completed in strict compliance with the terms hereof.

The presentation of a certificate requesting a drawing hereunder, in strict compliance with the terms hereof shall be a "***Drawing***"; a Drawing in respect of a regularly scheduled interest payment or payment of principal of and interest on the Bonds upon scheduled or accelerated maturity shall be a "***Regular Drawing***"; a Drawing to pay principal of and interest on

Bonds upon redemption of the Bonds in whole or in part shall be a "***Redemption Drawing***"; and a Drawing to pay the purchase price of Bonds in accordance with Section 3.01, 3.02, 3.03 or 3.04 of the Indenture shall be a "***Tender Drawing***".

Upon our honoring of any Regular Drawing hereunder, the Principal Component and the Interest Component shall be reduced immediately following such honoring, in each case by an amount equal to the respective component of the amount specified in such certificate; *provided*, *however*, that, unless the Cancellation Date shall have occurred, the amount of any Regular Drawing hereunder drawn against the Interest Component shall be automatically reinstated as of the close of business in New York on the eighth (8th) Business Day following the date of such honoring by such amount so drawn against the Interest Component, unless you shall have received written notice from us no later than the seventh (7th) Business Day following the date of such honoring, stating that this Letter of Credit will not be reinstated in accordance with its terms.

Upon our honoring of any Redemption Drawing hereunder, the Principal Component shall be reduced immediately following such honoring by an amount equal to the principal amount of the Bonds to be redeemed with the proceeds of such Redemption Drawing and the Interest Component shall be reduced immediately following such honoring by an amount equal to 48 days' interest on such principal amount of the Bonds to be redeemed computed at a maximum rate of 12% *per annum* calculated on the basis of a 365-day year.

Upon our honoring of any Tender Drawing hereunder, the Principal Component and the Interest Component shall be reduced immediately following such honoring, in each case by an amount equal to the respective component of the amount specified in such certificate. Unless the Cancellation Date shall have occurred, promptly upon our having been reimbursed by or for the account of the Company in respect of any Tender Drawing, together with interest, if any, owing thereon pursuant to the Reimbursement Agreement, the Principal Component and the Interest Component, respectively, shall be reinstated when and to the extent of such reimbursement. Upon your telephone request, we will confirm reinstatement pursuant to this paragraph.

Funds under this Letter of Credit are available to you against the appropriate certificate specified below, duly executed by you and appropriately completed.

Type of Drawing	Exhibit Setting Forth Form of Certificate Required
Regular Drawing	Exhibit 1
Tender Drawing	Exhibit 2
Redemption Drawing	Exhibit 3

Drawing certificates and other certificates hereunder shall be dated the date of presentation and shall be presented on a business day (as hereinafter defined) by delivery via a nationally recognized overnight courier to our office located at Canadian Imperial Bank of Commerce, New York Branch, 425 Lexington Avenue, New York, New York 10017, with a copy transmitted by facsimile to our global operations center in Toronto, Canada and addressed

in accordance with the Reimbursement Agreement (or at any other office which may be designated by us by written notice delivered to you at least 15 days prior to the applicable date of Drawing) (the "***Bank's Office***"). The certificates you are required to submit to us may be submitted to us by facsimile transmission to (905) 948-1934, or any other facsimile number(s) which may be designated by us by written notice delivered to you at least 15 days prior to the applicable date of Drawing. You shall use your best efforts to confirm such notice of a Drawing by telephone to the following number (or any other telephone number which may be designated by us by written notice delivered to you at least 15 days prior to the applicable date of Drawing): (416) 542—4343 (Betty Scheubel) or (416) 542-4344 (Frederick Page), but such telephonic notice shall not be a condition to a Drawing hereunder. If we receive your certificate(s) at such office, all in strict conformity with the terms and conditions of this Letter of Credit, (i) with respect to any Regular Drawing or Redemption Drawing, at or before 3:00 P.M. (New York City time), we will honor such Drawing(s) at or before 1:00 P.M. (New York City time), on the second succeeding business day, and (ii) with respect to any Tender Drawing, at or before 12:00 noon (New York City time), on a business day on or before the Cancellation Date, we will honor such Drawing(s) at or before 2:30 P.M. (New York City time), on the same business day, in accordance with your payment instructions; *provided*, *however*, that you will use your best efforts to give us telephonic notification of any such pending presentation to the telephone numbers designated above, (A) with respect to any Regular Drawing or Redemption Drawing, at or before 10:00 A.M. (New York City time) on the next preceding business day, (B) with respect to any Tender Drawing to pay the purchase price of Bonds in accordance with Section 3.01 or 3.02 of the Indenture, at or before 10:00 A.M. (New York City time) on the same business day and (C) with respect to any Tender Drawing to pay the purchase price of Bonds in accordance with Section 3.03 or 3.04 of the Indenture, at or before 12:00 noon (New York City time) on the next preceding business day. If we receive your certificate(s) at such office, all in strict conformity with the terms and conditions of this Letter of Credit (i) after 3:00 P.M. (New York City time), in the case of a Regular Drawing or a Redemption Drawing, on any business day on or before the Cancellation Date, we will honor such certificate(s) at or before 1:00 P.M. (New York City time) on the third succeeding business day, or (ii) after 12:00 noon (New York City time), in the case of a Tender Drawing, on any business day on or before the Cancellation Date, we will honor such certificate(s) at or before 2:30 P.M. (New York City time) on the next succeeding business day. Payment under this Letter of Credit will be made by wire transfer of Federal Funds to your account with any bank that is a member of the Federal Reserve System. All payments made by us under this Letter of Credit will be made with our own funds and not with any funds of the Company, its affiliates or the Issuer. As used herein, "***business day***" means a day except a Saturday, Sunday or other day (i) on which banking institutions in the city or cities in which the designated office under the Indenture of the Trustee, the remarketing agent under the Indenture or the paying agent under the Indenture or the office of the Bank which will honor draws upon this Letter of Credit are located are required or authorized by law or executive order to close or are closed, or (ii) on which the New York Stock Exchange or remarketing agent under the Indenture is closed.

This Letter of Credit is transferable in its entirety (but not in part) to any transferee who has succeeded you as Trustee under the Indenture, and such transferred Letter of Credit may be successively transferred to any successor Trustee thereunder, but may not be assigned, transferred or conveyed under any other circumstance. Transfer of the available balance under this Letter of Credit to such transferee shall be effected by the presentation to us of this Letter of

Credit and all amendments hereto, accompanied by a certificate in the form set forth in Exhibit 7. Upon such transfer, we will endorse the transfer on the reverse of this Letter of Credit and forward it directly to such transferee with our customary notice of transfer. In connection with such transfer, a transfer fee will be charged to the account of the Applicant, but the payment of such fee will not be a condition to the effectiveness of such transfer.

This Letter of Credit may not be transferred to any person with which U.S. persons are prohibited from doing business under U.S. Foreign Assets Control Regulations or other applicable U.S. laws and Regulations.

Except as otherwise provided herein, this Letter of Credit shall be governed by and construed in accordance with International Standby Practices, Publication No. 590 of the International Chamber of Commerce ("***ISP98***"). As to matters not covered by ISP98 and to the extent not inconsistent with ISP98 or made inapplicable by this Letter of Credit, this Letter of Credit shall be governed by the laws of the State of New York, including the Uniform Commercial Code as in effect in the State of New York.

This Letter of Credit sets forth in full our undertaking, and such undertaking shall not in any way be modified, amended, amplified or limited by reference to any document, instrument or agreement referred to herein (including, without limitation, the Bonds and the Indenture), except only the certificates referred to herein; and any such reference shall not be deemed to incorporate herein by reference any document, instrument or agreement except for such certificates. Whenever and wherever the terms of this Letter of Credit shall refer to the purpose of a Drawing hereunder, or the provisions of any agreement or document pursuant to which such Drawing may be made hereunder, such purpose or provisions shall be conclusively determined by reference to the statements made in the certificate accompanying such Drawing.

IN WITNESS WHEREOF, the Bank has caused this Letter of Credit to be duly executed and delivered as of the date first above written.

CANADIAN IMPERIAL BANK OF COMMERCE, NEW YORK BRANCH

By ____
Name:
Title:

By ___________________________________
Name:
Title:

EXHIBIT 1

REGULAR DRAWING CERTIFICATE

The undersigned, a duly authorized officer of The Bank of New York Mellon Trust Company, N.A., as Trustee (the "***Trustee***"), hereby certifies as follows to Canadian Imperial Bank of Commerce, New York Branch (the "***Bank***"), with reference to Irrevocable Transferable Direct Pay Letter of Credit No. SBGT757054 (the "***Letter of Credit***"), issued by the Bank in favor of the Trustee. Terms defined in the Letter of Credit and used but not defined herein shall have the meanings given them in the Letter of Credit.

(1) The Trustee is the Trustee under the Indenture for the holders of the Bonds.

(2) The respective amounts of principal of and interest on the Bonds, which do not exceed the Principal Component and Interest Component, respectively, under the Letter of Credit, which are due and payable (or which have been declared to be due and payable) and with respect to the payment of which the Trustee is presenting this Certificate, are as follows:

Principal: USD __________

Interest: USD __________

(3) The respective portions of the amount of this Certificate in respect of payment of principal of and interest on the Bonds have been computed in accordance with (and this Certificate complies with) the terms and conditions of the Bonds and the Indenture.

(4) Please send the payment requested hereunder by wire transfer to [insert wire transfer instructions].

[(5) This Certificate is being presented upon the [scheduled maturity of the Bonds] [accelerated maturity of the Bonds pursuant to the Indenture][*] and is the final Drawing under the Letter of Credit in respect of principal of and interest on the Bonds. Upon the honoring of this Certificate, the Letter of Credit will expire in accordance with its terms. The original of the Letter of Credit, together with all amendments, is returned herewith.][**]

IN WITNESS WHEREOF, the Trustee has executed and delivered this Certificate as of the _____ day of __________, 20___.

---

* Insert appropriate bracketed language.

** To be used upon scheduled or accelerated maturity of the Bonds.

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A., as Trustee

By: ____________________________________

Title: __________________________________

EXHIBIT 2

TENDER DRAWING CERTIFICATE

The undersigned, a duly authorized officer of The Bank of New York Mellon Trust Company, N.A., as Trustee (the "***Trustee***"), hereby certifies as follows to Canadian Imperial Bank of Commerce, New York Branch (the "***Bank***"), with reference to Irrevocable Transferable Direct Pay Letter of Credit No. SBGT757054 (the "***Letter of Credit***"), issued by the Bank in favor of the Trustee. Terms defined in the Letter of Credit and used but not defined herein shall have the meanings given them in the Letter of Credit.

(1) The Trustee is the Trustee under the Indenture for the holders of the Bonds.

(2) The amount of the Tender Drawing under this Certificate to pay the portion of the purchase price of the Bonds corresponding to principal as of __________ (the "***Purchase Date***") is USD __________, which does not exceed the Principal Component under the Letter of Credit.

(3) The amount of the Tender Drawing under this Certificate to pay the portion of the purchase price of the Bonds corresponding to interest due as of the Purchase Date is USD __________,[***] which does not exceed the Interest Component under the Letter of Credit.

(4) The total amount of the Tender Drawing under this Certificate is USD __________.

(5) The respective portions of the total amount of this Certificate have been computed in accordance with (and this Certificate complies with) the terms and conditions of the Bonds and the Indenture.

(6) The Trustee or the Custodian under the Custodian and Pledge Agreement referred to below will register or cause to be registered in the name of the Company, upon payment of the amount drawn hereunder, Bonds in the principal amount of the Bonds being purchased with the amounts drawn hereunder and will hold such Bonds in accordance with the provisions of the Custodian and Pledge Agreement, dated as of March 19, 2015, among the Company, the Bank and The Bank of New York Mellon Trust Company, N.A., as Custodian, as amended or otherwise modified from time to time.

(7) Please send the payment requested hereunder by wire transfer to [insert wire transfer instructions].

[***] Assuming payment under the Letter of Credit pursuant to a Regular Drawing for interest on the Bonds due and payable on or after the date of this Certificate but prior to the Purchase Date.

IN WITNESS WHEREOF, the Trustee has executed and delivered this Certificate as of the _____ day of __________, 20___.

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A., as Trustee
By: ____
Its: ____

EXHIBIT 3

REDEMPTION DRAWING CERTIFICATE

The undersigned, a duly authorized officer of The Bank of New York Mellon Trust Company, N.A., as Trustee (the "***Trustee***"), hereby certifies as follows to Canadian Imperial Bank of Commerce, New York Branch (the "***Bank***"), with reference to Irrevocable Transferable Direct Pay Letter of Credit No. SBGT757054 (the "***Letter of Credit***"), issued by the Bank in favor of the Trustee. Terms defined in the Letter of Credit and used but not defined herein shall have the meanings given them in the Letter of Credit.

(1) The Trustee is the Trustee under the Indenture for the holders of the Bonds.

(2) The amount of the Redemption Drawing to pay the portion of the redemption price of the Bonds corresponding to principal is USD __________, which does not exceed the Principal Component under the Letter of Credit.

(3) The amount of the Redemption Drawing under this Certificate to pay the portion of the redemption price of the Bonds corresponding to interest is USD __________, which does not exceed the Interest Component under the Letter of Credit.

(4) The total amount of the Redemption Drawing under this Certificate is USD __________.

(5) The respective portions of the total amount of this Certificate have been computed in accordance with (and this Certificate complies with) the terms and conditions of the Bonds and the Indenture.

(6) Please send the payment requested hereunder by wire transfer to [insert wire transfer instructions].

[(7) This Certificate is the final Drawing under the Letter of Credit and, upon the honoring of such Certificate, the Letter of Credit will expire in accordance with its terms. The original of the Letter of Credit, together with all amendments, is returned herewith.][****]

IN WITNESS WHEREOF, the Trustee has executed and delivered this Certificate as of the _____ day of __________, 20___.

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A., as Trustee

By: ____________________________________

Its: ___________________________________

[****] To be used upon optional or mandatory redemption of the Bonds in full.

EXHIBIT 4

REDUCTION CERTIFICATE

The undersigned, a duly authorized officer of The Bank of New York Mellon Trust Company, N.A., as Trustee (the "***Trustee***"), hereby certifies as follows to Canadian Imperial Bank of Commerce, New York Branch (the "***Bank***"), with reference to Irrevocable Transferable Direct Pay Letter of Credit No. SBGT757054 (the "***Letter of Credit***"), issued by the Bank in favor of the Trustee. Terms defined in the Letter of Credit and used but not defined herein shall have the meanings given them in the Letter of Credit.

(1) The Trustee is the Trustee under the Indenture for the holders of the Bonds.

(2) The aggregate principal amount of the Bonds outstanding (as defined in the Indenture) has been reduced to USD __________.

(3) The Principal Component is hereby correspondingly reduced to USD __________.

(4) The Interest Component is hereby reduced to USD __________, equal to 48 days' interest on the reduced amount of principal set forth in paragraph (2) hereof computed at a maximum rate of 12% *per annum* calculated on the basis of a 365-day year.

IN WITNESS WHEREOF, the Trustee has executed and delivered this Certificate as of the _____ day of __________, 20___.

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A., as Trustee
By: ____________________________________
Its: ____________________________________

EXHIBIT 5

TERMINATION CERTIFICATE

The undersigned, a duly authorized officer of The Bank of New York Mellon Trust Company, N.A., as Trustee (the "***Trustee***"), hereby certifies to Canadian Imperial Bank of Commerce, New York Branch (the "***Bank***"), with reference to Irrevocable Transferable Direct Pay Letter of Credit No. SBGT757054 (the "***Letter of Credit***"; the terms defined therein and not otherwise defined herein being used herein as therein defined) issued by the Bank in favor of the Trustee, as follows:

(1) The Trustee is the Trustee under the Indenture for the holders of the Bonds.

(2) The conditions to termination of the Letter of Credit set forth in the Indenture have been satisfied, and accordingly, said Letter of Credit has terminated in accordance with its terms.[*****]

(3) The original of the Letter of Credit and all amendments thereto are returned herewith.

IN WITNESS WHEREOF, the Trustee has executed and delivered this Certificate as of the _____ day of __________, 20___.

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A., as Trustee
By: ____________________________________
Its: ____________________________________

[*****] To be used upon cancellation due to the Trustee's acceptance of an Alternate Credit Facility pursuant to the Indenture, upon Trustee's confirmation that no Bonds remain outstanding or upon termination pursuant to Section 6.04 of the Indenture.

EXHIBIT 6

NOTICE OF CONVERSION

The undersigned, a duly authorized officer of The Bank of New York Mellon Trust Company, N.A. (the "***Trustee***"), hereby certifies to Canadian Imperial Bank of Commerce, New York Branch (the "***Bank***"), with reference to Irrevocable Transferable Direct Pay Letter of Credit No. SBGT757054 (the "***Letter of Credit***"; the terms defined therein and not otherwise defined herein being used herein as therein defined) issued by the Bank in favor of the Trustee, as follows:

(1) The Trustee is the Trustee under the Indenture for the holders of the Bonds.

(2) The interest rate on all Bonds remaining outstanding have been converted to a term interest rate pursuant to the Indenture on __________ (the "***Conversion Date***"), and accordingly, said Letter of Credit shall terminate fifteen (15) days after such Conversion Date in accordance with its terms.

(3) The original of the Letter of Credit and all amendments thereto are returned herewith.

IN WITNESS WHEREOF, the Trustee has executed and delivered this Certificate as of the _____ day of __________, 20___.

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A., as Trustee
By: ____________________________________
Its: ____________________________________

EXHIBIT 7

INSTRUCTIONS TO TRANSFER

_______________, 20___

Canadian Imperial Bank of Commerce, New York Branch
425 Lexington Ave
New York, New York 10017

RE: Canadian Imperial Bank of Commerce, New York Branch,
Irrevocable Transferable Direct Pay Letter of Credit No. SBGT757054

Ladies and Gentlemen:

The undersigned, as Trustee under the Trust Indenture, dated as of November 1, 1994 (as amended, supplemented or otherwise modified from time to time, the "***Indenture***"), between Emery County, Utah and The Bank of New York Mellon Trust Company, N.A., is named as beneficiary in the Letter of Credit referred to above (the "***Letter of Credit***"). The transferee named below has succeeded the undersigned as Trustee under the Indenture.

____
(Name of Transferee)

____
(Address)

Therefore, for value received, the undersigned hereby irrevocably instructs you to transfer to such transferee all rights of the undersigned to draw under the Letter of Credit.

By this transfer, all rights of the undersigned in the Letter of Credit are transferred to such transferee and such transferee shall hereafter have the sole rights as beneficiary under the Letter of Credit; *provided, however,* that no rights shall be deemed to have been transferred to such transferee until such transfer complies with the requirements of the Letter of Credit pertaining to transfers. The undersigned transferor confirms that the transferor no longer has any rights under or interest in the Letter of Credit. All amendments are to be advised directly to the transferee without the necessity of any consent of or notice to the undersigned transferor.

The original of such Letter of Credit and all amendments are being returned herewith, and in accordance therewith we ask you to endorse the within transfer on the reverse thereof and forward it directly to the transferee with your customary notice of transfer.

IN WITNESS WHEREOF, the undersigned has executed and delivered this Certificate as of the _____ day of __________, 20___.

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A., as transferor
By: ____________________________________
Its: ____________________________________

[NAME OF TRANSFEREE], as transferee
By: ____________________________________
Its: ____________________________________

EXHIBIT 8

EXTENSION AMENDMENT

Canadian Imperial Bank of Commerce, New York Branch
425 Lexington Ave
New York, New York 10017

RE: Irrevocable Transferable Direct Pay Letter of Credit No. SBGT757054

Dated: __________________

Beneficiary:	Applicant:
The Bank of New York Mellon Trust Company, N.A., as Trustee 2 North LaSalle Street, Suite 1020 Chicago, Illinois 60602, USA Attention: Global Corporate Trust	PacifiCorp 825 N.E. Multnomah Street, Suite 1900 Portland, Oregon 97232-4116, USA

We hereby amend our Irrevocable Transferable Direct Pay Letter of Credit No. SBGT757054 as follows:

Amendment Sequence Number: _____

Stated Expiration Date is extended to: ______________________

All other terms and conditions remain unchanged. This Amendment is to be considered an integral part of the Letter of Credit and must be attached thereto.

CANADIAN IMPERIAL BANK OF COMMERCE,
NEW YORK BRANCH

__________________________	___________________________________
Authorized Signature	Authorized Signature
___________________________________	___________________________________
Authorized Signer	*Authorized Signer*

LETTER OF CREDIT AND REIMBURSEMENT AGREEMENT

Dated as of March 19, 2015

between

PACIFICORP

and

CANADIAN IMPERIAL BANK OF COMMERCE, NEW YORK BRANCH,

relating to

$121,940,000 Emery County, Utah
Pollution Control Revenue Refunding Bonds (PacifiCorp Project) Series 1994

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Exhibit B	-	*Form of Custodian Agreement*
Exhibit C	-	*Form of Assignment and Assumption Agreement*
Exhibit D	-	*Form of Opinion of* [REDACTED]*., Counsel to the Company*
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SCHEDULES

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LETTER OF CREDIT AND
REIMBURSEMENT AGREEMENT

LETTER OF CREDIT AND REIMBURSEMENT AGREEMENT, dated as of March 19, 2015, between:

(i) PACIFICORP, an Oregon corporation (the "***Company***"); and

(ii) CANADIAN IMPERIAL BANK OF COMMERCE, NEW YORK BRANCH (the "***Bank***").

PRELIMINARY STATEMENTS

(1) Emery County, Utah (the "***Issuer***") has caused to be issued, sold and delivered, pursuant to a Trust Indenture, dated as of November 1, 1994 (as amended from time to time in accordance with the terms thereof and through the date hereof, the "***Indenture***"), between the Issuer and The Bank of New York Mellon Trust Company, N.A., as trustee (such entity, or its successor as trustee, being the "***Trustee***"), U.S.$121,940,000 original aggregate principal amount of Emery County, Utah Pollution Control Revenue Refunding Bonds (PacifiCorp Project) Series 1994 (the "***Bonds***") to various purchasers.

(2) Pursuant to a Bond Letter of Credit Agreement, dated as of November 19, 2008 and an Amended and Restated Letter of Credit Agreement, dated as of March 27, 2013 (as amended from time to time in accordance with the terms thereof and through the date hereof, the "***Existing LC Agreement***"), between the Company and Wells Fargo Bank, National Association (the "***Existing LC Issuing Bank***"), the Company requested, and the Existing LC Issuing Bank issued, a standby letter of credit in an original face amount of U.S.$123,864,314.00 (as such letter of credit has been amended from time to time through the date hereof, the "***Existing LC***").

(3) The Existing LC is expiring, and in order to replace it, the Company has requested that the Bank issue, and the Bank agrees to issue, on the terms and conditions set forth in this Agreement, its Irrevocable Transferable Letter of Credit No. [redacted], in favor of the Trustee in the stated amount of U.S.$123,864,314.00, a form of which is attached hereto as Exhibit A (such letter of credit, as it may from time to time be extended or amended pursuant to the terms of this Agreement (as defined below), the "***Letter of Credit***"), of which (i) U.S.$121,940,000 shall support the payment of principal of the Bonds, and (ii) U.S.$1,924,314 shall support the payment of up to 48 days' interest on the principal amount of the Bonds computed at a maximum rate of 12.0% *per annum* (calculated on the basis of a year of 365 days for the actual days elapsed).

NOW, THEREFORE, in consideration of the premises and in order to induce the Bank to issue and maintain the Letter of Credit as provided herein, the parties hereto agree as follows:

ARTICLE I.

DEFINITIONS

SECTION 1.01. Certain Defined Terms. As used in this Agreement, the following terms shall have the following meanings (such meanings to be equally applicable to both the singular and plural forms of the terms defined):

"***Affiliate***" means, as to any Person, any other Person that, directly or indirectly, controls, is controlled by or is under common control with such Person or is a director or officer of such Person.

"***Agreement***" means this Letter of Credit and Reimbursement Agreement, as it may be amended, supplemented or otherwise modified in accordance with the terms hereof at any time and from time to time.

"***Applicable Booking Office***" means with respect to the Bank, the office of the Bank specified as such below its name on its signature page hereto or, as to any Bank Assignee, the office specified in the Assignment and Acceptance pursuant to which it became a Bank, or such other office of such Bank as such Bank may from time to time specify to the Company.

"***Applicable Law***" means (i) all applicable common law and principles of equity and (ii) all applicable provisions of all (A) constitutions, statutes, rules, regulations and orders of all Governmental Authorities, (B) Governmental Approvals and (C) orders, decisions, judgments and decrees of all courts (whether at law or in equity or admiralty) and arbitrators.

"***Applicable Margin***" means an interest rate equal to 0.65% *per annum*.

"***Assignment and Assumption***" means an Assignment and Assumption Agreement, substantially in the form of Exhibit C attached hereto, entered into by and between Bank and a Bank Assignee as provided in Section 7.09 of this Agreement.

"***Bank***" has the meaning assigned to that term in the preamble hereto, and includes its successors and permitted assigns.

"***Bank Assignee***" has the meaning assigned to that term in Section 7.09(a).

"***Bank Bond CUSIP Number***" means, with respect to any Bond that becomes a Pledged Bond (as defined in the Indenture), 291147 CE4.

"***Base Rate***" means, for any day, a rate of interest *per annum* equal to the highest of (i) the Prime Rate for such day, (ii) the sum of the Federal Funds Rate for such day plus 0.50% *per annum* and (iii) One-Month LIBOR for such day plus 1% *per annum*.

"***Bonds***" has the meaning assigned to that term in the Preliminary Statements hereto.

"***Business Day***" means a day except a Saturday, Sunday or other day (i) on which banking institutions in the city or cities in which the "Principal Office of the Trustee", the

"Principal Office of the Remarketing Agent" or the "Principal Office of the Paying Agent" (each as defined in the Indenture) or the office of the Bank which will honor draws upon the Letter of Credit are located are required or authorized by law or executive order to close, or (ii) on which the New York Stock Exchange or the Remarketing Agent is closed.

"***Cancellation Date***" has the meaning assigned to that term in the Letter of Credit.

"***Change in Law***" means the occurrence, after the date of this Agreement, of any of the following: (i) the adoption of any law, rule, regulation or treaty, (ii) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (iii) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any Governmental Authority; *provided* that notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives (whether or not having the force of law) thereunder or issued in connection therewith and (y) all requests, rules, guidelines or directives (whether or not having the force of law) promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a "***Change in Law***", regardless of the date enacted, adopted or issued.

"***Change of Control***" has the meaning specified in Section 6.01(i).

"***Commitment***" means, as to the Bank, the obligation of the Bank to issue and maintain the Letter of Credit in a face amount not to exceed U.S.$123,864,314.00 (as such amount may be amended in connection with an assignment pursuant to Section 7.09 of this Agreement), and as to any Bank Assignee and participant, its proportionate share of the Bank's obligations under the Letter of Credit and this Agreement as set forth in its assignment or participation documents.

"***Company***" has the meaning assigned to that term in the preamble hereto.

"***Consolidated Assets***" means, on any date of determination, the total of all assets (including revaluations thereof as a result of commercial appraisals, price level restatement or otherwise) appearing on the consolidated balance sheet of the Company and its Consolidated Subsidiaries most recently delivered to the Bank pursuant to Section 5.01(h) as of such date of determination.

"***Consolidated Capital***" means the sum (without duplication) of (i) Consolidated Debt of the Company (without giving effect to the proviso in the definition of Consolidated Debt) and (ii) consolidated equity of all classes (whether common, preferred, mandatorily convertible preferred or preference) of the Company.

"***Consolidated Debt***" of the Company means the total principal amount of all Debt of the Company and its Consolidated Subsidiaries; *provided* that Guaranties of Debt shall not be included in such total principal amount.

"***Consolidated Subsidiary***" means, with respect to any Person at any time, any Subsidiary or other Person the accounts of which would be consolidated with those of such first Person in its consolidated financial statements in accordance with GAAP.

"***Credit Documents***" means this Agreement, the Custodian Agreement, the Fee Letter and any and all other instruments and documents executed and delivered by the Company in connection with any of the foregoing.

"***Custodian***" means The Bank of New York Mellon Trust Company, N.A., in its capacity as Custodian under the Custodian Agreement, together with its successors and assigns in such capacity.

"***Custodian Agreement***" means the Custodian and Pledge Agreement of even date herewith among the Company, the Bank and the Custodian, substantially in the form of Exhibit B attached hereto.

"***Date of Issuance***" means the date of issuance of the Letter of Credit.

"***Debt***" of any Person means, at any date, without duplication, (i) all indebtedness of such Person for borrowed money, (ii) all obligations of such Person for the deferred purchase price of property or services (other than trade payables incurred in the ordinary course of such Person's business), (iii) all obligations of such Person evidenced by notes, bonds, debentures or other similar instruments, (iv) all obligations of such Person as lessee under leases that have been, in accordance with GAAP, recorded as capital leases, (v) all obligations of such Person in respect of reimbursement agreements with respect to acceptances, letters of credit (other than trade letters of credit) or similar extensions of credit, and (vi) all Guaranties. Solely for the purpose of calculating compliance with the covenant in Section 5.02, Debt shall not include Debt of the Company or its Consolidated Subsidiaries arising from the qualification of an arrangement as a lease due to that arrangement conveying the right to use or to control the use of property, plant or equipment under the application of the Financial Accounting Standards Board's Accounting Standards Codification Topic 840 – Leases paragraph 840-10-15-6, nor shall Debt include Debt of any variable interest entity consolidated by the Company under the requirements of Topic 810 – Consolidation.

"***Default***" means any Event of Default or any event that would constitute an Event of Default but for the requirement that notice be given or time elapse or both.

"***Default Rate***" means a fluctuating interest rate equal to (i) in the case of any amount of overdue principal with respect to any Reimbursement Obligation a rate *per annum* equal to the Base Rate *plus* the Applicable Margin *plus* 2%, and (ii) in all other cases, 2% *per annum* above the Base Rate in effect from time to time.

"***Demanding Entity***" has the meaning assigned to that term in Section 7.09(h) of this Agreement.

"***Dollars***" and "***$***" means the lawful currency of the United States.

"***Electronic Transmission***" means a writing or other communication delivered by the Company, to the Bank by e-mail transmission addressed to: [redacted] and [redacted] (or to such other e-mail address as the Bank may designate from time to time) and including, but not limited to, documents and writings attached in Portable Document Format.

"***Environmental Laws***" means any federal, state, local or foreign statute, law, ordinance, rule, regulation, code, order, judgment, decree or judicial or agency interpretation, policy or guidance relating to pollution or protection of the environment, health, safety or natural resources, including, without limitation, those relating to the use, handling, transportation, treatment, storage, disposal, release or discharge of Hazardous Materials.

"***ERISA***" means the Employee Retirement Income Security Act of 1974, and the regulations promulgated and rulings issued thereunder, each as amended, modified and in effect from time to time.

"***ERISA Affiliate***" means, with respect to any Person, each trade or business (whether or not incorporated) that is considered to be a single employer with such entity within the meaning of Section 414(b), (c), (m) or (o) of the Internal Revenue Code.

"***ERISA Event***" means (i) any "reportable event," as defined in Section 4043 of ERISA with respect to a Pension Plan (other than an event as to which the PBGC has waived the requirement of Section 4043(a) of ERISA that it be notified of such event); (ii) the failure to make a required contribution to any Pension Plan that would result in the imposition of a lien or other encumbrance or the provision of security under Section 430 of the Internal Revenue Code or Section 303 or 4068 of ERISA, or there being or arising any "unpaid minimum required contribution" or "accumulated funding deficiency" (as defined or otherwise set forth in Section 4971 of the Internal Revenue Code or Part 3 of Subtitle B of Title I of ERISA), whether or not waived, or the filing of any request for or receipt of a minimum funding waiver under Section 412 of the Internal Revenue Code with respect to any Pension Plan or Multiemployer Plan, or a determination that any Pension Plan is, or is reasonably expected to be, in at-risk status under Title IV of ERISA; (iii) the filing of a notice of intent to terminate any Pension Plan, if such termination would require material additional contributions in order to be considered a standard termination within the meaning of Section 4041(b) of ERISA, the filing under Section 4041(c) of ERISA of a notice of intent to terminate any Pension Plan, or the termination of any Pension Plan under Section 4041(c) of ERISA; (iv) the institution of proceedings, or the occurrence of an event or condition that would reasonably be expected to constitute grounds for the institution of proceedings by the PBGC, under Section 4042 of ERISA, for the termination of, or the appointment of a trustee to administer, any Pension Plan; (v) the complete or partial withdrawal of the Company or any of its ERISA Affiliates from a Multiemployer Plan, the reorganization or insolvency under Title IV of ERISA of any Multiemployer Plan, or the receipt by the Company or any of its ERISA Affiliates of any notice that a Multiemployer Plan is in endangered or critical status under Section 305 of ERISA; (vi) the failure by the Company or any of its ERISA Affiliates to comply with ERISA or the related provisions of the Internal Revenue Code with respect to any Pension Plan; (vii) the Company or any of its ERISA Affiliates incurring any liability under Title IV of ERISA with respect to any Pension Plan (other than premiums due and

not delinquent under Section 4007 of ERISA); or (viii) the failure by the Company or any of its Subsidiaries to comply with Applicable Law with respect to any Foreign Plan.

"***Event of Default***" has the meaning assigned to that term in Section 6.01.

"***Extension Certificate***" has the meaning assigned to that term in Section 2.12.

"***Federal Funds Rate***" means, for any period, a fluctuating interest rate *per annum* equal for each day during such period to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published for each day during such period (or, if any such day is not a Business Day, for the next preceding Business Day) by the Federal Reserve Bank of New York, or, if such rate is not so published for any day that is a Business Day, the average (rounded upward to the nearest whole multiple of 1/100 of 1% *per annum*, if such average is not such a multiple) of the quotations for each such day on such transactions received by the Bank from three Federal funds brokers of recognized standing selected by the Bank in its sole discretion.

"***Fee Letter***" means the Fee Letter, dated as of March 19, 2015, between the Company and the Bank, as amended, supplemented or otherwise modified from time to time.

"***FERC***" means the Federal Energy Regulatory Commission, or any successor thereto.

"***Foreign Plan***" means any pension, profit-sharing, deferred compensation, or other employee benefit plan, program or arrangement (other than a Pension Plan or a Multiemployer Plan) maintained by any Subsidiary of the Company that, under applicable local foreign law, is required to be funded through a trust or other funding vehicle.

"***GAAP***" means generally accepted accounting principles in the United States in effect from time to time.

"***Governmental Approval***" means any authorization, consent, approval, license or exemption of, registration or filing with, or report or notice to, any Governmental Authority.

"***Governmental Authority***" means the government of the United States of America or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank).

"***Guaranty***" of any Person means (i) any obligation, contingent or otherwise, of such Person to pay any Debt of any other Person and (ii) all reasonably quantifiable obligations of such Person under indemnities or under support or capital contribution agreements, and other reasonably quantifiable obligations (contingent or otherwise) to purchase or otherwise to assure a creditor against loss in respect of, or to assure an obligee against loss in respect of, any Debt of any other Person guaranteed directly or indirectly in any manner by such Person, or in effect guaranteed directly or indirectly by such Person through an agreement (A) to pay or purchase such Debt or to advance or supply funds for the payment or purchase of such Debt, (B) to

purchase, sell or lease (as lessee or lessor) property, or to purchase or sell services, primarily for the purpose of enabling the debtor to make payment of such Debt or to assure the holder of such Debt against loss, (C) to supply funds to or in any other manner invest in the debtor (including any agreement to pay for property or services irrespective of whether such property is received or such services are rendered) or (D) otherwise to assure a creditor against loss; *provided* that the term "Guaranty" shall not include endorsements for collection or deposit in the ordinary course of business or the grant of a Lien in connection with Project Finance Debt.

"***Hazardous Materials***" means (i) petroleum and petroleum products, byproducts or breakdown products, radioactive materials, asbestos-containing materials, polychlorinated biphenyls and radon gas and (ii) any other chemicals, materials or substances designated, classified or regulated as hazardous or toxic or as a pollutant or contaminant under any Environmental Law.

"***Indemnified Party***" has the meaning assigned to that term in Section 7.05.

"***Indenture***" has the meaning assigned to that term in the Preliminary Statements hereto.

"***Internal Revenue Code***" means the United States Internal Revenue Code of 1986, as amended from time to time, and the applicable regulations thereunder.

"***Issuer***" has the meaning assigned to that term in the Preliminary Statements hereto.

"***Letter of Credit***" has the meaning assigned to that term in the Preliminary Statements.

"***Lien***" means any lien, security interest or other charge or encumbrance of any kind, or any other type of preferential arrangement, including, without limitation, the lien or retained security title of a conditional vendor and any easement, right of way or other encumbrance on title to real property.

"***Loan Agreement***" has the meaning assigned to the term "Agreement" in the Indenture.

"***Margin Regulations***" means Regulations T, U and X of the Board of Governors of the Federal Reserve System, as in effect from time to time.

"***Margin Stock***" has the meaning specified in the Margin Regulations.

"***Material Adverse Effect***" means a material adverse effect on (i) the business, operations, properties, financial condition, assets or liabilities (including, without limitation, contingent liabilities) of the Company and its Subsidiaries, taken as a whole, (ii) the ability of the Company to perform its obligations under any Credit Document or any Related Document to which the Company is a party or (iii) the ability of the Bank to enforce its rights under any Credit Document or any Related Document to which the Company is a party.

"***Material Subsidiaries***" means any Subsidiary of the Company with respect to which (x) the Company's percentage ownership interest in such Subsidiary multiplied by (y) the book value of the Consolidated Assets of such Subsidiary represents at least 15% of the Consolidated

Assets of the Company as reflected in the latest financial statements of the Company delivered pursuant to clause (i) or (ii) of Section 5.01(h).

"***Moody's***" means Moody's Investors Service, Inc., or any successor thereto.

"***Moody's Rating***" means, on any date of determination, the rating most recently announced by Moody's with respect to any senior unsecured, non-credit enhanced Debt of the Company.

"***Multiemployer Plan***" means any "multiemployer plan" (as such term is defined in Section 4001(a)(3) of ERISA), which is contributed to by (or to which there is or may be an obligation to contribute of) the Company or any of its ERISA Affiliates or with respect to which the Company or any of its ERISA Affiliates has, or could reasonably be expected to have, any liability.

"***Notice of Extension***" has the meaning assigned to that term in Section 2.12.

"***Obligations***" has the meaning assigned to such term in Section 2.02(b).

"***One-Month LIBOR***" means for any day the rate of interest *per annum* (rounded upwards, if necessary, to the nearest 1/100 of 1%) appearing on a nationally recognized service such as Reuters Page LIBOR01 (or any successor page of such service, or any comparable page of another recognized interest rate reporting service then being used generally by the Bank to obtain such interest rate quotes) as displaying the London interbank offered rate for deposits in Dollars at approximately 11:00 A.M. (London time) on such day for a term of one month; *provided, however*, if more than one rate is specified on such service, the applicable rate shall be the arithmetic mean of all such rates.

"***Other Taxes***" has the meaning assigned to that term in Section 7.07.

"***Participant***" has the meaning assigned to that term in Section 7.09(e).

"***Paying Agent***" has the meaning assigned to that term in the Indenture.

"***Patriot Act***" means the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001), as in effect from time to time.

"***PBGC***" means the Pension Benefit Guaranty Corporation and any entity succeeding to any or all of its functions under ERISA.

"***Pension Plan***" means any "employee pension benefit plan" (as defined in Section 3(2) of ERISA) (other than a Multiemployer Plan), subject to the provisions of Title IV of ERISA or Section 412 of the Internal Revenue Code or Section 302 of ERISA, maintained or contributed to by the Company or any of its ERISA Affiliates or to which the Company or any of its ERISA Affiliates has or may have an obligation to contribute (or is deemed under Section 4069 of ERISA to have maintained or contributed to or to have had an obligation to contribute to, or otherwise to have liability with respect to) such plan.

"***Permitted Liens***" means such of the following as to which no enforcement, collection, execution, levy or foreclosure proceeding shall have been commenced: (i) Liens for taxes, assessments and governmental charges or levies to the extent not required to be paid under Section 5.01(a) hereof; (ii) Liens imposed by law, such as materialmen's, mechanics', carriers', workmen's and repairmen's Liens, and other similar Liens arising in the ordinary course of business; (iii) Liens incurred or deposits made to secure obligations under workers' compensation laws or similar legislation or to secure public or statutory obligations; (iv) easements, rights of way and other encumbrances on title to real property that do not render title to the property encumbered thereby unmarketable, including zoning and landmarking restrictions; (v) any judgment Lien, unless an Event of Default under Section 6.01(f) shall have occurred and be continuing with respect thereto; (vi) any Lien on any asset of any Person existing at the time such Person is merged or consolidated with or into the Company or any Material Subsidiary and not created in contemplation of such event; (vii) pledges and deposits made in the ordinary course of business to secure the performance of bids, trade contracts (other than for Debt), operating leases and surety and appeal bonds, performance bonds and other obligations of a like nature incurred in the ordinary course of business; (viii) Liens upon or in any real property or equipment acquired, constructed, improved or held by the Company or any Subsidiary in the ordinary course of business to secure the purchase price of such property or equipment or to secure Debt incurred solely for the purpose of financing the acquisition, construction or improvement of such property or equipment, or Liens existing on such property or equipment at the time of its acquisition (other than any such Liens created in contemplation of such acquisition that were not incurred to finance the acquisition of such property), (ix) Liens securing Project Finance Debt, (x) any Lien on the Company's or any Material Subsidiary's interest in pollution control revenue bonds or industrial development revenue bonds (or similar obligations, however designated) issued pursuant to an indenture or cash or cash equivalents securing (A) the obligation of the Company or any Material Subsidiary to reimburse the issuer of a letter of credit supporting payments to be made in respect of such bonds (or similar obligations) for a drawing on such letter of credit for the purpose of purchasing such bonds (or similar obligations) or (B) the obligation of the Company or any Material Subsidiary to reimburse or repay amounts advanced under any facility entered into to provide liquidity or credit support for any issue of such bonds (or similar obligations); and (xi) extensions, renewals or replacements of any Lien described in clause (vi), (vii), (viii), (ix) or (x) for the same or a lesser amount, *provided, however,* that no such Lien shall extend to or cover any properties (other than after-acquired property already within the scope of the relevant Lien grant) not theretofore subject to the Lien being extended, renewed or replaced.

"***Person***" means an individual, partnership, corporation (including, without limitation, a business trust), joint stock company, limited liability company, trust, unincorporated association, joint venture or other entity, or a government or any political subdivision or agency thereof.

"***Pledged Bonds***" means the Bonds purchased with moneys received under the Letter of Credit in connection with a Tender Drawing and owned or held by the Company or an Affiliate of the Company or by the Trustee and pledged to the Bank pursuant to the Custodian Agreement.

"***Prime Rate***" means the rate of interest announced by the Bank from time to time, as its prime rate for United States dollar borrowings. The Prime Rate shall change concurrently with each change in such announced rate.

"***Project Finance Debt***" means Debt of any Subsidiary of the Company (i) that is (A) not recourse to the Company other than with respect to Liens granted by the Company on direct or indirect equity interests in such Subsidiary to secure such Debt and limited Guaranties of, or equity commitments with respect to, such Debt by the Company, which Liens, limited Guaranties and equity commitments are of a type consistent with other limited recourse project financings, and other than customary contractual carve-outs to the non-recourse nature of such Debt consistent with other limited recourse project financings, and (B) incurred in connection with the acquisition, development, construction or improvement of any project, single purpose or other fixed assets of such Subsidiary, including Debt assumed in connection with the acquisition of such assets, or (ii) that represents an extension, renewal, replacement or refinancing of the foregoing, *provided* that, in the case of a replacement or refinancing, the principal amount of such new Debt shall not exceed the principal amount of the Debt being replaced or refinanced plus 10% of such principal amount.

"***Rating Decline***" means the occurrence of the following on, or within 90 days after, the earlier of (i) the occurrence of a Change of Control and (ii) the earlier of (x) the date of public notice of the occurrence of a Change of Control and (y) the date of the public notice of the Company's (or its direct or indirect parent company's) intention to effect a Change of Control, which 90-day period will be extended so long as the S&P Rating or Moody's Rating is under publicly announced consideration for possible downgrading by S&P or Moody's, as applicable: the S&P Rating is reduced below BBB+ or the Moody's Rating is reduced below Baa1.

"***Reimbursement Obligation***" has the meaning assigned to that term in Section 2.04.

"***Register***" has the meaning assigned to that term in Section 7.09(c).

"***Related Documents***" means the Bonds, the Indenture, the Loan Agreement, the Remarketing Agreement and the Custodian Agreement.

"***Remarketing Agent***" has the meaning assigned to that term in the Indenture.

"***Remarketing Agreement***" means any agreement or other arrangement pursuant to which a Remarketing Agent has agreed to act as such pursuant to the Indenture.

"***Reoffering Circular***" means the Supplement, dated March 11, 2015, to the Reoffering Circular, dated November 11, 2008, together with any other supplements or amendments thereto and all documents incorporated therein (or in any such supplements or amendments) by reference.

"***S&P***" means Standard and Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc., or any successor thereto.

"***S&P Rating***" means, on any date of determination, the rating most recently announced by S&P with respect to any senior unsecured, non-credit enhanced Debt of the Company.

"***SEC***" means the United States Securities and Exchange Commission.

"***Stated Expiration Date***" has the meaning assigned to that term in the Letter of Credit.

*"**Subsidiary**"* of any Person means any corporation, partnership, joint venture, limited liability company, trust or estate of which (or in which) more than 50% of (i) the issued and outstanding capital stock having ordinary voting power to elect a majority of the board of directors of such corporation (irrespective of whether at the time capital stock of any other class or classes of such corporation shall or might have voting power upon the occurrence of any contingency), (ii) the interest in the capital or profits of such limited liability company, partnership or joint venture or (iii) the beneficial interest in such trust or estate is at the time directly or indirectly owned or controlled by such Person, by such Person and one or more of its other Subsidiaries or by one or more of such Person's other Subsidiaries.

*"**Taxes**"* has the meaning assigned to that term in Section 2.16(a).

*"**Tender Drawing**"* means a drawing under the Letter of Credit resulting from the presentation of a certificate in the form of Exhibit 2 to the Letter of Credit.

*"**Trustee**"* has the meaning assigned to that term in the Preliminary Statements hereto.

SECTION 1.02. Computation of Time Periods. In this Agreement, in the computation of a period of time from a specified date to a later specified date, the word "from" means "from and including" and the words "to" and "until" each means "to but excluding".

SECTION 1.03. Accounting Terms. All accounting terms not specifically defined herein shall be construed in accordance with GAAP, except as otherwise stated herein. If any "Accounting Change" (as defined below) shall occur and such change results in a change in the calculation of financial covenants, standards or terms in this Agreement, and either the Company or the Bank shall request the same to the other party hereto in writing, the Company and the Bank shall enter into negotiations to amend the affected provisions of this Agreement with the desired result that the criteria for evaluating the Company's consolidated financial condition and results of operations shall be substantially the same after such Accounting Change as if such Accounting Change had not been made. Once such request has been made, until such time as such an amendment shall have been executed and delivered by the Company and the Bank, all financial covenants, standards and terms in this Agreement shall continue to be calculated or construed as if such Accounting Change had not occurred. "***Accounting Change***" means a change in accounting principles required by the promulgation of any final rule, regulation, pronouncement or opinion by the Financial Accounting Standards Board of the American Institute of Certified Public Accountants or, if applicable, the SEC (or successors thereto or agencies with similar functions).

SECTION 1.04. Internal References. As used herein, except as otherwise specified herein, (i) references to any Person include its successors and assigns and, in the case of any Governmental Authority, any Person succeeding to its functions and capacities; (ii) references to any Applicable Law include amendments, supplements and successors thereto; (iii) references to specific sections, articles, annexes, schedules and exhibits are to this Agreement; (iv) words importing any gender include the other gender; (v) the singular includes the plural and the plural includes the singular; (vi) the words "including", "include" and "includes" shall be deemed to be followed by the words "without limitation"; (vii) the words "herein", "hereof' and "hereunder" and words of similar import, when used in this Agreement, shall refer to this Agreement as a

whole and not to any provision of this Agreement; (viii) captions and headings are for ease of reference only and shall not affect the construction hereof; and (ix) references to any time of day shall be to New York City time unless otherwise specified. References herein or in any Credit Document to any agreement or other document shall, unless otherwise specified herein or therein, be deemed to be references to such agreement or document as it may be amended, modified or supplemented after the date hereof from time to time in accordance with the terms hereof or of such Credit Document, as the case may be.

ARTICLE II.

AMOUNT AND TERMS OF THE LETTER OF CREDIT

SECTION 2.01. ***The Letter of Credit***. The Bank agrees, on the terms and conditions hereinafter set forth (including, without limitation, the satisfaction of the conditions set forth in Sections 3.01 and 3.02 of this Agreement), to issue the Letter of Credit to the Trustee at or before 5:00 P.M. on March 19, 2015.

SECTION 2.02. ***Issuing the Letter of Credit; Termination.***

(a) The Letter of Credit shall be issued upon notice from the Company to the Bank at its address at [redacted], [redacted] [redacted], Attention: [redacted] [redacted], Telecopy: [redacted] (or at such other address as shall be designated by the Bank in a written notice to the Company) specifying the Date of Issuance, which shall be a Business Day. On the Date of Issuance, upon fulfillment of the applicable conditions set forth in Article III, the Bank will issue the Letter of Credit to the Trustee.

(b) All outstanding Reimbursement Obligations and all other unpaid fees, interest and other amounts payable by the Company hereunder (all such obligations, the "***Obligations***") shall be paid in full by the Company on the Cancellation Date. Notwithstanding the termination of this Agreement on the Cancellation Date, until all such obligations (other than any contingent indemnity obligations) shall have been fully paid and satisfied and all financing arrangements between the Company and the Bank hereunder shall have been terminated, all of the rights and remedies under this Agreement shall survive.

(c) Provided that the Company shall have delivered written notice thereof to the Bank not less than three Business Days prior to any proposed termination, the Company may terminate this Agreement (other than those provisions that expressly survive termination hereof) upon (i) payment in full of all outstanding Reimbursement Obligations, together with accrued and unpaid interest thereon, (ii) the cancellation and return of the Letter of Credit, (iii) the payment in full of all accrued and unpaid fees, and (iv) the payment in full of all reimbursable expenses and other amounts payable hereunder, together with accrued and unpaid interest, if any, thereon.

SECTION 2.03. ***Fees in Respect of the Letter of Credit***. The Company hereby agrees to pay to the Bank certain fees in such amounts and payable on such terms as set forth in the Fee Letter.

SECTION 2.04. Reimbursement Obligations. The Company shall reimburse the Bank for the full amount of each payment by the Bank under the Letter of Credit, including, without limitation, amounts in respect of any reinstatement of interest on the Bonds at the election of the Bank notwithstanding any failure by the Company to reimburse the Bank for any previous drawing to pay interest on the Bonds (such obligation to reimburse the Bank being a "***Reimbursement Obligation***"). The Company agrees to pay or cause to have paid to the Bank, after the honoring by the Bank of any drawing under the Letter of Credit giving rise to a Reimbursement Obligation, such Reimbursement Obligation no later than 4:00 P.M. (i) on the date of such drawing, in the case of all drawings other than any Tender Drawing, and (ii) in the case of any Tender Drawing, on the earliest to occur of (A) the date that is thirty (30) days after the date of the Tender Drawing, (B) the Cancellation Date, (C) the date on which the Pledged Bonds purchased pursuant to such Tender Drawing are redeemed or cancelled pursuant to the Indenture, (D) the date on which such Pledged Bonds are remarketed pursuant to the Indenture and (E) the date on which the Letter of Credit is replaced by a substitute letter of credit in accordance with the terms of the Indenture.

SECTION 2.05. Interest Rates.

(a) The unpaid principal amount of each Reimbursement Obligation in respect of any Tender Drawing shall bear interest at a rate *per annum* equal to the Base Rate in effect from time to time *plus* the Applicable Margin, payable quarterly in arrears on the last day of each March, June, September and December and on the earlier to occur of the date the principal amount of such Reimbursement Obligation is payable and on the date such Reimbursement Obligation is paid. To the extent that the Bank receives interest payable on account of any Pledged Bond, such interest received shall be applied and credited against accrued and unpaid interest on the Reimbursement Obligations in respect of the Tender Drawing pursuant to which such Pledged Bond was purchased.

(b) Notwithstanding any provision to the contrary herein, the Company shall pay interest on all past-due amounts of principal and (to the fullest extent permitted by law) interest, costs, fees and expenses hereunder or under any other Credit Document, from the date when such amounts became due until paid in full, payable on demand, at the Default Rate in effect from time to time.

(c) The Bank shall give prompt notice to the Company of the applicable interest rate determined by the Bank for purposes of this Section 2.05.

SECTION 2.06. Prepayments.

(a) The Company may, upon notice given to the Bank prior to 11:00 A.M., on any Business Day, prepay without premium or penalty the outstanding amount of any Reimbursement Obligation in respect of a Tender Drawing in whole or in part with accrued interest to the date of such prepayment on the amount prepaid; *provided, however*, that each partial prepayment shall be in an aggregate principal amount not less than $10,000,000 (or, if lower, the principal amount outstanding hereunder on the date of such prepayment) or an integral multiple of $5,000,000 in excess thereof.

(b) Prior to or simultaneously with the receipt of proceeds related to the remarketing of Bonds purchased pursuant to one or more Tender Drawings, the Company shall directly, or through the Remarketing Agent, the Trustee or the Paying Agent on behalf of the Company, repay or prepay (as the case may be) the then-outstanding Reimbursement Obligations (in the order in which they were incurred) by paying to the Bank an amount equal to the sum of (i) the aggregate principal amount of the Bonds remarketed *plus* (ii) all accrued interest on the principal amount of such Reimbursement Obligations so repaid or prepaid.

SECTION 2.07. Yield Protection. If, due to any Change in Law, there shall be

(A) an imposition of, or increase in, any reserve, assessment, insurance charge, special deposit or similar requirement against letters of credit issued by, or assets held by, deposits in or for the account of, or credit extended by, the Bank or any Applicable Booking Office,

(B) an imposition of any other condition the result of which is to (i) increase the cost to the Bank or any Applicable Booking Office of issuing the Letter of Credit or making, funding or maintaining loans (including any unpaid Reimbursement Obligations hereunder), (ii) reduce any amount receivable by the Bank or any Applicable Booking Office in connection with letters of credit or the Reimbursement Obligations, or (iii) require the Bank or any Applicable Booking Office to make any payment calculated by reference to the amount of letters of credit, the Reimbursement Obligations held or interest received by it, where such payment or the variance therein is in an amount deemed material by the Bank or any Applicable Booking Office, or

(C) an imposition of any income taxes, levies, imposts, duties, charges, fees, deductions or withholdings, imposed, levied, collected, withheld or assessed by any Governmental Authority (other than (A) taxes indemnified under Section 2.16; and (B) taxes imposed on or measured by net income (however denominated) as a result of a present or former connection between the Bank and the jurisdiction imposing such tax),

then, upon demand by the Bank, the Company shall pay the Bank that portion of such increased expense incurred or reduction in an amount received which the Bank determines is attributable to issuing the Letter of Credit or making, funding and maintaining any Reimbursement Obligation hereunder or its Commitment.

SECTION 2.08. Changes in Capital Adequacy Regulations. If the Bank determines the amount of capital required or expected to be maintained by the Bank or any Applicable Booking Office or any corporation controlling the Bank is increased as a result of any Change in Law, then, upon demand by the Bank, the Company shall pay the Bank the amount necessary to compensate for any shortfall in the rate of return on the portion of such increased capital which the Bank determines is attributable to this Agreement, the Letter of Credit, its Commitment, any Reimbursement Obligation (or any participations therein or in the Letter of Credit) (after taking into account the Bank's policies as to capital adequacy).

SECTION 2.09. Payments and Computations. Other than payments made pursuant to Section 2.04, the Company shall make each payment hereunder not later than 12:00 noon on the day when due in lawful money of the United States of America to the Bank at the address listed below its name on its signature page hereto in same day funds. Computations of the Base Rate (when based on the Federal Funds Rate or One-Month LIBOR) and the Default Rate (when based on the Federal Funds Rate or One-Month LIBOR) shall be made by the Bank on the basis of a year of 360 days for the actual number of days (including the first day but excluding the last day) elapsed, and computations of the Base Rate (when based on the Prime Rate) and the Default Rate (when based on the Prime Rate) shall be made by the Bank on the basis of a year of 365 or 366 days, as the case may be, for the actual number of days (including the first day but excluding the last day) elapsed.

SECTION 2.10. Non-Business Days. Whenever any payment to be made hereunder shall be stated to be due on a day that is not a Business Day such payment shall be made on the next succeeding Business Day, and such extension of time shall in such case be included in the computation of payment of interest or fees, as the case may be.

SECTION 2.11. Source of Funds. All payments made by the Bank pursuant to the Letter of Credit shall be made from funds of the Bank and not from funds obtained from any other Person.

SECTION 2.12. Extension of the Stated Expiration Date. Unless the Letter of Credit shall have expired in accordance with its terms on the Cancellation Date, at least 90 but not more than 365 days before the Stated Expiration Date, the Company may request the Bank, by notice to the Bank in writing (each such request being irrevocable), to extend the Stated Expiration Date. If the Company shall make such a request, the Bank, in its sole discretion, may elect to extend the Stated Expiration Date then in effect, and in such event the Bank shall deliver to the Company a notice (herein referred to as a "***Notice of Extension***") designating the date to which the Stated Expiration Date will be extended and the conditions of such consent (including, without limitation, conditions relating to legal documentation and the consent of the Trustee). If all such conditions are satisfied and such extension of the Stated Expiration Date shall be effective (which effective date shall occur on the Business Day following the date of delivery by the Bank to the Trustee of an Extension Certificate ("***Extension Certificate***") in the form of Exhibit 8 to the Letter of Credit designating the date to which the Stated Expiration Date will be extended), thereafter all references in any Credit Document to the Stated Expiration Date shall be deemed to be references to the date designated as such in such legal documentation and the most recent Extension Certificate delivered to the Trustee. Any date to which the Stated Expiration Date has been extended in accordance with this Section 2.12 may be further extended, in like manner, for such period as the Bank agrees to, in its sole discretion. Failure of the Bank to deliver a Notice of Extension as herein provided within 30 days of a request by the Company to extend such Stated Expiration Date shall constitute an election by the Bank not to extend the Stated Expiration Date.

SECTION 2.13. Amendments Upon Extension. Upon any request for an extension of the Stated Expiration Date pursuant to Section 2.12 of this Agreement, the Bank reserves the right to renegotiate any provision hereof, and any such change shall be effected by an amendment pursuant to Section 7.01; *provided*, *however*, that in such case, the Extension

Certificate shall not be delivered to the Trustee until the Bank and the Company have executed such amendment.

SECTION 2.14. ***Evidence of Debt***. The Bank shall maintain, in accordance with its usual practice, an account or accounts evidencing the indebtedness of the Company resulting from each drawing under the Letter of Credit, from each Reimbursement Obligation incurred from time to time hereunder and the amounts of principal and interest payable and paid from time to time hereunder. In any legal action or proceeding in respect of this Agreement, the entries made in such account or accounts shall, in the absence of manifest error, be conclusive evidence of the existence and amounts of the obligations of the Company therein recorded.

SECTION 2.15. ***Obligations Absolute***. The payment obligations of the Company under this Agreement shall be unconditional and irrevocable, and shall be paid strictly in accordance with the terms of this Agreement under all circumstances, including, without limitation, the following circumstances:

(a) any lack of validity or enforceability of the Letter of Credit, any Credit Document, any Related Document or any other agreement or instrument relating thereto;

(b) any amendment or waiver of or any consent to departure from all or any of any Credit Document or any Related Document;

(c) the existence of any claim, set-off, defense or other right that the Company may have at any time against the Trustee or any other beneficiary, or any transferee, of the Letter of Credit (or any persons or entities for whom the Trustee, any such beneficiary or any such transferee may be acting), the Bank, or any other person or entity, whether in connection with any Credit Document, the transactions contemplated herein or therein or in the Related Documents, or any unrelated transaction;

(d) any statement or any other document presented under the Letter of Credit proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect;

(e) payment by the Bank under the Letter of Credit against presentation of a certificate which does not comply with the terms of the Letter of Credit; or

(f) any other circumstance or happening whatsoever, including, without limitation, any other circumstance which might otherwise constitute a defense available to or discharge of the Company, whether or not similar to any of the foregoing.

Nothing in this Section 2.15 is intended to limit any liability of the Bank pursuant to Section 7.06 of this Agreement in respect of its willful misconduct or gross negligence as determined by a court of competent jurisdiction by final and nonappealable judgment.

SECTION 2.16. ***Taxes.***

(a) All payments made by the Company under this Agreement shall be made free and clear of, and without deduction or withholding for or on account of, any present or future

income, stamp or other taxes, levies, imposts, duties, charges, fees, deductions or withholdings, now or hereafter imposed, levied, collected, withheld or assessed by any Governmental Authority, excluding, in the case of the Bank, taxes imposed on its overall net income, and franchise taxes imposed on it by the jurisdiction under the laws of which the Bank (as the case may be) is organized or any political subdivision thereof and, in the case of the Bank, taxes imposed on its overall net income, and franchise taxes imposed on it by the jurisdiction of the Bank's Applicable Booking Office or any political subdivision thereof (all such non-excluded taxes, levies, imposts, deductions, charges, withholdings and liabilities being hereinafter referred to as "***Taxes***"). If any Taxes are required to be withheld from any amounts payable to the Bank hereunder, the amounts so payable to the Bank shall be increased to the extent necessary to yield to the Bank (after payment of all Taxes) interest or any such other amounts payable hereunder at the rates or in the amounts specified in this Agreement. Whenever any Taxes are payable by the Company, as promptly as possible thereafter the Company shall send to the Bank a certified copy of an original official receipt received by the Company showing payment thereof. If the Company fails to pay any Taxes when due to the appropriate taxing authority or fails to remit to the Bank the required receipts or other required documentary evidence, the Company shall indemnify the Bank for any incremental taxes, interest or penalties that may become payable by the Bank as a result of any such failure. The agreements in this Section shall survive the termination of this Agreement and the payment of the obligations hereunder and all other amounts payable hereunder.

(b) The Bank agrees that it will deliver to the Company on or before the date hereof two duly completed copies of United States Internal Revenue Service Form W-8BEN or W-8ECI or successor applicable form, as the case may be. The Bank also agrees to deliver to the Company two further copies of said Form W-8BEN or W-8ECI or successor applicable forms or other manner of certification, as the case may be, on or before the date that any such form previously delivered expires or becomes obsolete or after the occurrence of any event requiring a change in the most recent form previously delivered by it to the Company, and such extensions or renewals thereof as may reasonably be requested by the Company, unless in any such case an event (including, without limitation, any change in treaty, law or regulation) has occurred prior to the date on which any such delivery would otherwise be required which renders all such forms inapplicable or which would prevent the Bank from duly completing and delivering any such form with respect to it and so advises the Company. The Bank certifies as of the date hereof, that it is entitled to receive payments under this Agreement without deduction or withholding of any United States federal income taxes and that it is entitled to an exemption from United States backup withholding tax.

(c) If the Bank shall request compensation for costs pursuant to this Section 2.16, (i) the Bank shall make reasonable efforts (which shall not require the Bank to incur a loss or unreimbursed cost or otherwise suffer any disadvantage deemed by it to be significant) to make within 30 days an assignment of its rights and delegation and transfer of its obligations hereunder to another of its offices, branches or affiliates, if, in its sole discretion exercised in good faith, it determines that such assignment would reduce such costs in the future, (ii) the Company, may with the consent of the Bank, which consent shall not be unreasonably withheld, secure a substitute bank to replace the Bank, which substitute bank shall, upon execution of a counterpart of this Agreement and payment to the Bank of any and all amounts due under this Agreement, be deemed to be the Bank hereunder (any such substitution referred to in clause (ii) shall be

accompanied by an amount equal to any loss or reasonable expense incurred by the Bank as a result of such substitution); provided that this Section 2.16(c) shall not be construed as limiting the liability of the Company to indemnify or reimburse the Bank for any costs or expenses the Company is required hereunder to indemnify or reimburse.

ARTICLE III.

CONDITIONS PRECEDENT

SECTION 3.01. Conditions Precedent to Issuance of the Letter of Credit. The obligation of the Bank to issue the Letter of Credit is subject to the following conditions precedent:

(a) the Bank shall have received from the Company the amounts payable by the Company to the Bank in accordance with Section 2.03, and the Bank shall have received from the Company pursuant to Section 7.07 payment for the costs and expenses, including reasonable legal expenses for which an invoice has been submitted to the Company, of the Bank incurred and unpaid through such date;

(b) the Bank shall have received on or before the Date of Issuance the following, each dated such date (except for the Indenture, the Loan Agreement and the Remarketing Agreement), in form and substance satisfactory to the Bank:

(i) An application for a letter of credit, in the Bank's standard form, duly completed and executed by the Company;

(ii) Counterparts of this Agreement, duly executed by the Company and the Bank;

(iii) Counterparts of the Custodian Agreement, duly executed by the Company, the Bank and the Custodian;

(iv) As certified by the Secretary or an Assistant Secretary of the Company, a copy of the Bonds, the Indenture, the Loan Agreement and the Remarketing Agreement;

(v) A certificate of the Secretary or an Assistant Secretary of the Company certifying (A) the names, true signatures and incumbency of the officers of the Company authorized to sign each Credit Document and Related Document to which the Company is a party and the other documents to be delivered by it hereunder or thereunder; (B) that attached thereto are true and correct copies of the articles of incorporation (or other organizational documents) and the bylaws of the Company; (C) that attached thereto are true and correct copies of all governmental and regulatory authorizations and approvals (including, without limitation, approvals or orders of FERC, if any) necessary for the Company to enter into this Agreement, each Related Document and each Credit Document to which the Company is a party, the other documents required to be delivered by the Company hereunder to which the Company is a party and the transactions contemplated hereby and thereby; and (D) evidence (dated not more than 10 days prior to

the date hereof) of the status of the Company as a duly organized and validly existing corporation under the laws of the State of Oregon;

(vi) As certified by the Secretary or an Assistant Secretary of the Company, a copy of the resolutions of the Board of Directors of the Company approving this Agreement, each Credit Document and each Related Document to which the Company is a party, the other documents required to be delivered by the Company hereunder to which the Company is a party and the transactions contemplated hereby and thereby, and of all documents evidencing any other necessary corporate action with respect to such Credit Documents, Related Documents and other documents;

(vii) An opinion letter of [redacted]., Assistant General Counsel for MidAmerican Energy Holdings Company and counsel to the Company, in substantially the form of Exhibit D;

(viii) An opinion of Chapman and Cutler, special New York counsel for the Company, relating to enforceability of this Agreement;

(ix) A reliance letter from Chapman and Cutler LLP in substantially the form of Exhibit E as to their opinions as Bond Counsel dated November 17, 1994 and March 19, 2015;

(x) Copies of the Reoffering Circular used in connection with the offering of the Bonds and the issuance of the Letter of Credit;

(xi) Letters from S&P and Moody's to the effect of confirming the Bonds will continue to be rated at least Aa3/A+ upon issuance of the Letter of Credit, each such letter to be in form and substance satisfactory to the Bank;

(xii) A certificate of an authorized officer of the Custodian certifying the names, true signatures and incumbency of the officers of the Custodian authorized to sign the documents to be delivered by it hereunder and as to such other matters as the Bank may reasonably request;

(xiii) A certificate of an authorized officer of the Trustee certifying the names, true signatures and incumbency of the officers of the Trustee authorized to make drawings under the Letter of Credit and as to such other matters as the Bank may reasonably request;

(xiv) Evidence of the Bank Bond CUSIP Number that has been assigned to the Bonds for any time that they are held for the benefit of the Bank pursuant to any Tender Drawing; and

(xv) All documentation and information required by regulatory authorities under applicable "know your customer" and anti-money laundering rules and regulations, including without limitation the Patriot Act, to the extent such documentation or information is requested by the Bank reasonably in advance of the date hereof.

SECTION 3.02. Additional Conditions Precedent to Issuance of the Letter of Credit and Amendment of the Letter of Credit. The obligation of the Bank to issue the Letter of Credit, or to amend, modify or extend the Letter of Credit, shall be subject to the further conditions precedent that on the Date of Issuance and on the date of such amendment, modification or extension, as the case may be:

(a) The following statements shall be true and the Bank shall have received a certificate from the Company signed by a duly authorized officer of the Company, dated such date, stating that:

(i) The representations and warranties of the Company contained in Section 4.01 of this Agreement (excluding, solely with respect to any amendment, modification or extension of the Letter of Credit, the representations and warranties in the first sentence of Section 4.01(g), in Section 4.01(i) and in the first sentence of Section 4.01(n)) and in the Related Documents are true and correct in all material respects (without duplication of any materiality qualifiers) on and as of such date as though made on and as of such date; and

(ii) No event has occurred and is continuing, or would result from the issuance of the Letter of Credit or such amendment, modification or extension of the Letter of Credit (as the case may be), that constitutes a Default; and

(iii) True and complete copies of the Related Documents (including all exhibits, attachments, schedules, amendments or supplements thereto) have previously been delivered to the Bank, and the Related Documents have not been modified, amended or rescinded, and are in full force and effect as of the Date of Issuance; and

(b) The Bank shall have received such other approvals, opinions or documents as the Bank may reasonably request.

ARTICLE IV.

REPRESENTATIONS AND WARRANTIES

SECTION 4.01. Representations and Warranties of the Company. The Company hereby represents and warrants as of (i) the date hereof, (ii) the Date of Issuance, and (iii) the date of any amendment, modification or extension of the Letter of Credit, as follows:

(a) ***Existence and Power.*** The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Oregon and is duly qualified to do business and is in good standing as a foreign corporation under the laws of each state in which the ownership of its properties or the conduct of its business makes such qualification necessary, except where the failure to be so qualified would not reasonably be expected to have a Material Adverse Effect, and each Material Subsidiary is duly organized, validly existing and in good standing under the laws of the jurisdiction in which it is incorporated or otherwise organized.

(b) ***Due Authorization; Execution and Delivery.*** The execution, delivery and performance by the Company of each Credit Document and Related Document to which the

Company is a party, and the consummation of the transactions contemplated hereby and thereby, are within the Company's corporate powers and have been duly authorized by all necessary corporate action. Each Credit Document and Related Document to which the Company is a party has been duly executed and delivered by the Company.

(c) ***Governmental Approvals.*** No authorization or approval or other action by, and no notice to or filing with, any Governmental Authority or any other third party is required for the due execution, delivery and performance by the Company of, or the consummation by the Company of the transactions contemplated by, any Credit Document or Related Document to which the Company is, or is to become, a party, other than such Governmental Approvals that have been duly obtained and are in full force and effect, which as of the date hereof include: Order No.94-448, Docket UF 4118 issued by the Public Utility Commission of Oregon on March 11, 1994; Order No. 25443, Case No. PAC-S-94-1issued by the Idaho Public Utilities Commission on March 22, 1994; and Order Granting Application, Docket No. UE-940247 issued by the Washington Utilities and Transportation Commission on March 9, 1994.

(d) ***No Violation, Etc.*** The execution, delivery and performance by the Company of the Credit Documents and each Related Document to which the Company is a party will not (i) violate (A) the articles of incorporation or bylaws (or comparable documents) of the Company or any of its Material Subsidiaries or (B) any Applicable Law, (ii) be in conflict with, or result in a breach of or constitute a default under, any contract, agreement, indenture or instrument to which the Company or any of its Material Subsidiaries is a party or by which any of its or their respective properties is bound or (iii) result in the creation or imposition of any Lien on the property of the Company or any of its Material Subsidiaries other than Permitted Liens and Liens required under this Agreement, except to the extent such conflict, breach or default referred to in the preceding clause (ii), individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect.

(e) ***Enforceability.*** Each Credit Document and each such Related Document is the legal, valid and binding obligation of the Company enforceable in accordance with its terms, except as limited by bankruptcy and similar laws affecting the enforcement of creditors' rights generally and by the application of general equitable principles.

(f) ***Compliance with Laws.*** The Company and each Material Subsidiary are in compliance with all Applicable Laws (including Environmental Laws), except to the extent that failure to comply would not reasonably be expected to have a Material Adverse Effect.

(g) ***Litigation.*** There is no action, suit, proceeding, claim or dispute pending or, to the Company's knowledge, threatened against or affecting the Company or any of its Material Subsidiaries, or any of its or their respective properties or assets, before any Governmental Authority that, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect. There is no injunction, writ, preliminary restraining order or any other order of any nature issued by any Governmental Authority directing that any material aspect of the transactions expressly provided for in any of the Credit Documents or the Related Documents to which the Company is a party not be consummated as herein or therein provided.

(h) ***Financial Statements.*** The consolidated balance sheet of the Company and its Consolidated Subsidiaries as at December 31, 2014, and the related consolidated statements of income, cash flows and stockholders' equity for the fiscal year ended on such date, certified by Deloitte & Touche LLP, copies of which have heretofore been furnished to the Bank, present fairly in all material respects the financial condition of the Company and its Consolidated Subsidiaries as at such date, and the consolidated results of their operations and cash flows for the fiscal year then ended. All such financial statements, including the related schedules and notes thereto, have been prepared in accordance with GAAP applied consistently throughout the periods involved (except as may be disclosed therein).

(i) ***Material Adverse Effect.*** Since December 31, 2014, no event has occurred that could reasonably be expected to have a Material Adverse Effect.

(j) ***Taxes.*** The Company and each Material Subsidiary have filed or caused to be filed all Federal and other material tax returns that are required by Applicable Law to be filed, and have paid all taxes shown to be due and payable on said returns or on any assessments made against it or any of its property; other than (i) with respect to taxes the amount or validity of which is currently being contested in good faith by appropriate proceedings and with respect to which reserves in conformity with GAAP have been provided on the books of the Company or the applicable Material Subsidiary, as the case may be, or (ii) to the extent that the failure to do so could not reasonably be expected to result in a Material Adverse Effect.

(k) ***ERISA.*** No ERISA Event has occurred other than as would not, either individually or in the aggregate, be reasonably expected to have a Material Adverse Effect. There are no actions, suits or claims pending against or involving a Pension Plan (other than routine claims for benefits) or, to the knowledge of the Company or any of its ERISA Affiliates, threatened, that would reasonably be expected to be asserted successfully against any Pension Plan and, if so asserted successfully, would reasonably be expected either singly or in the aggregate to have a Material Adverse Effect. No lien imposed under the Internal Revenue Code or ERISA on the assets of the Company or any of its ERISA Affiliates exists or is likely to arise with respect to any Pension Plan. The Company and each of its Subsidiaries have complied with foreign law applicable to its Foreign Plans, except to the extent that failure to comply would not reasonably be expected to have a Material Adverse Effect.

(l) ***Margin Stock.*** The Company is not engaged in the business of extending credit for the purpose of buying or carrying Margin Stock, and no proceeds of the Bonds or the Letter of Credit will be used to buy or carry any Margin Stock or to extend credit to others for the purpose of buying or carrying any Margin Stock. After applying the proceeds of the Bonds and the issuance of the Letter of Credit, not more than 25% of the assets of the Company and the Material Subsidiaries that are subject to the restrictions of Section 5.03(a) or (c) constitute Margin Stock.

(m) ***Investment Company.*** Neither the Company nor any Subsidiary is an "investment company" or a company "controlled" by an "investment company", as such terms are defined in the Investment Company Act of 1940, as amended.

(n) ***Environmental Liabilities.*** There are no claims, liabilities, investigations, litigation, notices of violation or liability, administrative proceedings, judgments or orders, whether asserted, pending or threatened, relating to any liability under or compliance with any applicable Environmental Law, against the Company or any Material Subsidiary or relating to any real property currently or formerly owned, leased or operated by the Company or any Material Subsidiary, that would reasonably be expected to have a Material Adverse Effect. No Hazardous Materials have been or are present or are being spilled, discharged or released on, in, under or from property (real, personal or mixed) currently or formerly owned, leased or operated by the Company or any Material Subsidiary in any quantity or manner violating, or resulting in liability under, any applicable Environmental Law, which violation or liability would reasonably be expected to have a Material Adverse Effect.

(o) ***Accuracy of Information.*** No written statement or information furnished by or on behalf of the Company to the Bank in connection with the negotiation, execution and closing of this Agreement and the Custodian Agreement (including, without limitation, the Reoffering Circular) or delivered pursuant hereto or thereto, in each case as of the date such statement or information is made or delivered, as applicable, contained or contains, any material misstatement of fact or intentionally omitted or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were, are, or will be made, not misleading.

(p) ***Material Subsidiaries.*** Each Material Subsidiary as of the date hereof is set forth on Schedule I.

(q) ***OFAC, Etc.*** The Company and each Material Subsidiary are in compliance in all material respects with all (i) United States economic sanctions laws, executive orders and implementing regulations as promulgated by the U.S. Treasury Department's Office of Foreign Assets Control, (ii) applicable anti-money laundering and counter-terrorism financing provisions of the Bank Secrecy Act and all rules regulations issued pursuant to it and (iii) applicable provisions of the United States Foreign Corrupt Practices Act of 1977.

(r) ***Full Force and Effect.*** Each Related Document is in full force and effect. The Company has duly and punctually performed and observed all the terms, covenants and conditions contained in each such Related Document on its part to be performed or observed, and no Default has occurred and is continuing.

(s) ***Bonds Validly Issued.*** The Bonds have been duly authorized, authenticated and issued and delivered and are not in default. The Bonds are the legal, valid and binding obligations of the Issuer.

(t) ***Reoffering Circular.*** Except for information contained in the Reoffering Circular furnished in writing by or on behalf of the Issuer, the Trustee, the Paying Agent, the Remarketing Agent or the Bank specifically for inclusion therein, the Reoffering Circular, and any supplement or "sticker" thereto, are accurate in all material respects for the purposes for which their use shall be authorized; and the Reoffering Circular and any supplement or "sticker" thereto, when read together as a whole, does not, as of the date of the Reoffering Circular or such supplement or "sticker," contain any untrue statement of a material fact or omit to state any

material fact necessary to make the statements made therein, in the light of the circumstances under which they are or were made, not misleading.

(u) ***Taxability.*** The performance of this Agreement and the transactions contemplated herein will not affect the status of the interest on the Bonds as exempt from Federal income tax.

(v) ***No Material Misstatements.*** The reports, financial statements and other written information furnished by or on behalf of the Company to the Bank pursuant to or in connection with this Agreement and the transactions contemplated hereby do not contain and will not contain, when taken as a whole, any untrue statement of a material fact and do not omit and will not omit, when taken as a whole, to state any fact necessary to make the statements therein, in the light of the circumstances under which they were or will be made, not misleading in any material respect.

(w) ***Existing LC.*** The Company has issued all the proper notices and instructions, and otherwise taken the necessary steps, to have the Existing LC returned by the Trustee to the related issuing bank for cancellation.

ARTICLE V.

COVENANTS OF THE COMPANY

SECTION 5.01. Affirmative Covenants.

So long as a drawing is available under the Letter of Credit or the Bank shall have any Commitment hereunder or the Company shall have any obligation to pay any amount to the Bank hereunder, the Company will, unless the Bank shall otherwise consent in writing:

(a) ***Payment of Taxes, Etc.*** Pay and discharge, and cause each Material Subsidiary to pay and discharge, before the same shall become delinquent, (i) all taxes, assessments and governmental charges or levies imposed upon it or its property, and (ii) all lawful claims that, if unpaid, would by Applicable Law become a Lien upon its property, in each case, except to the extent that the failure to pay and discharge such amounts, either singly or in the aggregate, would not reasonably be expected to have a Material Adverse Effect; *provided*, *however*, that neither the Company nor any Material Subsidiary shall be required to pay or discharge any such tax, assessment, charge or claim that is being contested in good faith and by proper proceedings and as to which adequate reserves are being maintained in accordance with GAAP.

(b) ***Preservation of Existence, Etc.*** Preserve and maintain, and cause each Material Subsidiary to preserve and maintain, its corporate, partnership or limited liability company (as the case may be) existence and all rights (charter and statutory) and franchises, except to the extent the failure to maintain such rights and franchises would not reasonably be expected to have a Material Adverse Effect; *provided*, *however*, that the Company and any Material Subsidiary may consummate any merger or consolidation permitted under Section 5.03(b).

(c) ***Compliance with Laws, Etc.*** Comply, and cause each Material Subsidiary to comply with Applicable Law (with such compliance to include, without limitation, compliance with Environmental Laws, the Patriot Act and the United States economic sanctions laws,

executive orders and implementing regulations as promulgated by the U.S. Treasury Department's Office of Foreign Assets Control), except to the extent the failure to do so would not reasonably be expected to have a Material Adverse Effect.

(d) ***Inspection Rights***. At any reasonable time and from time to time, permit the Bank or any designated agents or representatives thereof, at all reasonable times and to the extent permitted by Applicable Law, to examine and make copies of and abstracts from the records and books of account of, and visit the properties of, the Company and any Material Subsidiary and to discuss the affairs, finances and accounts of the Company and any Material Subsidiary with any of their officers or directors and with their independent certified public accountants (at which discussion, if the Company or such Material Subsidiary so requests, a representative of the Company or such Material Subsidiary shall be permitted to be present, and if such accountants should require that a representative of the Company be present, the Company agrees to provide a representative to attend such discussion); *provided* that (i) such designated agents or representatives shall agree to any reasonable confidentiality obligations proposed by the Company and shall follow the guidelines and procedures generally imposed upon like visitors to the Company's facilities, and (ii) unless an Event of Default shall have occurred and be continuing, such visits and inspections shall occur not more than once in any fiscal quarter.

(e) ***Keeping of Books***. Keep, and cause each Material Subsidiary to keep, proper books of record and account, in which full and correct entries shall be made of all financial transactions and the assets and business of the Company and each such Material Subsidiary in accordance with GAAP, and to the extent permitted under the terms of the Indenture and reasonably requested by the Bank, permit the Bank to inspect, and provide the Bank access to information received by the Company with respect to any inspection of, the books and records of the Remarketing Agent and the Trustee.

(f) ***Maintenance of Properties, Etc.*** Maintain and preserve, and cause each Material Subsidiary to maintain and preserve, all of its properties that are material to the conduct of its business in good working order and condition, ordinary wear and tear excepted.

(g) ***Maintenance of Insurance***. Maintain, and cause each Material Subsidiary to maintain, insurance with responsible and reputable insurance companies or associations in such amounts and covering such risks as is usually carried by companies engaged in similar businesses and owning similar properties in the same general areas in which the Company or any of its Material Subsidiaries operates to the extent available on commercially reasonable terms (the "***Industry Standard***"); *provided*, *however*, that the Company and each Material Subsidiary may self-insure to the same extent as other companies engaged in similar businesses and owning similar properties and to the extent consistent with prudent business practice; and *provided*, *further*, that if the Industry Standard is such that the insurance coverage then being maintained by the Company and its Material Subsidiaries is below the Industry Standard, the Company shall only be required to use its reasonable best efforts to obtain the necessary insurance coverage such that its and its Material Subsidiaries' insurance coverage equals or is greater than the Industry Standard.

(h) ***Reporting Requirements.*** Furnish, or cause to be furnished, to the Bank, the following by Electronic Transmission (*provided*, *however*, that the certificates required under

paragraphs (i) through (iv) of this Section 5.01(h) shall be delivered in a writing bearing the original signature of the authorized officer) the following:

(i) within 60 days after the end of each of the first three quarters of each fiscal year of the Company, a copy of the consolidated balance sheet of the Company and its Consolidated Subsidiaries as of the end of such quarter and consolidated statements of income and cash flows of the Company and its Consolidated Subsidiaries for the period commencing at the end of the previous fiscal year and ending with the end of such quarter, duly certified (subject to year-end audit adjustments) by the chief financial officer, chief accounting officer, treasurer or assistant treasurer of the Company as having been prepared in accordance with GAAP and a certificate of the chief financial officer, chief accounting officer, treasurer or assistant treasurer of the Company as to compliance with the terms of this Agreement and setting forth in reasonable detail the calculations necessary to demonstrate compliance with Section 5.02, provided that in the event of any change in GAAP used in the preparation of such financial statements, the Company shall also provide, if necessary for the determination of compliance with Section 5.02, a statement of reconciliation conforming such financial statements to GAAP in effect on the date hereof;

(ii) within 120 days after the end of each fiscal year of the Company, a copy of the annual audit report for such year for the Company and its Consolidated Subsidiaries, containing a consolidated balance sheet of the Company and its Consolidated Subsidiaries as of the end of such fiscal year and consolidated statements of income and cash flows of the Company and its Consolidated Subsidiaries for such fiscal year, in each case accompanied by an opinion by Deloitte & Touche LLP or other independent public accountants of nationally recognized standing, and a certificate of the chief financial officer, chief accounting officer, treasurer or assistant treasurer of the Company as to compliance with the terms of this Agreement and setting forth in reasonable detail the calculations necessary to demonstrate compliance with Section 5.02, provided that in the event of any change in GAAP used in the preparation of such financial statements, the Company shall also provide, if necessary for the determination of compliance with Section 5.02, a statement of reconciliation conforming such financial statements to GAAP in effect on the date hereof;

(iii) within five days after the chief financial officer or treasurer of the Company obtains knowledge of the occurrence of any Default, a statement of the chief financial officer or treasurer of the Company setting forth details of such Default and the action that the Company has taken and proposes to take with respect thereto;

(iv) within ten Business Days after the Company or any of its ERISA Affiliates knows or has reason to know that (A) the Company or any of its ERISA Affiliates has failed to comply with ERISA or the related provisions of the Internal Revenue Code with respect to any Pension Plan, and such noncompliance will, or could reasonably be expected to, result in material liability to the Company or its Subsidiaries, and/or (B) any ERISA Event (other than an ERISA Event as defined in clause (vi) of the definition of "ERISA Event") has occurred, a certificate of the chief financial officer of the Company describing such ERISA Event and the action, if any, proposed to be taken

with respect to such ERISA Event and a copy of any notice filed with the PBGC or the IRS pertaining to such ERISA Event and all notices received by the Company or such ERISA Affiliate from the PBGC or any other governmental agency with respect thereto;

(v) promptly after the commencement thereof, notice of all actions and proceedings before, and orders by, any Governmental Authority affecting the Company or any Material Subsidiary of the type described in Section 4.01(g);

(vi) together with the financial statements delivered in paragraphs (i) and (ii) of this Section 5.01(h), if Schedule I shall no longer set forth a complete and correct list of all Material Subsidiaries as of the last date of the period for which such financial statements were prepared, an updated Schedule I setting forth all Material Subsidiaries as of the last date of such period for which such financial statements have been prepared;

(vii) promptly and in any event within two Business Days after the Trustee resigns as trustee under the Indenture, notice of such resignation; and

(viii) such other information respecting the Company or any of its Subsidiaries as the Bank may from time to time reasonably request.

If the financial statements required to be delivered pursuant to paragraphs (i) or (ii) of this Section 5.01(h) are included in any Form 10-K or 10-Q filed by the Company, the Company's obligation to deliver such documents or information to the Bank shall be deemed to be satisfied upon (x) delivery of a copy of the relevant form to the Bank within the time period required by such Section or (y) the relevant form being available on the SEC's EDGAR Database and the delivery of a notice to the Bank (which notice may be delivered by electronic mail and/or included in the applicable compliance certificate delivered pursuant to paragraphs (i) or (ii) of this Section 5.01(h)) that such form is so available, in each case within the time period required by such Section.

(i) ***Registration of Bonds.*** Cause all Bonds which it acquires, or which it has had acquired for its account, to be registered forthwith in accordance with the Indenture and the Custodian Agreement in the name of the Company or its nominee (the name of any such nominee to be disclosed to the Trustee and the Bank).

(j) ***Related Documents.*** Perform and comply in all material respects with each of the provisions of each Related Document to which it is a party.

(k) ***Redemption or Defeasance of Bonds.*** Use its best efforts to cause the Trustee, upon redemption or defeasance of all of the Bonds pursuant to the Indenture, to surrender the Letter of Credit to the Bank for cancellation.

(l) ***Existing LC.*** Use all commercially reasonable efforts to have the Existing LC returned by the Trustee to the related issuing bank for cancellation as soon as practicable after the Issuance Date, and notify the Bank in writing promptly following such cancellation that the Existing LC has been returned to the related issuing bank and is cancelled or otherwise no longer validly available for drawing.

SECTION 5.02. Debt to Capitalization Ratio.So long as a drawing is available under the Letter of Credit or the Bank shall have any Commitment hereunder or the Company shall have any obligation to pay any amount to the Bank hereunder, the Company will, unless the Bank shall otherwise consent in writing, maintain a ratio of Consolidated Debt to Consolidated Capital of not greater than 0.65 to 1.00 as of the last day of each fiscal quarter.

SECTION 5.03. Negative Covenants. So long as a drawing is available under the Letter of Credit or the Bank shall have any Commitment hereunder or the Company shall have any obligation to pay any amount to the Bank hereunder, the Company will not, without the written consent of the Bank:

(a) ***Liens, Etc.*** Create or suffer to exist, or cause or permit any Material Subsidiary to create or suffer to exist, any Lien on or with respect to any of its properties, including, without limitation, equity interests held by such Person in any Subsidiary of such Person, whether now owned or hereafter acquired, other than (i) Permitted Liens, (ii) Liens on cash collateral pledged to the administrative agent to secure letter of credit obligations under the Credit Agreement, dated as of June 28, 2012, among the Company, JPMorgan Chase Bank, N.A., as administrative agent, and certain other financial institutions named therein and the Credit Agreement, dated as of March 27, 2013, among the Company, JPMorgan Chase Bank, N.A., as administrative agent, and certain other financial institutions named therein, or under similar credit facilities, (iii) Liens created by the Mortgage and Deed of Trust, dated as of January 9, 1989, as amended and supplemented, of the Company, entered into with The Bank of New York Mellon Trust Company, N.A. (as successor trustee to JPMorgan Chase Bank, N.A.) or any other first mortgage indenture or similar agreement or instrument pursuant to which the Company or any of its Material Subsidiaries may issue bonds, notes or similar instruments secured by a lien on all or substantially all of its fixed assets, so long as under the terms of such indenture or similar agreement or instrument no “event of default” (howsoever designated) in respect of any bonds or other instruments issued thereunder will be triggered by reference to a Default, and (iv) Liens, in addition to the foregoing, securing obligations not greater than the greater of (A) 7.5% of consolidated shareholders’ equity of all classes (whether common, preferred, mandatorily convertible preferred or preference) of the Company and (B) $100,000,000.

(b) ***Mergers, Etc.*** Merge or consolidate with or into any Person, unless (i) the successor entity (if other than the Company) (A) assumes, in form reasonably satisfactory to the Bank, all of the obligations of the Company under this Agreement and the other Credit Documents and Related Documents to which the Company is a party, (B) is a corporation or limited liability company formed under the laws of the United States of America, one of the States thereof or the District of Columbia, (C) is in pro forma compliance with the covenant in Section 5.02 both before and after giving effect to such proposed transaction and (D) has long-term senior unsecured debt ratings issued (and confirmed after giving effect to such merger) by S&P or Moody’s of at least BBB- and Baa3, respectively (or if no such ratings have been issued, commercial paper ratings issued (and confirmed after giving effect to such merger) by S&P and Moody’s of at least A-3 and P-3, respectively), and (ii) no Default shall have occurred and be continuing at the time of such proposed transaction or would result therefrom, and *provided*, in each case of clause (i) where the successor entity is other than the Company, that the Bank shall have received, and be reasonably satisfied with, all documentation and information required by regulatory authorities under applicable “know your customer” and anti-money laundering rules

and regulations, including without limitation the Patriot Act, to the extent such documentation or information is requested by the Bank prior to the date of such proposed transaction.

(c) ***Sales, Etc. of Assets.*** Sell, lease, transfer or otherwise dispose of all or substantially all of its assets to any Person, or grant any option or other right to purchase, lease or otherwise acquire such assets, except that the Company may sell, lease, transfer or otherwise dispose of all or substantially all of its assets to any Person so long as the requirements set forth in Section 5.03(b) are satisfied as if such disposition were a merger or consolidation in which the Company is not the surviving entity.

(d) ***Use of Proceeds.*** Use the proceeds of the Bonds or the Letter of Credit to buy or carry Margin Stock.

(e) ***Optional Redemption of Bonds.*** Cause or permit delivery of a notice of an optional redemption or purchase of the Bonds or of a change in the interest modes on the Bonds to a term interest rate mode resulting in a mandatory redemption or purchase of the Bonds under the Indenture, unless (i) the Company has deposited with the Bank or the Trustee an amount equal to the principal of, premium, if any, and interest on the Bonds on the date of such redemption or purchase, or (ii) any notice of such redemption or purchase or change in the applicable interest mode is conditional upon receipt by the Trustee or Paying Agent on or prior to the date fixed for the applicable redemption or purchase of funds (other than funds drawn under the Letter of Credit) sufficient to pay the principal of, premium, if any, and interest on the Bonds on the date of such redemption or purchase.

(f) ***Amendments to Indenture.*** Amend, modify, terminate or grant, or permit the amendment, modification, termination or grant of, any waiver under (or consent to, or permit or suffer to occur any action or omission which results in, or is equivalent to, an amendment, modification, or grant of a waiver under) any provision of the Indenture that would (i) directly affect the rights or obligations of the Bank under the Related Documents without the prior written consent of the Bank or (ii) have an adverse effect on the rights or obligations of the Bank hereunder without the prior written consent of the Bank.

(g) ***Reoffering Circular.*** Refer to the Bank in the Reoffering Circular with respect to the Bonds or make any changes in reference to the Bank in any revision, amendment or supplement without the prior consent of the Bank, or revise, amend or supplement the Reoffering Circular without providing a copy of such revision, amendment or supplement, as the case may be, to the Bank.

(h) ***Use of Proceeds of Bond Letter of Credit.*** Permit any proceeds of the Letter of Credit to be used for any purpose other than the payment of the principal of, interest on, redemption price of and purchase price of the Bonds.

ARTICLE VI.

EVENTS OF DEFAULT

SECTION 6.01. Events of Default. The occurrence of any of the following events (whether voluntary or involuntary) shall be an "***Event of Default***" hereunder:

(a) (i) Any principal of any Reimbursement Obligation shall not be paid when the same becomes due and payable, or (ii) any interest on any Reimbursement Obligation or any fees or other amounts payable hereunder or under any other Credit Document shall not be paid within five days after the same becomes due and payable; or

(b) Any representation or warranty made by the Company herein or by the Company (or any of its officers) in any Credit Document or in connection with any Related Document or any document delivered pursuant hereto or thereto shall prove to have been incorrect in any material respect when made; or

(c) (i) The Company shall fail to perform or observe any term, covenant or agreement contained in Section 5.01(b), 5.01(i), 5.02 or 5.03, or (ii) the Company shall fail to perform or observe any other term, covenant or agreement contained in this Agreement or any other Credit Document or Related Document on its part to be performed or observed if such failure shall remain unremedied for 30 days after written notice thereof shall have been given to the Company by the Bank; or

(d) Any material provision of this Agreement or any other Credit Document or Related Document to which the Company is a party shall at any time and for any reason cease to be valid and binding upon the Company, except pursuant to the terms thereof, or shall be declared to be null and void, or the validity or enforceability thereof shall be contested in any manner by the Company or any Governmental Authority, or the Company shall deny in any manner that it has any or further liability or obligation under this Agreement or any other Credit Document or Related Document to which the Company is a party; or

(e) The Company or any Material Subsidiary shall fail to pay any principal of or premium or interest on any Debt (other than Debt under this Agreement) that is outstanding in a principal amount in excess of $100,000,000 in the aggregate when the same becomes due and payable (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise), and such failure shall continue after the applicable grace period, if any, specified in the agreement or instrument relating to such Debt; or any other event shall occur or condition shall exist under any agreement or instrument relating to any such Debt and shall continue after the applicable grace period, if any, specified in such agreement or instrument, if the effect of such event or condition is to accelerate, or to permit the acceleration of, the maturity of such Debt; or any such Debt shall be declared to be due and payable, or required to be prepaid or redeemed (other than by a regularly scheduled required prepayment or redemption), prior to the stated maturity thereof; or

(f) Any judgment or order for the payment of money in excess of $100,000,000 to the extent not paid or insured shall be rendered against the Company or any Material Subsidiary and

either (i) enforcement proceedings shall have been commenced by any creditor upon such judgment or order or (ii) there shall be any period of 30 consecutive days during which a stay of enforcement of such judgment or order, by reason of a pending appeal or otherwise, shall not be in effect; or

(g) The Company or any Material Subsidiary shall generally not pay its debts as such debts become due, or shall admit in writing its inability to pay its debts generally, or shall make a general assignment for the benefit of creditors; or any proceeding shall be instituted by or against the Company or any Material Subsidiary seeking to adjudicate it a bankrupt or insolvent, or seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief, or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors, or seeking the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its property and, in the case of any such proceeding instituted against it (but not instituted by it), either such proceeding shall remain undismissed or unstayed for a period of 60 days, or any of the actions sought in such proceeding (including, without limitation, the entry of an order for relief against, or the appointment of a receiver, trustee, custodian or other similar official for, it or for any substantial part of its property) shall occur; or the Company or any Material Subsidiary shall take any corporate action to authorize any of the actions set forth above in this subsection (g); or

(h) An ERISA Event shall have occurred that, when taken together with all other ERISA Events that have occurred, has resulted in, or is reasonably likely to result in, a Material Adverse Effect; or

(i) (i) Berkshire Hathaway Inc. shall fail to own, directly or indirectly, at least 50% of the issued and outstanding shares of common stock of the Company, calculated on a fully diluted basis or (ii) MidAmerican Energy Holdings Company shall fail to own, directly or indirectly, at least 80% of the issued and outstanding shares of common stock of the Company, calculated on a fully diluted basis (each, a "***Change of Control***"); *provided* that, in each case of the foregoing clauses (i) and (ii), such failure shall not constitute an Event of Default unless and until a Rating Decline has occurred; or

(j) Any "Event of Default" under and as defined in the Indenture shall have occurred and be continuing; or

(k) Any approval or order of any Governmental Authority related to any Credit Document or any Related Document shall be

(i) rescinded, revoked or set aside or otherwise cease to remain in full force and effect, or

(ii) modified in any manner that, in the opinion of the Bank, could reasonably be expected to have a material adverse effect on (i) the business, assets, operations, condition (financial or otherwise) or prospects of the Company and its Subsidiaries taken as a whole, (ii) the legality, validity or enforceability of any of the Credit Documents or the Related Documents to which the Company is a party, or the rights, remedies and benefits available to the parties thereunder, or (iii) the ability of the Company to perform

its obligations under the Credit Documents or the Related Documents to which the Company is a party; or

(l) Any change in Applicable Law or any action by any Governmental Authority shall occur which has the effect of making the transactions contemplated by the Credit Documents or the Related Documents unauthorized, illegal or otherwise contrary to Applicable Law; or

(m) The Custodian Agreement after delivery under Article III hereof shall for any reason, except to the extent permitted by the terms thereof, fail or cease to create valid and perfected Liens (to the extent purported to be granted by the Custodian Agreement and subject to the exceptions permitted thereunder) in any of the collateral purported to be covered thereby, *provided*, that such failure or cessation relating to any non-material portion of such collateral shall not constitute an Event of Default hereunder unless the same shall not have been corrected within 30 days after the Company becomes aware thereof.

SECTION 6.02. Upon an Event of Default. If any Event of Default shall have occurred and be continuing, the Bank may (i) by notice to the Company, declare the obligation of the Bank to issue the Letter of Credit to be terminated, whereupon the same shall forthwith terminate, (ii) give notice to the Trustee (A) pursuant to Section 3.02(a)(iv) of the Indenture, not later than the seventh (7th) Business Day following the honoring of a drawing under the Letter of Credit to pay interest on the Bonds, that the Letter of Credit will not be reinstated in accordance with its terms, and/or (B) as provided in Section 9.01(g) of the Indenture, and to declare the principal of all Bonds then outstanding to be immediately due and payable, (iii) declare the principal amount of all Reimbursement Obligations, all interest thereon and all other amounts payable hereunder or under any other Credit Document or in respect hereof or thereof to be forthwith due and payable, whereupon all such principal, interest and all such other amounts shall become and be forthwith due and payable, without presentment, demand, protest, or further notice of any kind, all of which are hereby expressly waived by the Company, and (iv) in addition to other rights and remedies provided for herein or in the Custodian Agreement or otherwise available to the Bank, as holder of the Pledged Bonds or otherwise, exercise all the rights and remedies of a secured party on default under the Uniform Commercial Code in effect in the State of New York at that time; *provided* that, if an Event of Default described in Section 6.01(g) shall have occurred or an Event of Default described in Section 6.01(i) shall have occurred, automatically, (x) the obligation of the Bank hereunder to issue the Letter of Credit shall terminate, (y) all Reimbursement Obligations, all interest thereon and all other amounts payable hereunder or under any other Credit Document or in respect hereof or thereof shall become and be forthwith due and payable, without presentment, demand, protest, or further notice of any kind, all of which are hereby expressly waived by the Company and (z) the Bank shall give the notice to the Trustee referred to in clause (ii) above.

ARTICLE VII.

MISCELLANEOUS

SECTION 7.01. Amendments, Etc. No amendment or waiver of any provision of any Credit Document, nor consent to any departure by the Company therefrom, shall in any event be effective unless the same shall be in writing and signed by the Bank and the Company and then

such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

SECTION 7.02. Notices, Etc. All notices and other communications provided for hereunder or under any other Credit Document (other than notices delivered pursuant to Section 2.02(a) or as otherwise specified hereunder or under any other Credit Document) shall be in writing and mailed, telecopied, emailed or delivered as follows:

The Company:

PacifiCorp

The Bank:

Letter of Credit Issuance, Drawings and Reimbursements:

Canadian Imperial Bank of Commerce, New York Branch

Business Matters:

Canadian Imperial Bank of Commerce, New York Branch

or, as to each party or at such other address as shall be designated by such party in a written notice to the other parties. All such notices and communications shall, when mailed and addressed as aforesaid, be effective when received by telecopy, telex or e-mail, respectively, or be effective when received in person during the recipient's normal business hours and addressed as aforesaid.

SECTION 7.03. No Waiver, Remedies. No failure on the part of the Bank to exercise, and no delay in exercising, any right hereunder or under any other Credit Document shall operate as a waiver thereof; nor shall any single or partial exercise of any right hereunder or thereunder

preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

SECTION 7.04. Set-off. Upon the occurrence and during the continuance of any Event of Default, the Bank is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other indebtedness at any time owing by the Bank to or for the credit or the account of the Company against any and all of the obligations of the Company now or hereafter existing under any Credit Document, irrespective of whether or not the Bank shall have made any demand hereunder and although such obligations may be contingent or unmatured.

SECTION 7.05. Indemnification. The Company hereby indemnifies and holds the Bank and each of its Affiliates and their respective officers, directors, employees, agents and advisors (each, an "***Indemnified Party***") harmless from and against, and shall pay on demand, any and all claims, damages, losses, liabilities, costs and expenses (including, without limitation, reasonable fees and expenses of counsel) which such Indemnified Party may incur or which may be claimed against such Indemnified Party by any Person:

(a) by reason of any inaccuracy or alleged inaccuracy in any material respect, or any untrue statement or alleged untrue statement of any material fact, contained in the Reoffering Circular or any amendment or supplement thereto, except to the extent contained in or arising from information in the Reoffering Circular (or any amendment or supplement thereto) supplied in writing by and describing the Bank; or by reason of the omission or alleged omission to state therein a material fact necessary to make such statements, in the light of the circumstances under which they were made, not misleading; or

(b) by reason of or in connection with the execution, delivery or performance of this Agreement, the other Credit Documents or the Related Documents, or any transaction contemplated by this Agreement, the other Credit Documents or the Related Documents, other than as specified in subsection (c) below; or

(c) by reason of or in connection with the execution and delivery or transfer of, or payment or failure to make payment under, the Letter of Credit; provided, however, that the Company shall not be required to indemnify any such party pursuant to this Section 7.05(c) for any claims, damages, losses, liabilities, costs or expenses to the extent caused, as determined by a court of competent jurisdiction by final and nonappealable judgment, by (i) the Bank's willful misconduct or gross negligence in determining whether documents presented under the Letter of Credit comply with terms of the Letter of Credit or (ii) the Bank's willful or grossly negligent failure to make lawful payment under the Letter of Credit after the presentation to it by the Trustee under the Indenture of a certificate strictly complying with the terms and conditions of the Letter of Credit.

Nothing in this Section 7.05 is intended to limit the Company's obligations contained in Article II. Without prejudice to the survival of any other obligation of the Company hereunder or under any other Credit Document, the indemnities and obligations of the Company contained in

this Section 7.05 shall survive the payment in full of amounts payable pursuant to Article II, and the termination of the Letter of Credit.

SECTION 7.06. Liability of the Bank. The Company assumes all risks of the acts or omissions of the Trustee, the Paying Agent and any other beneficiary or transferee of the Letter of Credit with respect to its use of the Letter of Credit. Neither the Bank, nor any of its officers or directors, shall be liable or responsible for: (a) the use which may be made of the Letter of Credit or any acts or omissions of the Trustee, the Paying Agent and any other beneficiary or transferee in connection therewith; (b) the validity, sufficiency or genuineness of documents, or of any endorsement thereon, even if such documents should prove to be in any or all respects invalid, insufficient, fraudulent or forged; (c) payment by the Bank against presentation of documents which do not comply with the terms of the Letter of Credit, including failure of any documents to bear any reference or adequate reference to the Letter of Credit; or (d) any other circumstances whatsoever in making or failing to make payment under the Letter of Credit, except that the Company shall have a claim against the Bank and the Bank shall be liable to the Company, to the extent of any direct, as opposed to consequential, damages suffered by the Company which the Company proves, in a court of competent jurisdiction by final and nonappealable judgment, were caused by (i) the Bank's willful misconduct or gross negligence in determining whether documents presented under the Letter of Credit are genuine or comply with the terms of the Letter of Credit or (ii) the Bank's willful or grossly negligent failure to make lawful payment under the Letter of Credit after the presentation to it by the Trustee or the Paying Agent under the Indenture of a certificate strictly complying with the terms and conditions of the Letter of Credit. In furtherance and not in limitation of the foregoing, the Bank may accept original or facsimile (including telecopy or emailed) certificates presented under the Letter of Credit that appear on their face to be in order, without responsibility for further investigation, regardless of any notice or information to the contrary.

SECTION 7.07. Costs, Expenses and Taxes.

The Company agrees to pay on demand all reasonable out-of-pocket costs and expenses in connection with the preparation, issuance, delivery, filing, recording, and administration of this Agreement, the Letter of Credit, the other Credit Documents and any other documents which may be delivered in connection with the Credit Documents, including, without limitation, the reasonable fees and out-of-pocket expenses of counsel for the Bank incurred in connection with the preparation and negotiation of this Agreement, the Letter of Credit and any other Credit Documents and any document delivered in connection therewith and all costs and expenses incurred by the Bank (including reasonable fees and out-of-pocket expenses of counsel) in connection with (i) the transfer, drawing upon, change in terms, maintenance, amendment, renewal or cancellation of the Letter of Credit, (ii) any and all amounts which the Bank has paid relative to the Bank's curing of any Event of Default resulting from the acts or omissions of the Company under this Agreement, any other Credit Document or any Related Document, (iii) the enforcement of, or protection of rights under, this Agreement, any other Credit Document or any Related Document (whether through negotiations, legal proceedings or otherwise), (iv) any action or proceeding relating to a court order, injunction, or other process or decree restraining or seeking to restrain the Bank from paying any amount under the Letter of Credit or (v) any waivers or consents or amendments to or in respect of this Agreement, the Letter of Credit or any other Credit Document requested by the Company. In addition, the Company shall pay any and

all stamp and other taxes and fees payable or determined to be payable in connection with the execution, delivery, filing and recording of this Agreement, the Letter of Credit, any other Credit Documents or any of such other documents ("***Other Taxes***"), and agrees to save the Bank harmless from and against any and all liabilities with respect to or resulting from any delay in paying or omission to pay such Other Taxes.

SECTION 7.08. ***Binding Effect***. This Agreement shall become effective when it shall have been executed and delivered by the Company and the Bank and thereafter shall (a) be binding upon the Company and its successors and assigns, and (b) inure to the benefit of and be enforceable by the Bank and each of its successors, transferees and assigns; *provided that*, the Company may not assign all or any part of its rights or obligations under any Credit Document without the prior written consent of the Bank.

SECTION 7.09. ***Assignments and Participation.***

(a) The Bank may assign to one or more banks, financial institutions or other entities (each a "***Bank Assignee***") all of its rights and obligations under this Agreement, the other Credit Documents and the Related Documents (including, without limitation, all of its Commitment and the Reimbursement Obligations owing to it); *provided, however*, that (i) the Company (unless an Event of Default shall have occurred and be continuing or such assignment is to an Affiliate of the Bank) shall have consented to such assignment (which consent shall not be unreasonably withheld or delayed) by signing the Assignment and Assumption referred to in clause (ii) below, and (ii) the parties to each such assignment shall execute and deliver to the Bank, for its acceptance and recording in the Register (as defined in Section 7.09(c)), an Assignment and Assumption. Upon such execution, delivery, acceptance and recording, from and after the effective date specified in each Assignment and Assumption, (x) the Bank Assignee thereunder shall be a party hereto and, to the extent that rights and obligations hereunder have been assigned to it pursuant to such Assignment and Assumption, have the rights and obligations of the Bank hereunder and (y) the Bank as assignor thereunder shall, to the extent that rights and obligations hereunder have been assigned by it pursuant to such Assignment and Assumption, relinquish its rights and be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all or the remaining portion of the Bank's rights and obligations under this Agreement, the Bank shall cease to be a party hereto). Notwithstanding anything to the contrary contained in this Agreement, the Bank may at any time assign all or any portion of the demand loans owing to it to any Affiliate of the Bank. No such assignment referred to in the preceding sentence, other than to an Affiliate of the Bank consented to by the Company (such consent not to be unreasonably withheld or delayed), shall release the Bank from its obligations hereunder. Nothing contained in this Section 7.09 shall be construed to relieve the Bank of any of its obligations under the Letter of Credit, other than as contemplated in the last sentence of Section 7.09(h).

(b) By executing and delivering an Assignment and Assumption, the Bank as assignor thereunder and the Bank Assignee thereunder confirm to and agree with each other and the other parties hereto as follows: (i) other than as provided in such Assignment and Assumption, the Bank as assignor thereunder makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with this Agreement, any other Credit Document or any Related Document or the execution, legality,

validity, enforceability, genuineness, sufficiency or value of this Agreement, any other Credit Document or any Related Document or any other instrument or document furnished pursuant hereto; (ii) the Bank as assignor thereunder makes no representation or warranty and assumes no responsibility with respect to the financial condition of the Company or the performance or observance by the Company of any of its obligations under this Agreement, any other Credit Document or any Related Document or any other instrument or document furnished pursuant hereto or thereto; (iii) such Bank Assignee confirms that it has received a copy of each Credit Document, together with copies of the financial statements referred to in Section 5.01(h) of this Agreement and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into such Assignment and Assumption; (iv) such Bank Assignee will, independently and without reliance upon the Bank as Assignor and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Credit Documents; and (v) such Bank Assignee agrees that it will perform in accordance with their terms all of the obligations which by the terms of the Credit Documents are required to be performed by it as Assignee of the Bank.

(c) The Bank shall maintain at the address listed below its name on its signature page hereto a copy of each Assignment and Assumption delivered to and accepted by it and a register for the recordation of the names and addresses of the Bank Assignees and the Commitment of, and principal amount of the Reimbursement Obligations owing to, each Bank Assignee from time to time in such form as the Bank shall determine (the "***Register***"). The entries in the Register shall be conclusive and binding for all purposes, absent manifest error, and the Company and the Bank may treat each Person whose name is recorded in the Register as a Bank Assignee for all purposes of the Credit Documents. The Register shall be available for inspection by the Company or the Bank or any Bank Assignee at any reasonable time and from time to time upon reasonable prior notice.

(d) Upon its receipt of an Assignment and Assumption executed by the Bank and a Bank Assignee, the Bank shall, if such Assignment and Assumption has been completed, and has been signed by the Company (if the Company's consent is required), (i) accept such Assignment and Assumption, (ii) record the information contained therein in the Register and (iii) give prompt notice of such recordation to the Company.

(e) The Bank may sell participations to one or more banks, financial institutions or other entities (each a "***Participant***") in all or a portion of its rights and obligations under this Agreement, the other Credit Documents and the Related Documents (including, without limitation, all or a portion of its Commitment and the Reimbursement Obligations owing to it); provided, however, that (i) the Bank's obligations under this Agreement (including, without limitation, its Commitment to the Company hereunder) shall remain unchanged, (ii) the Bank shall remain solely responsible to the other parties hereto for the performance of such obligations, and (iii) the Company shall continue to deal solely and directly with such Bank in connection with the Bank's rights and obligations under this Agreement. Any agreement pursuant to which the Bank may grant such a participating interest shall provide that the Bank shall retain the sole right and responsibility to enforce the obligations of the Company hereunder or under any other Credit Document including, without limitation, the right to approve any amendment, modification or waiver of any provision of the Credit Documents; provided that such participation agreement may provide that the Bank will not agree to any modification,

amendment or waiver of any Credit Document which would (a) waive, modify or eliminate any of the conditions precedent specified in Article III, (b) increase or extend the Commitment of the Bank or subject the Bank to any additional obligations, (c) forgive principal, interest, fees or other amounts payable hereunder or under any other Credit Document or reduce the rate at which interest or any fee is calculated, (d) postpone any date fixed for any payment of principal, interest, fees or other amounts payable hereunder or under any other Credit Document, (e) or waive any requirement for the release of collateral or (f) amend this Section 7.09(e).

(f) The Bank may, in connection with any assignment or participation or proposed assignment or participation pursuant to this Section 7.09, disclose to the assignee or participant or proposed assignee or participant, any information relating to the Company furnished to the Bank by or on behalf of the Company; *provided* that, prior to any such disclosure, the assignee or participant or proposed assignee or participant shall agree to preserve the confidentiality of any confidential information relating to the Company received by it from the Bank.

(g) Anything in this Section 7.09 to the contrary notwithstanding, the Bank, any Bank Assignee or any Participant may assign and pledge all or any portion of its Commitment and the Reimbursement Obligations owing to it to any Federal Reserve Bank or any other central banking authority (and its transferees) as collateral security pursuant to Regulation A of the Board of Governors of the Federal Reserve System and any Operating Circular issued by such Federal Reserve Bank. No such assignment shall release the assigning or pledging entity from its obligations hereunder.

(h) If the Bank, any Bank Assignee or Participant (the "***Demanding Entity***") shall make any demand for payment under Section 2.07 or 2.08, then within 30 days after any such demand, the Company may, with the approval of the Bank (which approval shall not be unreasonably withheld) and provided that no Event of Default or Default shall then have occurred and be continuing, demand that such Demanding Entity assign in accordance with this Section 7.09 to one or more assignees designated by the Company all (but not less than all) of such Demanding Entity's Commitment and the Reimbursement Obligations owing to it within the period ending on such 30th day. If any such assignee designated by the Company shall fail to consummate such assignment on terms acceptable to such Demanding Entity, or if the Company shall fail to designate any such assignees for all or part of the Demanding Entity's Commitment or Reimbursement Obligations, then such demand by the Company shall become ineffective; it being understood for purposes of this subsection (h) that such assignment shall be conclusively deemed to be on terms acceptable to such Demanding Entity, and such Demanding Entity shall be compelled to consummate such assignment to an assignee designated by the Company, if such assignee (i) shall agree to such assignment by entering into an Assignment and Assumption in substantially the form of Exhibit C hereto with such Demanding Entity and (ii) shall offer compensation to such Demanding Entity in an amount equal to all amounts then owing by the Company to such Demanding Entity hereunder, whether for principal, interest, fees, costs or expenses (other than the demanded payment referred to above and payable by the Company as a condition to the Company's right to demand such assignment), or otherwise. Notwithstanding anything to the contrary in this Section, if the Company exercises its right to demand the Bank to assign its Commitment and Reimbursement Obligations under this subsection (h) while the Letter of Credit is outstanding, on the date such assignment becomes effective, (i) the Bank Assignee shall agree to assume all of the Bank's Commitment and

Reimbursement Obligations pursuant to such assignment, (ii) the Bank Assignee shall issue a replacement Letter of Credit in accordance with the terms of the Indenture, (iii) the Letter of Credit issued by the Bank shall be terminated in accordance with its terms and surrendered to the Bank, (iv) the Company shall pay to the Bank all amounts then due and payable to the Bank hereunder and under the other Credit Documents and (v) the Bank shall cease to be a party hereto.

SECTION 7.10. Severability. Any provision of this Agreement which is prohibited, unenforceable or not authorized in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition, unenforceability or non-authorization without invalidating the remaining provisions hereof or affecting the validity, enforceability or legality of such provision in any other jurisdiction.

SECTION 7.11. GOVERNING LAW. **THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.**

SECTION 7.12. Headings. Section headings in this Agreement are included herein for convenience of reference only and shall not constitute a part of this Agreement for any other purpose.

SECTION 7.13. Submission To Jurisdiction; Waivers. The Company hereby irrevocably and unconditionally:

(a) submits for itself and its property in any legal action or proceeding relating to this Agreement and the other Related Documents to which it is a party, or for recognition and enforcement of any judgment in respect thereof, to the non-exclusive general jurisdiction of the Courts of the State of New York, the courts of the United States of America for the Southern District of New York, and appellate courts from any thereof;

(b) consents that any such action or proceeding may be brought in such courts and waives any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same;

(c) agrees that service of process in any such action or proceeding may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to the Company at its address set forth in Section 7.02 of this Agreement or at such other address of which the Bank shall have been notified pursuant thereto; and

(d) agrees that nothing herein shall affect the right to effect service of process in any other manner permitted by law or shall limit the right to sue in any other jurisdiction.

This Section 7.13 shall not be construed to confer a benefit upon, or grant a right or privilege to, any Person other than the parties hereto.

SECTION 7.14. Acknowledgments. The Company hereby acknowledges:

(a) it has been advised by counsel (who is not counsel to the Bank) in the negotiation, execution and delivery of this Agreement, the other Credit Documents and other Related Documents;

(b) the Bank has no fiduciary relationship to the Company, and the relationship between Bank, on the one hand, and the Company on the other hand, is solely that of debtor and creditor; and

(c) no joint venture exists between the Company and the Bank.

SECTION 7.15. WAIVERS OF JURY TRIAL. **THE COMPANY AND THE BANK HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVE TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY RELATED DOCUMENT AND FOR ANY COUNTERCLAIM THEREIN. THIS SECTION 7.15 SHALL NOT BE CONSTRUED TO CONFER A BENEFIT UPON, OR GRANT A RIGHT OR PRIVILEGE TO, ANY PERSON OTHER THAN THE PARTIES HERETO.**

SECTION 7.16. Execution in Counterparts. This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

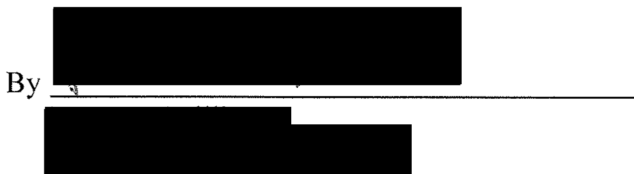
SECTION 7.17. Indenture References. This Agreement, collectively with the Custodian Agreement, shall be deemed to be the "Reimbursement Agreement" for the purposes of the Indenture, and the Letter of Credit to be an "Alternate Credit Facility" for the purposes of the Indenture.

SECTION 7.18. USA PATRIOT Act. The Bank hereby notifies the Company that pursuant to the requirements of the Patriot Act, it is required to obtain, verify and record information that identifies the Company, which information includes the name and address of the Company and other information that will allow the Bank to identify the Company in accordance with the Patriot Act.

[Signature pages follow]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered by their respective duly authorized officers as of the date first above written.

PACIFICORP



By ____________________________

CANADIAN IMPERIAL BANK OF COMMERCE, NEW YORK BRANCH

By __________________________
Name:
Title:

By __________________________
Name:
Title:

Applicable Booking Office:

New York City.

Exhibit A

Form of Letter of Credit

CANADIAN IMPERIAL BANK OF COMMERCE, NEW YORK BRANCH

IRREVOCABLE TRANSFERABLE DIRECT PAY LETTER OF CREDIT NO.

Date: March __, 2015

Effective Date: March 19, 2015
Amount: USD 123,864,314.00
Expiration Date: March 19, 2017

Beneficiary:

The Bank of New York Mellon Trust Company, N.A.
as Trustee

Applicant:

PacifiCorp

Dear Sir or Madam:

We, Canadian Imperial Bank of Commerce, New York Branch, (the "***Bank***") hereby issue our Irrevocable Transferable Direct Pay Letter of Credit No. ("***Letter of Credit***") at the request and for the account of PacifiCorp (the "***Company***") pursuant to that certain Letter of Credit and Reimbursement Agreement, dated as of March 19, 2015, between the Company and us (as amended, supplemented or otherwise modified from time to time being herein referred to as the "***Reimbursement Agreement***"), in your favor, as Trustee under the Trust Indenture, dated as of November 1, 1994 (as amended, supplemented or otherwise modified from time to time, the "***Indenture***"), between Emery County, Utah (the "***Issuer***") and you, as Trustee for the benefit of the Bondholders referred to therein, pursuant to which USD 121,940,000.00 in aggregate principal amount of the Issuer's Pollution Control Revenue Refunding Bonds (PacifiCorp Project) Series 1994 (the "***Bonds***") were issued. This Letter of Credit is only available to be drawn upon with respect to Bonds bearing interest at a rate other than a term interest rate pursuant to the Indenture. This Letter of Credit is in the total amount of USD 123,864,314.00 (subject to adjustment as provided below).

This Letter of Credit shall be effective immediately upon the Effective Date described above and shall expire upon the earliest to occur of (i) March 19, 2017, or if not a Business Day,

the next succeeding Business Day (the "***Stated Expiration Date***"), (ii) four business days following your receipt of written notice from us (A) notifying you of the occurrence and continuance of an Event of Default under the Reimbursement Agreement and stating that such notice is given pursuant to Section 9.01(g) of the Indenture, or (B) notifying you, not later than the seventh (7th) Business Day following the date we honor a Regular Drawing against the Interest Component, stating that such notice is being given pursuant to Section 3.02(a)(iv) of the Indenture and that this Letter of Credit will not be reinstated in accordance with its terms, (iii) the date on which we receive a written and completed certificate signed by you in the form of Exhibit 5 attached hereto, (iv) the date which is 15 days following the Conversion Date for all Bonds remaining outstanding to a term interest rate pursuant to the Indenture as such date is specified in a written and completed certificate signed by you in the form of Exhibit 6 attached hereto and (v) the date on which we receive and honor a written and completed certificate signed by you in the form of Exhibit 1, Exhibit 2 or Exhibit 3 attached hereto, stating that the drawing thereunder is the final drawing under the Letter of Credit (such earliest date being the "***Cancellation Date***").

Prior to the Cancellation Date, we may extend the Stated Expiration Date from time to time at the request of the Company by delivering to you an amendment to this Letter of Credit in the form of Exhibit 8 attached hereto designating the date to which the Stated Expiration Date is being extended. Each such extension of the Stated Expiration Date shall become effective on the date of such amendment and thereafter all references in this Letter of Credit to the Stated Expiration Date shall be deemed to be references to the date designated as such in such amendment. Any date to which the Stated Expiration Date has been extended as herein provided may be extended in a like manner.

The aggregate amount which may be drawn under this Letter of Credit, subject to reductions in amount and reinstatement as provided below, is USD 123,864,314.00, of which the aggregate amounts set forth below may be drawn as indicated.

(i) An aggregate amount not exceeding USD 121,940,000.00, as such amount may be reduced and restored as provided below, may be drawn in respect of payment of principal of the Bonds (or the portion of the purchase price of Bonds corresponding to principal) (the "***Principal Component***").

(ii) An aggregate amount not exceeding USD 1,924,314, as such amount may be reduced and restored as provided below, may be drawn in respect of the payment of up to 48 days' interest on the principal amount of the Bonds computed at a maximum rate of 12% *per annum* calculated on the basis of a 365-day year (or the portion of the purchase price of Bonds corresponding thereto) (the "***Interest Component***").

The Principal Component and the Interest Component shall be reduced effective upon our receipt of a certificate in the form of Exhibit 4 attached hereto completed in strict compliance with the terms hereof.

The presentation of a certificate requesting a drawing hereunder, in strict compliance with the terms hereof shall be a "***Drawing***"; a Drawing in respect of a regularly scheduled interest payment or payment of principal of and interest on the Bonds upon scheduled or

accelerated maturity shall be a "***Regular Drawing***"; a Drawing to pay principal of and interest on Bonds upon redemption of the Bonds in whole or in part shall be a "***Redemption Drawing***"; and a Drawing to pay the purchase price of Bonds in accordance with Section 3.01, 3.02, 3.03 or 3.04 of the Indenture shall be a "***Tender Drawing***".

Upon our honoring of any Regular Drawing hereunder, the Principal Component and the Interest Component shall be reduced immediately following such honoring, in each case by an amount equal to the respective component of the amount specified in such certificate; *provided*, *however*, that, unless the Cancellation Date shall have occurred, the amount of any Regular Drawing hereunder drawn against the Interest Component shall be automatically reinstated as of the close of business in New York on the eighth (8th) Business Day following the date of such honoring by such amount so drawn against the Interest Component, unless you shall have received written notice from us no later than the seventh (7th) Business Day following the date of such honoring, stating that this Letter of Credit will not be reinstated in accordance with its terms.

Upon our honoring of any Redemption Drawing hereunder, the Principal Component shall be reduced immediately following such honoring by an amount equal to the principal amount of the Bonds to be redeemed with the proceeds of such Redemption Drawing and the Interest Component shall be reduced immediately following such honoring by an amount equal to 48 days' interest on such principal amount of the Bonds to be redeemed computed at a maximum rate of 12% *per annum* calculated on the basis of a 365-day year.

Upon our honoring of any Tender Drawing hereunder, the Principal Component and the Interest Component shall be reduced immediately following such honoring, in each case by an amount equal to the respective component of the amount specified in such certificate. Unless the Cancellation Date shall have occurred, promptly upon our having been reimbursed by or for the account of the Company in respect of any Tender Drawing, together with interest, if any, owing thereon pursuant to the Reimbursement Agreement, the Principal Component and the Interest Component, respectively, shall be reinstated when and to the extent of such reimbursement. Upon your telephone request, we will confirm reinstatement pursuant to this paragraph.

Funds under this Letter of Credit are available to you against the appropriate certificate specified below, duly executed by you and appropriately completed.

Type of Drawing	Exhibit Setting Forth Form of Certificate Required
Regular Drawing	Exhibit 1
Tender Drawing	Exhibit 2
Redemption Drawing	Exhibit 3

Drawing certificates and other certificates hereunder shall be dated the date of presentation and shall be presented on a business day (as hereinafter defined) by delivery via a nationally recognized overnight courier to our office located at Canadian Imperial Bank of Commerce, New York Branch,

with a copy transmitted by facsimile to our global operations center in Toronto, Canada and addressed in accordance with the Reimbursement Agreement (or at any other office which may be designated by us by written notice delivered to you at least 15 days prior to the applicable date of Drawing) (the "***Bank's Office***"). The certificates you are required to submit to us may be submitted to us by facsimile transmission to , or any other facsimile number(s) which may be designated by us by written notice delivered to you at least 15 days prior to the applicable date of Drawing. You shall use your best efforts to confirm such notice of a Drawing by telephone to the following number (or any other telephone number which may be designated by us by written notice delivered to you at least 15 days prior to the applicable date of Drawing): ( ) or ( ), but such telephonic notice shall not be a condition to a Drawing hereunder. If we receive your certificate(s) at such office, all in strict conformity with the terms and conditions of this Letter of Credit, (i) with respect to any Regular Drawing or Redemption Drawing, at or before 3:00 P.M. (New York City time), we will honor such Drawing(s) at or before 1:00 P.M. (New York City time), on the second succeeding business day, and (ii) with respect to any Tender Drawing, at or before 12:00 noon (New York City time), on a business day on or before the Cancellation Date, we will honor such Drawing(s) at or before 2:30 P.M. (New York City time), on the same business day, in accordance with your payment instructions; *provided*, *however*, that you will use your best efforts to give us telephonic notification of any such pending presentation to the telephone numbers designated above, (A) with respect to any Regular Drawing or Redemption Drawing, at or before 10:00 A.M. (New York City time) on the next preceding business day, (B) with respect to any Tender Drawing to pay the purchase price of Bonds in accordance with Section 3.01 or 3.02 of the Indenture, at or before 10:00 A.M. (New York City time) on the same business day and (C) with respect to any Tender Drawing to pay the purchase price of Bonds in accordance with Section 3.03 or 3.04 of the Indenture, at or before 12:00 noon (New York City time) on the next preceding business day. If we receive your certificate(s) at such office, all in strict conformity with the terms and conditions of this Letter of Credit (i) after 3:00 P.M. (New York City time), in the case of a Regular Drawing or a Redemption Drawing, on any business day on or before the Cancellation Date, we will honor such certificate(s) at or before 1:00 P.M. (New York City time) on the third succeeding business day, or (ii) after 12:00 noon (New York City time), in the case of a Tender Drawing, on any business day on or before the Cancellation Date, we will honor such certificate(s) at or before 2:30 P.M. (New York City time) on the next succeeding business day. Payment under this Letter of Credit will be made by wire transfer of Federal Funds to your account with any bank that is a member of the Federal Reserve System. All payments made by us under this Letter of Credit will be made with our own funds and not with any funds of the Company, its affiliates or the Issuer. As used herein, "***business day***" means a day except a Saturday, Sunday or other day (i) on which banking institutions in the city or cities in which the designated office under the Indenture of the Trustee, the remarketing agent under the Indenture or the paying agent under the Indenture or the office of the Bank which will honor draws upon this Letter of Credit are located are required or authorized by law or executive order to close or are closed, or (ii) on which the New York Stock Exchange or remarketing agent under the Indenture is closed.

This Letter of Credit is transferable in its entirety (but not in part) to any transferee who has succeeded you as Trustee under the Indenture, and such transferred Letter of Credit may be successively transferred to any successor Trustee thereunder, but may not be assigned, transferred or conveyed under any other circumstance. Transfer of the available balance under

this Letter of Credit to such transferee shall be effected by the presentation to us of this Letter of Credit and all amendments hereto, accompanied by a certificate in the form set forth in Exhibit 7. Upon such transfer, we will endorse the transfer on the reverse of this Letter of Credit and forward it directly to such transferee with our customary notice of transfer. In connection with such transfer, a transfer fee will be charged to the account of the Applicant, but the payment of such fee will not be a condition to the effectiveness of such transfer.

This Letter of Credit may not be transferred to any person with which U.S. persons are prohibited from doing business under U.S. Foreign Assets Control Regulations or other applicable U.S. laws and Regulations.

Except as otherwise provided herein, this Letter of Credit shall be governed by and construed in accordance with International Standby Practices, Publication No. 590 of the International Chamber of Commerce ("***ISP98***"). As to matters not covered by ISP98 and to the extent not inconsistent with ISP98 or made inapplicable by this Letter of Credit, this Letter of Credit shall be governed by the laws of the State of New York, including the Uniform Commercial Code as in effect in the State of New York.

This Letter of Credit sets forth in full our undertaking, and such undertaking shall not in any way be modified, amended, amplified or limited by reference to any document, instrument or agreement referred to herein (including, without limitation, the Bonds and the Indenture), except only the certificates referred to herein; and any such reference shall not be deemed to incorporate herein by reference any document, instrument or agreement except for such certificates. Whenever and wherever the terms of this Letter of Credit shall refer to the purpose of a Drawing hereunder, or the provisions of any agreement or document pursuant to which such Drawing may be made hereunder, such purpose or provisions shall be conclusively determined by reference to the statements made in the certificate accompanying such Drawing.

EXHIBIT 1

REGULAR DRAWING CERTIFICATE

The undersigned, a duly authorized officer of The Bank of New York Mellon Trust Company, N.A., as Trustee (the "***Trustee***"), hereby certifies as follows to Canadian Imperial Bank of Commerce, New York Branch (the "***Bank***"), with reference to Irrevocable Transferable Direct Pay Letter of Credit No. ██████ (the "***Letter of Credit***"), issued by the Bank in favor of the Trustee. Terms defined in the Letter of Credit and used but not defined herein shall have the meanings given them in the Letter of Credit.

(1) The Trustee is the Trustee under the Indenture for the holders of the Bonds.

(2) The respective amounts of principal of and interest on the Bonds, which do not exceed the Principal Component and Interest Component, respectively, under the Letter of Credit, which are due and payable (or which have been declared to be due and payable) and with respect to the payment of which the Trustee is presenting this Certificate, are as follows:

Principal: USD __________

Interest: USD __________

(3) The respective portions of the amount of this Certificate in respect of payment of principal of and interest on the Bonds have been computed in accordance with (and this Certificate complies with) the terms and conditions of the Bonds and the Indenture.

(4) Please send the payment requested hereunder by wire transfer to [insert wire transfer instructions].

[(5) This Certificate is being presented upon the [scheduled maturity of the Bonds] [accelerated maturity of the Bonds pursuant to the Indenture]* and is the final Drawing under the Letter of Credit in respect of principal of and interest on the Bonds. Upon the honoring of this Certificate, the Letter of Credit will expire in accordance with its terms. The original of the Letter of Credit, together with all amendments, is returned herewith.]**

IN WITNESS WHEREOF, the Trustee has executed and delivered this Certificate as of the _____ day of __________, 20___.

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., as Trustee
By: ____
Title: ____

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* Insert appropriate bracketed language.
** To be used upon scheduled or accelerated maturity of the Bonds.

EXHIBIT 2

TENDER DRAWING CERTIFICATE

The undersigned, a duly authorized officer of The Bank of New York Mellon Trust Company, N.A., as Trustee (the "***Trustee***"), hereby certifies as follows to Canadian Imperial Bank of Commerce, New York Branch (the "***Bank***"), with reference to Irrevocable Transferable Direct Pay Letter of Credit No. [redacted] (the "***Letter of Credit***"), issued by the Bank in favor of the Trustee. Terms defined in the Letter of Credit and used but not defined herein shall have the meanings given them in the Letter of Credit.

(1) The Trustee is the Trustee under the Indenture for the holders of the Bonds.

(2) The amount of the Tender Drawing under this Certificate to pay the portion of the purchase price of the Bonds corresponding to principal as of __________ (the "***Purchase Date***") is USD __________, which does not exceed the Principal Component under the Letter of Credit.

(3) The amount of the Tender Drawing under this Certificate to pay the portion of the purchase price of the Bonds corresponding to interest due as of the Purchase Date is USD __________,[***] which does not exceed the Interest Component under the Letter of Credit.

(4) The total amount of the Tender Drawing under this Certificate is USD __________.

(5) The respective portions of the total amount of this Certificate have been computed in accordance with (and this Certificate complies with) the terms and conditions of the Bonds and the Indenture.

(6) The Trustee or the Custodian under the Custodian and Pledge Agreement referred to below will register or cause to be registered in the name of the Company, upon payment of the amount drawn hereunder, Bonds in the principal amount of the Bonds being purchased with the amounts drawn hereunder and will hold such Bonds in accordance with the provisions of the Custodian and Pledge Agreement, dated as of March 19, 2015, among the Company, the Bank and The Bank of New York Mellon Trust Company, N.A., as Custodian, as amended or otherwise modified from time to time.

(7) Please send the payment requested hereunder by wire transfer to [insert wire transfer instructions].

[***] Assuming payment under the Letter of Credit pursuant to a Regular Drawing for interest on the Bonds due and payable on or after the date of this Certificate but prior to the Purchase Date.

IN WITNESS WHEREOF, the Trustee has executed and delivered this Certificate as of the _____ day of __________, 20___.

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., as Trustee
By: ____
Its: ____

EXHIBIT 3

REDEMPTION DRAWING CERTIFICATE

The undersigned, a duly authorized officer of The Bank of New York Mellon Trust Company, N.A., as Trustee (the "***Trustee***"), hereby certifies as follows to Canadian Imperial Bank of Commerce, New York Branch (the "***Bank***"), with reference to Irrevocable Transferable Direct Pay Letter of Credit No. [redacted] (the "***Letter of Credit***"), issued by the Bank in favor of the Trustee. Terms defined in the Letter of Credit and used but not defined herein shall have the meanings given them in the Letter of Credit.

(1) The Trustee is the Trustee under the Indenture for the holders of the Bonds.

(2) The amount of the Redemption Drawing to pay the portion of the redemption price of the Bonds corresponding to principal is USD __________, which does not exceed the Principal Component under the Letter of Credit.

(3) The amount of the Redemption Drawing under this Certificate to pay the portion of the redemption price of the Bonds corresponding to interest is USD __________, which does not exceed the Interest Component under the Letter of Credit.

(4) The total amount of the Redemption Drawing under this Certificate is USD __________.

(5) The respective portions of the total amount of this Certificate have been computed in accordance with (and this Certificate complies with) the terms and conditions of the Bonds and the Indenture.

(6) Please send the payment requested hereunder by wire transfer to [insert wire transfer instructions].

[(7) This Certificate is the final Drawing under the Letter of Credit and, upon the honoring of such Certificate, the Letter of Credit will expire in accordance with its terms. The original of the Letter of Credit, together with all amendments, is returned herewith.][****]

IN WITNESS WHEREOF, the Trustee has executed and delivered this Certificate as of the _____ day of __________, 20___.

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., as Trustee
By: ____
Its: ____

**** To be used upon optional or mandatory redemption of the Bonds in full.

EXHIBIT 4

REDUCTION CERTIFICATE

The undersigned, a duly authorized officer of The Bank of New York Mellon Trust Company, N.A., as Trustee (the "***Trustee***"), hereby certifies as follows to Canadian Imperial Bank of Commerce, New York Branch (the "***Bank***"), with reference to Irrevocable Transferable Direct Pay Letter of Credit No. [REDACTED] (the "***Letter of Credit***"), issued by the Bank in favor of the Trustee. Terms defined in the Letter of Credit and used but not defined herein shall have the meanings given them in the Letter of Credit.

(1) The Trustee is the Trustee under the Indenture for the holders of the Bonds.

(2) The aggregate principal amount of the Bonds outstanding (as defined in the Indenture) has been reduced to USD __________.

(3) The Principal Component is hereby correspondingly reduced to USD __________.

(4) The Interest Component is hereby reduced to USD __________, equal to 48 days' interest on the reduced amount of principal set forth in paragraph (2) hereof computed at a maximum rate of 12% *per annum* calculated on the basis of a 365-day year.

IN WITNESS WHEREOF, the Trustee has executed and delivered this Certificate as of the _____ day of __________, 20___.

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., as Trustee
By: ______________________________________
Its: ______________________________________

EXHIBIT 5

TERMINATION CERTIFICATE

The undersigned, a duly authorized officer of The Bank of New York Mellon Trust Company, N.A., as Trustee (the "***Trustee***"), hereby certifies to Canadian Imperial Bank of Commerce, New York Branch (the "***Bank***"), with reference to Irrevocable Transferable Direct Pay Letter of Credit No. [redacted] (the "***Letter of Credit***"; the terms defined therein and not otherwise defined herein being used herein as therein defined) issued by the Bank in favor of the Trustee, as follows:

(1) The Trustee is the Trustee under the Indenture for the holders of the Bonds.

(2) The conditions to termination of the Letter of Credit set forth in the Indenture have been satisfied, and accordingly, said Letter of Credit has terminated in accordance with its terms.[*****]

(3) The original of the Letter of Credit and all amendments thereto are returned herewith.

IN WITNESS WHEREOF, the Trustee has executed and delivered this Certificate as of the _____ day of __________, 20___.

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., as Trustee
By: ____
Its: ____

[*****] To be used upon cancellation due to the Trustee's acceptance of an Alternate Credit Facility pursuant to the Indenture, upon Trustee's confirmation that no Bonds remain outstanding or upon termination pursuant to Section 6.04 of the Indenture.

EXHIBIT 6

NOTICE OF CONVERSION

The undersigned, a duly authorized officer of The Bank of New York Mellon Trust Company, N.A. (the "***Trustee***"), hereby certifies to Canadian Imperial Bank of Commerce, New York Branch (the "***Bank***"), with reference to Irrevocable Transferable Direct Pay Letter of Credit No. [redacted] (the "***Letter of Credit***"; the terms defined therein and not otherwise defined herein being used herein as therein defined) issued by the Bank in favor of the Trustee, as follows:

(1) The Trustee is the Trustee under the Indenture for the holders of the Bonds.

(2) The interest rate on all Bonds remaining outstanding have been converted to a term interest rate pursuant to the Indenture on __________ (the "***Conversion Date***"), and accordingly, said Letter of Credit shall terminate fifteen (15) days after such Conversion Date in accordance with its terms.

(3) The original of the Letter of Credit and all amendments thereto are returned herewith.

IN WITNESS WHEREOF, the Trustee has executed and delivered this Certificate as of the _____ day of __________, 20___.

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., as Trustee
By: ______________________________
Its: ______________________________

EXHIBIT 7

INSTRUCTIONS TO TRANSFER

_______________, 20___

Canadian Imperial Bank of Commerce, New York Branch

RE: Canadian Imperial Bank of Commerce, New York Branch,
Irrevocable Transferable Direct Pay Letter of Credit No.

Ladies and Gentlemen:

The undersigned, as Trustee under the Trust Indenture, dated as of November 1, 1994 (as amended, supplemented or otherwise modified from time to time, the "***Indenture***"), between Emery County, Utah and The Bank of New York Mellon Trust Company, N.A., is named as beneficiary in the Letter of Credit referred to above (the "***Letter of Credit***"). The transferee named below has succeeded the undersigned as Trustee under the Indenture.

____
(Name of Transferee)

____
(Address)

Therefore, for value received, the undersigned hereby irrevocably instructs you to transfer to such transferee all rights of the undersigned to draw under the Letter of Credit.

By this transfer, all rights of the undersigned in the Letter of Credit are transferred to such transferee and such transferee shall hereafter have the sole rights as beneficiary under the Letter of Credit; *provided, however,* that no rights shall be deemed to have been transferred to such transferee until such transfer complies with the requirements of the Letter of Credit pertaining to transfers. The undersigned transferor confirms that the transferor no longer has any rights under or interest in the Letter of Credit. All amendments are to be advised directly to the transferee without the necessity of any consent of or notice to the undersigned transferor.

The original of such Letter of Credit and all amendments are being returned herewith, and in accordance therewith we ask you to endorse the within transfer on the reverse thereof and forward it directly to the transferee with your customary notice of transfer.

IN WITNESS WHEREOF, the undersigned has executed and delivered this Certificate as of the _____ day of __________, 20___.

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., as transferor
By: ____
Its: ____

[NAME OF TRANSFEREE], as transferee
By: ____
Its: ____

EXHIBIT 8

EXTENSION AMENDMENT

Canadian Imperial Bank of Commerce, New York Branch

RE: Irrevocable Transferable Direct Pay Letter of Credit No.

Dated: _________________

Beneficiary:

The Bank of New York Mellon Trust Company, N.A., as Trustee

Applicant:

PacifiCorp

We hereby amend our Irrevocable Transferable Direct Pay Letter of Credit No. as follows:

Amendment Sequence Number: _____

Stated Expiration Date is extended to: _____________________

All other terms and conditions remain unchanged. This Amendment is to be considered an integral part of the Letter of Credit and must be attached thereto.

CANADIAN IMPERIAL BANK OF COMMERCE,
NEW YORK BRANCH

__________________________________ __________________________________
Authorized Signature Authorized Signature

__________________________________ __________________________________
Authorized Signer *Authorized Signer*

Exhibit B

Form of Custodian Agreement

CUSTODIAN AGREEMENT

This CUSTODIAN AND PLEDGE AGREEMENT, dated as of March 19, 2015 (this "***Agreement***"), is made by and among PACIFICORP, an Oregon corporation (the "***Company***"), CANADIAN IMPERIAL BANK OF COMMERCE, NEW YORK BRANCH (the "***Bank***"), and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A. ("***BNYM***"), as the Trustee pursuant to the Indenture referred to below, as custodian (the "***Custodian***").

RECITALS

A. The Company and the Bank have entered into a Letter of Credit and Reimbursement Agreement, dated as of March 19, 2015, relating to $121,940,000 Emery County, Utah Pollution Control Revenue Refunding Bonds (PacifiCorp Project) Series 1994 (as amended, restated, supplemented or otherwise modified from time to time, the "***Reimbursement Agreement***"), pursuant to which the Bank has agreed to issue the Letter of Credit (as defined in the Reimbursement Agreement) in favor of BNYM, as trustee (the "***Trustee***") under the Trust Indenture, dated as of November 1, 1994 (as amended, restated, supplemented or otherwise modified from time to time, the "***Indenture***"), between Emery County, Utah and the Trustee, for the account of the Company.

B. It is a condition precedent under the Reimbursement Agreement to the obligation of the Bank to issue the Letter of Credit that the Company and the Custodian shall have executed and delivered this Agreement.

AGREEMENT

The Company and the Custodian each agree with the Bank as follows:

SECTION 1. Defined Terms. Capitalized terms not defined herein shall have the meanings ascribed to such terms in the Reimbursement Agreement or the Indenture, as applicable.

SECTION 2. ***Pledge***. The Company hereby pledges, assigns, transfers, hypothecates and delivers to the Bank all of its right, title and interest in, and grants to the Bank a first-priority Lien upon, (i) the Bonds purchased with moneys received under the Letter of Credit in connection with a Tender Drawing and owned or held by the Company or an Affiliate of the Company, or the Trustee (collectively, the "***Pledged Bonds***") and (ii) all proceeds of the Pledged Bonds (such proceeds, together with the Pledged Bonds, collectively, the "***Collateral***"), all as collateral security for the prompt and complete payment when due of all amounts payable by the Company to the Bank, and the prompt and complete performance of all other obligations of the Company to the Bank, whether now existing or hereafter arising, under or in respect of the Reimbursement Agreement, the Letter of Credit, this Agreement and the Related Documents (collectively, the "***Obligations***"). The Company hereby agrees that the Custodian shall act as the agent and bailee of the Bank for the purpose of perfecting the Lien of this Agreement and of

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holding the Collateral for the benefit of the Bank pursuant to the Indenture. For so long as the Pledged Bonds are registered in the name of The Depository Trust Company ("***DTC***"), the Custodian shall cause DTC to make appropriate entries on its books increasing the appropriate securities account of the Custodian, as a direct participant of DTC, to include the Pledged Bonds, and shall identify, by book-entry or otherwise, the Pledged Bonds as belonging to, or subject to a security interest in favor of, the Bank, and shall send the Bank a confirmation of the transfer of the Pledged Bonds to the Bank. The Custodian shall continuously identify the Pledged Bonds on its books as being held for the account of the Bank and shall take all such action reasonably requested by the Bank to ensure that the Bank shall be the "entitlement holder" with respect to the Pledged Bonds having "control" of all "security entitlements" related to the Pledged Bonds within the meaning of Article 8 of the Uniform Commercial Code as in effect from time to time in the State of New York ("***UCC Article 8***").

SECTION 3. Payments on Collateral. If, while this Agreement is in effect, the Company shall become entitled to receive or shall receive any interest or other payment in respect of the Collateral, the Company agrees to accept the same as the Bank's agent, to hold the same in trust on behalf of the Bank and to deliver the same forthwith to the Bank. The Company instructs and authorizes the Custodian to hold and receive on the Bank's behalf and to deliver forthwith to the Bank any payment received by it in respect of the Collateral (including, without limitation, the proceeds of any remarketing of the Pledged Bonds). All such payments in respect of the Collateral that are paid to the Bank shall be credited against the Obligations as provided in the Reimbursement Agreement.

SECTION 4. Release of Pledged Bonds. To the extent that the Bank receives reimbursement in cash (whether under the Reimbursement Agreement or the Indenture) of an amount equal to the amount of any Tender Drawing related to the purchase of Pledged Bonds in a manner that will permit the reinstatement of the Letter of Credit in respect of such Pledged Bonds in accordance with the terms of the Letter of Credit, the Bank agrees to provide written notice to the Trustee that the Letter of Credit has been irrevocably reinstated in an amount equal to the amount of such Tender Drawing, whereupon the Bank agrees to release from the Lien of this Agreement the corresponding principal amount of Pledged Bonds. The Bank instructs and authorizes the Custodian upon such release of any Pledged Bonds from the Lien of this Agreement, to cause DTC to make appropriate entries on its books decreasing the appropriate securities account of the Custodian to exclude such Pledged Bonds and to reclassify, by book-entry or otherwise, the Pledged Bonds as not subject to a security interest in favor of the Bank.

SECTION 5. Representations and Warranties. The Company represents and warrants that: (a) on the date of delivery of the Pledged Bonds to or for the benefit of the Bank, to the Company's knowledge, no other Person shall have any right, title or interest in and to the Pledged Bonds; (b) the Company has, and on the date of delivery to or for the benefit of the Bank of any of the Pledged Bonds will have, full power, authority and legal right to pledge all of its right, title and interest in and to the Pledged Bonds pursuant to this Agreement; (c) the pledge, assignment and delivery of the Pledged Bonds pursuant to this Agreement will create a valid first Lien on, and a perfected first-priority security interest in, all right, title and interest of the Company in and to the Collateral, subject to no prior Lien on the property or assets of the Company that would include the Pledged Bonds; and (d) the Company makes each of the representations and warranties in the Reimbursement Agreement and Related Documents to and

for the benefit of the Bank as if the same were set forth in full herein. The Company shall be deemed to have represented and warranted to the Bank on the date of each drawing under the Letter of Credit that the statements contained herein are true and correct.

SECTION 6. Rights of the Bank. The Bank shall not be liable for any failure to collect or realize upon all or any part of the Obligations or any collateral security (including, without limitation, the Collateral) or guaranty for the Obligations, or for any delay in so doing, and the Bank shall be under no obligation to take any action whatsoever with regard to the Obligations or any such collateral security or guaranty. If an Event of Default has occurred and is continuing, the Bank may, without notice, exercise all rights, privileges or options pertaining to any Pledged Bonds as if it were the absolute owner of such Pledged Bonds, upon such terms and conditions as it may determine, all without liability except to account for property actually received by it, but the Bank shall have no duty to exercise any of those rights, privileges or options and shall not be responsible for any failure to do so or delay in so doing.

SECTION 7. Remedies. In the event that any portion of the Obligations has been declared due and payable after an Event of Default, the Bank may, without demand of performance or other demand, advertisement or notice of any kind (except the notice specified below of the time and place of public or private sale) to or upon the Company or any other Person (all and each of which demands, advertisements or notices are hereby expressly waived), in its sole discretion, (a) exercise any or all of its rights and remedies under the Reimbursement Agreement, the Letter of Credit, this Agreement, the Related Documents and any other instruments and agreements securing, evidencing or relating to the Obligations or under applicable law (including, without limitation, all of the rights and remedies of a secured creditor under the Uniform Commercial Code as in effect from time to time in the State of New York or the commercial code of any other applicable jurisdiction), (b) forthwith collect, receive, appropriate and realize upon all or any part of the Collateral, (c) forthwith sell, assign, give an option or options to purchase, contract to sell or otherwise dispose of and deliver all or any part of the Collateral in one or more parcels at public or private sale or sales, at any exchange, broker's board or at any of the Bank's offices or elsewhere, upon such terms and conditions as it may deem advisable and at such prices as it may deem best, for cash or on credit or for future delivery without assumption of any credit risk, with the right to the Bank upon any such sale or sales, public or private, to purchase the whole or any part of the Collateral so sold, free of any right or equity of redemption in the Company, which right or equity is hereby expressly waived or released, or (d) take all or any combination of the foregoing actions. The Bank acknowledges that, and will use commercially reasonable efforts to notify prior to the date of any such sale, assignment, or disposition and delivery, any purchaser of any Collateral consisting of Pledged Bonds that, upon such selling, assigning or disposing of and delivery of any portion of such Pledged Bonds, that such Pledged Bonds are unrated. After deducting all reasonable costs and expenses of every kind incurred in taking any of the foregoing actions or incidental to the care, safekeeping or otherwise of any and all of the Collateral or in any way relating to the rights of the Bank hereunder, including, without limitation, reasonable attorneys' fees and legal expenses, after payment of all of the Obligations in such order as the Bank may elect (the Company remaining liable to the extent provided under the Reimbursement Agreement for any deficiency remaining unpaid after such application) and after payment by the Bank of any other amount required or permitted by any provision of law, the Bank shall pay to the Company the surplus, if any, of any amounts realized by the Bank under this Section 7 or such other Person entitled

thereto. The Company agrees that the Bank need not give more than 10 days' notice of the time and place of any public sale or of the time after which a private sale or other intended disposition is to take place and that such notice is reasonable notification of such matters. No notification need be given to the Company if it has signed after default a statement renouncing or modifying any right to deficiency if the proceeds of any sale or other disposition of the Collateral are insufficient to pay all amounts to which the Bank is entitled, including, without limitation, the fees and costs of any attorneys employed by the Bank to collect such deficiency.

SECTION 8. No Disposition. The Company agrees that it will not sell, assign, transfer, exchange or otherwise dispose of, or grant any option with respect to, the Collateral and that it will not create, incur or permit to exist any Lien with respect to all or any part of the Collateral, except for the Lien of this Agreement.

SECTION 9. Sale of Collateral.

(a) The Company recognizes that the Bank may be unable to effect a public sale of any or all of the Pledged Bonds by reason of certain prohibitions contained in the Securities Act of 1933, as amended (the "***Securities Act***"), and applicable state securities laws but may be compelled to resort to one or more private sales to a restricted group of purchasers that will be obliged to agree, among other things, to acquire such securities for their own account for investment and not with a view to distribution or resale. The Company acknowledges and agrees that any such private sale may result in prices and other terms less favorable to the seller than if such sale were a public sale and, notwithstanding such circumstances, agrees that any such private sale shall be deemed to have been made in a commercially reasonable manner. The Bank shall be under no obligation to delay a sale of any of the Pledged Bonds for the period of time necessary to permit the Issuer to register such securities for public sale under the Securities Act or under applicable state securities laws, even if the Issuer would agree to do so.

(b) The Company further agrees to do or cause to be done all such other acts and things as may be lawfully necessary to make such sale or sales of all or any part of the Pledged Bonds valid and binding and in compliance with any and all applicable laws, rules, regulations, orders or decrees, all at the Company's expense. The Company further agrees that a breach of any of the covenants contained in this Section 9 will cause irreparable injury to the Bank for which the Bank would have no adequate remedy at law in respect of such breach and, as a consequence, agrees that each and every covenant contained in this Section 9 shall be specifically enforceable against the Company, and the Company waives and agrees not to assert any defenses against an action for specific performance of such covenants except for a defense that no Event of Default has occurred under the Reimbursement Agreement. The Company further acknowledges the impossibility of ascertaining the amount of damages that would be suffered by the Bank by reason of a breach of any of such covenants and, consequently, agrees that, if the Bank shall sue for wages for breach, it shall pay, as liquidated damages and not as a penalty, an amount equal to the principal of, and accrued interest on, the Pledged Bonds on the date the Bank shall demand compliance with this Section 9.

SECTION 10. Further Assurances. The Company agrees that at any time and from time to time upon the written request of the Bank, the Company will execute and deliver such

further documents and do such further acts and things as the Bank may reasonably request in order to effect the purposes of this Agreement.

SECTION 11. Collateral Agency Agreement.

(a) The Bank hereby appoints the Custodian as agent and bailee for the Bank on the terms and conditions of this Section 11, and the Custodian hereby accepts such appointment and agrees with the Bank to act as agent without compensation separate from that provided to the Custodian pursuant to the Indenture.

(b) The duties of the Custodian as agent under this Agreement shall be as follows:

(i) the Custodian shall hold (either directly or as a direct participant of DTC) in a securities account for the benefit of the Bank all Pledged Bonds purchased by the Custodian with drawings under the Letter of Credit pursuant to the Indenture, all proceeds thereof and all other amounts held by the Custodian and payable to the Bank pursuant to the Indenture;

(ii) upon the remarketing of Pledged Bonds, the Custodian shall deliver to the Bank the proceeds of such remarketing and all other amounts received by the Custodian and payable to the Bank pursuant to the Indenture; and

(iii) the Custodian shall comply with any notice, request or instruction of the Bank with respect to the Pledged Bonds, subject to Section 4 hereof, without the further consent of the Company such that the Bank shall be deemed to have "control" of the Pledged Bonds as "security entitlements" within the meaning of UCC Article 8.

(c) The Custodian shall not pledge, hypothecate, transfer or release all or any part of the Collateral to any other Person or in any manner not in accordance with this Section 11 without the prior written consent of the Bank.

(d) The Custodian shall transfer the benefits or obligations of this Agreement or the Indenture only with the prior written consent of the Bank and only if any such transferee shall have agreed in writing to be bound by the terms and conditions of this Section 11 and the Indenture. Notwithstanding the preceding sentence, any corporation, association or other entity into which the Custodian may be converted or merged, or with which it may be consolidated, or to which it may sell or otherwise transfer all or substantially all of its corporate trust assets and business or any corporation, association or other entity resulting from any such conversion, sale, merger, consolidation or other transfer to which it is a party, ipso facto, shall be and become successor custodian hereunder, vested with all other matters as was its predecessor, without the execution or filing of any instrument or consent or any further act on the part of the parties hereto.

(e) Neither the Custodian nor any of its officers, directors, employees, agents, attorneys-in-fact or affiliates shall be liable for any action lawfully taken or omitted to be taken by it under or in connection with this Agreement (except for its own gross negligence or willful misconduct). The Custodian undertakes to perform only such duties as are expressly set forth herein. The Custodian may rely, and shall be protected in acting or refraining from acting, upon

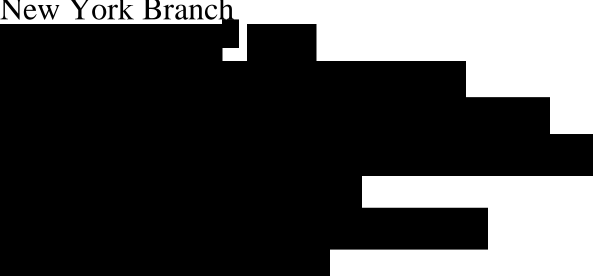
any written notice, instruction or request furnished to it hereunder and believed by it to be genuine and to have been signed or presented by the proper party. The Custodian shall have the right to perform any of its duties hereunder through agents, attorneys, custodians or nominees, and shall not be responsible for the misconduct or negligence of such agents, attorneys, custodians and nominees appointed by it with due care. None of the provisions contained in this Agreement shall require the Custodian to use or advance its own funds in the performance of any of its duties or the exercise of any of its rights or powers hereunder. The Custodian may consult with counsel of its own choice and shall have full and complete authorization and protection for any action taken or suffered by it hereunder in good faith and in accordance with the opinion of such counsel. Notwithstanding any provision to the contrary contained herein, the Custodian shall not be relieved of liability arising in connection with its own gross negligence or willful misconduct. The Company hereby agrees to indemnify, defend and hold harmless the Custodian from and against all losses, damages, costs, charges, payments, liabilities and expenses, including the costs of litigation, investigation and reasonable legal fees incurred by the Custodian and arising directly or indirectly out of its role as Custodian pursuant to this Agreement, except as caused by the Custodian's willful misconduct or gross negligence.

SECTION 12. Notices. All notices, requests and other communications to any party hereunder shall be in writing (including bank wire, telecopier, overnight courier or similar writing) and shall be given to such party, addressed to it, at its address or telecopier number set forth below or such other address or telecopier number as such party may specify by notice to the other parties. Each such notice, request or communication shall be effective (a) if given by telecopy, when sent by telecopier to the telecopier number specified below and receipt thereof has been confirmed by telephone, (b) if given by mail, five days after such communication is deposited in the mails with first-class postage prepaid, addressed as aforesaid, (c) if given by a reputable overnight courier, upon confirmation of delivery by such courier, or (d) if given by any other means, when delivered at the address specified below.

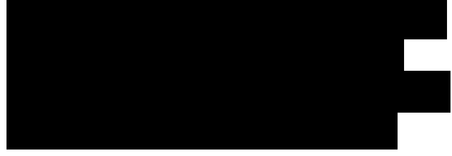
Party	Address
Company:	PacifiCorp
Bank:	Canadian Imperial Bank of Commerce, New York Branch

with copies to:

Canadian Imperial Bank of Commerce,
New York Branch



Custodian: The Bank of New York Mellon Trust Company, N.A.



SECTION 13. Amendments and Waiver. No amendment or waiver of any provision of this Agreement or consent to any departure by the Company or the Custodian from any such provision shall in any event be effective unless the same shall be in writing and signed by the Bank. Any such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

SECTION 14. Expenses. The Company shall pay to the Bank all expenses (including, without limitation, reasonable fees and expenses of counsel) of, or incident to, any actual or attempted sale or other disposition of, or any exchange, enforcement, collection, compromise or settlement of or with respect to, all or any of the Collateral, by litigation or otherwise. The Company shall reimburse the Bank on demand for all reasonable costs and expenses incurred in connection with the negotiation, preparation, execution and administration of this Agreement, including, without limitation, any fees or expenses paid by the Bank to the Custodian for its services in connection with this Agreement or pursuant to Section 11 hereof.

SECTION 15. No Waiver; Remedies. No failure on the part of the Bank to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver of such right, and no single or partial exercise of any right under this Agreement shall preclude any further exercise of such right or the exercise of any other right. The remedies provided in this Agreement are cumulative and not exclusive of any remedies provided by law.

SECTION 16. Severability. Any provision of this Agreement that is prohibited, unenforceable or not authorized in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition, unenforceability or nonauthorization without invalidating the remaining provisions of this Agreement or affecting the validity, enforceability or legality of such provision in any other jurisdiction.

SECTION 17. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New York.

SECTION 18. Headings. Section headings in this Agreement are included for convenience of reference only and shall not constitute a part of this Agreement for any other purpose.

SECTION 19. Counterparts. This Agreement may be signed in any number of counterpart copies, and all such copies shall constitute one and the same instrument.

SECTION 20. Binding Effect. This Agreement shall become effective when it shall have been executed and delivered by the Company, the Bank and the Custodian and thereafter shall (a) be binding upon the Company and the Custodian, and their respective successors and assigns, and (b) inure to the benefit of and be enforceable by the Bank and its successors, transferees and assigns; provided that, the Company may not assign all or any part of its rights or obligations under this Agreement without the prior written consent of the Bank unless such assignment complies with the provisions of Section 7.09 of the Reimbursement Agreement.

SECTION 21. Deemed Reimbursement Agreement for Purposes of Indenture. This Agreement, collectively with the Reimbursement Agreement, shall be deemed to be the "Reimbursement Agreement" for the purpose of the Indenture.

[Signature pages follow]

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed and delivered as of the date first above written.

CANADIAN IMPERIAL BANK OF COMMERCE, NEW YORK BRANCH

By ____
Name:
Title:

By ___________________________________
Name:
Title:

PACIFICORP

By ______________________________________

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., as Custodian

By ____

Name:

Title:

Exhibit C

Form of Assignment and Assumption Agreement

ASSIGNMENT AND ASSUMPTION

This Assignment and Assumption (the "***Assignment and Assumption***") is dated as of the Effective Date set forth below and is entered into by and between [the][each][1] Assignor identified in item 1 below ([the][each, an] "***Assignor***") and [the][each][2] Assignee identified in item 2 below ([the][each, an] "***Assignee***"). [It is understood and agreed that the rights and obligations of [the Assignors][the Assignees][3] hereunder are several and not joint.][4] Capitalized terms used but not defined herein shall have the meanings given to them in the Letter of Credit and Reimbursement Agreement identified below (as amended, the "***Reimbursement Agreement***"), receipt of a copy of which is hereby acknowledged by [the][each] Assignee. The Standard Terms and Conditions set forth in Annex 1 attached hereto are hereby agreed to and incorporated herein by reference and made a part of this Assignment and Assumption as if set forth herein in full.

For an agreed consideration, [the][each] Assignor hereby irrevocably sells and assigns to [the Assignee][the respective Assignees], and [the][each] Assignee hereby irrevocably purchases and assumes from [the Assignor][the respective Assignors], subject to and in accordance with the Standard Terms and Conditions and the Reimbursement Agreement, as of the Effective Date inserted by the Bank as contemplated below (i) all of [the Assignor's][the respective Assignors'] rights and obligations in [its capacity as a Bank][their respective capacities as Banks] under the Reimbursement Agreement and any other documents or instruments delivered pursuant thereto to the extent related to the amount and percentage interest identified below of all of such outstanding rights and obligations of [the Assignor][the respective Assignors] under the respective facilities identified below (including without limitation any letters of credit, guarantees, and swingline loans included in such facilities), and (ii) to the extent permitted to be assigned under applicable law, all claims, suits, causes of action and any other right of [the Assignor (in its capacity as a Bank)][the respective Assignors (in their respective capacities as Banks)] against any Person, whether known or unknown, arising under or in connection with the Reimbursement Agreement, any other documents or instruments delivered pursuant thereto or the loan transactions governed thereby or in any way based on or related to any of the foregoing, including, but not limited to, contract claims, tort claims, malpractice claims, statutory claims and all other claims at law or in equity related to the rights and obligations sold and assigned pursuant to clause (i) above (the rights and obligations sold and assigned by [the][any] Assignor to [the][any] Assignee pursuant to clauses (i) and (ii) above being referred to herein collectively as [the][an] "***Assigned Interest***"). Each such sale and assignment is without recourse to [the][any] Assignor and, except as expressly provided in this Assignment and Assumption, without representation or warranty by [the][any] Assignor.

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[1] For bracketed language here and elsewhere in this form relating to the Assignor(s), if the assignment is from a single Assignor, choose the first bracketed language. If the assignment is from multiple Assignors, choose the second bracketed language.

[2] For bracketed language here and elsewhere in this form relating to the Assignee(s), if the assignment is to a single Assignee, choose the first bracketed language. If the assignment is to multiple Assignees, choose the second bracketed language.

[3] Select as appropriate.

[4] Include bracketed language if there are either multiple Assignors or multiple Assignees.

1. Assignor[s]: ______________________________

____

2. Assignee[s]: ______________________________

____

3. Company: PacifiCorp

4. Bank: Canadian Imperial Bank of Commerce, New York Branch, as the Bank under the Reimbursement Agreement

5. Reimbursement Agreement:

The Letter of Credit and Reimbursement Agreement, dated as of March 19, 2015, between PacifiCorp and Canadian Imperial Bank of Commerce, as Bank.

6. Assigned Interest[s]:

Assignor[s][5]	Assignee[s][6]	Aggregate Amount of Commitment[7]	Amount of Commitment Assigned[8]	Percentage Assigned of Commitment[8]	CUSIP Number
		$	$	%	
		$	$	%	
		$	$	%	

[7. Trade Date: ______________][9]

[Page break]

[5] List each Assignor, as appropriate.
[6] List each Assignee, as appropriate.
[7] Amount to be adjusted by the counterparties to take into account any payments or prepayments made between the Trade Date and the Effective Date.
[8] Set forth, to at least 9 decimals, as a percentage of the aggregate amount of the Commitment thereunder.
[9] To be completed if the Assignor(s) and the Assignee(s) intend that the minimum assignment amount is to be determined as of the Trade Date.

Effective Date: _____________ ___, 20___ [TO BE INSERTED BY THE BANK AND WHICH SHALL BE THE EFFECTIVE DATE OF RECORDATION OF TRANSFER IN THE REGISTER THEREFOR.]

The terms set forth in this Assignment and Assumption are hereby agreed to:

ASSIGNOR[S][10]
[NAME OF ASSIGNOR]

By:______________________________
Title:

[NAME OF ASSIGNOR]

By:______________________________
Title:

ASSIGNEE[S][11]
[NAME OF ASSIGNEE]

By:______________________________
Title:

[NAME OF ASSIGNEE]

By:______________________________
Title:

Accepted:

CANADIAN IMPERIAL BANK OF COMMERCE,
NEW YORK BRANCH, as Bank

By: _________________________________
Title:

[10] Add additional signature blocks as needed. Include both Fund/Pension Plan and manager making the trade (if applicable).
[11] Add additional signature blocks as needed. Include both Fund/Pension Plan and manager making the trade (if applicable).

[Consented to:][12]

[PACIFICORP]

By: ______________________________
Title:

[12] To be added only if the consent of the Company is required by the terms of the Reimbursement Agreement.

Letter of Credit and Reimbursement Agreement, dated as of March 19, 2015, between PacifiCorp and Canadian Imperial Bank of Commerce, New York Branch, as Bank.

STANDARD TERMS AND CONDITIONS FOR
ASSIGNMENT AND ASSUMPTION

1. ***Representations and Warranties***.

1.1 ***Assignor[s]***. [The][Each] Assignor (a) represents and warrants that (i) it is the legal and beneficial owner of [the][the relevant] Assigned Interest, (ii) [the][such] Assigned Interest is free and clear of any lien, encumbrance or other adverse claim, and (iii) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby; and (b) assumes no responsibility with respect to (i) any statements, warranties or representations made in or in connection with the Reimbursement Agreement, any other Credit Document or any Related Document, (ii) the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Reimbursement Agreement, any other Credit Document, any Related Document or any other instrument or document furnished pursuant thereto or any collateral thereunder, (iii) the financial condition of the Company, any of its Subsidiaries or Affiliates or any other Person obligated in respect of any Credit Document or any Related Document, or (iv) the performance or observance by the Company, any of its Subsidiaries or Affiliates or any other Person of any of their respective obligations under any Credit Document, any Related Document or any other instrument or document furnished pursuant thereto.

1.2. ***Assignee[s]***. [The][Each] Assignee (a) represents and warrants that (i) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby and to become a Bank under the Reimbursement Agreement, (ii) it meets all the requirements to be an assignee under Section 7.09(a) and (b) of the Reimbursement Agreement (subject to such consents, if any, as may be required under Section 7.09(a) of the Reimbursement Agreement), (iii) from and after the Effective Date, it shall be bound by the provisions of the Reimbursement Agreement as a Bank thereunder and, to the extent of [the][the relevant] Assigned Interest, shall have the obligations of a Bank thereunder, (iv) it is sophisticated with respect to decisions to acquire assets of the type represented by the Assigned Interest and either it, or the Person exercising discretion in making its decision to acquire the Assigned Interest, is experienced in acquiring assets of such type, (v) it has received a copy of the Reimbursement Agreement, and has received or has been accorded the opportunity to receive copies of the most recent financial statements delivered pursuant to Section 5.01(h) thereof, as applicable, and such other documents and information as it deems appropriate to make its own credit analysis and decision to enter into this Assignment and Assumption and to purchase [the][such] Assigned Interest, (vi) it has, independently and without reliance upon the Bank and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Assignment and Assumption and to purchase [the][such] Assigned Interest, and (vii) attached to the Assignment and Assumption is any documentation required to be delivered by it pursuant to the terms of the Reimbursement Agreement, duly completed and executed by [the][such] Assignee; and (b)

agrees that (i) it will, independently and without reliance on the Bank or [the][any] Assignor, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Credit Documents, and (ii) it will perform in accordance with their terms all of the obligations which by the terms of the Credit Documents are required to be performed by it as an Assignee of the Bank.

2. ***Payments***. From and after the Effective Date, the Bank shall make all payments in respect of [the][each] Assigned Interest (including payments of principal, interest, fees and other amounts) to [the][the relevant] Assignor for amounts which have accrued to but excluding the Effective Date and to [the][the relevant] Assignee for amounts which have accrued from and after the Effective Date. Notwithstanding the foregoing, the Bank shall make all payments of interest, fees or other amounts paid or payable in kind from and after the Effective Date to [the][the relevant] Assignee.

3. ***General Provisions***. This Assignment and Assumption shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns. This Assignment and Assumption may be executed in any number of counterparts, which together shall constitute one instrument. Delivery of an executed counterpart of a signature page of this Assignment and Assumption by telecopy shall be effective as delivery of a manually executed counterpart of this Assignment and Assumption. This Assignment and Assumption shall be governed by, and construed in accordance with, the laws of the State of New York.

Exhibit D

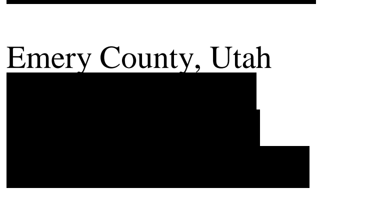
Form of Opinion of ██████████
counsel to the Company

[LETTERHEAD OF PACIFICORP]

March 19, 2015

The Bank of New York Mellon Trust Company, N.A., as successor Trustee

Emery County, Utah



Canadian Imperial Bank of Commerce,
New York Branch

Re: $121,940,000 Emery County, Utah
Pollution Control Revenue Refunding Bonds
(PacifiCorp Project) Series 1994

Ladies and Gentlemen:

I have served as counsel to PacifiCorp (the *"Company"*) in connection with the execution and delivery by the Company of the (a) Letter of Credit and Reimbursement Agreement, dated March 19, 2015 (the *"Letter of Credit Agreement"*), between the Company and Canadian Imperial Bank of Commerce, New York Branch (the *"Bank"*), (b) Custodian and Pledge Agreement, dated as of March 19, 2015 (the *"Pledge Agreement"*), among the Company, The Bank of New York Mellon Trust Company, N.A., as Trustee (the *"Trustee"*), and the Bank and (c) that certain fee letter of the Bank, dated March 19, 2015, accepted and agreed to by the Company on March 19, 2015 (the *"Fee Letter"*), each relating to the abovementioned bonds (the *"Bonds"*). The Letter of Credit Agreement, the Pledge Agreement and the Fee Letter are referred to herein each as a "*Company Document*" and collectively as the *"Company Documents."* Capitalized terms used herein and not otherwise defined shall have the meanings assigned such terms in the Letter of Credit Agreement.

I have examined the Supplement, dated March 11, 2015, to Reoffering Circular, dated November 11, 2008 (the *"Reoffering Circular"*), relating to the abovementioned bonds, and, the Indenture, the Loan Agreement, the Company Documents and such other documents, and have

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discussed the foregoing documents and such other matters with such officials of the Company, as I consider necessary and appropriate to enable me to express the opinions stated in this letter. I have relied, to the extent that I deem such reliance proper, upon certificates of public officials and certificates of officers of the Company with respect to the accuracy of material factual matters contained therein which were not independently established.

I have assumed, with your consent, for the purposes of the opinions expressed in this letter, that the Company Documents have been duly authorized, executed and delivered by each party thereto, other than the Company.

Based upon the foregoing, it is my opinion that:

(a) the Company (i) is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Oregon, (ii) has the corporate power and authority to own its properties and to conduct its business as described in the Reoffering Circular, and (iii) except as described in the Reoffering Circular, is duly registered or qualified to do business and is in good standing as a foreign corporation in each jurisdiction in which such registration, qualification or good standing is required (whether by reason of the ownership or leasing of property, the conduct of its business or otherwise), except where the failure to so register or qualify or be in good standing could not, in the aggregate, reasonably be expected to have a Material Adverse Effect;

(b) the Company has the corporate power and authority to execute and deliver each Company Document and to take all actions required or permitted to be taken by the Company by or under, and to perform its obligations under each Company Document;

(c) the Company has duly taken all necessary corporate action for the authorization of: (i) the execution, delivery and performance by the Company of the Company Documents; (ii) the distribution of the Reoffering Circular; and (iii) the carrying out, giving effect to, consummation and performance by the Company of the transactions and obligations contemplated by the Company Documents and the Reoffering Circular, provided that no opinion is expressed with respect to compliance with any securities laws;

(d) each Company Document has been duly authorized, executed and delivered by the Company;

(e) the execution and delivery by the Company of the Company Documents, the performance by the Company of its obligations thereunder and the consummation by the Company of the transactions therein contemplated do not and will not contravene the Third Restated Articles of Incorporation or bylaws of the Company or, to the best of my knowledge, any rule, order, writ, injunction or decree of any court, federal or state regulatory body, administrative agency or other governmental body applicable to the Company, or result in a breach of any of the terms, conditions or provisions of, or constitute a default under any material mortgage, indenture, agreement or instrument to which the Company is a party or by which it or any of its properties is bound or, to the

best of my knowledge, result in the creation or imposition of any mortgage, lien, charge or encumbrance of any nature whatsoever upon any of the properties or assets of the Company;

(f) on and as of the date hereof, no authorization, consent or approval of, notice to, registration or filing with, or action in respect of, any governmental body, agency, regulatory authority or other instrumentality or court is required to be obtained, given or taken on behalf of the Company in connection with (i) the remarketing and public reoffering of the Bonds and (ii) the execution, delivery and performance by the Company of the Company Documents, other than Order No. 94-448, Docket UF 4118 issued by the Public Utility Commission of Oregon on March 11, 1994, Order No. 25443, Case No. PAC-S-94-1 issued by the Idaho Public Utilities Commission on March 22, 1994, and Order Granting Application, Docket No. UE-940247 issued by the Washington Utilities and Transportation Commission on March 9, 1994, each of which has been duly obtained and is in full force and effect, provided that no opinion is expressed with respect to compliance with any securities laws.

(g) to the best of my knowledge, other than as described in the Reoffering Circular, the Company has not received notice of or process in any action, suit, proceeding, inquiry or investigation before or by any court, public board or body pending against the Company, nor is any such action, suit, proceeding, inquiry or investigation pending or threatened against the Company, wherein an unfavorable decision, ruling or finding would have a material adverse effect on the properties, business, financial condition or results of operations of the Company or the transactions contemplated by the Company Documents or the Reoffering Circular, or which would adversely affect the validity or enforceability of, or the authority of the Company to perform its obligations under, the Company Documents or materially adversely affect the ability of the Company to perform its obligations thereunder; and

(h) to the best of my knowledge, the Company is not in default under the Company Documents, the Loan Agreement or any material indenture or other agreement or instrument governing outstanding indebtedness issued by the Company nor, to the best of my knowledge, has any event occurred, which event is continuing, which with notice or the passage of time or both would constitute a default under any such document.

I have not passed upon, and the foregoing assumes and is subject to, the tax-exempt status of interest on the Bonds, as to which a separate opinion has been given by Chapman and Cutler LLP. In addition, I express no opinion as to the application or effect of any securities law to the transactions contemplated by the Reoffering Circular.

Additionally, I advise you that, without having undertaken to determine independently the accuracy or completeness of the statements contained in the Reoffering Circular, except as set forth above, nothing has come to my attention in the course of my participation in the preparation of the Reoffering Circular and in the transactions contemplated thereby, or in the performance of my duties as Counsel to the Company, or otherwise, that causes me to believe, as of the date hereof, that the Reoffering Circular (except for the financial statements and other

financial and statistical data included or incorporated by reference therein, as to which I express no opinion) contains any untrue or misleading statement of a material fact or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

The opinions expressed herein are limited to matters governed by the laws of the United States of America and the State of Oregon and, as to the opinions expressed in paragraph (f) above, the laws of the States of California, Idaho, Utah, Washington and Wyoming, that are applicable to PacifiCorp as a regulated public utility in such states, and I express no opinion as to the law of any other jurisdiction. In rendering the opinions expressed herein, I have relied upon the attached opinion letter of [REDACTED]., Assistant General Counsel to the Company, as to the matters expressed therein and the opinions expressed herein are subject to all of the assumptions and qualifications recited in such opinion letter.

I hereby confirm my consent to the use of my name on the cover page and under the caption "CERTAIN LEGAL MATTERS" in the Reoffering Circular.

This opinion is addressed solely to you in connection with the transactions contemplated by the Company Documents and the Reoffering Circular and is not to be relied upon by any other person or for any other purposes or quoted or referred to in any public document or filed with any governmental agency or other person (other than the Bank's counsel, auditors and any regulatory agency having jurisdiction over the Bank or as otherwise required pursuant to legal process or other requirements of law) without my written consent; provided that (i) a copy of this opinion may be included in the transcript of documents relating to the reoffering of the Bonds, (ii) Chapman and Cutler LLP, special New York counsel to the Company, may rely on this opinion in connection with the opinion to be furnished by them in connection with the transactions contemplated by the Letter of Credit Agreement and (iii) successors and permitted assigns of the Bank may rely on this opinion as though addressed to such person on the date hereof.

Very truly yours,

[REDACTED]

Exhibit E

Form of Reliance Letter of Chapman and Cutler LLP, Bond Counsel

[LETTERHEAD OF CHAPMAN AND CUTLER LLP]

March 19, 2015

Canadian Imperial Bank of Commerce,
New York Branch

Re: $121,940,000
Emery County, Utah
Pollution Control Revenue Refunding Bonds
(PacifiCorp Project)
Series 1994 (the *"Bonds"*)

Ladies and Gentlemen:

In connection with the remarketing and delivery of the Bonds on the date hereof, you have requested our permission to rely upon our approving opinion of bond counsel, dated November 1, 1994 (the *"Opinion"*), rendered in connection with the issuance of the above-captioned Bonds, a copy of which is attached hereto. The Bonds were issued pursuant to a Trust Indenture, dated as of November 1, 1994 (the *"Indenture"*), between Emery County, Utah (the *"Issuer"*) and The Bank of New York Mellon Trust Company, N.A., as successor trustee. Terms used herein denoted by initial capitals and not otherwise defined shall have the meanings specified in the Indenture.

This will confirm that you are entitled to rely upon the Opinion, as of its date, as if it were specifically addressed to you.

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 we rendered such approving opinion other than as specifically described in the opinions that we rendered in connection with (a) the delivery of Standby Bond Purchase Agreement, described in our opinion dated as of November 15, 2002, (b) the delivery of an Amended and Restated Standby Bond Purchase Agreement and the execution and delivery of a First Supplemental Trust Indenture, described in our opinion dated May 3, 2006, (c) the amendment and restatement of the Indenture and the Loan Agreement and delivery of an earlier Letter of Credit, described in our opinion dated November 19, 2008, and (d) the delivery of the Irrevocable Transferable Direct Pay Letter of Credit issued by Canadian Imperial Bank of Commerce, New York Branch and delivered on the date hereof.

Please be advised that this reliance letter is not intended to re-affirm the statements made in the Opinion as of the date hereof. The Opinion is dated November 1, 1994, and speaks only as of its date. Except as described above, we have not undertaken to verify any of the matters set forth therein subsequent to the issuance of the Opinion, and we have assumed no obligation to revise or supplement the Opinion to reflect any facts or circumstances occurring after the date of the Opinion or any changes in law that may occur after the date of the Opinion.

In rendering the Opinion, we 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. The Opinion represents, as of its date, our legal judgment based upon our review of the law and the facts that we deemed relevant to render such Opinion, and was and is not a guarantee of a result. The Opinion was given as of its date and we assumed no obligation to revise or supplement the Opinion to reflect any facts or circumstances that thereafter have come or may come to our attention or any changes in law that thereafter have occurred or may occur.

Respectfully submitted,

RDBjerke/mo

[LETTERHEAD OF CHAPMAN AND CUTLER LLP]

March 19, 2015

Canadian Imperial Bank of Commerce,
New York Branch

Ladies and Gentlemen:

We have on this date delivered our opinion with respect to the $121,940,000 aggregate principal amount of Emery County, Utah Pollution Control Revenue Refunding Bonds (PacifiCorp Project), Series 1994, a copy of which is delivered herewith. In accordance with Section 3.01(b) of that certain Letter of Credit and Reimbursement Agreement, dated as of March 19, 2015, by and among PacifiCorp and Canadian Imperial Bank of Commerce, New York Branch, you may rely upon said opinion with the same effect as though addressed to you.

Very truly yours,

RDBjerke/mo

Schedule I

List of Material Subsidiaries

None.