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REPORT NAME: Informational Notice of Interest Rate Mode Change

COMPANY NAME: PacifiCorp d/b/a Pacific Power

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 Order No. 03-135
☐Other

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

If yes, enter docket number: UF-4195

List applicable Key Words for this report to facilitate electronic search:
PCRB, Reoffering Circular, Remarketing Agreement, Interest Rate Mode Change

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PACIFIC POWER
A DIVISION OF PACIFICORP

825 NE Multnomah, Suite 2000
Portland, Oregon 97232

June 18, 2013

VIA ELECTRONIC FILING

Oregon Public Utility Commission
550 Capitol Street NE, Suite 215
Salem, OR 97301-2551

Attention: Filing Center

Re: **Docket No. UF 4195 Order No. 03-135**
Informational Notice of Interest Rate Mode Change

On June 3, 2013, four series of pollution control revenue bonds were remarketed in a weekly interest mode. Previously, these bonds were in a fixed rate term mode which began June 2, 2003. For informational purposes, PacifiCorp d/b/a Pacific Power (PacifiCorp or Company) submits to the Commission verified copies of each of the following documents:

1. Reoffering Circular dated May 22, 2013

2. Remarketing Agreement, dated May 22, 2013, among the Company and Barclays Capital Inc., as remarketing agent for the following Bond issues:

    a. $15,000,000 Sweetwater County, Wyoming Pollution Control Revenue Bonds (PacifiCorp Project), Series 1984
    b. $5,300,000 Converse County, Wyoming Environmental Improvement Revenue Bonds (PacifiCorp Project), Series 1995

3. Remarketing Agreement, dated May 22, 2013, among the Company and Morgan Stanley & Co. LLC, as remarketing agent for the following Bond issues:

    a. $8,500,000 City of Forsyth, Rosebud County, Montana Flexible Rate Demand Pollution Control Revenue Bonds (PacifiCorp Colstrip Project), Series 1986
    b. $22,000,000 Lincoln County, Wyoming Environmental Improvement Revenue Bonds (PacifiCorp Project), Series 1995

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

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

Please contact me at (503) 813-5660 or Gary Tawwater, Manager, Regulatory Affairs, at (503) 813-6805 if you have any questions about this letter or the enclosed documents.

Sincerely,

Tanya Sacks
Assistant Treasurer

Enclosures

REOFFERING CIRCULAR — COMPOSITE REOFFERING — NOT NEW ISSUES

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

$50,800,000
COMPOSITE REOFFERING
PACIFICORP PROJECTS

$15,000,000
SWEETWATER COUNTY, WYOMING
POLLUTION CONTROL
REVENUE BONDS
(PACIFICORP PROJECT)
SERIES 1984 (NON-AMT)
(CUSIP 870487 CK9[1])

$8,500,000
CITY OF FORSYTH,
ROSEBUD COUNTY, MONTANA
FLEXIBLE RATE DEMAND POLLUTION
CONTROL REVENUE BONDS
(PACIFICORP COLSTRIP PROJECT)
SERIES 1986 (AMT)
(CUSIP 346668 DG8[1])

$5,300,000
CONVERSE COUNTY, WYOMING
ENVIRONMENTAL IMPROVEMENT
REVENUE BONDS
(PACIFICORP PROJECT)
SERIES 1995 (AMT)
(CUSIP 212490 AC0[1])

$22,000,000
LINCOLN COUNTY, WYOMING
ENVIRONMENTAL IMPROVEMENT
REVENUE BONDS
(PACIFICORP PROJECT)
SERIES 1995 (AMT)
(CUSIP 533477 AC9[1])

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

PACIFICORP

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

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

Price 100%

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

BARCLAYS
as Remarketing Agent for the
Sweetwater Bonds and Converse Bonds

MORGAN STANLEY
as Remarketing Agent for the
Forsyth Bonds and Lincoln Bonds

Dated: May 22, 2013

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

$15,000,000
SWEETWATER COUNTY, WYOMING
POLLUTION CONTROL REVENUE BONDS
(PACIFICORP PROJECT)
SERIES 1984 (NON-AMT)

Issued: December 12, 1984
Maturity: December 1, 2014

Interest Payment Dates: First Business Day of each calendar month
Initial Interest Payment Date: July 1, 2013

$8,500,000
CITY OF FORSYTH, ROSEBUD COUNTY, MONTANA
FLEXIBLE RATE DEMAND
POLLUTION CONTROL REVENUE BONDS
(PACIFICORP COLSTRIP PROJECT)
SERIES 1986 (AMT)

Issued: December 29, 1986
Maturity: December 1, 2016

Interest Payment Dates: First Business Day of each calendar month
Initial Interest Payment Date: July 1, 2013

$5,300,000
CONVERSE COUNTY, WYOMING
ENVIRONMENTAL IMPROVEMENT
REVENUE BONDS
(PACIFICORP PROJECT)
SERIES 1995 (AMT)

Issued: November 17, 1995
Maturity: November 1, 2025

Interest Payment Dates: First Business Day of each calendar month
Initial Interest Payment Date: July 1, 2013

$22,000,000
LINCOLN COUNTY, WYOMING
ENVIRONMENTAL IMPROVEMENT
REVENUE BONDS
(PACIFICORP PROJECT)
SERIES 1995 (AMT)

Issued: November 17, 1995
Maturity: November 1, 2025

Interest Payment Dates: First Business Day of each calendar month
Initial Interest Payment Date: July 1, 2013

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

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

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THE BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND THE INDENTURE HAS NOT BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS.

IN CONNECTION WITH THIS REOFFERING, THE REMARKETING AGENTS MAY OVERALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANYTIME.

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REOFFERING CIRCULAR

$15,000,000
SWEETWATER COUNTY, WYOMING
POLLUTION CONTROL REVENUE BONDS
(PACIFICORP PROJECT)
Series 1984

$8,500,000
CITY OF FORSYTH,
ROSEBUD COUNTY, MONTANA
FLEXIBLE RATE DEMAND POLLUTION CONTROL REVENUE BONDS
(PACIFICORP COLSTRIP PROJECT)
Series 1986

$5,300,000
CONVERSE COUNTY, WYOMING
ENVIRONMENTAL IMPROVEMENT REVENUE BONDS
(PACIFICORP PROJECT)
Series 1995

$22,000,000
LINCOLN COUNTY, WYOMING
ENVIRONMENTAL IMPROVEMENT REVENUE BONDS
(PACIFICORP PROJECT)
Series 1995

INTRODUCTORY STATEMENT

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

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

generating plant located in Lincoln County, Wyoming in the case of the Series 1995 Lincoln County Bonds.

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

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

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

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

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

In order to secure the Company's obligation to repay the loan made to the Company under each Loan Agreement, on June 2, 2003 the Company issued and delivered to the Trustee

of each Issue a series of the Company's First Mortgage Bonds in a principal amount equal to the principal amount of the related Issue as follows (collectively, the "First Mortgage Bonds"):

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

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

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

The Bonds, together with the premium, if any, and interest thereon, will be limited obligations and not general obligations of the Issuer thereof. None of the Indentures, the Loan Agreements or the Bonds constitutes a debt or gives rise to a general obligation or liability of the Issuer thereof or constitutes an indebtedness under any constitutional or statutory debt limitation. The Bonds of each Issue will not constitute or give rise to a pecuniary liability of the Issuer thereof and will not constitute any charge against such Issuer's general credit or taxing powers; nor will the Bonds of an Issuer constitute an indebtedness of or a loan of credit of such Issuer. The Bonds of each Issue are payable solely from the receipts and revenues to be received from the Company as Loan Payments under the related Loan Agreement, or otherwise on the related First Mortgage Bonds, and from any other moneys pledged therefor. Such receipts and revenues

and all of the applicable Issuer's rights and interests under each Loan Agreement (except as noted under "THE INDENTURES—Pledge and Security" below) are pledged and assigned to the Trustee as security, equally and ratably, for the payment of the Bonds to which the applicable Loan Agreement relates. The payments required to be made by the Company under the Loan Agreement, or otherwise on the First Mortgage Bonds, will be sufficient, together with other funds available for such purpose, to pay the principal and purchase price of and premium, if any, and interest on the Bonds of the Issue to which the Indenture relates. Under no circumstances will any Issuer have any obligation, responsibility or liability with respect to any of the Projects, the Loan Agreements, the Indentures, the Bonds or this Reoffering Circular, except for the special limited obligation set forth in each of the Indentures and the Loan Agreements whereby the Bonds are payable solely from amounts derived from the Company. Nothing contained in the Indentures, the Bonds or the Loan Agreements, or in any other related documents, shall be construed to require any Issuer to operate, maintain or have any responsibility with respect to any of the Projects. The Issuers have no liability in the event of wrongful disbursement by the Trustee or otherwise. No recourse shall be had against any past, present or future commissioner, officer, employee, official or agent of any Issuer under the Indentures, the Bonds, the Loan Agreements or any related document. The Issuers have no responsibility to maintain the Tax-Exempt status of the Bonds under federal or state law nor any responsibility for any other tax consequences related to the ownership or disposition of the Bonds.

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

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

Brief descriptions of the Issuers and summaries of certain provisions of, the Bonds, the Loan Agreements, the Indentures and the First Mortgage Bonds are included in this Reoffering Circular, including the Appendices hereto. As the Company has no present intention of providing letters of credit, bond insurance or other third-party security to secure the Bonds, only the relevant provision of the Indentures and the Loan Agreements are set forth herein. Provisions of the Loan Agreements and the Indentures relating to matters such as the establishment of various interest rates and interest rate periods, other than the Weekly Interest Rate Period and the Daily Interest Rate Period, and providing letters of credit are not summarized herein. Information regarding the Company is included or incorporated by reference in Appendix A hereto. Appendices B-1, B-2, B-3 and B-4 set forth the approving

opinions of Chapman and Cutler, Bond Counsel, delivered on the date of original issuance of each series of the Bonds. Appendices C-1, C-2, C-3 and C-4 set forth the proposed opinions of Chapman and Cutler LLP, Bond Counsel in connection with the change in interest rate determination method on the Bonds, to be delivered at the time the Bonds are reoffered. Included as Appendix D is a copy of the Continuing Disclosure Agreement (the "Continuing Disclosure Agreement") that the Company will execute and deliver on the Conversion Date.

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

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

THE ISSUERS

Sweetwater County, Wyoming

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

The City of Forsyth, Rosebud County, Montana

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

Converse County, Wyoming

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

Lincoln County, Wyoming

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

THE BONDS

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

General

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

Bonds may be transferred or exchanged for other Bonds in authorized denominations at the principal office of the Trustee as the registrar and paying agent (in such capacities, the "Registrar" and the "Paying Agent"). The Bonds will be issued in authorized denominations of

$100,000 or any integral multiple of $100,000 (provided that one Bond need not be in a multiple of $100,000, but may be in such denominations greater than $100,000 as is necessary to account for any principal amount of the Bonds not corresponding directly with $100,000 denominations) when the Bonds bear interest at a Daily or Weekly Interest Rate (the "Authorized Denominations"). Exchanges and transfers will be made without charge to the Owners, except for any applicable tax or other governmental charge.

Certain Definitions

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

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

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

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

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

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

indirectly for purposes of calculating other tax liabilities, including any alternative minimum tax or environmental tax under the Code.

Payment of Principal And Interest

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

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

Rate Periods

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

Weekly Interest Rate Period

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

The Weekly Interest Rate is the rate determined by the Remarketing Agent (based on an examination of Tax-Exempt obligations comparable to the Bonds known by the Remarketing Agent to have been priced or traded under then-prevailing market conditions) to be the lowest rate which would enable the Remarketing Agent to sell the Bonds on the effective date of such rate at a price (without regard to accrued interest) equal to 100% of the principal amount thereof. If the Remarketing Agent has not determined a Weekly Interest Rate for any period, the Weekly Interest Rate will be the same as the Weekly Interest Rate for the immediately preceding week. The first Weekly Interest Rate determined for each Weekly Interest Rate Period applies to the period commencing on the first day of the Weekly Interest Rate Period and ending on the next succeeding Tuesday. Thereafter, each Weekly Interest Rate applies to the period commencing

on each Wednesday and ending on the next succeeding Tuesday, unless such Weekly Interest Rate Period ends on a day other than Tuesday, in which event the last Weekly Interest Rate for such Weekly Interest Rate period applies to the period commencing on the Wednesday preceding the last day of such Weekly Interest Rate Period and ending on such last day. In no event may the Weekly Interest Rate exceed the Maximum Interest Rate.

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

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

Daily Interest Rate Period

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

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

Adjustment to Daily Interest Rate Period. The interest rate borne by the Bonds may be adjusted to a Daily Interest Rate upon receipt by the Issuer, the Trustee, the Paying Agent, the

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

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

Determination Conclusive

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

Rescission of Election

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

immediately give written notice of each such automatic adjustment to a Rate Period as described in this paragraph to the Owners.

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

Optional Purchase

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

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

(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.

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 by telecopy or other writing), which states the principal amount and certificate number (if the Bonds are not then held in book–entry form) of such Bond to be purchased and the date of such purchase; and

(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.

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

Mandatory Purchase

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

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

Purchase of Bonds

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

(a) moneys furnished by the Company to the Trustee for the purchase of Bonds that are to be cancelled or held by or on behalf of the Company;

(b) proceeds from the remarketing and sale of such Bonds;

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

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

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

Remarketing of Bonds

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

Optional Redemption of Bonds

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

Extraordinary Optional Redemption of Bonds

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

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

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

(c) the operation of the Plant has been enjoined or has otherwise been prohibited by, or conflicts with, any order, decree, rule or regulation of any court or of any federal, state or local regulatory body, administrative agency or other governmental body.

Special Mandatory Redemption of Bonds

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

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

Procedure for and Notice of Redemption

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

Trustee, Moody's (if the Bonds are then rated by Moody's), S&P (if the Bonds are then rated by S&P), securities depositories and bond information services.

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

Book-Entry System

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

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

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

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

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

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

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

responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

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

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

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

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

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

THE LOAN AGREEMENTS

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

First Mortgage Bonds and such other documents and parties, respectively, relating to each Issue of the Bonds.

Issuance of the Bonds

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

Loan Payments; the First Mortgage Bonds

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

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

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

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

substitution of the Substitute Collateral for the First Mortgage Bonds will not, by itself, result in a reduction, suspension or withdrawal of such rating agency's rating or ratings of the Bonds.

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

Payments of Purchase Price

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

Obligation Absolute

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

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

Tax Covenants; Tax-Exempt Status of Bonds

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

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

Other Covenants of the Company

Maintenance of Existence; Conditions Under Which Exceptions Permitted. The Company will maintain in good standing its corporate existence as a corporation organized under the laws of one of the states of the United States or the District of Columbia and will remain duly qualified to do business in the States of Montana and Wyoming, as applicable, will not dissolve

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

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

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

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

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

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

Defaults

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

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

(b) a failure by the Company to pay when due any amount required to be paid under the Loan Agreement or to observe and perform any other covenant, condition or agreement on the Company's part to be observed or performed under the Loan Agreement (other than a failure described in clause (a) above), which failure continues for a period of 60 days (or such longer period as the Issuer and the Trustee may agree to in writing) after written notice given to the Company by the Trustee or to the Company and the Trustee by the Issuer; provided, however, that if such failure is other than for the payment of money and cannot be corrected within the applicable period, such failure will not constitute an Event of Default under the Loan Agreement so long as the Company institutes corrective action within the applicable period and such action is being diligently pursued; or

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

Remedies

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

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

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

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

Amendments

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

THE INDENTURES

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

Pledge and Security

Pursuant to the Indenture, the Loan Payments have been pledged by the Issuer to secure the payment of the principal of, and premium, if any, and interest on, the Bonds. The Issuer has

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

Application of Proceeds of the Bond Fund

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

Investment of Funds

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

Defaults

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

(a) a failure to pay the principal of, or premium, if any, on any of the Bonds when the same becomes due and payable at maturity, upon redemption or otherwise;

(b) a failure to pay an installment of interest on any of the Bonds for a period of one day after such interest has become due and payable;

(c) a failure to pay amounts due in respect of the purchase price of Bonds as described 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 clauses (a), (b) or (c) above), which failure continues for a period of 90 days after written notice has been given to the Issuer and the Company by the Trustee, which notice may be given at the discretion of the Trustee and must be given at the written request of the Owners of not less than 25% in principal amount of Bonds then outstanding, unless such period is extended prior to its expiration by the Trustee, or by the Trustee and the Owners of a principal amount of Bonds not less than the principal amount of Bonds the Owners of which requested such notice, as the case may be; provided, however, that the Trustee, or the Trustee and the Owners of such principal amount of Bonds, as the case may be, will be deemed to have agreed to an extension of such period if corrective action is initiated by the Issuer, or the Company on behalf of the Issuer, within such period and is being diligently pursued;

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

(f) a "Default" under the Company Mortgage.

Remedies

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

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

annulment will extend to or affect any other Event of Default or subsequent Event of Default or impair any right, power or remedy consequent thereon.

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

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

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

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

Defeasance

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

(a) the Bonds or portions thereof have been selected for redemption and the Trustee has given, or the Company has given to the Trustee in form satisfactory to it, irrevocable instructions to give, notice of redemption of such Bonds or portions thereof;

(b) there has been deposited with the Trustee moneys in an amount sufficient (without relying on any investment income) to pay when due the principal of, and

premium, if any, and interest due and to become due (which amount of interest to become due will be calculated at the Maximum Interest Rate unless the interest rate borne by all of such Bonds is not subject to adjustment prior to the maturity or redemption thereof, in which case the amount of interest will be calculated at the rate borne by such Bonds) on such Bonds or portions thereof on and prior to the redemption date or maturity date thereof, as the case may be;

(c) in the event such Bonds or portions thereof do not mature and are not to be redeemed within the next succeeding 60 days, the Issuer at the direction of the Company has given the Trustee in form satisfactory to it irrevocable instructions to give, as soon as practicable in the same manner as a notice of redemption is given pursuant to the Indenture, a notice to the Owners of such Bonds or portions thereof that the deposit required by clause (b) above has been made with the Trustee and that such Bonds or portions thereof are deemed to have been paid and stating the maturity or redemption date upon which moneys are to be available for the payment of the principal of, and premium, if any, and interest on such Bonds or portions thereof;

(d) the Issuer, the Company, the Trustee, Moody's, if the Bonds are then rated by Moody's, and S&P, if the Bonds are then rated by S&P, have received an opinion of an independent public accountant of nationally recognized standing, selected by the Company (an "Accountant's Opinion"), to the effect that the requirements set forth in clause (b) above have been satisfied;

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

(f) the Issuer, the Company, the Trustee, Moody's, if the Bonds are then rated by Moody's, and S&P, if the Bonds are then rated by S&P, have received an opinion of Bond Counsel to the effect that such deposit will not adversely affect the Tax–Exempt status of the Bonds ("Bond Counsel's Opinion").

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

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

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

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

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

Removal of Trustee

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

Modifications and Amendments

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

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

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

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

Amendment of the Loan Agreement

Without the consent of or notice to the Owners of the Bonds, the Issuer and the Company may modify, alter, amend or supplement the Loan Agreement, and the Trustee may consent thereto, as may be required (a) by the provisions of the Loan Agreement and the Indenture; (b) for the purpose of curing any formal defect, omission, inconsistency or ambiguity therein; (c) in connection with any other change therein which in the judgment of the Trustee is not materially adverse to the Owners of the Bonds; (d) to secure or maintain ratings for the Bonds from Moody's and/or S&P in both the highest short-term or commercial paper debt rating category and also in either of the two highest long-term debt rating categories of the applicable rating agency or agencies, which changes will not restrict, limit or reduce the obligation of the Issuer to pay the principal of and premium, if any, and interest on the Bonds or otherwise materially adversely affect the Owners; (e) in connection with the delivery and substitution of any Substitute Collateral and the release of any First Mortgage Bonds; (f) to add to the covenants

and agreements of the Issuer contained in the Loan Agreement or of the Company contained in any document, other covenants or agreements thereafter to be observed, or to assign or pledge additional security for any of the Bonds, or to facilitate the delivery and administration under the Indenture of letters of credit, standby bond purchase agreements, bond insurance policies, lines of credit, first mortgage bonds or other instruments of credit enhancement or liquidity support or any combination thereof for the Bonds, or to surrender any right or power reserved or conferred upon the Issuer or the Company, which will not materially adversely affect the interest of the Owners of the Bonds; (g) to provide demand purchase obligations to cause the Bonds to be authorized purchases for investment companies; (h) to provide the procedures required to permit any Owner to separate the right to receive interest on the Bonds from the right to receive principal thereof and to sell or dispose of such right as contemplated by Section 1286 of the Code; (i) to provide for any additional procedures, covenants or agreements necessary to maintain the Tax-Exempt status of interest on the Bonds; and (j) to modify, alter, amend or supplement the Loan Agreement in any other respect (which in the judgment of the Trustee is not materially adverse to the Owners), including amendments which would otherwise be described in the next succeeding paragraph, if the effective date of such supplement or amendment is a date on which all of the Bonds affected thereby are subject to mandatory purchase and are so purchased.

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

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

THE FIRST MORTGAGE BONDS

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

Pledge Agreement and such other documents and parties, respectively, relating to each Issue of the Bonds.

General

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

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

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

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

Security and Priority

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

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

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

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

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

Release and Substitution of Property

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

(a) the release of such property from the Lien of a Class "A" Mortgage;

(b) the deposit of cash or, to a limited extent, purchase money mortgages;

(c) Property Additions, after making adjustments for certain prior lien bonds outstanding against Property Additions; and/or

(d) 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:

(a) 70% of qualified Property Additions after adjustments to offset retirements;

(b) Class "A" Bonds (which need not bear interest) delivered to the Company Mortgage Trustee;

(c) retirement of Company Mortgage Bonds or certain prior lien bonds; and/or

(d) deposits of cash.

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

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

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

Certain Covenants

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

Dividend Restrictions

The Company Mortgage provides that the Company may not declare or pay dividends (other than dividends payable solely in shares of common stock) on any shares of common stock if, after giving effect to such declaration or payment, the Company would not be able to pay its debts as they become due in the usual course of business. Reference is made to the notes to the

audited consolidated financial statements included in the Company's Annual Report on Form 10-K incorporated by reference herein for information relating to other restrictions.

Foreign Currency Denominated Company Mortgage Bonds

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

The Company Mortgage Trustee

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

Modification

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

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

Defaults and Notices Thereof

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

(a) default in payment of principal;

(b) 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;

(c) default in payment of principal or interest with respect to certain prior lien bonds;

(d) certain events in bankruptcy, insolvency or reorganization;

(e) default in other covenants for 90 days after notice;

(f) 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

(g) an "Event of Default" as described in clauses (a), (b) or (c) under the caption "THE INDENTURES—Defaults" above.

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

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

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

Voting of the First Mortgage Bonds

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

Defeasance

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

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

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

REMARKETING

General

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

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

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

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

Special Considerations

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

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

Bonds May be Offered at Different Prices on Any Date Including an Interest Rate Determination Date. Pursuant to each Indenture and Remarketing Agreement, for each issue of Bonds, the Remarketing Agent is required to determine the applicable rate of interest that, in its judgment, is the lowest rate that would permit the sale of the Bonds bearing interest at the applicable interest rate at par plus accrued interest, if any, on and as of the applicable interest rate

determination date. The interest rate will reflect, among other factors, the level of market demand for the applicable Bonds (including whether the Remarketing Agent is willing to purchase Bonds for its own accounts). There may or may not be Bonds tendered and remarketed on an interest rate determination date, the Remarketing Agent may or may not be able to remarket any Bonds tendered for purchase on such date at par and the Remarketing Agent may sell Bonds at varying prices to different investors on such date or any other date. The Remarketing Agent is not obligated to advise purchasers in a remarketing if it does not have third party buyers for all of the Bonds at the remarketing price. In the event the Remarketing Agent owns any Bonds for its own account, it may, in its sole discretion in a secondary market transaction outside the tender process, offer such Bonds on any date, including the interest rate determination date, at a discount to par to some investors.

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

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

TAX EXEMPTION

The Series 1984 Bonds

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

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

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

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

The Series 1986 Bonds

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

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

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

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

The Series 1995 Converse County Bonds

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

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

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

Chapman and Cutler LLP will deliver an opinion in connection with conversion of the Series 1995 Converse County Bonds to the Weekly Interest Rate to the effect that such conversion (1) is authorized or permitted by the Series 1995 Converse County Indenture and Wyoming Act and (2) will not, in and of itself, adversely affect the Tax–Exempt status of the interest on Series 1995 Converse County Bonds. Except as necessary to render the foregoing opinion (and the related opinion dated May 8, 2013), Chapman and Cutler LLP has not reviewed

any factual or legal matters relating to the prior opinion of Bond Counsel or the Series 1995 Converse County Bonds subsequent to their date of issuance other than with respect to (a) the adjustment of the interest rate described in the opinion dated May 2, 2003, (b) the execution and delivery of the First Supplemental Trust Indenture, described in the opinion dated March 3, 2003, and (c) the execution and delivery of the Second Supplemental Indenture and the First Supplemental Loan Agreement, described in the opinion dated June 2, 2003. The proposed form of such opinion is set forth in Appendix C-3.

The Series 1995 Lincoln County Bonds

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

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

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

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

Agreement, described in the opinion dated June 2, 2003. The proposed form of such opinion is set forth in Appendix C-4.

All Bonds

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

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

CONTINUING DISCLOSURE

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

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

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

CERTAIN LEGAL MATTERS

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

APPENDIX A

PACIFICORP

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

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

The Company's operations are exposed to risks, including general economic, political and business conditions, as well as changes in laws and regulations affecting the Company or the related industries; changes in, and compliance with, environmental laws, regulations, decisions and policies that could, among other items, increase operating and capital costs, reduce generating facility output, accelerate generating facility retirements or delay generating facility construction or acquisition; the outcome of rate cases and other proceedings conducted by regulatory commissions or other governmental and legal bodies and the Company's ability to recover costs in rates in a timely manner; changes in economic, industry or weather conditions, as well as demographic trends and new technologies, that could affect customer growth and usage, electricity supply or the Company's ability to obtain long-term contracts with customers; a high degree of variance between actual and forecasted load that could impact the Company's hedging strategy and the costs of balancing its generation resources with its retail load obligations; performance and availability of the Company's generating facilities, including the impacts of outages and repairs, transmission constraints, weather, including wind and

hydroelectric conditions, and operating conditions; hydroelectric conditions and the cost, feasibility and eventual outcome of hydroelectric relicensing proceedings, that could have a significant impact on generating capacity and cost and the Company's ability to generate electricity; changes in prices, availability and demand for wholesale electricity, coal, natural gas, other fuel sources and fuel transportation that could have a significant impact on generation capacity and energy costs; the financial condition and creditworthiness of the Company's significant customers and suppliers; changes in business strategy or development plans; availability, terms and deployment of capital, including reductions in demand for investment-grade commercial paper, debt securities and other sources of debt financing and volatility in the London Interbank Offered Rate, the base interest rate for the Company's credit facilities; changes in the Company's credit ratings; the impact of certain contracts used to mitigate or manage volume, price and interest rate risk, including increased collateral requirements, and changes in commodity prices, interest rates and other conditions that affect the fair value of certain contracts; the impact of inflation on costs and the Company's ability to recover such costs in rates; increases in employee healthcare costs, including the implementation of the Affordable Care Act; the impact of investment performance and changes in interest rates, legislation, healthcare cost trends, mortality and morbidity on the Company's pension and other postretirement benefits expense and funding requirements; unanticipated construction delays, changes in costs, receipt of required permits and authorizations, ability to fund capital projects and other factors that could affect future generating facilities and infrastructure additions; the impact of new accounting guidance or changes in current accounting estimates and assumptions on consolidated financial results; other risks or unforeseen events, including the effects of storms, floods, fires, landslides, litigation, wars, terrorism, embargoes and other catastrophic events; and other business or investment considerations that may be disclosed from time to time in the Company's filings with the United States Securities and Exchange Commission (the "Commission") or in other publicly disseminated written documents. See the Incorporated Documents under "Incorporation of Certain Documents by Reference."

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

AVAILABLE INFORMATION

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

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

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

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

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

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

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

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

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

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APPENDIX B-1

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December 12, 1984

Re: $15,000,000 Sweetwater County, Wyoming, Pollution, Control Revenue Bonds (PacifiCorp Project) Series 1984

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

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

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

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

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

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

We further certify that we have examined an executed and authenticated Bond of said issue and find the same in due form of law and in our opinion the Bonds, to the amount named, are valid and legally binding upon the County according to the import thereof and, as provided in the Indenture and the Bonds, are payable by the County solely out of payments to be made by the

Company under the Loan Agreement, except to the extent paid from moneys drawn by the Trustee under the Letter of Credit or from the proceeds of the sale of the Bonds and income from the investment thereof.

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

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

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

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

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

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

CHAPMAN AND CUTLER

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APPENDIX B-2

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December 29, 1986

Re: $8,500,000 Flexible Rate Demand Pollution Control Bonds (PacifiCorp Colstrip Project), Series 1986, of the City of Forsyth, Rosebud County, Montana

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

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

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

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

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

In connection with the Company's obligation to make payments to the Issuer under the Loan Agreement, the Company has caused to be delivered to the Trustee an irrevocable Letter of Credit (the "*Letter of Credit*") of The Mitsubishi Bank, Ltd., acting through its Los Angeles Agency (the "Bank"), under which the Trustee, the Paying Agent (as defined in the Indenture) or Morgan Guaranty Trust Company of New York, as Tender Agent (the "*Tender Agent*") are permitted under certain conditions to draw up to (a) an amount equal to the principal of the outstanding Bonds (i) to pay the principal of the Bonds when due upon redemption or acceleration or (ii) to enable the Tender Agent to pay the purchase price or portion of the purchase price equal to the principal amount of Bonds delivered to it for purchase and not placed, plus (b) an amount equal to 123 days' accrued interest on the outstanding Bonds (i) to pay interest on the Bonds or (ii) to enable the Tender Agent to pay the portion of the purchase

price of the Bonds delivered to it equal to the accrued interest, if any, on such Bonds. Delivery of the Letter of Credit, however, does not release the Company from its payment obligation under the Loan Agreement. The Letter of Credit expires on December 29, 1991, except that under the terms thereof the Letter of Credit may be extended as provided therein.

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

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

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

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

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

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

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

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

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

CHAPMAN AND CUTLER

APPENDIX B-3

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November 17, 1995

Re: $5,300,000 Converse County, Wyoming,
Environmental Improvement Revenue Bonds
(PacifiCorp Project) Series 1995

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

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

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

Pursuant to a Loan Agreement, dated as of November 1, 1995 (the "*Loan Agreement*"), between the Company and the Issuer, the Issuer has agreed to loan the proceeds from the sale of

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

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

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

It is our opinion that, subject to compliance by the Company, the Issuer and the Other Issuer with certain covenants made to satisfy pertinent requirements of the Internal Revenue Code of 1986, as amended (the "*Code*"), under present law, interest on the Bonds is not includible in gross income of the owners thereof for federal income tax purposes, except for interest on any Bond for any period during which such Bond is owned by a person who is a

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

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

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

CHAPMAN AND CUTLER

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APPENDIX B-4

Law Offices of

CHAPMAN AND CUTLER

50 South Main Street, Salt Lake City, Utah 84144-0402

Telephone (801) 533-0066
Facsimile (801) 533-9595

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

Chicago

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

November 17, 1995

Re: $22,000,000 Lincoln County, Wyoming,
Environmental Improvement Revenue Bonds
(PacifiCorp Project) Series 1995

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

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

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

Pursuant to a Loan Agreement, dated as of November 1, 1995 (the "Loan Agreement"), between the Company and the Issuer, the Issuer has agreed to loan the proceeds from the sale of

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

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

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

It is our opinion that, subject to compliance by the Company, the Issuer and the Other Issuer with certain covenants made to satisfy pertinent requirements of the Internal Revenue Code of 1986, as amended (the "*Code*"), under present law, interest on the Bonds is not includible in gross income of the owners thereof for federal income tax purposes, except for interest on any Bond for any period during which such Bond is owned by a person who is a

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

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

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

CHAPMAN AND CUTLER

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APPENDIX C-1

PROPOSED FORM OF OPINION OF BOND COUNSEL FOR CHANGE IN RATE DETERMINATION METHOD OF THE SERIES 1984 BONDS

[Letterhead of Chapman and Cutler LLP]

[To be Dated the Closing Date]

The Bank of New York Mellon Trust Company, N.A., as trustee, placement agent and tender agent
2 North LaSalle Street, Suite 1020
Chicago, Illinois 60602
Attn: Richard C. Tarnas

Sweetwater County, Wyoming
County Courthouse
80 West Flaming Gorge Way
Green River, Wyoming 82935
Attn: Chairman, Board of County Commissioners

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

Barclays Capital Inc.
745 Seventh Avenue
New York, New York 10019
Attn: Municipal Short-Term Desk

Re: Conversion to Weekly Interest Rate Period
$15,000,000 Sweetwater County, Wyoming
Pollution Control Revenue Bonds
(PacifiCorp Project) Series 1984 (the *"Bonds"*)

Ladies and Gentlemen:

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

We have examined the law and such documents and matters as we have deemed necessary to provide this opinion letter. As to questions of fact material to the opinions

expressed herein, we have relied upon the provisions of the Indenture and related documents, and upon representations made to us without undertaking to verify the same by independent investigation.

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

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

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

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

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

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

Respectfully submitted,

APPENDIX C-2

PROPOSED FORM OF OPINION OF BOND COUNSEL FOR CHANGE IN RATE DETERMINATION METHOD OF THE SERIES 1986 BONDS

[Letterhead of Chapman and Cutler LLP]

[To be Dated the Closing Date]

The Bank of New York Mellon Trust Company, N.A., as trustee, placement agent and tender agent
2 North LaSalle Street, Suite 1020
Chicago, Illinois 60602
Attn: Richard C. Tarnas

City of Forsyth, Rosebud County, Montana
City Hall
247 North Ninth Street
Forsyth, Montana 59327
Attn: Mayor

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

Morgan Stanley & Co. LLC
1585 Broadway
New York, New York 10036
Attn: Municipal Short-Term Products

Re: Conversion to Weekly Interest Rate Period
$8,500,000 City of Forsyth, Rosebud County, Montana
Flexible Rate Demand Pollution Control Revenue Bonds
(PacifiCorp Colstrip Project) Series 1986 (the *"Bonds"*)

Ladies and Gentlemen:

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

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

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

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

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

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

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

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

Respectfully submitted,

APPENDIX C-3

PROPOSED FORM OF OPINION OF BOND COUNSEL FOR CHANGE IN RATE DETERMINATION METHOD OF THE SERIES 1995 CONVERSE COUNTY BONDS

[Letterhead of Chapman and Cutler LLP]

[To be Dated the Closing Date]

The Bank of New York Mellon Trust Company, N.A., as trustee, placement agent and tender agent
2 North LaSalle Street, Suite 1020
Chicago, Illinois 60602
Attn: Richard C. Tarnas

Converse County, Wyoming
107 North 5th Street
Douglas, Wyoming 82633
Attn: Chairman, Board of County Commissioners

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

Barclays Capital Inc.
745 Seventh Avenue
New York, New York 10019
Attn: Municipal Short-Term Desk

Re: Conversion to Weekly Interest Rate Period
$5,300,000 Converse County, Wyoming
Environmental Improvement Revenue Bonds
(PacifiCorp Project) Series 1995 (the *"Bonds"*)

Ladies and Gentlemen:

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

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

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

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

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

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

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

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

Respectfully submitted,

APPENDIX C-4

PROPOSED FORM OF OPINION OF BOND COUNSEL FOR CHANGE IN RATE DETERMINATION METHOD OF THE SERIES 1995 LINCOLN COUNTY BONDS

[Letterhead of Chapman and Cutler LLP]

[To be Dated the Closing Date]

The Bank of New York Mellon Trust Company, N.A., as trustee, placement agent and tender agent
2 North LaSalle Street, Suite 1020
Chicago, Illinois 60602
Attn: Richard C. Tarnas

Lincoln County, Wyoming
Lincoln County Courthouse
925 Sage Avenue
Kemmerer, Wyoming 83101
Attn: Chairman, Board of County Commissioners

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

Morgan Stanley & Co. LLC
1585 Broadway
New York, New York 10036
Attn: Municipal Short-Term Products

Re: Conversion to Weekly Interest Rate Period
$22,000,000 Lincoln County, Wyoming
Environmental Improvement Revenue Bonds
(PacifiCorp Project) Series 1995 (the *"Bonds"*)

Ladies and Gentlemen:

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

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

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

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

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

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

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

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

Respectfully submitted,

APPENDIX D

FORM OF CONTINUING DISCLOSURE AGREEMENT

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

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

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

(a) Annual Financial Information;

(b) Audited Financial Statements, if any; and

(c) Material Event Notices.

Section 3.

(a) The Company shall, while any Bonds are Outstanding, provide the Annual Financial Information on or before the date which is 180 days after the end of each fiscal year of the Company (the "Report Date") to the Municipal Securities Rulemaking Board (the "MSRB") in an electronic format accompanied by identifying information as prescribed by the MSRB. The Company shall include with each submission of Annual Financial Information a written statement to the effect that the Annual Financial Information is the Annual Financial Information required by this Agreement and that it complies with the applicable requirements of this Agreement and that it has been provided to the MSRB. If the Company changes its fiscal year, it shall provide written notice of the change of fiscal year to the MSRB. It shall be sufficient if the Company provides to the MSRB any or all of the Annual Financial Information by specific reference to documents previously provided to the MSRB or filed with the Securities and

Exchange Commission and, if such a document is a final official statement within the meaning of the Rule, available from the MSRB.

(b) If not provided as part of the Annual Financial Information, the Company shall provide the Audited Financial Statements when and if available while any Bonds are Outstanding to the MSRB.

(c) If a Material Event occurs while any Bonds are Outstanding, the Company shall provide a Material Event Notice in a timely manner, not in excess of 10 business days after the occurrence of the event, to the MSRB. Each Material Event Notice shall be so captioned and shall prominently state the date, title and CUSIP numbers of the Bonds.

(d) The Company shall provide in a timely manner to the MSRB notice of any failure by the Company while any Bonds are Outstanding to provide to the MSRB Annual Financial Information on or before the Report Date.

(e) Any filing or report under this Agreement may be made solely by transmitting such filing or report to the MSRB in an electronic format accompanied by identifying information as prescribed by the MSRB.

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

(a) "*Annual Financial Information*" means the financial information or operating data with respect to the Company, provided at least annually, of the type incorporated by reference under APPENDIX A—"PACIFICORP—AVAILABLE INFORMATION" of the Reoffering Circular dated May 22, 2013 with respect to the Bonds. The consolidated financial statements included in the Annual Financial Information shall be prepared in accordance with generally accepted accounting principles ("GAAP") as prescribed by the Financial Accounting Standards Board ("FASB"). Such consolidated financial statements may, but are not required to be, Audited Financial Statements.

(b) "*Audited Financial Statements*" means the Company's annual consolidated financial statements, prepared in accordance with GAAP as prescribed by FASB, which consolidated financial statements shall have been audited by an independent auditor or firm of independent auditors as shall be then retained by the Company.

(c) "*Material Event*" means any of the following events with respect to the Bonds:

1. Principal and interest payment delinquencies;

2. Nonpayment-related defaults, if material;

3. Unscheduled draws on debt service reserves reflecting financial difficulties;

4. Unscheduled draws on credit enhancements reflecting financial difficulties;

5. Substitution of credit or liquidity providers, or their failure to perform;

6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;

7. Modifications to rights of holders of the Bonds, if material;

8. Bond calls, if material, and tender offers;

9. Defeasances;

10. Release, substitution or sale of property securing repayment of the Bonds, if material;

11. Rating changes;

12. Bankruptcy, insolvency, receivership or similar event of the Company;

13. The consummation of a merger, consolidation or acquisition involving the Company or the sale of all or substantially all of the assets of the Company, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material, and

14. Appointment of a successor or additional trustee or the change of name of a trustee, if material.

(d) "Material Event Notice" means electronic notice of a Material Event.

(e) "*MSRB*" means the Municipal Securities Rulemaking Board, and any successor thereto. On July 1, 2009, the MSRB became the sole repository to which the Company must electronically submit Annual Financial Information, Audited Financial Statements, if any, and Material Event Notices pursuant to this Agreement. Reference is made to Securities and Exchange Commission Release No. 34 59062, December 8, 2008 (the "Release") relating to the MSRB's Electronic Municipal Market Access ("EMMA") system for municipal securities disclosure, which became effective on July 1, 2009. To the extent applicable to this Agreement, the Company shall comply with the Release and with EMMA, as amended or supplemented from time to time.

Section 5.

(a) The continuing obligation hereunder of the Company to provide Annual Financial Information, Audited Financial Statements, if any, and Material Event Notices shall terminate immediately once the Bonds no longer are Outstanding. This Agreement, or any provision hereof, shall be null and void if the Company obtains an opinion of nationally recognized bond counsel to the effect that those portions of the Rule which require this Agreement, or any such provision, are invalid, have been repealed retroactively or otherwise do not apply to the Bonds, provided that the Company shall have provided notice of such delivery and the cancellation of this Agreement to the MSRB.

(b) This Agreement may be amended, without the consent of the Bondholders, but only upon the Company obtaining and providing to the Trustee an opinion of nationally recognized bond counsel to the effect that such amendment, and giving effect thereto, will not adversely affect the compliance of this Agreement and by the Company with the Rule, provided that the Company shall have provided notice of such delivery and of the amendment to the MSRB. Any such amendment shall satisfy, unless otherwise permitted by the Rule, the following conditions:

(i) The amendment may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law or change in the identity, nature or status of the Company or type of business conducted;

(ii) This Agreement, as amended, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances, and

(iii) The amendment does not materially impair the interests of Bondholders, as determined either by parties unaffiliated with the Company (such as nationally recognized bond counsel) or by approving vote of Bondholders pursuant to the terms of the Indenture at the time of the amendment.

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

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

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

Dated: June 3, 2013.

PACIFICORP

By_____
Name _____
Title _____

SCHEDULE I
TO CONTINUING DISCLOSURE AGREEMENT

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

REMARKETING AGREEMENT

Dated May 22, 2013

$15,000,000	$5,300,000
Sweetwater County, Wyoming	Converse County, Wyoming
Pollution Control Revenue Bonds	Environmental Improvement Revenue Bonds
(PacifiCorp Project)	(PacifiCorp Project)
Series 1984	Series 1995

PacifiCorp
Suite 1900
825 NE Multnomah
Portland, OR 97232

To the Addressee:

This is to confirm the agreement between Barclays Capital Inc. and PacifiCorp, an Oregon corporation (the "Company"), for Barclays Capital Inc. to act as exclusive remarketing agent (the "Remarketing Agent") in connection with the offering and sale of the Bonds from time to time in the secondary market. The Bonds consist of $15,000,000 in aggregate principal amount of Sweetwater County, Wyoming Pollution Control Revenue Bonds (PacifiCorp Project), Series 1984 (the "Sweetwater Bonds") and $5,300,000 in aggregate principal amount of Converse County, Wyoming Environmental Improvement Revenue Bonds (PacifiCorp Project), Series 1995 (the "Converse Bonds" and, collectively with the Sweetwater Bonds, the "Bonds"). Converse County, Wyoming ("Converse County") and Sweetwater County, Wyoming ("Sweetwater County)" are collectively referred to herein as the "Issuer."

The Sweetwater Bonds will be remarketed under and are secured by an Indenture of Trust, dated as of December 1, 1984, as amended and restated as of June 1, 2003 (the "Sweetwater Indenture"), between Sweetwater County and The Bank of New York Mellon Trust Company, N.A., as successor trustee (in its capacity as trustee under the Sweetwater Indenture, the "Sweetwater Trustee"). The Converse Bonds will be remarketed under and are secured by a Trust Indenture, dated as of November 1, 1995, as amended and restated as of June 1, 2003 (the "Converse Indenture," and collectively with the Sweetwater Indenture, the "Bond Indenture"), between Converse County and The Bank of New York Mellon Trust Company, N.A., as successor trustee (in its capacity as trustee under the Converse Indenture, the "Converse Trustee" and, collectively with the Sweetwater Trustee, the "Bond Trustee"). Sweetwater County loaned the proceeds of the Sweetwater Bonds to the Company under a Loan Agreement, dated as of December 1, 1984, as amended and restated as of June 1, 2003 (the "Sweetwater Loan Agreement"), between Sweetwater County and the Company in order to finance certain qualifying air and water pollution control facilities (the "Sweetwater Bonds Project"). Converse County loaned the proceeds of the Converse Bonds to the Company under a Loan Agreement dated as of November 1 1995, as amended and restated as of June 1, 2003 (the "Converse Loan Agreement" and collectively with the Sweetwater Loan Agreement, the "Loan Agreement"), between Converse County and the Company in order to finance certain qualifying air and water pollution control facilities (the "Converse Bonds Project" and, collectively with the Sweetwater

Bonds Project, the "Projects"). To evidence its obligation to repay such loans, the Company executed and delivered to the Sweetwater Trustee its First Mortgage and Collateral Bonds, First 2003 Series (the "Sweetwater First Mortgage Bonds") in a principal amount equal to the principal amount of the Sweetwater Bonds, and executed and delivered to the Converse Trustee its First Mortgage and Collateral Bonds, Fifth 2003 Series (the "Converse First Mortgage Bonds" and, collectively with the Sweetwater First Mortgage Bonds, the "First Mortgage Bonds") in a principal amount equal to the principal amount of the Converse 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 (in such capacity, the "Mortgage Trustee"), as supplemented and amended from time to time, including as supplemented by the Fifteenth Supplemental Indenture, dated as of June 1, 2003 (the "Fifteenth Supplemental Indenture"), all collectively referred to as the "Company Mortgage."

The Bonds are being remarketed hereunder following the mandatory purchase of the Bonds from the Holders thereof in connection with the adjustment of the interest rate period for the Bonds, as described herein, on June 3, 2013 (hereinafter referred to as the "Closing Date").

Each issue of the Bonds is entirely separate from the other issue of the Bonds, and the dates and responsibilities of the Remarketing Agent under this Remarketing Agreement, unless otherwise stated, apply separately to each individual issue of the Bonds. This Remarketing Agreement does not relate to any issue of bonds described by the Reoffering Circular other than the Bonds.

The Bonds are more fully described in the Reoffering Circular dated May 22, 2013 (which, together with the appendices attached thereto, is referred to herein as the "Reoffering Circular"), as such may be amended or supplemented.

All capitalized terms used but not defined herein shall have the meanings ascribed to them in the Reoffering Circular.

1. **Appointment of Remarketing Agent; Responsibilities of Remarketing Agent**.

(a) Subject to the terms and conditions herein contained, the Company hereby appoints the Remarketing Agent as exclusive remarketing agent for the Bonds pursuant to the Bond Indenture, and the Remarketing Agent hereby accepts such appointment, in connection with (i) the remarketing of the Bonds in connection with the adjustment of the interest rate period for the Bonds on the Closing Date (the "Initial Remarketing") and (ii) the offering and sale of the Bonds from time to time in the secondary market subsequent to the Closing Date. The Company agrees with the Remarketing Agent that unless this Remarketing Agreement has been previously terminated pursuant to the terms hereof, the Remarketing Agent shall act as exclusive remarketing agent with respect to the Bonds on the terms and conditions herein contained at all times, including any remarketing of the Bonds in connection with or in anticipation of the establishment of a Term Interest Rate Period extending to the final maturity of the Bonds.

(b) The Remarketing Agent agrees to determine the rate of interest for the Bonds during each Rate Period as provided in Section 2.02 of the Bond Indenture. The Remarketing Agent agrees to furnish to the Bond Trustee the information with respect to each rate of interest required by Section 2.02 of the Bond Indenture.

(c) Upon the terms and conditions and in reliance on the representations and warranties and covenants set forth herein, the Remarketing Agent shall exercise best efforts to remarket the Bonds in the Initial Remarketing at a price equal to par plus accrued interest, if any, subject in all respects to the terms and conditions of the Bond Indenture and Section 5 hereof. By noon, New York, New York time, on the Closing Date, the Remarketing Agent shall cause the remarketing proceeds of the Initial Remarketing to be delivered to the Bond Trustee.

(d) After the Initial Remarketing, in its capacity as Remarketing Agent, upon notice from (i) a Bondholder or the Bond Trustee that it has received notice from a Bondholder pursuant to Section 3.01(a), (b) or (c) of the Bond Indenture or (ii) the Bond Trustee of a mandatory tender for purchase pursuant to Section 3.02(a)(i), (ii) or (iii) of the Bond Indenture, in each case given pursuant to and in accordance with the Bond Indenture, the Remarketing Agent shall offer for sale and use its best efforts to remarket any Bonds that are the subject of any such notice at a price of 100% of the principal amount thereof plus accrued interest, if any, subject in all respects to the terms and conditions of the Bond Indenture.

In accordance with the provisions of Section 3.06 of the Bond Indenture, the Remarketing Agent shall give the Bond Trustee notice in writing not later than 11:30 a.m., New York, New York time, on any day on which Bonds are delivered or deemed delivered for purchase under Section 3.01 or 3.02 of the Bond Indenture, of the aggregate principal amount of Bonds remarketed on such date but for which the purchase price has not been paid (which Bonds for purposes of the Bond Indenture shall be considered to not be remarketed). By 11:45 a.m., New York, New York time, on any day on which Bonds are delivered or deemed delivered for purchase under Section 3.01 or 3.02 of the Bond Indenture, the Remarketing Agent shall (i) cause the remarketing proceeds of the Bonds to be delivered to the Bond Trustee, and (ii) give notice by facsimile transmission, telephone, telecopy, e-mail or other similar electronic means, promptly confirmed by a written notice, to the Company and the Bond Trustee on each date on which Bonds shall have been purchased pursuant to the Bond Indenture, specifying the principal amount of Bonds sold by the Remarketing Agent and the name, address and taxpayer identification number of each such purchaser, the principal amount of Bonds to be purchased and the denominations in which such Bonds are to be delivered. All transfers of Bonds and information related thereto shall comply with all Securities Depository requirements as long as Bonds are in book-entry form.

(e) The Company and the Remarketing Agent agree that the responsibilities of the Remarketing Agent hereunder will include: (i) the Initial Remarketing of the Bonds pursuant to Section 1(c) hereof; (ii) the soliciting of purchases of Bonds from investors that customarily purchase tax-exempt securities in large denominations, provided, however, that with respect to Bonds being purchased in connection with the

establishment of a Term Interest Rate (as defined in the Bond Indenture) the Remarketing Agent need not be restricted to investors able to purchase tax-exempt securities in large denominations; (iii) effecting and processing such purchases; (iv) billing and receiving payment for Bonds purchased; (v) causing the proceeds from the secondary sale of the Bonds to be transferred to the Bond Trustee pursuant to the Bond Indenture; and (vi) performing such other related functions as may be reasonably requested by the Company and agreed to by the Remarketing Agent. The Remarketing Agent will keep records of trades and make trade confirmations in accordance with prudent industry practices.

(f) The Company acknowledges and agrees that: (i) the transaction contemplated by this Remarketing Agreement and the Reoffering Circular (the "Transaction") is an arm's length, commercial transaction between the Company and the Remarketing Agent in which the Remarketing Agent is acting solely as a principal and is not acting as a "municipal advisor," "financial advisor" or "fiduciary" to the Company or the Issuer within the meaning of the Dodd-Frank Wall Street Reform and Consumer Protection Act and Section 15B of the Securities Exchange Act of 1934, as amended (the "Exchange Act"); (ii) the Remarketing Agent has not assumed any advisory or fiduciary responsibility to the Company or the Issuer with respect to the Transaction and the discussions, undertakings and procedures leading thereto (irrespective of whether any affiliated entities have provided other services or are currently providing other services to the Company on other matters; (iii) the only obligations the Remarketing Agent has to the Company or the Issuer with respect to the Transaction expressly are set forth in this Remarketing Agreement; and (iv) the Company has consulted its own legal, accounting, tax, financial and other advisors, as applicable, to the extent it has deemed appropriate.

(g) The Company agrees, at the Company's expense, to take all steps reasonably requested by the Remarketing Agent to enable the Remarketing Agent to comply with the requirements, if any, of Rule 15c2-12, as promulgated and amended from time to time by the Securities and Exchange Commission under the Exchange Act ("Rule 15c2-12") and as applicable to the Bonds.

(h) The Company (i) agrees to provide the Remarketing Agent with a copy of the execution version of any document that the Remarketing Agent determines is required to be filed with the MSRB pursuant to its rules, including, but not limited to, MSRB Rule G-34(c) ("Rule G-34(c)") in such format, initially PDF word-searchable format, and at such time as to permit the Remarketing Agent to comply with such rules, and (ii) authorizes the Remarketing Agent to submit such documents to the MSRB in accordance with Rule G-34(c) and other applicable rules and regulations. If the Company determines that redaction of information in any such document is required to maintain the confidentiality or proprietary nature of such information (such information to include, but not be limited to, fees, staff names and contact information, and bank routing or account numbers), the Company shall identify such information to the Remarketing Agent in writing and request the Remarketing Agent accept delivery of the applicable documents with such redactions. The Remarketing Agent agrees to comply with any such request to the extent permitted by Rule G-34(c) and such other applicable rules and regulations. The Company further agrees to hold the Remarketing Agent

harmless with respect to, and that the Remarketing Agent shall have no responsibility with respect to, identifying and/or redacting any confidential information.

(i) The Company shall deliver to the Remarketing Agent such additional information concerning the business and financial condition of the Company as the Remarketing Agent may reasonably request.

(j) In connection with the performance of its duties hereunder, the Remarketing Agent agrees to keep such books and records with respect to the remarketing of the Bonds as shall be consistent with prudent industry practice and to make such books and records with respect to the remarketing of the Bonds available for inspection by the Issuer, the Bond Trustee and the Company at all reasonable times.

(k) The Remarketing Agent agrees that, so long as it is the Remarketing Agent under this Remarketing Agreement, it will perform the obligations contemplated to be performed by the Remarketing Agent under the Bond Indenture.

2. **The Bonds**. The Sweetwater Bonds were initially issued on December 12, 1984, and the Converse Bonds were originally issued on November 17, 1995, and currently bear interest at a Term Interest Rate. On June 3, 2013, it is expected that the interest rate period on the Bonds will be converted to the Weekly Interest Rate Period.

3. **Furnishing of Offering Materials**.

(a) The Company agrees to furnish, or cause to be furnished, the Remarketing Agent with as many copies as the Remarketing Agent may reasonably request of the final Reoffering Circular, as the same may be supplemented or amended from time to time, and such other information with respect to the Company or the Bonds as the Remarketing Agent shall reasonably request from time to time.

(b) If, at any time during the term of this Remarketing Agreement, any event or condition known to the Company relating to or affecting the Company, the Issuer or the Projects, or the Loan Agreement, the First Mortgage Bonds, the Company Mortgage, the Bonds, the Bond Indenture or the documents or transactions contemplated thereby, shall occur which in the reasonable judgment of the Company might affect the correctness or completeness of any statement of a material fact contained in the Reoffering Circular, as it shall have been supplemented or amended with the information furnished from time to time pursuant to this Section 3, or which in the reasonable judgment of the Company might result in the Reoffering Circular, as so supplemented or amended, containing any untrue, incorrect or misleading statement of a material fact or omitting to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading, (i) the Company will promptly notify the Remarketing Agent of the circumstances and details of such event, and (ii) if, in the opinion of the Remarketing Agent or the Company, such event or condition requires the preparation and publication of an amendment or supplement to the Reoffering Circular, the Company, at its expense, will promptly prepare or cause to be prepared an appropriate amendment or supplement thereto so that

the statements in the Reoffering Circular as so amended or supplemented will not contain any untrue, incorrect or misleading statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading, in a form and manner approved by the Remarketing Agent and the Company.

(c) After the Initial Remarketing, in connection with the remarketing of the Bonds as a result of or in anticipation of (i) the issuance of a Letter of Credit or any Alternate Credit Facility, or (ii) the establishment of a Daily Interest Rate Period, Flexible Interest Rate Period or Term Interest Rate Period, the Company shall prepare or cause to be prepared any disclosure documents (including continuing disclosure undertakings required by the rules and regulations of the Securities and Exchange Commission) that in the reasonable opinion of the Remarketing Agent or the Company are necessary or desirable. All costs incurred in connection with the preparation of such disclosure documents shall be borne by the Company.

4. **Representations, Warranties, Covenants and Agreements of the Company**.

The Company represents, warrants, covenants and agrees that:

(a) As of the date hereof and at all times subsequent thereto during the period up to and including the Closing Date, the Reoffering Circular did not and does not include any untrue statement of a material fact or omit 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 representations and warranties in this Section 4 shall not apply to (i) information contained in or omitted from the Reoffering Circular or any amendment or supplement thereto in reliance upon information furnished to the Company in writing by or on behalf of the Issuer or the Remarketing Agent expressly for use in connection with the preparation thereof or (ii) information presented under the heading "THE ISSUERS" or "REMARKETING" in the Reoffering Circular. The Company authorizes the Reoffering Circular to be used by the Remarketing Agent in connection with the Initial Remarketing and with the offering and sale from time to time of the Bonds in the secondary market.

(b) The Loan Agreement, the First Mortgage Bonds, the Company Mortgage and this Remarketing Agreement have been, or will be when entered into (as applicable), duly authorized and constitute, or will constitute when entered into (as applicable), the legal, valid and binding obligations of the Company enforceable in accordance with their respective terms; provided, however, that (i) the rights and remedies set forth in or under the Loan Agreement, the First Mortgage Bonds, the Company Mortgage and this Remarketing Agreement may be limited by applicable bankruptcy, insolvency, moratorium, reorganization or similar laws from time to time in effect affecting the enforcement of creditors' rights generally, (ii) the rights and remedies set forth in or under the Loan Agreement, the First Mortgage Bonds, the Company Mortgage and this Remarketing Agreement may be limited by other applicable state and federal laws and legal and equitable principles but, in the Company's opinion, the Loan Agreement, the First Mortgage Bonds, the Company Mortgage and this Remarketing Agreement provide

remedies currently enforceable under the laws of the State of Wyoming sufficient to permit the security interest under the Company Mortgage to be enforced, and the availability of the remedy of specific performance or of injunctive relief is subject to the discretion of the court before which any proceeding therefor may be brought, (iii) no representation, warranty or covenant is made that any waiver by the Company of its right to insist upon or plead, or in any matter whatever claim, or take the benefit or advantage of, any appraisement, valuation, stay, extension or redemption laws now or hereafter in force in any locality where any of the property pledged under the Company Mortgage may be situated is valid or enforceable, and (iv) no representation, warranty or covenant is made as to the legality, validity or enforceability of the provisions of the Loan Agreement, the First Mortgage Bonds, the Company Mortgage or this Remarketing Agreement which purport to empower the holder thereof to exercise its rights thereunder without notice to the Company or without a prior judicial hearing.

(c) Performance by the Company under the Loan Agreement, the First Mortgage Bonds, the Company Mortgage and this Remarketing Agreement does not and will not violate or conflict with, or result in a breach or violation of, any constitutional provision or statute of the State of Wyoming or the United States of America, or any indenture, mortgage, deed of trust, resolution, note agreement or other agreement or instrument to which the Company is a party or by which the Company is bound or, to its knowledge, any order, rule or regulation of any court or governmental agency or body having jurisdiction over the Company or any of its activities or properties.

(d) The Company has been duly incorporated and is now validly existing and in good standing as a corporation incorporated under the laws of the State of Oregon; the Company is duly authorized to transact business as a foreign corporation in the State of Wyoming and is in good standing as a foreign corporation in the State of Wyoming.

(e) There is no action, suit, proceeding, inquiry or investigation, at law or in equity, or before or by any court, public board or body, other than as described in the Reoffering Circular, known to the Company to be pending or threatened against or affecting the Company, nor to the best of the knowledge of the Company is there any meritorious basis therefor, wherein an unfavorable decision, ruling or finding would reasonably be expected to materially adversely affect the transactions contemplated by this Remarketing Agreement or by the Reoffering Circular or which, in any way, would reasonably be expected to adversely affect the validity or enforceability of the Bonds, the Bond Indenture, the Loan Agreement, the First Mortgage Bonds, the Company Mortgage or this Remarketing Agreement.

(f) All consents of governmental authorities required in connection with the execution and delivery by the Company of the Loan Agreement, the First Mortgage Bonds, the Company Mortgage and this Remarketing Agreement, and the issuance and sale of the Bonds have been obtained; provided, however, that no representation is made concerning compliance with the federal securities laws or the securities or "Blue Sky" laws of the various states.

(g) All licenses, permits, consents, approvals, authorizations and orders of governmental or regulatory authorities ("authorizations") as are necessary for the Company to own its properties and conduct its business in the manner described in the Reoffering Circular have been obtained, and the Company has fulfilled and performed all of its material obligations with respect to such authorizations, and no event has occurred that permits, or after notice or lapse of time or both would permit, revocation or termination thereof or result in any other material impairment of the rights of the holder of such authorizations.

(h) The Company will diligently cooperate with the Remarketing Agent to qualify the Bonds and/or the related obligations of the Company for offer and sale under the securities or "Blue Sky" laws of such states as the Remarketing Agent may request, provided that in no event shall the Company be obligated to qualify to do business in any state where it is not now so qualified or to take any action which would subject it to general service of process in any state where it is not now so subject. It is understood that the Company is not responsible for compliance with or the consequences of failure to comply with such securities or "Blue Sky" laws.

(i) The Company is not and, except as disclosed in the Reoffering Circular, has not been in default under Rule 15c2-12.

(j) The Company is not and never has been in default as to the payment of principal or interest with respect to the Bonds.

(k) The Company will not take or omit to take any action which action or omission will adversely affect the exclusion from gross income for federal income tax purposes of the interest on the Bonds.

5. **Conditions to Remarketing Agent's Obligations**. The obligations of the Remarketing Agent under this Remarketing Agreement have been undertaken in reliance on, and shall be subject to, the due performance by the Company of the obligations and agreements to be performed by the Company hereunder.

(a) The obligations of the Remarketing Agent hereunder with respect to the Initial Remarketing are also subject, in the discretion of the Remarketing Agent, to the following further conditions:

(i) The Bond Indenture, the Loan Agreement, the First Mortgage Bonds and the Company Mortgage shall be in full force and effect and shall not have been amended, modified or supplemented in any way which would materially and adversely affect the Bonds, except as may have been agreed to in writing by the Remarketing Agent.

(ii) No "Event of Default" (as defined in the Bond Indenture, the Loan Agreement or the Company Mortgage) shall have occurred and be continuing and no event shall have occurred and be continuing which, with the passage of time or giving of notice, or both, would constitute such an Event of Default under the Bond Indenture, the Loan Agreement or the Company Mortgage.

(iii) The marketability of the Bonds or their market price must not be, in the reasonable opinion of the Remarketing Agent, materially adversely affected by (A) an amendment to or proposal to amend the Constitution of the State of Wyoming or of the United States or by any federal or Wyoming legislation or proposed legislation or by any decision of any court of the United States or by any ruling or regulation (final, temporary or proposed) on behalf of the Treasury Department of the United States, the Internal Revenue Service or any other authority of the United States, the State of Wyoming (including any Executive Order or Proclamation of the Governor thereof), or any comparable legislative, judicial or administrative development affecting the federal tax status of any of the Issuer, its property or income, or the interest on its bonds (including the Bonds); (B) an outbreak or escalation of hostilities or other calamity or crisis; (C) a general suspension of or material limitation on trading on the New York Stock Exchange or other national securities exchange, the establishment of minimum prices on any such exchange or the declaration of a general banking moratorium by Wyoming authorities or by federal or New York authorities; (D) a material disruption in securities settlement, payment or clearance services shall have occurred; (E) a downgrading or withdrawal by a national rating service of a rating of the Bonds or any class of the Company's securities or, with respect to the Company's securities, a public announcement by such a service that it is considering such a downgrading or withdrawal (excluding any such announcement existing as of the date hereof); (F) an amendment or supplement to the Reoffering Circular; (G) the establishment of any new restrictions on transactions in securities materially affecting the free market for the securities (including the imposition of any limitations on interest rates) or the extension of credit by, or the charge to the net capital requirements of, underwriters established by any such exchange, the Securities and Exchange Commission, any other federal or state agency or the United States Congress or by Executive Order; or (H) a material adverse change in the general affairs or in the financial position or net assets of the Company as a whole, except as disclosed by or contemplated in the Reoffering Circular.

(iv) No decision of any federal or state court and no ruling of the Securities and Exchange Commission or any other governmental agency has been made or issued to the effect that (A) the Bonds or any other securities of the Issuer or of any similar body of the type contemplated in this Remarketing Agreement, the obligations of the Company under the Loan Agreement, the exercise of tender rights by the Holders of the Bonds or the remarketing of the Bonds by the Remarketing Agent as contemplated by the Bond Indenture and this Remarketing Agreement are subject to registration requirements of the Securities Act of 1933, as amended (the "Securities Act"), or (B) the qualification of an indenture in respect of the Bonds or any such securities is required under the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act").

(v) On or before the Closing Date, the Remarketing Agent must receive the following documents, each reasonably satisfactory in form and substance to the Remarketing Agent and to its counsel:

(A) A copy of the Reoffering Circular.

(B) A certificate, dated the Closing Date, of duly authorized officers of the Company as follows:

(1) Certifying that, as of the Closing Date, the representations and warranties contained in Section 4 of this Remarketing Agreement are true and correct and that the Company has complied with all its agreements therein contained;

(2) Certifying that there has been no material adverse change in the general affairs or in the financial position or net assets of the Company as a whole, as shown in the Reoffering Circular, other than changes disclosed by or contemplated in the Reoffering Circular or in an amendment or supplement thereto; and

(3) Stating that they have examined the Reoffering Circular and that, to the best of their knowledge after reasonable inquiry, the Reoffering Circular did not as of its date and does not as of the Closing Date contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(C) Opinions, dated the Closing Date and addressed to the Remarketing Agent, of (1) Paul J. Leighton, Esq., counsel to the Company, substantially in the form attached hereto as Exhibit A; (2) Chapman and Cutler LLP, Bond Counsel, in the form attached as Appendices C-1 and C-3 to the Reoffering Circular; and (3) Counsel to the Remarketing Agent, substantially in the form attached hereto as Exhibit B, in each case with such changes as shall be requested by such counsel and approved by the Remarketing Agent, which approval shall not be unreasonably withheld.

(D) A letter, dated the Closing Date, of Chapman and Cutler LLP, Bond Counsel, to the effect that (1) the statements contained in the Reoffering Circular under the captions "THE BONDS" (other than information relating to the book-entry system of registration for the Bonds), "THE LOAN AGREEMENTS" and "THE INDENTURES" and in Appendices B and C insofar as such statements constitute summaries of the Bonds, the Loan Agreement and the Bond Indenture, or the opinions of Bond Counsel constitute fair summaries of the portions of such documents purported to be summarized or the opinions of Bond Counsel; and (2) the statements in the Reoffering Circular under the caption "TAX EXEMPTION" are accurate statements or summaries of the matters summarized therein.

(E) Evidence satisfactory to the Remarketing Agent that on the Closing Date there will be in effect ratings on the Bonds from Standard & Poor's Rating Services, a division of The McGraw-Hill Companies, Inc., of "A/A-2" and from Moody's Investors Service, Inc. of "A2/P-2."

(F) Executed copies of the Bond Indenture.

(G) Executed copies of the Loan Agreement.

(H) Such additional opinions, certificates or documents as the Remarketing Agent or its counsel may reasonably request.

(b) The obligations of the Remarketing Agent hereunder with respect to each date on which the Bonds are to be offered and sold in the secondary market pursuant to this Remarketing Agreement are also subject, in the discretion of the Remarketing Agent, to the following further conditions:

(i) The Bond Indenture, the Loan Agreement, the First Mortgage Bonds, and the Company Mortgage shall be in full force and effect and shall not have been amended, modified or supplemented in any way which would materially and adversely affect the Bonds, except as may have been agreed to in writing by the Remarketing Agent, and there shall be in full force and effect such additional resolutions, agreements, certificates (including such certificates as may be required in order to establish the exclusion of interest on the Bonds from gross income for federal, state and local income tax purposes) and opinions as shall be necessary to effect the transactions contemplated hereby, which resolutions, agreements, certificates and opinions shall be reasonably required by, and satisfactory in form and substance to, Bond Counsel and Counsel to the Remarketing Agent; and

(ii) There shall be no material adverse change in the properties or condition (financial or otherwise) of the Company since the date of the Reoffering Circular relating to the Bonds being offered and sold on such date, as such Reoffering Circular may be amended or supplemented; no "Event of Default" (as defined in the Bond Indenture, the Loan Agreement or the Company Mortgage) shall have occurred and be continuing and no event shall have occurred and be continuing which, with the passage of time or giving of notice or both, would constitute such an Event of Default under the Bond Indenture, the Loan Agreement or the Company Mortgage; and no event shall have occurred which, independent of the fact that such event with the giving of notice or passage of time or both would be an Event of Default under the Bond Indenture, the Loan Agreement or the Company Mortgage, would have a materially adverse effect on the properties or condition (financial or otherwise) of the Company.

Subject to Section 10.20 of the Bond Indenture, if the Company is unable to satisfy any such condition, or if the Remarketing Agent's obligations are terminated for any reason permitted by this Remarketing Agreement, the Remarketing Agent may

immediately cancel this Remarketing Agreement and, if it does, the Remarketing Agent will not be under further obligation under this Remarketing Agreement or the Bond Indenture, and the Remarketing Agent shall be deemed to have resigned as Remarketing Agent under the Bond Indenture.

6. **Term and Termination of Remarketing Agreement**.

(a) This Remarketing Agreement shall become effective upon execution by the Remarketing Agent and the Company, and, subject to the terms and conditions hereof, shall continue in full force and effect with respect to the Bonds until the establishment of a Term Interest Rate Period extending to the final maturity of the Bonds.

(b) The Remarketing Agent may cancel this Remarketing Agreement at any time by written notice to the Bond Trustee and the Company if, between the date hereof and the Closing Date, an event specified in clause (a)(i), (a)(ii), (a)(iii) or (a)(iv) of Section 5 shall have occurred. If this Remarketing Agreement is cancelled by the Remarketing Agent due to an event specified in clause (a)(i), (a)(ii), (a)(iii) or (a)(iv) of Section 5 or the Company's failure to satisfy any condition set forth in clause (a)(v) of Section 5, the Company shall not be obligated to pay the amount specified in clause (a)(i) of Section 7 but the Company shall be responsible for the out-of-pocket expenses of the Remarketing Agreement specified in clause (a)(ii) of Section 7.

(c) Following the Initial Remarketing, in accordance with the provisions of Section 10.20 of the Bond Indenture, (i) the Remarketing Agent may at any time resign, without a successor in place, by giving at least 30 days' prior written notice to the Issuer, the Company, the Registrar and the Bond Trustee, and (ii) the Remarketing Agent may be removed at any time at the direction of the Company by a written instrument filed with the Remarketing Agent, the Registrar and the Bond Trustee at least 30 days prior to the effective date of such removal.

(d) In addition to the provisions of paragraph (c) of this Section, after the Initial Remarketing, the Remarketing Agent may suspend its obligations under this Remarketing Agreement at any time by notifying the Issuer, the Company and the Bond Trustee in writing or by telegram or other electronic communication of its election so to do, if:

(i) Legislation shall have been introduced in or enacted by the Congress of the United States of America or adopted by either House thereof, or legislation pending in the Congress of the United States of America shall have been amended, or legislation shall have been recommended for passage (by press release, other form of notice or otherwise) by the President of the United States of America, the Treasury Department of the United States of America, the Internal Revenue Service or Chairman or ranking minority member of the U.S. Senate Committee on Finance or the U.S. House of Representatives Committee on Ways and Means or legislation shall have been proposed for consideration by either such Committee by any member thereof or legislation shall have been favorably reported for passage to either House of the Congress of the United States of

America by a Committee of such House to which legislation has been referred for consideration, or a decision by a court established under Article III of the Constitution of the United States of America shall be rendered or a ruling, regulation or official statement by or on behalf of the Treasury Department of the United States of America, the Internal Revenue Service or other governmental agency shall be made, with respect to federal taxation of revenues or with respect to other income of the general character expected to be derived under the Bond Indenture by the Issuer or upon interest received on securities of the general character of the Bonds or which would have the effect of changing, directly or indirectly, the federal income tax consequences of receipt of interest on securities of the general character of the Bonds in the hands of the owners thereof which in the reasonable opinion of the Remarketing Agent would materially adversely affect the marketability of the Bonds;

(ii) Legislation shall be introduced by committee, by amendment or otherwise, in, or be enacted by, the House of Representatives or the Senate of the Congress of the United States of America, or a decision by a court of the United States of America shall be rendered, or a stop order, ruling, regulation or official statement by, or on behalf of, the United States Securities and Exchange Commission or other governmental agency having jurisdiction of the subject matter shall be made or proposed, to the effect that the offering or sale of obligations of the general character of the Bonds, as contemplated hereby, is or would be in violation of any provision of the Securities Act, as amended and as then in effect, or the Exchange Act, as amended and as then in effect, or the Trust Indenture Act, as amended and as then in effect, or with the purpose or effect of otherwise prohibiting the offering or sale of obligations of the general character of the Bonds, or the Bonds, as contemplated hereby;

(iii) Any information shall have become known, which, in the opinion of the Remarketing Agent, makes untrue, incorrect or misleading in any material respect any statement or information contained in the Reoffering Circular, as the information contained therein has been supplemented or amended by other information furnished in accordance with Section 3 hereof, or causes the Reoffering Circular, as so supplemented or amended, to contain an untrue, incorrect or misleading statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading;

(iv) Except as provided in clauses (i) and (ii) hereof, any legislation, resolution, ordinance, rule or regulation shall be introduced in, or be enacted by, any federal governmental body, department or agency of the United States of America, the State of New York or the State of Wyoming, or a decision by any court of competent jurisdiction within the United States of America, the State of New York or the State of Wyoming shall be rendered which, in the opinion of the Remarketing Agent, materially adversely affects the marketability of the Bonds;

(v) Additional material restrictions not in force as of the date hereof shall have been imposed upon trading in securities generally by any governmental authority purporting to have jurisdiction regarding the trading of the Bonds or by any national securities exchange;

(vi) A material disruption in securities settlement, payment or clearance services shall have occurred;

(vii) Any governmental authority shall impose, as to the Bonds, or obligations of the general character of the Bonds, any material restrictions not now in force, or increase materially those now in force;

(viii) A general banking moratorium shall have been established by Wyoming authorities, or federal or New York authorities;

(ix) Any rating of the Bonds shall have been downgraded or withdrawn by any securities rating agency, which, in the opinion of the Remarketing Agent, materially adversely affects the marketability of the Bonds;

(x) There shall have occurred the outbreak or material escalation or material reescalation of hostilities involving the United States of America, or the declaration by the United States of a national emergency or war, which in the judgment of the Remarketing Agent has had a materially adverse effect on the marketability of the Bonds on the terms and in the manner contemplated by the Reoffering Circular; or

(xi) An event, including, without limitation, the bankruptcy or default of any other issuer of or obligor on obligations of the general character of the Bonds or on tax-exempt commercial paper, shall have occurred which, in the opinion of the Remarketing Agent, makes the marketability of the Bonds at interest rates not in excess of the maximum interest rate permitted by Bond Indenture impossible over an extended period of time.

7. **Payment of Fees and Expenses**. In consideration of the obligations to be performed by the Remarketing Agent under this Remarketing Agreement, the Company agrees to pay the Remarketing Agent the following fees:

(a) on the Closing Date, (i) an amount equal to (such fee being exclusive of the Remarketing Agent's out-of-pocket funds) $30,450.00 as consideration for the Initial Remarketing and (ii) an amount equal to $2,814.26 in connection with the out-of-pocket expenses of the Remarketing Agent;

(b) an annual fee equal to 0.10% of the weighted average daily principal amount of Bonds outstanding during such period in which the Bonds shall bear interest at a Weekly Interest Rate or Flexible Interest Rate (in the event the Bonds are converted to bear interest at a Daily Interest Rate, the Remarketing Agent and Company will agree on a fee at that time);

(c) in connection with or in anticipation of the establishment of a Term Interest Rate Period, an amount as shall be agreed to by the Company and the Remarketing Agent at that time; and

(d) expenses reasonably incurred by the Remarketing Agent in connection with its services hereunder, including reasonable expenses in connection with the preparation of offering materials as provided in Section 3.

Payment of the fees and expenses referred to in clause (b) of the first sentence of this Section shall be made by the Company as soon as practicable upon receipt of an invoice therefor from the Remarketing Agent, such invoice to be sent quarterly in arrears on a calendar quarter. Payment of the fee referred to in clause (c) of the first sentence of this Section shall be made by the Company on the effective date of the establishment of a Term Interest Rate Period and shall include all reasonable costs relating to the preparation of any disclosure documents in connection with the establishment of a Term Interest Rate Period. The Remarketing Agent will not incur the expenses referred to in clause (d) of the first sentence of this Section without the prior approval of the Company. The Company agrees to pay the Remarketing Agent's fees and reasonable expenses under this Remarketing Agreement without regard to any claim, setoff, defense, or other right that the Company may have at any time against the Remarketing Agent or any other person, whether in connection with this Remarketing Agreement, the Bonds or any unrelated transactions.

The Company further agrees to pay the reasonable fees and expenses of Kutak Rock LLP incurred in its capacity as Counsel to the Remarketing Agent in connection with the Initial Remarketing.

8. **Indemnification and Contribution**.

(a) In connection with any remarketing of the Bonds, the Company will indemnify and hold harmless the Remarketing Agent and its officers, directors and employees and each person, if any, who controls any Remarketing Agent within the meaning of the Securities Act (collectively, the "indemnified parties"), to the extent permitted under applicable law, against any losses, claims, damages or liabilities, joint or several, to which the indemnified parties may become subject, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon (i) any untrue statement or alleged untrue statement of any material fact contained in the Reoffering Circular, or any amendment or supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading or (ii) the representations and warranties set forth in Section 4 hereof being untrue on the Closing Date; and will reimburse the indemnified parties for any legal or other expenses reasonably incurred by the indemnified parties in connection with investigating or defending any such loss, claim, damage, liability or action; provided, however, that the Company will not be liable in any such case to any indemnified party to the extent that any such loss, claim, damage or liability arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission made in any of such documents, or under the caption "THE ISSUERS" or

"REMARKETING" or in reliance upon and in conformity with written information furnished to the Company by, with respect to the Issuer, the Issuer, or with respect to the Remarketing Agent or a controlling person of the Remarketing Agent, the Remarketing Agent, specifically for use therein; and provided further that the indemnity provision contained in this subparagraph (a) with respect to the Reoffering Circular or any amendment or supplement thereto shall not inure to the benefit of the Remarketing Agent (or to the benefit of any person controlling the Remarketing Agent) with respect to any such loss, claim, damage, liability or action asserted by any person if a copy of the Reoffering Circular (as amended or supplemented) not containing the untrue statement or alleged untrue statement or omission or alleged omission that is the basis of the loss, claim, damage, liability or action for which indemnification is sought was available to the Remarketing Agent and was not properly mailed, delivered or given to such person. This indemnity provision will be in addition to any liability which the Company may otherwise have.

(b) Promptly after receipt by an indemnified party under this Section 8 of notice of the commencement of any action, such indemnified party will, if a claim in respect thereof is to be made against an indemnifying party under this Section 8, notify the indemnifying party in writing of the commencement thereof; but the omission so to notify the indemnifying party will not relieve it from any liability which it may have to any indemnified party otherwise than under this Section 8 except to the extent that the indemnifying party is able to demonstrate actual prejudice in not being so notified. In case any such action is brought against any indemnified party, and it notifies an indemnifying party of the commencement thereof, the indemnifying party will be entitled to participate in, and, to the extent that it may wish, jointly with any other indemnifying party, similarly notified, to assume the defense thereof so long as its interests are not adverse to those of the indemnified party, with counsel reasonably satisfactory to such indemnified party, and after notice from the indemnifying party to such indemnified party of its election to assume the defense thereof, the indemnifying party will not be liable to such indemnified party under this Section 8 for any legal or other expenses subsequently incurred by such indemnified party in connection with the defense thereof other than reasonable costs of investigation. Upon assumption by the indemnifying party of the defense of any such action or proceeding, the indemnified party shall have the right to participate in such action or proceeding and to retain its own counsel but the indemnifying party shall not be liable for any legal expenses of other counsel subsequently incurred by such indemnified party in connection with the defense thereof unless (i) the indemnifying party has agreed to pay such fees and expenses, (ii) the indemnifying party shall have failed to employ counsel reasonably satisfactory to the indemnified party in a timely manner, or (iii) the indemnified party shall have been advised by counsel that there are actual or potential conflicting interests between the indemnifying party and the indemnified party, including situations in which there are one or more legal defenses available to the indemnified party that are different from or additional to those available to the indemnifying party. If the indemnifying party does not elect to assume the defense of any such suit, it will reimburse the indemnified parties for the reasonable fees and expenses of any counsel retained by them. In the event that the parties to any such action (including impleaded parties) include one or more indemnifying parties and one or more indemnified parties, and one or more indemnified

parties shall have been advised by counsel reasonably satisfactory to the Remarketing Agent and the Company that there may be one or more legal defenses available to any of the indemnified parties, which are different from, additional to, or in conflict with those available to any of the indemnifying parties, the indemnifying parties will reimburse the indemnified parties for the reasonable fees and expenses of any counsel retained by the indemnified parties (it being understood that the indemnifying parties shall not, in connection with any one action or separate but similar or related actions in the same jurisdiction arising out of the same general allegations or circumstances, be liable for the reasonable fees and expenses of more than one separate firm of attorneys for all indemnified parties, which firm shall be designated by the indemnified parties, the Remarketing Agent or the Company, as the case may be). Each indemnifying party agrees promptly to notify each indemnified party of the commencement of any litigation or proceedings against it in connection with the remarketing of the Bonds. The indemnifying party shall not consent to the terms of any compromise or settlement of any action defended by the indemnifying party in accordance with the foregoing without the prior consent of the indemnified party. No indemnifying party shall be liable under this Section 8 for the amount of any compromise or settlement of any action unless such compromise or settlement has been approved in writing by such indemnifying party, which approval shall not be unreasonably withheld. The indemnity agreements contained in this Section 8 shall remain operative and in full force and effect, regardless of any investigation made by or on behalf of the Remarketing Agent, or the delivery of and any payment for any Bonds hereunder, and shall survive the termination or cancellation of this Remarketing Agreement.

(c) If the indemnification provided for in subparagraph (a) of this Section 8 is unavailable, because of limitations imposed by securities laws or for any other reason, to a party that would otherwise have been an indemnified party under subparagraph (a) above in respect of any losses, claims, damages or liabilities (or actions in respect thereof) referred to therein, then each party that would have been an indemnifying party thereunder shall, in lieu of indemnifying such indemnified party, contribute to the amount paid or payable by such indemnified party as a result of such losses, claims, damages or liabilities (or actions in respect thereof) in such proportion so that the Remarketing Agent is responsible for that portion represented by the percentage that the Remarketing Agent's commission with respect to such remarketing bears to the aggregate principal amount of such Bonds being remarketed and the Company is responsible for the balance; provided that the Remarketing Agent's contribution amount shall not exceed the total amount of the Remarketing Agent's remarketing fees and commissions for the preceding 12-month period. Furthermore, no person guilty of fraudulent misrepresentation within the meaning of Section 11(f) of the Securities Act shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation within the meaning of Section 11(f) of the Securities Act. The amount paid or payable by an indemnified party as a result of the losses, claims, damages or liabilities (or actions in respect thereof) referred to above in this subparagraph (c) shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claims (which shall be limited as provided in subparagraph (b) above if the indemnifying party has assumed the defense of any such action in accordance with the provisions thereof).

9. **Dealing in Bonds by Remarketing Agent**. The Remarketing Agent, either as principal or agent, may in good faith buy, sell, own, hold and deal in any of the Bonds, and may join in any action which any Bondholder may be entitled to take with like effect as if it did not act in any capacity hereunder. The Remarketing Agent in its individual capacities, either as principal or agent, may also engage in or be interested in any financial or other transaction with the Issuer or the Company, and may act as depositary, trustee, or agent for any committee or body of Bondholders or other obligations of the Issuer or the Company, as freely as if it did not act in any capacity hereunder. Under such circumstances, the Remarketing Agent shall have only those rights set forth in the Bonds.

10. **Remarketing Agent Not Acting as Underwriter**. The Remarketing Agent shall be construed to be acting as agent only for and on behalf of the owners from time to time of the Bonds.

11. **Miscellaneous**.

(a) Except as otherwise specifically provided in this Remarketing Agreement, all notices, demands and formal actions under this Remarketing Agreement shall be in writing and mailed, by registered or certified mail, postage prepaid, return receipt requested, telegraphed or delivered, as follows:

The Remarketing Agent:	Barclays Capital Inc. 745 Seventh Ave. New York, NY 10019 Attention: Municipal Short-Term Desk
The Company:	PacifiCorp Suite 1900 825 NE Multnomah Portland, OR 97232 Attention: VP and Treasurer
The Bond Trustee for the Bonds:	The Bank of New York Mellon Trust Company, N.A. Suite 1020 2 North LaSalle Street Chicago, IL 60602 Attention: Global Corporate Trust
The Paying Agent for the Bonds:	The Bank of New York Mellon Trust Company, N.A. Suite 1020 2 North LaSalle Street Chicago, IL 60602 Attention: Global Corporate Trust

Converse County, Wyoming:	Converse County Courthouse 107 North 5th Street Douglas, WY 82633 Attention: County Clerk
Sweetwater County, Wyoming:	Sweetwater County Courthouse 80 West Flaming Gorge Way Green River, WY 83935 Attention: County Clerk

Each party may, by notice given under this Remarketing Agreement, designate other addresses to which subsequent notices, requests, reports or other communications shall be directed.

(b) The obligations of the respective parties hereto may not be assigned or delegated to any other person without the consent of the other parties hereto. This Remarketing Agreement will inure to the benefit of and be binding upon the Company and the Remarketing Agent and their respective successors and assigns, and will not confer any rights upon any other person, other than persons, if any, controlling a Remarketing Agent within the meaning of the Exchange Act and the Company and its directors and alternate directors or any person who controls the Company within the meaning of Section 15 of the Securities Act. The terms "successors" and "assigns" shall not include any purchaser of any of the Bonds merely because of such purchase.

(c) The obligations and liabilities of the Company hereunder are general obligations of the Company. Neither the directors, officers or employees of the Company nor any person executing this Remarketing Agreement shall be liable personally on the obligations of the Company hereunder or be subject to any personal liability or accountability by reason of the execution hereof. Neither the faith and credit nor the taxing power of the State of Wyoming or any political subdivision thereof is pledged to the obligations of the Company hereunder.

(d) All of the representations and warranties of the Company in this Remarketing Agreement shall remain operative and in full force and effect, regardless of (i) any investigation made by or on behalf of the Remarketing Agent and (ii) termination of this Remarketing Agreement.

(e) Section headings have been inserted in this Remarketing Agreement as a matter of convenience of reference only, and it is agreed that such section headings are not a part of this Remarketing Agreement and will not be used in the interpretation of any provisions of this Remarketing Agreement.

(f) If any provision of this Remarketing Agreement shall be held or deemed to be or shall, in fact, be invalid, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions, or in all jurisdictions because it conflicts with any provisions of any constitution, statute, rule of public policy, or any other reason, such

circumstances shall not have the effect of rendering the provision in question invalid, inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions of this Remarketing Agreement invalid, inoperative or unenforceable to any extent whatsoever.

(g) This Remarketing Agreement may be executed in several counterparts, each of which shall be regarded as an original and all of which shall constitute one and the same document.

(h) This Remarketing Agreement may not be altered, amended, supplemented or modified in any manner whatsoever except by written instrument signed by the Company and the Remarketing Agent.

(i) To the fullest extent permitted by law, each of the parties hereto waives any right it may have to a trial by jury in respect of litigation directly or indirectly arising out of, under or in connection with this Remarketing Agreement. Each party further waives any right to consolidate any action in which a jury trial has been waived with any other action in which a jury trial cannot be or has not been waived.

[Remainder of page intentionally left blank]

(j) This Remarketing Agreement shall be governed by and construed in accordance with the laws of the State of New York without giving effect to the principles of conflict of laws thereof.

Very truly yours,

BARCLAYS CAPITAL INC., as Remarketing Agent

By _____
Name PATRICK M BOYER
Title DIRECTOR

Accepted and agreed:

PACIFICORP

By _____
Bruce N. Williams
Vice President and Treasurer

(j) This Remarketing Agreement shall be governed by and construed in accordance with the laws of the State of New York without giving effect to the principles of conflict of laws thereof.

Very truly yours,

BARCLAYS CAPITAL INC., as Remarketing Agent

By _____
Name _____
Title _____

Accepted and agreed:

PACIFICORP

By _____
Bruce N. Williams
Vice President and Treasurer

EXHIBIT A

OPINION OF COUNSEL TO THE COMPANY

See Attached

[LETTERHEAD OF MIDAMERICAN ENERGY]

June 3, 2013

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

Barclays Capital Inc.
745 Seventh Avenue
New York, New York 10019

$15,000,000	$5,300,000
Sweetwater County, Wyoming	Converse County, Wyoming
Pollution Control	Environmental Improvement
Revenue Bonds	Revenue Bonds
(PacifiCorp Project)	(PacifiCorp Project)
Series 1984	Series 1995

Ladies and Gentlemen:

I have served as counsel to PacifiCorp (the "Company") in connection with the execution and delivery by the Company of the Remarketing Agreement dated May 22, 2013 (the "Remarketing Agreement") between the Company and Barclays Capital Inc. (the "Agent") relating to the abovementioned two issues of bonds (collectively, the "Bonds"). Capitalized terms used herein and not otherwise defined shall have the meanings assigned such terms in the Reoffering Circular dated May 22, 2013 (the "Reoffering Circular") relating to the Bonds.

I have examined the Reoffering Circular, the Remarketing Agreement, the Company Mortgage, the Fifteenth Supplemental Indenture and the First Mortgage Bonds (collectively, the "Company Documents") and the Indenture and the Loan Agreement, and have 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 Materially Adverse Effect;

(b) the Company has 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 and constitute valid and binding obligations of the Company, enforceable against the Company in accordance with its terms, except as the enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws relating to or affecting the enforcement of creditors' rights or contractual obligations generally or by general principles of equity or judicial discretion;

(e) the First Mortgage Bonds continue to be pledged to secure the Company's loan payment obligation under the Loan Agreement, as amended and restated by the Supplemental Loan Agreement;

(f) 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;

(g) on and as of the date hereof, all authorization, consent or approval of, notices to, registrations or filing with or action in respect of any governmental body, agency, regulatory authority or other instrumentality or court 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. 83-400, Docket UF3915 issued by the Public Utility Commission of Oregon ("PUCO") on July 15, 1985 and subsequently supplemented by Orders No. 83-507 on August 16, 1983, 83-786 on December 6, 1983, 84-077 on February 7, 1984 and 84-960 on December 3, 1984; Order No. 86-1299, Docket UF3992 issued by the PUCO on December 22, 1986; Order No. 95-518, Docket UF-4128 issued by the PUCO on May 25, 1995; Order No. 03-135, Docket UF-4195 issued by the PUCO on February 21, 2003; Order No. 18169, Case No. U-1046-129 issued by the Idaho Public Utilities Commission ("IPUC") on July 8, 1983; Order 20937, Case No. U-1046-159 issued by the IPUC on December 23, 1986; Order No. 26039, Case No. PAC-S-95-2 issued by the IPUC on May 30, 1995; Order No. 29201, Case No. PAC-E-03-1 issued by the IPUC on February 24, 2003; Order Granting Application, Cause N. FR-83-133 issued by the Washington Utilities and Transportation Commission ("WTUC") on July 20, 1983 and subsequently supplemented by the First Supplemental Order on December 8, 1983 and the Second Supplemental Order on December 10, 1984; Order Granting Application, Cause No. FR-86-152 issued by the WTUC on December 24, 1986; Order Granting Application, Docket UE-950490 issued by the WTUC on May 24, 1995; and Order No. 01, Docket No. UE-030077 issued by the WTUC on February 28, 2003, 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;

(h) 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, Company Documents or materially adversely affect the ability of the Company to perform its obligations thereunder; and

(i) 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 to 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 (g) 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 Jeffery B. Erb, Esq., 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 the opinion letter attached hereto.

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 without my written consent.

Very truly yours,

Paul J. Leighton

EXHIBIT B

OPINION OF COUNSEL TO REMARKETING AGENT

See Attached

[LETTERHEAD OF KUTAK ROCK LLP]

_____, 2013

Barclays Capital Inc.
745 Seventh Avenue
New York, New York 10019

$15,000,000	$5,300,000
Sweetwater County, Wyoming	Converse County, Wyoming
Pollution Control Revenue Bonds	Environmental Improvement Revenue Bonds
(PacifiCorp Project)	(PacifiCorp Project)
Series 1984	Series 1995

Ladies and Gentlemen:

This letter is being delivered to you in conjunction with the Remarketing Agreement dated May 22, 2013 (the "Remarketing Agreement") between PacifiCorp (the "Company") and Barclays Capital Inc. (the "Remarketing Agent") relating to the conversion and remarketing on the date hereof of the above-captioned two issues of Bonds (collectively, the "Bonds"). The terms defined in the Remarketing Agreement are used in this letter with the meanings assigned to them in the Remarketing Agreement.

In our capacity as counsel to the Remarketing Agent, we have participated with you and other parties in the preparation of the Reoffering Circular (the "Reoffering Circular") used in connection with the remarketing of the Bonds. In the course of such participation, we have reviewed information furnished to us by, and have participated in conferences with, representatives of the Company, its counsel, representatives of Chapman and Cutler LLP, Bond Counsel, and representatives of Barclays Capital Inc., as Remarketing Agent of the Bonds. We have also reviewed the documents, notices, certificates and opinions delivered to the Remarketing Agent pursuant to the Remarketing Agreement, other documents and records relating to the conversion and remarketing of the Bonds and certain other documents of the Company. In addition, we have relied upon, and have assumed the correctness of, certificates of officials of the Company and the Trustee. However, we have not independently investigated or verified the accuracy, completeness or fairness of any of the statements included in the Reoffering Circular.

Based solely on the foregoing, we advise you that, although we have made no independent investigation or verification of the accuracy, fairness or completeness of, and do not pass upon or assume any responsibility for, the statements included in the Reoffering Circular, during the course of the activities described in the preceding paragraph no information came to the attention of the attorneys in our firm rendering legal services in connection with the conversion and remarketing of the Bonds which causes us to believe that the Reoffering Circular

(except for the financial statements, financial, statistical and numerical information, forecasts, estimates, assumptions and expressions of opinion included therein and except for the information contained in the Reoffering Circular under the captions "THE BONDS—Book-Entry System" and "THE FIRST MORTGAGE BONDS", and in Appendices B or C, as to which we express no view), as of the date of this letter, contains any untrue statement of a material fact or omits to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

This letter is issued to and for the sole benefit of the above addressee and is issued for the sole purpose of the transaction specifically referred to herein. No person other than the above addressee may rely upon this letter without our express prior written consent. This letter may not be utilized by you for any other purpose whatsoever and may not be quoted by you without our express prior written consent. We assume no obligation to review or supplement this letter subsequent to its date, whether by reason of a change in the current laws, by legislative or regulatory action, by judicial decision or for any other reason.

Very truly yours,

REMARKETING AGREEMENT

Dated May 22, 2013

$8,500,000 City of Forsyth, Rosebud County, Montana Flexible Rate Demand Pollution Control Revenue Bonds (PacifiCorp Colstrip Project) Series 1986	$22,000,000 Lincoln County, Wyoming Environmental Improvement Revenue Bonds (PacifiCorp Project) Series 1995

PacifiCorp
Suite 1900
825 NE Multnomah
Portland, OR 97232

To the Addressee:

This is to confirm the agreement between Morgan Stanley & Co. LLC and PacifiCorp, an Oregon corporation (the "Company"), for Morgan Stanley & Co. LLC to act as exclusive remarketing agent (the "Remarketing Agent") in connection with the offering and sale of the Bonds from time to time in the secondary market. The Bonds consist of $8,500,000 in aggregate principal amount of City of Forsyth, Rosebud County, Montana Flexible Rate Demand Pollution Control Revenue Bonds (PacifiCorp Colstrip Project), Series 1986 (the "Forsyth Bonds") and $22,000,000 in aggregate principal amount of Lincoln County, Wyoming Environmental Improvement Revenue Bonds (PacifiCorp Project), Series 1995 (the "Lincoln Bonds" and, collectively with the Forsyth Bonds, the "Bonds"). Lincoln County, Wyoming ("Lincoln County") and the City of Forsyth, Rosebud County, Montana (the "City of Forsyth)" are collectively referred to herein as the "Issuer."

The Forsyth Bonds will be remarketed under and are secured by a Trust Indenture, dated as of December 1, 1986, as amended and restated as of June 1, 2003 (the "Forsyth Indenture"), between the City of Forsyth and The Bank of New York Mellon Trust Company, N.A., as successor trustee (in its capacity as trustee under the Forsyth Indenture, the "Forsyth Trustee"). The Lincoln Bonds will be remarketed under and are secured by a Trust Indenture, dated as of November 1, 1995, as amended and restated as of June 1, 2003 (the "Lincoln Indenture," and collectively with the Forsyth Indenture, the "Bond Indenture"), between Lincoln County and The Bank of New York Mellon Trust Company, N.A., as successor trustee (in its capacity as trustee under the Lincoln Indenture, the "Lincoln Trustee" and, collectively with the Forsyth Trustee, the "Bond Trustee"). The City of Forsyth loaned the proceeds of the Forsyth Bonds to the Company under a Loan Agreement, dated as of December 1, 1986, as amended and restated as of June 1, 2003 (the "Forsyth Loan Agreement"), between the City of Forsyth and the Company in order to finance certain qualifying air and water pollution control facilities (the "Forsyth Bonds Project"). Lincoln County loaned the proceeds of the Lincoln Bonds to the Company under a Loan Agreement dated as of November 1, 1995, as amended and restated as of June 1, 2003 (the "Lincoln Loan Agreement" and, collectively with the Forsyth Loan Agreement, the "Loan

Agreement"), between Lincoln County and the Company in order to finance certain qualifying air and water pollution control facilities (the "Lincoln Bonds Project" and, collectively with the Forsyth Bonds Project, the "Projects"). To evidence its obligation to repay such loans, the Company executed and delivered to the Forsyth Trustee its First Mortgage and Collateral Bonds, Second 2003 Series (the "Forsyth First Mortgage Bonds") in a principal amount equal to the principal amount of the Forsyth Bonds, and executed and delivered to the Lincoln Trustee its First Mortgage and Collateral Bonds, Sixth 2003 Series (the "Lincoln First Mortgage Bonds" and, collectively with the Forsyth First Mortgage Bonds, the "First Mortgage Bonds") in a principal amount equal to the principal amount of the Lincoln 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 (in such capacity, the "Mortgage Trustee"), as supplemented and amended from time to time, including as supplemented by the Fifteenth Supplemental Indenture, dated as of June 1, 2003 (the "Fifteenth Supplemental Indenture"), all collectively referred to as the "Company Mortgage."

The Bonds are being remarketed hereunder following the mandatory purchase of the Bonds from the Holders thereof in connection with the adjustment of the interest rate period for the Bonds, as described herein, on June 3, 2013 (hereinafter referred to as the "Closing Date").

Each issue of the Bonds is entirely separate from the other issue of the Bonds, and the dates and responsibilities of the Remarketing Agent under this Remarketing Agreement, unless otherwise stated, apply separately to each individual issue of the Bonds. This Remarketing Agreement does not relate to any issue of bonds described by the Reoffering Circular other than the Bonds.

The Bonds are more fully described in the Reoffering Circular dated May 22, 2013 (which, together with the appendices attached thereto, is referred to herein as the "Reoffering Circular"), as such may be amended or supplemented.

All capitalized terms used but not defined herein shall have the meanings ascribed to them in the Reoffering Circular.

1. **Appointment of Remarketing Agent; Responsibilities of Remarketing Agent**.

(a) Subject to the terms and conditions herein contained, the Company hereby appoints the Remarketing Agent as exclusive remarketing agent for the Bonds pursuant to the Bond Indenture, and the Remarketing Agent hereby accepts such appointment, in connection with (i) the remarketing of the Bonds in connection with the adjustment of the interest rate period for the Bonds on the Closing Date (the "Initial Remarketing") and (ii) the offering and sale of the Bonds from time to time in the secondary market subsequent to the Closing Date. The Company agrees with the Remarketing Agent that unless this Remarketing Agreement has been previously terminated pursuant to the terms hereof, the Remarketing Agent shall act as exclusive remarketing agent with respect to the Bonds on the terms and conditions herein contained at all times, including any remarketing of the Bonds in connection with or in anticipation of the establishment of a Term Interest Rate Period extending to the final maturity of the Bonds.

(b) The Remarketing Agent agrees to determine the rate of interest for the Bonds during each Rate Period as provided in Section 2.02 of the Bond Indenture. The Remarketing Agent agrees to furnish to the Bond Trustee the information with respect to each rate of interest required by Section 2.02 of the Bond Indenture.

(c) Upon the terms and conditions and in reliance on the representations and warranties and covenants set forth herein, the Remarketing Agent shall exercise best efforts to remarket the Bonds in the Initial Remarketing at a price equal to par plus accrued interest, if any, subject in all respects to the terms and conditions of the Bond Indenture and Section 5 hereof. By noon, New York, New York time, on the Closing Date, the Remarketing Agent shall cause the remarketing proceeds of the Initial Remarketing to be delivered to the Bond Trustee.

(d) After the Initial Remarketing, in its capacity as Remarketing Agent, upon notice from (i) a Bondholder or the Bond Trustee that it has received notice from a Bondholder pursuant to Section 3.01(a), (b) or (c) of the Bond Indenture or (ii) the Bond Trustee of a mandatory tender for purchase pursuant to Section 3.02(a)(i), (ii) or (iii) of the Bond Indenture, in each case given pursuant to and in accordance with the Bond Indenture, the Remarketing Agent shall offer for sale and use its best efforts to remarket any Bonds that are the subject of any such notice at a price of 100% of the principal amount thereof plus accrued interest, if any, subject in all respects to the terms and conditions of the Bond Indenture.

In accordance with the provisions of Section 3.06 of the Bond Indenture, the Remarketing Agent shall give the Bond Trustee notice in writing not later than 11:30 a.m., New York, New York time, on any day on which Bonds are delivered or deemed delivered for purchase under Section 3.01 or 3.02 of the Bond Indenture, of the aggregate principal amount of Bonds remarketed on such date but for which the purchase price has not been paid (which Bonds for purposes of the Bond Indenture shall be considered to not be remarketed). By 11:45 a.m., New York, New York time, on any day on which Bonds are delivered or deemed delivered for purchase under Section 3.01 or 3.02 of the Bond Indenture, the Remarketing Agent shall (i) cause the remarketing proceeds of the Bonds to be delivered to the Bond Trustee, and (ii) give notice by facsimile transmission, telephone, telecopy, e-mail or other similar electronic means, promptly confirmed by a written notice, to the Company and the Bond Trustee on each date on which Bonds shall have been purchased pursuant to the Bond Indenture, specifying the principal amount of Bonds sold by the Remarketing Agent and the name, address and taxpayer identification number of each such purchaser, the principal amount of Bonds to be purchased and the denominations in which such Bonds are to be delivered. All transfers of Bonds and information related thereto shall comply with all Securities Depository requirements as long as Bonds are in book-entry form.

(e) The Company and the Remarketing Agent agree that the responsibilities of the Remarketing Agent hereunder will include: (i) the Initial Remarketing of the Bonds pursuant to Section 1(c) hereof; (ii) the soliciting of purchases of Bonds from investors that customarily purchase tax-exempt securities in large denominations, provided, however, that with respect to Bonds being purchased in connection with the

establishment of a Term Interest Rate (as defined in the Bond Indenture) the Remarketing Agent need not be restricted to investors able to purchase tax-exempt securities in large denominations; (iii) effecting and processing such purchases; (iv) billing and receiving payment for Bonds purchased; (v) causing the proceeds from the secondary sale of the Bonds to be transferred to the Bond Trustee pursuant to the Bond Indenture; and (vi) performing such other related functions as may be reasonably requested by the Company and agreed to by the Remarketing Agent. The Remarketing Agent will keep records of trades and make trade confirmations in accordance with prudent industry practices.

(f) The Company acknowledges and agrees that: (i) the transaction contemplated by this Remarketing Agreement and the Reoffering Circular (the "Transaction") is an arm's length, commercial transaction between the Company and the Remarketing Agent in which the Remarketing Agent is acting solely as a principal and is not acting as a "municipal advisor," "financial advisor" or "fiduciary" to the Company or the Issuer within the meaning of the Dodd-Frank Wall Street Reform and Consumer Protection Act and Section 15B of the Securities Exchange Act of 1934, as amended (the "Exchange Act"); (ii) the Remarketing Agent has not assumed any advisory or fiduciary responsibility to the Company or the Issuer with respect to the Transaction and the discussions, undertakings and procedures leading thereto (irrespective of whether any affiliated entities have provided other services or are currently providing other services to the Company on other matters; (iii) the only obligations the Remarketing Agent has to the Company or the Issuer with respect to the Transaction expressly are set forth in this Remarketing Agreement; and (iv) the Company has consulted its own legal, accounting, tax, financial and other advisors, as applicable, to the extent it has deemed appropriate.

(g) The Company agrees, at the Company's expense, to take all steps reasonably requested by the Remarketing Agent to enable the Remarketing Agent to comply with the requirements, if any, of Rule 15c2-12, as promulgated and amended from time to time by the Securities and Exchange Commission under the Exchange Act ("Rule 15c2-12") and as applicable to the Bonds.

(h) The Company hereby acknowledges that in conjunction with the Remarketing Agent's obligations under MSRB Rule G-34(c), the Remarketing Agent will deliver to the Municipal Securities Rulemaking Board the Indenture, the Loan Agreement and any other documents (including any executed amendments, renewals, supplements or replacements to the aforementioned) (all such documents, "Rule G-34 Documents") that establish an obligation to provide liquidity with respect to the Bonds or that set forth or define critical aspects of the liquidity facility for the Bonds, and covenants to provide the Remarketing Agent with PDF word-searchable copies of the execution versions of such Rule G-34 Documents not later than the Closing Date and, in the event of any amendment, renewal, supplement or replacement, on or prior to the respective effective date thereof, to permit the filing of such Rule G-34 Documents in compliance with MSRB Rule G-34(c). If the Company determines that redaction of information in any Rule G-34 Document is required to maintain the confidentiality or proprietary nature of such information (such information to include, but not be limited to, fees, staff names and contact information, and bank routing or account numbers), the

Company shall identify such information to the Remarketing Agent in writing and request the Remarketing Agent accept delivery of the applicable documents with such redactions. The Remarketing Agent agrees to comply with any such request to the extent permitted by Rule G-34(c) and such other applicable rules and regulations. The Company further agrees to hold the Remarketing Agent harmless with respect to, and that the Remarketing Agent shall have no responsibility with respect to, identifying and/or redacting any confidential information.

(i) In connection with the performance of its duties hereunder, the Remarketing Agent agrees to keep such books and records with respect to the remarketing of the Bonds as shall be consistent with prudent industry practice and to make such books and records with respect to the remarketing of the Bonds available for inspection by the Issuer, the Bond Trustee and the Company at all reasonable times.

(j) The Remarketing Agent agrees that, so long as it is the Remarketing Agent under this Remarketing Agreement, it will perform the obligations contemplated to be performed by the Remarketing Agent under the Bond Indenture.

2. **The Bonds**. The Forsyth Bonds were initially issued on December 12, 1984, and the Lincoln Bonds were originally issued on November 17, 1995, and currently bear interest at a Term Interest Rate. On June 3, 2013, it is expected that the interest rate period on the Bonds will be converted to the Weekly Interest Rate Period.

3. **Furnishing of Offering Materials**.

(a) The Company agrees to furnish, or cause to be furnished, the Remarketing Agent with as many copies as the Remarketing Agent may reasonably request of the final Reoffering Circular, as the same may be supplemented or amended from time to time, and such other information with respect to the Company or the Bonds as the Remarketing Agent shall reasonably request from time to time.

(b) If, at any time during the term of this Remarketing Agreement, any event or condition known to the Company relating to or affecting the Company, the Issuer or the Project, or the Loan Agreement, the First Mortgage Bonds, the Company Mortgage, the Bonds, the Bond Indenture or the documents or transactions contemplated thereby, shall occur which in the reasonable judgment of the Company might affect the correctness or completeness of any statement of a material fact contained in the Reoffering Circular, as it shall have been supplemented or amended with the information furnished from time to time pursuant to this Section 3, or which in the reasonable judgment of the Company might result in the Reoffering Circular, as so supplemented or amended, containing any untrue, incorrect or misleading statement of a material fact or omitting to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading, (i) the Company will promptly notify the Remarketing Agent of the circumstances and details of such event, and (ii) if, in the opinion of the Remarketing Agent or the Company, such event or condition requires the preparation and publication of an amendment or supplement to the Reoffering Circular, the Company, at its expense, will promptly

prepare or cause to be prepared an appropriate amendment or supplement thereto so that the statements in the Reoffering Circular as so amended or supplemented will not contain any untrue, incorrect or misleading statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading, in a form and manner approved by the Remarketing Agent and the Company.

(c) After the Initial Remarketing, in connection with the remarketing of the Bonds as a result of or in anticipation of (i) the issuance of a Letter of Credit or any Alternate Credit Facility, or (ii) the establishment of a Daily Interest Rate Period, Flexible Interest Rate Period or Term Interest Rate Period, the Company shall prepare or cause to be prepared any disclosure documents (including continuing disclosure undertakings required by the rules and regulations of the Securities and Exchange Commission) that in the reasonable opinion of the Remarketing Agent or the Company are necessary or desirable. All costs incurred in connection with the preparation of such disclosure documents shall be borne by the Company.

4. **Representations, Warranties, Covenants and Agreements of the Company**.

The Company represents, warrants, covenants and agrees that:

(a) As of the date hereof and at all times subsequent thereto during the period up to and including the Closing Date, the Reoffering Circular did not and does not include any untrue statement of a material fact or omit 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 representations and warranties in this Section 4 shall not apply to (i) information contained in or omitted from the Reoffering Circular or any amendment or supplement thereto in reliance upon information furnished to the Company in writing by or on behalf of the Issuer or the Remarketing Agent expressly for use in connection with the preparation thereof or (ii) information presented under the heading "THE ISSUERS" or "REMARKETING" in the Reoffering Circular. The Company authorizes the Reoffering Circular to be used by the Remarketing Agent in connection with the Initial Remarketing and with the offering and sale from time to time of the Bonds in the secondary market.

(b) The Loan Agreement, the First Mortgage Bonds, the Company Mortgage and this Remarketing Agreement have been, or will be when entered into (as applicable), duly authorized and constitute, or will constitute when entered into (as applicable), the legal, valid and binding obligations of the Company enforceable in accordance with their respective terms; provided, however, that (i) the rights and remedies set forth in or under the Loan Agreement, the First Mortgage Bonds, the Company Mortgage and this Remarketing Agreement may be limited by applicable bankruptcy, insolvency, moratorium, reorganization or similar laws from time to time in effect affecting the enforcement of creditors' rights generally, (ii) the rights and remedies set forth in or under the Loan Agreement, the First Mortgage Bonds, the Company Mortgage and this Remarketing Agreement may be limited by other applicable state and federal laws and legal and equitable principles but, in the Company's opinion, the Loan Agreement, the

First Mortgage Bonds, the Company Mortgage and this Remarketing Agreement provide remedies currently enforceable under the laws of the State of Montana (in the case of the Forsyth Bonds) and the State of Wyoming (in the case of the Lincoln Bonds; hereinafter, "State" refers to the State of Montana or the State of Wyoming, as applicable) sufficient to permit the security interest under the Company Mortgage to be enforced, and the availability of the remedy of specific performance or of injunctive relief is subject to the discretion of the court before which any proceeding therefor may be brought, (iii) no representation, warranty or covenant is made that any waiver by the Company of its right to insist upon or plead, or in any matter whatever claim, or take the benefit or advantage of, any appraisement, valuation, stay, extension or redemption laws now or hereafter in force in any locality where any of the property pledged under the Company Mortgage may be situated is valid or enforceable, and (iv) no representation, warranty or covenant is made as to the legality, validity or enforceability of the provisions of the Loan Agreement, the First Mortgage Bonds, the Company Mortgage or this Remarketing Agreement which purport to empower the holder thereof to exercise its rights thereunder without notice to the Company or without a prior judicial hearing.

(c) Performance by the Company under the Loan Agreement, the First Mortgage Bonds, the Company Mortgage and this Remarketing Agreement does not and will not violate or conflict with, or result in a breach or violation of, any constitutional provision or statute of the State or the United States of America, or any indenture, mortgage, deed of trust, resolution, note agreement or other agreement or instrument to which the Company is a party or by which the Company is bound or, to its knowledge, any order, rule or regulation of any court or governmental agency or body having jurisdiction over the Company or any of its activities or properties.

(d) The Company has been duly incorporated and is now validly existing and in good standing as a corporation incorporated under the laws of the State of Oregon; the Company is duly authorized to transact business as a foreign corporation in the State and is in good standing as a foreign corporation in the State.

(e) There is no action, suit, proceeding, inquiry or investigation, at law or in equity, or before or by any court, public board or body, other than as described in the Reoffering Circular, known to the Company to be pending or threatened against or affecting the Company, nor to the best of the knowledge of the Company is there any meritorious basis therefor, wherein an unfavorable decision, ruling or finding would reasonably be expected to materially adversely affect the transactions contemplated by this Remarketing Agreement or by the Reoffering Circular or which, in any way, would reasonably be expected to adversely affect the validity or enforceability of the Bonds, the Bond Indenture, the Loan Agreement, the First Mortgage Bonds, the Company Mortgage or this Remarketing Agreement.

(f) All consents of governmental authorities required in connection with the execution and delivery by the Company of the Loan Agreement, the First Mortgage Bonds, the Company Mortgage and this Remarketing Agreement, and the issuance and sale of the Bonds have been obtained; provided, however, that no representation is made

concerning compliance with the federal securities laws or the securities or "Blue Sky" laws of the various states.

(g) All licenses, permits, consents, approvals, authorizations and orders of governmental or regulatory authorities ("authorizations") as are necessary for the Company to own its properties and conduct its business in the manner described in the Reoffering Circular have been obtained, and the Company has fulfilled and performed all of its material obligations with respect to such authorizations, and no event has occurred that permits, or after notice or lapse of time or both would permit, revocation or termination thereof or result in any other material impairment of the rights of the holder of such authorizations.

(h) The Company will diligently cooperate with the Remarketing Agent to qualify the Bonds and/or the related obligations of the Company for offer and sale under the securities or "Blue Sky" laws of such states as the Remarketing Agent may request, provided that in no event shall the Company be obligated to qualify to do business in any state where it is not now so qualified or to take any action which would subject it to general service of process in any state where it is not now so subject. It is understood that the Company is not responsible for compliance with or the consequences of failure to comply with such securities or "Blue Sky" laws.

(i) The Company is not and, except as disclosed in the Reoffering Circular, has not been in default under Rule 15c2-12.

(j) The Company is not and never has been in default as to the payment of principal or interest with respect to the Bonds.

(k) The Company will not take or omit to take any action which action or omission will adversely affect the exclusion from gross income for federal income tax purposes of the interest on the Bonds.

5. **Conditions to Remarketing Agent's Obligations**. The obligations of the Remarketing Agent under this Remarketing Agreement have been undertaken in reliance on, and shall be subject to, the due performance by the Company of the obligations and agreements to be performed by the Company hereunder.

(a) The obligations of the Remarketing Agent hereunder with respect to the Initial Remarketing are also subject, in the discretion of the Remarketing Agent, to the following further conditions:

(i) The Bond Indenture, the Loan Agreement, the First Mortgage Bonds and the Company Mortgage shall be in full force and effect and shall not have been amended, modified or supplemented in any way which would materially and adversely affect the Bonds, except as may have been agreed to in writing by the Remarketing Agent.

(ii) No "Event of Default" (as defined in the Bond Indenture, the Loan Agreement or the Company Mortgage) shall have occurred and be continuing and

no event shall have occurred and be continuing which, with the passage of time or giving of notice, or both, would constitute such an Event of Default under the Bond Indenture, the Loan Agreement or the Company Mortgage.

(iii) The marketability of the Bonds or their market price must not be, in the reasonable opinion of the Remarketing Agent, materially adversely affected by (A) an amendment to or proposal to amend the Constitution of the State or of the United States or by any federal or State legislation or proposed legislation or by any decision of any court of the United States or by any ruling or regulation (final, temporary or proposed) on behalf of the Treasury Department of the United States, the Internal Revenue Service or any other authority of the United States, the State (including any Executive Order or Proclamation of the Governor thereof), or any comparable legislative, judicial or administrative development affecting the federal tax status of any of the Issuer, its property or income, or the interest on its bonds (including the Bonds); (B) an outbreak or escalation of hostilities or other calamity or crisis; (C) a general suspension of or material limitation on trading on the New York Stock Exchange or other national securities exchange, the establishment of minimum prices on any such exchange or the declaration of a general banking moratorium by State authorities or by federal or New York authorities; (D) a downgrading or withdrawal by a national rating service of a rating of the Bonds or any class of the Company's securities or, with respect to the Company's securities, a public announcement by such a service that it is considering such a downgrading or withdrawal (excluding any such announcement existing as of the date hereof); (E) an amendment or supplement to the Reoffering Circular; (F) the establishment of any new restrictions on transactions in securities materially affecting the free market for the securities (including the imposition of any limitations on interest rates) or the extension of credit by, or the charge to the net capital requirements of, underwriters established by any such exchange, the Securities and Exchange Commission, any other federal or state agency or the United States Congress or by Executive Order; or (G) a material adverse change in the general affairs or in the financial position or net assets of the Company as a whole, except as disclosed by or contemplated in the Reoffering Circular.

(iv) No decision of any federal or state court and no ruling of the Securities and Exchange Commission or any other governmental agency has been made or issued to the effect that (A) the Bonds or any other securities of the Issuer or of any similar body of the type contemplated in this Remarketing Agreement, the obligations of the Company under the Loan Agreement, the exercise of tender rights by the Holders of the Bonds or the remarketing of the Bonds by the Remarketing Agent as contemplated by the Bond Indenture and this Remarketing Agreement are subject to registration requirements of the Securities Act of 1933, as amended (the "Securities Act"), or (B) the qualification of an indenture in respect of the Bonds or any such securities is required under the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act").

(v) On or before the Closing Date, the Remarketing Agent must receive the following documents, each reasonably satisfactory in form and substance to the Remarketing Agent and to its counsel:

(A) A copy of the Reoffering Circular.

(B) A certificate, dated the Closing Date, of duly authorized officers of the Company as follows:

(1) Certifying that, as of the Closing Date, the representations and warranties contained in Section 4 of this Remarketing Agreement are true and correct and that the Company has complied with all its agreements therein contained;

(2) Certifying that there has been no material adverse change in the general affairs or in the financial position or net assets of the Company as a whole, as shown in the Reoffering Circular, other than changes disclosed by or contemplated in the Reoffering Circular or in an amendment or supplement thereto; and

(3) Stating that they have examined the Reoffering Circular and that, to the best of their knowledge after reasonable inquiry, the Reoffering Circular did not as of its date and does not as of the Closing Date contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(C) Opinions, dated the Closing Date and addressed to the Remarketing Agent, of (1) Paul J. Leighton, Esq., counsel to the Company, substantially in the form attached hereto as Exhibit A; (2) Chapman and Cutler LLP, Bond Counsel, in the form attached as Appendices C-1 and C-3 to the Reoffering Circular; and (3) Counsel to the Remarketing Agent, substantially in the form attached hereto as Exhibit B, in each case with such changes as shall be requested by such counsel and approved by the Remarketing Agent, which approval shall not be unreasonably withheld.

(D) A letter, dated the Closing Date, of Chapman and Cutler LLP, Bond Counsel, to the effect that (1) the statements contained in the Reoffering Circular under the captions "THE BONDS" (other than information relating to the book-entry system of registration for the Bonds), "THE LOAN AGREEMENTS" and "THE INDENTURES" and in Appendices B and C insofar as such statements constitute summaries of the Bonds, the Loan Agreement and the Bond Indenture, or the opinions of Bond Counsel constitute fair summaries of the portions of such documents

purported to be summarized or the opinions of Bond Counsel; and (2) the statements in the Reoffering Circular under the caption "TAX EXEMPTION" are accurate statements or summaries of the matters summarized therein.

(E) Evidence satisfactory to the Remarketing Agent that on the Closing Date there will be in effect ratings on the Bonds from Standard & Poor's Rating Services, a division of The McGraw-Hill Companies, Inc., of "A/A-2" and from Moody's Investors Service, Inc. of "A2/P-2."

(F) Executed copies of the Bond Indenture.

(G) Executed copies of the Loan Agreement.

(H) Such additional opinions, certificates or documents as the Remarketing Agent or its counsel may reasonably request.

(b) The obligations of the Remarketing Agent hereunder with respect to each date on which the Bonds are to be offered and sold in the secondary market pursuant to this Remarketing Agreement are also subject, in the discretion of the Remarketing Agent, to the following further conditions:

(i) The Bond Indenture, the Loan Agreement, the First Mortgage Bonds, and the Company Mortgage shall be in full force and effect and shall not have been amended, modified or supplemented in any way which would materially and adversely affect the Bonds, except as may have been agreed to in writing by the Remarketing Agent, and there shall be in full force and effect such additional resolutions, agreements, certificates (including such certificates as may be required in order to establish the exclusion of interest on the Bonds from gross income for federal, state and local income tax purposes) and opinions as shall be necessary to effect the transactions contemplated hereby, which resolutions, agreements, certificates and opinions shall be reasonably required by, and satisfactory in form and substance to, Bond Counsel and Counsel to the Remarketing Agent; and

(ii) There shall be no material adverse change in the properties or condition (financial or otherwise) of the Company since the date of the Reoffering Circular relating to the Bonds being offered and sold on such date, as such Reoffering Circular may be amended or supplemented; no "Event of Default" (as defined in the Bond Indenture, the Loan Agreement or the Company Mortgage) shall have occurred and be continuing and no event shall have occurred and be continuing which, with the passage of time or giving of notice or both, would constitute such an Event of Default under the Bond Indenture, the Loan Agreement or the Company Mortgage; and no event shall have occurred which, independent of the fact that such event with the giving of notice or passage of time or both would be an Event of Default under the Bond Indenture, the Loan

Agreement or the Company Mortgage, would have a materially adverse effect on the properties or condition (financial or otherwise) of the Company.

Subject to Section 10.20 of the Bond Indenture, if the Company is unable to satisfy any such condition, or if the Remarketing Agent's obligations are terminated for any reason permitted by this Remarketing Agreement, the Remarketing Agent may immediately cancel this Remarketing Agreement and, if it does, the Remarketing Agent will not be under further obligation under this Remarketing Agreement or the Bond Indenture, and the Remarketing Agent shall be deemed to have resigned as Remarketing Agent under the Bond Indenture.

6. **Term and Termination of Remarketing Agreement**.

(a) This Remarketing Agreement shall become effective upon execution by the Remarketing Agent and the Company, and, subject to the terms and conditions hereof, shall continue in full force and effect with respect to the Bonds until the establishment of a Term Interest Rate Period extending to the final maturity of the Bonds.

(b) The Remarketing Agent may cancel this Remarketing Agreement at any time by written notice to the Bond Trustee and the Company if, between the date hereof and the Closing Date, an event specified in clause (a)(i), (a)(ii), (a)(iii) or (a)(iv) of Section 5 shall have occurred. If this Remarketing Agreement is cancelled by the Remarketing Agent due to an event specified in clause (a)(i), (a)(ii), (a)(iii) or (a)(iv) of Section 5 or the Company's failure to satisfy any condition set forth in clause (a)(v) of Section 5, the Company shall not be obligated to pay the amount specified in clause (a)(i) of Section 7 but the Company shall be responsible for the out-of-pocket expenses of the Remarketing Agreement specified in clause (a)(ii) of Section 7.

(c) Following the Initial Remarketing, in accordance with the provisions of Section 10.20 of the Bond Indenture, (i) the Remarketing Agent may at any time resign, without a successor in place, by giving at least 30 days' prior written notice to the Issuer, the Company, the Registrar and the Bond Trustee, and (ii) the Remarketing Agent may be removed at any time at the direction of the Company by a written instrument filed with the Remarketing Agent, the Registrar and the Bond Trustee at least 30 days prior to the effective date of such removal.

(d) In addition to the provisions of paragraph (c) of this Section, after the Initial Remarketing, the Remarketing Agent may suspend its obligations under this Remarketing Agreement at any time by notifying the Issuer, the Company and the Bond Trustee in writing or by telegram or other electronic communication of its election so to do, if:

(i) Legislation shall have been introduced in or enacted by the Congress of the United States of America or adopted by either House thereof, or legislation pending in the Congress of the United States of America shall have been amended, or legislation shall have been recommended for passage (by press release, other form of notice or otherwise) by the President of the United States of

America, the Treasury Department of the United States of America, the Internal Revenue Service or Chairman or ranking minority member of the U.S. Senate Committee on Finance or the U.S. House of Representatives Committee on Ways and Means or legislation shall have been proposed for consideration by either such Committee by any member thereof or legislation shall have been favorably reported for passage to either House of the Congress of the United States of America by a Committee of such House to which legislation has been referred for consideration, or a decision by a court established under Article III of the Constitution of the United States of America shall be rendered or a ruling, regulation or official statement by or on behalf of the Treasury Department of the United States of America, the Internal Revenue Service or other governmental agency shall be made, with respect to federal taxation of revenues or with respect to other income of the general character expected to be derived under the Bond Indenture by the Issuer or upon interest received on securities of the general character of the Bonds or which would have the effect of changing, directly or indirectly, the federal income tax consequences of receipt of interest on securities of the general character of the Bonds in the hands of the owners thereof which in the reasonable opinion of the Remarketing Agent would materially adversely affect the marketability of the Bonds;

(ii) Legislation shall be introduced by committee, by amendment or otherwise, in, or be enacted by, the House of Representatives or the Senate of the Congress of the United States of America, or a decision by a court of the United States of America shall be rendered, or a stop order, ruling, regulation or official statement by, or on behalf of, the United States Securities and Exchange Commission or other governmental agency having jurisdiction of the subject matter shall be made or proposed, to the effect that the offering or sale of obligations of the general character of the Bonds, as contemplated hereby, is or would be in violation of any provision of the Securities Act, as amended and as then in effect, or the Exchange Act, as amended and as then in effect, or the Trust Indenture Act, as amended and as then in effect, or with the purpose or effect of otherwise prohibiting the offering or sale of obligations of the general character of the Bonds, or the Bonds, as contemplated hereby;

(iii) Any information shall have become known, which, in the opinion of the Remarketing Agent, makes untrue, incorrect or misleading in any material respect any statement or information contained in the Reoffering Circular, as the information contained therein has been supplemented or amended by other information furnished in accordance with Section 3 hereof, or causes the Reoffering Circular, as so supplemented or amended, to contain an untrue, incorrect or misleading statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading;

(iv) Except as provided in clauses (i) and (ii) hereof, any legislation, resolution, ordinance, rule or regulation shall be introduced in, or be enacted by,

any federal governmental body, department or agency of the United States of America, the State of New York or the State, or a decision by any court of competent jurisdiction within the United States of America, the State of New York or the State shall be rendered which, in the opinion of the Remarketing Agent, materially adversely affects the marketability of the Bonds;

(v) Additional material restrictions not in force as of the date hereof shall have been imposed upon trading in securities generally by any governmental authority purporting to have jurisdiction regarding the trading of the Bonds or by any national securities exchange;

(vi) Any governmental authority shall impose, as to the Bonds, or obligations of the general character of the Bonds, any material restrictions not now in force, or increase materially those now in force;

(vii) A general banking moratorium shall have been established by State authorities, or federal or New York authorities;

(viii) Any rating of the Bonds shall have been downgraded or withdrawn by any securities rating agency, which, in the opinion of the Remarketing Agent, materially adversely affects the marketability of the Bonds;

(ix) There shall have occurred the outbreak or material escalation or material reescalation of hostilities involving the United States of America, or the declaration by the United States of a national emergency or war, which in the judgment of the Remarketing Agent has had a materially adverse effect on the marketability of the Bonds on the terms and in the manner contemplated by the Reoffering Circular; or

(x) An event, including, without limitation, the bankruptcy or default of any other issuer of or obligor on obligations of the general character of the Bonds or on tax-exempt commercial paper, shall have occurred which, in the opinion of the Remarketing Agent, makes the marketability of the Bonds at interest rates not in excess of the maximum interest rate permitted by Bond Indenture impossible over an extended period of time.

7. **Payment of Fees and Expenses**. In consideration of the obligations to be performed by the Remarketing Agent under this Remarketing Agreement, the Company agrees to pay the Remarketing Agent the following fees:

(a) on the Closing Date, (i) an amount equal to (such fee being exclusive of the Remarketing Agent's out-of-pocket funds) $61,000 as consideration for the Initial Remarketing and (ii) an amount equal to $1,547.22 in connection with the out-of-pocket expenses of the Remarketing Agent;

(b) an annual fee equal to 0.10% of the weighted average daily principal amount of Bonds outstanding during such period in which the Bonds shall bear interest at a Weekly Interest Rate or Flexible Interest Rate (in the event the Bonds are converted to

bear interest at a Daily Interest Rate, the Remarketing Agent and Company will agree on a fee at that time);

(c) in connection with or in anticipation of the establishment of a Term Interest Rate Period, an amount as shall be agreed to by the Company and the Remarketing Agent at that time; and

(d) expenses reasonably incurred by the Remarketing Agent in connection with its services hereunder, including reasonable expenses in connection with the preparation of offering materials as provided in Section 3.

Payment of the fees and expenses referred to in clause (b) of the first sentence of this Section shall be made by the Company as soon as practicable upon receipt of an invoice therefor from the Remarketing Agent, such invoice to be sent quarterly in arrears on a calendar quarter. Payment of the fee referred to in clause (c) of the first sentence of this Section shall be made by the Company on the effective date of the establishment of a Term Interest Rate Period and shall include all reasonable costs relating to the preparation of any disclosure documents in connection with the establishment of a Term Interest Rate Period. The Remarketing Agent will not incur the expenses referred to in clause (d) of the first sentence of this Section without the prior approval of the Company. The Company agrees to pay the Remarketing Agent's fees and reasonable expenses under this Remarketing Agreement without regard to any claim, setoff, defense, or other right that the Company may have at any time against the Remarketing Agent or any other person, whether in connection with this Remarketing Agreement, the Bonds or any unrelated transactions.

The Company further agrees to pay the reasonable fees and expenses of Kutak Rock LLP incurred in its capacity as Counsel to the Remarketing Agent in connection with the Initial Remarketing.

8. **Indemnification and Contribution**.

(a) In connection with any remarketing of the Bonds, the Company will indemnify and hold harmless the Remarketing Agent and its officers, directors and employees and each person, if any, who controls any Remarketing Agent within the meaning of the Securities Act (collectively, the "indemnified parties"), to the extent permitted under applicable law, against any losses, claims, damages or liabilities, joint or several, to which the indemnified parties may become subject, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon (i) any untrue statement or alleged untrue statement of any material fact contained in the Reoffering Circular, or any amendment or supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading or (ii) the representations and warranties set forth in Section 4 hereof being untrue on the Closing Date; and will reimburse the indemnified parties for any legal or other expenses reasonably incurred by the indemnified parties in connection with investigating or defending any such loss, claim, damage, liability or action; provided, however, that the Company will not be liable in any such case to any

indemnified party to the extent that any such loss, claim, damage or liability arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission made in any of such documents, or under the caption "THE ISSUERS" or "REMARKETING" or in reliance upon and in conformity with written information furnished to the Company by, with respect to the Issuer, the Issuer, or with respect to the Remarketing Agent or a controlling person of the Remarketing Agent, the Remarketing Agent, specifically for use therein; and provided further that the indemnity provision contained in this subparagraph (a) with respect to the Reoffering Circular or any amendment or supplement thereto shall not inure to the benefit of the Remarketing Agent (or to the benefit of any person controlling the Remarketing Agent) with respect to any such loss, claim, damage, liability or action asserted by any person if a copy of the Reoffering Circular (as amended or supplemented) not containing the untrue statement or alleged untrue statement or omission or alleged omission that is the basis of the loss, claim, damage, liability or action for which indemnification is sought was available to the Remarketing Agent and was not properly mailed, delivered or given to such person. This indemnity provision will be in addition to any liability which the Company may otherwise have.

(b) Promptly after receipt by an indemnified party under this Section 8 of notice of the commencement of any action, such indemnified party will, if a claim in respect thereof is to be made against an indemnifying party under this Section 8, notify the indemnifying party in writing of the commencement thereof; but the omission so to notify the indemnifying party will not relieve it from any liability which it may have to any indemnified party otherwise than under this Section 8 except to the extent that the indemnifying party is able to demonstrate actual prejudice in not being so notified. In case any such action is brought against any indemnified party, and it notifies an indemnifying party of the commencement thereof, the indemnifying party will be entitled to participate in, and, to the extent that it may wish, jointly with any other indemnifying party, similarly notified, to assume the defense thereof so long as its interests are not adverse to those of the indemnified party, with counsel reasonably satisfactory to such indemnified party, and after notice from the indemnifying party to such indemnified party of its election to assume the defense thereof, the indemnifying party will not be liable to such indemnified party under this Section 8 for any legal or other expenses subsequently incurred by such indemnified party in connection with the defense thereof other than reasonable costs of investigation. Upon assumption by the indemnifying party of the defense of any such action or proceeding, the indemnified party shall have the right to participate in such action or proceeding and to retain its own counsel but the indemnifying party shall not be liable for any legal expenses of other counsel subsequently incurred by such indemnified party in connection with the defense thereof unless (i) the indemnifying party has agreed to pay such fees and expenses, (ii) the indemnifying party shall have failed to employ counsel reasonably satisfactory to the indemnified party in a timely manner, or (iii) the indemnified party shall have been advised by counsel that there are actual or potential conflicting interests between the indemnifying party and the indemnified party, including situations in which there are one or more legal defenses available to the indemnified party that are different from or additional to those available to the indemnifying party. If the indemnifying party does not elect to assume the defense of any such suit, it will reimburse the indemnified parties

for the reasonable fees and expenses of any counsel retained by them. In the event that the parties to any such action (including impleaded parties) include one or more indemnifying parties and one or more indemnified parties, and one or more indemnified parties shall have been advised by counsel reasonably satisfactory to the Remarketing Agent and the Company that there may be one or more legal defenses available to any of the indemnified parties, which are different from, additional to, or in conflict with those available to any of the indemnifying parties, the indemnifying parties will reimburse the indemnified parties for the reasonable fees and expenses of any counsel retained by the indemnified parties (it being understood that the indemnifying parties shall not, in connection with any one action or separate but similar or related actions in the same jurisdiction arising out of the same general allegations or circumstances, be liable for the reasonable fees and expenses of more than one separate firm of attorneys for all indemnified parties, which firm shall be designated by the indemnified parties, the Remarketing Agent or the Company, as the case may be). Each indemnifying party agrees promptly to notify each indemnified party of the commencement of any litigation or proceedings against it in connection with the remarketing of the Bonds. The indemnifying party shall not consent to the terms of any compromise or settlement of any action defended by the indemnifying party in accordance with the foregoing without the prior consent of the indemnified party. No indemnifying party shall be liable under this Section 8 for the amount of any compromise or settlement of any action unless such compromise or settlement has been approved in writing by such indemnifying party, which approval shall not be unreasonably withheld. The indemnity agreements contained in this Section 8 shall remain operative and in full force and effect, regardless of any investigation made by or on behalf of the Remarketing Agent, or the delivery of and any payment for any Bonds hereunder, and shall survive the termination or cancellation of this Remarketing Agreement.

(c) If the indemnification provided for in subparagraph (a) of this Section 8 is unavailable, because of limitations imposed by securities laws or for any other reason, to a party that would otherwise have been an indemnified party under subparagraph (a) above in respect of any losses, claims, damages or liabilities (or actions in respect thereof) referred to therein, then each party that would have been an indemnifying party thereunder shall, in lieu of indemnifying such indemnified party, contribute to the amount paid or payable by such indemnified party as a result of such losses, claims, damages or liabilities (or actions in respect thereof) in such proportion so that the Remarketing Agent is responsible for that portion represented by the percentage that the Remarketing Agent's commission with respect to such remarketing bears to the aggregate principal amount of such Bonds being remarketed and the Company is responsible for the balance; provided that the Remarketing Agent's contribution amount shall not exceed the total amount of the Remarketing Agent's remarketing fees and commissions for the preceding 12-month period. Furthermore, no person guilty of fraudulent misrepresentation within the meaning of Section 11(f) of the Securities Act shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation within the meaning of Section 11(f) of the Securities Act. The amount paid or payable by an indemnified party as a result of the losses, claims, damages or liabilities (or actions in respect thereof) referred to above in this subparagraph (c) shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in connection with investigating

or defending any such action or claims (which shall be limited as provided in subparagraph (b) above if the indemnifying party has assumed the defense of any such action in accordance with the provisions thereof).

9. **Dealing in Bonds by Remarketing Agent**. The Remarketing Agent, either as principal or agent, may in good faith buy, sell, own, hold and deal in any of the Bonds, and may join in any action which any Bondholder may be entitled to take with like effect as if it did not act in any capacity hereunder. The Remarketing Agent in its individual capacities, either as principal or agent, may also engage in or be interested in any financial or other transaction with the Issuer or the Company, and may act as depositary, trustee, or agent for any committee or body of Bondholders or other obligations of the Issuer or the Company, as freely as if it did not act in any capacity hereunder. Under such circumstances, the Remarketing Agent shall have only those rights set forth in the Bonds.

10. **Remarketing Agent Not Acting as Underwriter**. The Remarketing Agent shall be construed to be acting as agent only for and on behalf of the owners from time to time of the Bonds.

11. **Miscellaneous**.

(a) Except as otherwise specifically provided in this Remarketing Agreement, all notices, demands and formal actions under this Remarketing Agreement shall be in writing and mailed, by registered or certified mail, postage prepaid, return receipt requested, telegraphed or delivered, as follows:

The Remarketing Agent:	Morgan Stanley & Co. LLC 1585 Broadway New York, New York 10036 Attention: Municipal Short-Term Products
The Company:	PacifiCorp Suite 1900 825 NE Multnomah Portland, OR 97232 Attention: VP and Treasurer
The Bond Trustee for the Bonds:	The Bank of New York Mellon Trust Company, N.A. Suite 1020 2 North LaSalle Street Chicago, IL 60602 Attention: Global Corporate Trust

The Paying Agent for the Bonds:	The Bank of New York Mellon Trust Company, N.A. Suite 1020 2 North LaSalle Street Chicago, IL 60602 Attention: Global Corporate Trust
Lincoln County, Wyoming:	Lincoln County Courthouse Suite 302 925 Sage Kemmerer, WY 83101 Attention: County Clerk or County Attorney
City of Forsyth, Rosebud County, Montana:	247 North Ninth Avenue Forsyth, MT 59327 Attention: City Clerk-Treasurer

Each party may, by notice given under this Remarketing Agreement, designate other addresses to which subsequent notices, requests, reports or other communications shall be directed.

(b) The obligations of the respective parties hereto may not be assigned or delegated to any other person without the consent of the other parties hereto. This Remarketing Agreement will inure to the benefit of and be binding upon the Company and the Remarketing Agent and their respective successors and assigns, and will not confer any rights upon any other person, other than persons, if any, controlling a Remarketing Agent within the meaning of the Exchange Act and the Company and its directors and alternate directors or any person who controls the Company within the meaning of Section 15 of the Securities Act. The terms "successors" and "assigns" shall not include any purchaser of any of the Bonds merely because of such purchase.

(c) The obligations and liabilities of the Company hereunder are general obligations of the Company. Neither the directors, officers or employees of the Company nor any person executing this Remarketing Agreement shall be liable personally on the obligations of the Company hereunder or be subject to any personal liability or accountability by reason of the execution hereof. Neither the faith and credit nor the taxing power of the State or any political subdivision thereof is pledged to the obligations of the Company hereunder.

(d) All of the representations and warranties of the Company in this Remarketing Agreement shall remain operative and in full force and effect, regardless of (i) any investigation made by or on behalf of the Remarketing Agent and (ii) termination of this Remarketing Agreement.

(e) Section headings have been inserted in this Remarketing Agreement as a matter of convenience of reference only, and it is agreed that such section headings are

not a part of this Remarketing Agreement and will not be used in the interpretation of any provisions of this Remarketing Agreement.

(f) If any provision of this Remarketing Agreement shall be held or deemed to be or shall, in fact, be invalid, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions, or in all jurisdictions because it conflicts with any provisions of any constitution, statute, rule of public policy, or any other reason, such circumstances shall not have the effect of rendering the provision in question invalid, inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions of this Remarketing Agreement invalid, inoperative or unenforceable to any extent whatsoever.

(g) This Remarketing Agreement may be executed in several counterparts, each of which shall be regarded as an original and all of which shall constitute one and the same document.

(h) This Remarketing Agreement may not be altered, amended, supplemented or modified in any manner whatsoever except by written instrument signed by the Company and the Remarketing Agent.

(i) To the fullest extent permitted by law, each of the parties hereto waives any right it may have to a trial by jury in respect of litigation directly or indirectly arising out of, under or in connection with this Remarketing Agreement. Each party further waives any right to consolidate any action in which a jury trial has been waived with any other action in which a jury trial cannot be or has not been waived.

[Remainder of page intentionally left blank]

(j) This Remarketing Agreement shall be governed by and construed in accordance with the laws of the State of New York without giving effect to the principles of conflict of laws thereof.

Very truly yours,

MORGAN STANLEY & CO. LLC, as
Remarketing Agent

By _____
Name F.J. Swoana
Title Managing Director

Accepted and agreed:

PACIFICORP

By _____
Bruce N. Williams
Vice President and Treasurer

(j) This Remarketing Agreement shall be governed by and construed in accordance with the laws of the State of New York without giving effect to the principles of conflict of laws thereof.

Very truly yours,

MORGAN STANLEY & CO. LLC, as
Remarketing Agent

By _____
Name _____
Title _____

Accepted and agreed:

PACIFICORP

By _____
Bruce N. Williams
Vice President and Treasurer

EXHIBIT A

OPINION OF COUNSEL TO THE COMPANY

See Attached

[LETTERHEAD OF MIDAMERICAN ENERGY]

June __, 2013

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

Morgan Stanley & Co. LLC
1585 Broadway
New York, New York 10036

$8,500,000	$22,000,000
City of Forsyth, Rosebud County, Montana	Lincoln County, Wyoming
Flexible Rate Demand Pollution Control	Environmental Improvement
Revenue Bonds	Revenue Bonds
(PacifiCorp Colstrip Project)	(PacifiCorp Project)
Series 1986	Series 1995

Ladies and Gentlemen:

I have served as counsel to PacifiCorp (the "Company") in connection with the execution and delivery by the Company of the Remarketing Agreement dated May 22, 2013 (the "Remarketing Agreement") between the Company and Morgan Stanley & Co. LLC. (the "Agent") relating to the abovementioned two issues of bonds (collectively, the "Bonds"). Capitalized terms used herein and not otherwise defined shall have the meanings assigned such terms in the Reoffering Circular dated May 22, 2013 (the "Reoffering Circular") relating to the Bonds.

I have examined the Reoffering Circular, the Remarketing Agreement, the Company Mortgage, the Fifteenth Supplemental Indenture and the First Mortgage Bonds (collectively, the "Company Documents") and the Indenture and the Loan Agreement, and have 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 Materially Adverse Effect;

(b) the Company has 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 and constitute valid and binding obligations of the Company, enforceable against the Company in accordance with its terms, except as the enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws relating to or affecting the enforcement of creditors' rights or contractual obligations generally or by general principles of equity or judicial discretion;

(e) the First Mortgage Bonds continue to be pledged to secure the Company's loan payment obligation under the Loan Agreement, as amended and restated by the Supplemental Loan Agreement;

(f) 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;

(g) on and as of the date hereof, all authorization, consent or approval of, notices to, registrations or filing with or action in respect of any governmental body, agency, regulatory authority or other instrumentality or court 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. 83-400, Docket UF3915 issued by the Public Utility Commission of Oregon ("PUCO") on July 15, 1985 and subsequently supplemented by Orders No. 83-507 on August 16, 1983, 83-786 on December 6, 1983, 84-077 on February 7, 1984 and 84-960 on December 3, 1984; Order No. 86-1299, Docket UF3992 issued by the PUCO on December 22, 1986; Order No. 95-518, Docket UF-4128 issued by the PUCO on May 25, 1995; Order No. 03-135, Docket UF-4195 issued by the PUCO on February 21, 2003; Order No. 18169, Case No. U-1046-129 issued by the Idaho Public Utilities Commission ("IPUC") on July 8, 1983; Order 20937, Case No. U-1046-159 issued by the IPUC on December 23, 1986; Order No. 26039, Case No. PAC-S-95-2 issued by the IPUC on May 30, 1995; Order No. 29201, Case No. PAC-E-03-1 issued by the IPUC on February 24, 2003; Order Granting Application, Cause N. FR-83-133 issued by the Washington Utilities and Transportation Commission ("WTUC") on July 20, 1983 and subsequently supplemented by the First Supplemental Order on December 8, 1983 and the Second Supplemental Order on December 10, 1984; Order Granting Application, Cause No. FR-86-152 issued by the WTUC on December 24, 1986; Order Granting Application, Docket UE-950490 issued by the WTUC on May 24, 1995; and Order No. 01, Docket No. UE-030077 issued by the WTUC on February 28, 2003, 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;

(h) 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, Company Documents or materially adversely affect the ability of the Company to perform its obligations thereunder; and

(i) 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 to 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 (g) 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 Jeffery B. Erb, Esq., 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 the opinion letter attached hereto.

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 without my written consent.

Very truly yours,

Paul J. Leighton

EXHIBIT B

OPINION OF COUNSEL TO REMARKETING AGENT

See Attached

[LETTERHEAD OF KUTAK ROCK LLP]

_____, 2013

Morgan Stanley & Co. LLC
1585 Broadway
New York, New York 10036

$8,500,000	$22,000,000
City of Forsyth, Rosebud County, Montana	Lincoln County, Wyoming
Flexible Rate Demand Pollution Control	Environmental Improvement
Revenue Bonds	Revenue Bonds
(PacifiCorp Colstrip Project)	(PacifiCorp Project)
Series 1986	Series 1995

Ladies and Gentlemen:

This letter is being delivered to you in conjunction with the Remarketing Agreement dated May 22, 2013 (the "Remarketing Agreement") between PacifiCorp (the "Company") and Morgan Stanley & Co. LLC (the "Remarketing Agent") relating to the conversion and remarketing on the date hereof of the above-captioned two issues of Bonds (collectively, the "Bonds"). The terms defined in the Remarketing Agreement are used in this letter with the meanings assigned to them in the Remarketing Agreement.

In our capacity as counsel to the Remarketing Agent, we have participated with you and other parties in the preparation of the Reoffering Circular (the "Reoffering Circular") used in connection with the remarketing of the Bonds. In the course of such participation, we have reviewed information furnished to us by, and have participated in conferences with, representatives of the Company, its counsel, representatives of Chapman and Cutler LLP, Bond Counsel, and representatives of Morgan Stanley & Co. LLC, as Remarketing Agent of the Bonds. We have also reviewed the documents, notices, certificates and opinions delivered to the Remarketing Agent pursuant to the Remarketing Agreement, other documents and records relating to the conversion and remarketing of the Bonds and certain other documents of the Company. In addition, we have relied upon, and have assumed the correctness of, certificates of officials of the Company and the Trustee. However, we have not independently investigated or verified the accuracy, completeness or fairness of any of the statements included in the Reoffering Circular.

Based solely on the foregoing, we advise you that, although we have made no independent investigation or verification of the accuracy, fairness or completeness of, and do not pass upon or assume any responsibility for, the statements included in the Reoffering Circular, during the course of the activities described in the preceding paragraph no information came to the attention of the attorneys in our firm rendering legal services in connection with the

conversion and remarketing of the Bonds which causes us to believe that the Reoffering Circular (except for the financial statements, financial, statistical and numerical information, forecasts, estimates, assumptions and expressions of opinion included therein and except for the information contained in the Reoffering Circular under the captions "THE BONDS—Book-Entry System" and "THE FIRST MORTGAGE BONDS", and in Appendices B or C, as to which we express no view), as of the date of this letter, contains any untrue statement of a material fact or omits to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

This letter is issued to and for the sole benefit of the above addressee and is issued for the sole purpose of the transaction specifically referred to herein. No person other than the above addressee may rely upon this letter without our express prior written consent. This letter may not be utilized by you for any other purpose whatsoever and may not be quoted by you without our express prior written consent. We assume no obligation to review or supplement this letter subsequent to its date, whether by reason of a change in the current laws, by legislative or regulatory action, by judicial decision or for any other reason.

Very truly yours,