



Pacific Power | Utah Power
Rocky Mountain Power
825 NE Multnomah, Suite 2000
Portland, Oregon 97232

April 7, 2006

Oregon Public Utility Commission
Proceedings Division
550 Capitol Street
Salem, OR 97310

ATTN: Ms. Janice Fulker
Administrator, Tariffs and Data Analysis

Re: Docket No. UI 1

In the Matter of the Application of
PACIFICORP for approval to borrow from,
and loan to, Pacific Minerals, Inc.,
Intermountain Geothermal Company and
the Company's other Subsidiaries,
each an affiliated interest

Dear Commissioners:

On April 25, 1995, the Commission issued its Order No. 95-405 (1995 Order) in Docket No. UI 1(8) authorizing PacifiCorp (Company) to loan up to \$10,000,000 at any one time to its wholly owned subsidiary, Pacific Minerals, Inc., a Wyoming corporation (PMI), and to borrow funds from PMI, all pursuant to the Company's Umbrella Loan Agreement (as amended to date, including as contemplated in the Commission's Order No. 97-459, ULA). Five copies of the ULA are enclosed for your reference. In addition, five copies of the recently executed Termination Agreement with PacifiCorp Group Holdings Company are enclosed. Under the terms of the Termination Agreement, effective as of the closing of the sale of all of the issued and outstanding common stock of the Company to MidAmerican Energy Holdings Company (MidAmerican) on March 21, 2006, PGHC's participation in the ULA terminated. Thus, effective as of this date, the only parties to the ULA are the Company and PMI.

The Company is requesting amended or new authority with respect to three matters relating to the ULA:

1. The Company is now requesting that the \$10,000,000 limitation included in the 1995 Order be increased by \$20,000,000, such that an aggregate of \$30,000,000 would be authorized to be loaned by the Company to PMI. As of March 31, 2006, the amount of loans outstanding from the Company to PMI approximated \$3.6 million, and there were no loans from PMI to the Company. The Company is requesting increased authority to loan funds to PMI primarily for purposes of monies required with respect to the Bridger Underground Mine Project during 2006 and 2007.

2. On March 21, 2006, MidAmerican contributed all of the issued and outstanding equity ownership interest in Intermountain Geothermal Company, a Delaware corporation (IGT), to the Company. This contribution was contemplated in General Commitment no. 51 in the Commission's Order No. 06-121 approving the sale of the Company's common stock to MidAmerican. Thus, as of that date, IGT became a wholly-owned subsidiary of the Company, and from a financial reporting perspective, IGT will be a consolidated subsidiary of the Company. The Company is requesting that it be authorized to loan up to \$30,000,000 to IGT and to borrow from IGT, in each case subject to the same conditions applicable to PMI in the 1995 Order, as contemplated in the ULA and as contemplated herein. The Company is requesting authority to loan up to \$30,000,000 to IGT in order to meet IGT's short-term funding requirements in an efficient and time-sensitive manner.

3. Lastly, the Company is requesting authority to add its other current and future consolidated subsidiaries (collectively, Subsidiaries) as parties to the Agreement. As described above, PMI is currently party to the ULA, and the Company is now requesting authority to add IGT to the ULA. The other Subsidiaries (which, for the avoidance of doubt, exclude MidAmerican and its subsidiaries other than the Company and its Subsidiaries) would become party to the ULA on the same terms and conditions as PMI and IGT, except that such other Subsidiaries would each be subject to a \$10,000,000 limit on borrowings from the Company. In addition, the aggregate amount of borrowings by all of the Subsidiaries (including PMI and IGT) would be subject to the overall \$200,000,000 limitation included in the Commission's Order No. 97-459 issued in Docket No. UI 1 (Sub 10). The Company is requesting authority to loan funds to and borrow from its other Subsidiaries in order to meet short-term funding requirements in an efficient and time-sensitive manner.

This requested authority is generally consistent with the applicable orders of the Idaho Public Utilities Commission, the Washington Utilities and Transportation Commission and the Public Service Commission of Utah. The other terms and conditions of the authorities specified in the 1995 Order would not be changed.

Prayer

The Company respectfully requests that the Commission enter its order in this Docket, effective upon issuance, (i) increasing the Company's authority to loan funds to PMI pursuant to the ULA from \$10,000,000 to \$30,000,000; (ii) authorizing the Company to loan up to \$30,000,000 to IGT pursuant to the ULA and to borrow from IGT in unlimited amounts, in each case subject to the same conditions applicable to PMI in the 1995 Order; and (iii) authorizing the Company to enter into the ULA with its other Subsidiaries, subject to a per other Subsidiary \$10,000,000 lending limit. In each case, the loans by the Company would be subject to the overall, aggregate \$200,000,000 lending limit included in Order No. 97-459 and the other terms and conditions of the ULA, as proposed to be amended.

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The Company respectfully requests that the Commission issue its order within 30 days after the filing of the enclosed application as required by ORS 757.420(1). The Company also requests twenty certified copies of any order issued in this matter.

Your attention to this matter is appreciated.

Sincerely,



Bruce N. Williams

Treasurer

Enclosures: Proposed Form of Order (1 original and 4 copies)
Diskette containing the proposed Form of Order
Umbrella Loan Agreement (including Amendment No. 1 thereto) (5 copies)
Proposed Form of Amendment No. 2 to the Umbrella Loan Agreement (5 copies)
Termination Agreement (5 copies)

BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON

UI 1()

In the Matter of)
)
PACIFICORP)
)
Application for approval to borrow from,)
and loan to, Pacific Minerals, Inc.,)
Intermountain Geothermal Company and)
the Company's other Subsidiaries,)
each an affiliated interest)

ORDER

DISPOSITION: APPLICATION APPROVED WITH CONDITIONS

On March 23, 1995, PacifiCorp (Company) filed a supplemental application seeking Commission approval of transactions under the Umbrella Loan Agreement (as amended to date, ULA) with its wholly-owned subsidiary, Pacific Minerals, Inc. (PMI). The application requested approval of authority to loan up to \$10,000,000 at any one time to PMI and to borrow funds from PMI under the ULA (collectively, PMI ULA Authority). The Company had been granted authority to enter into the ULA in Order No. 83-115, and separate supplemental applications were granted in Orders No. 83-191, 83-579, 84-722, 87-312, 91-471, 93-1485 and 97-459. In Order No. 95-405, the Commission granted the PMI ULA Authority.

On April __, 2006, the Company filed a supplemental application requesting that the Commission (i) increase the PMI ULA Authority from \$10,000,000 to \$30,000,000; (ii) authorize the Company to loan up to \$30,000,000 to its new subsidiary Intermountain Geothermal Company, a Delaware corporation (IGT), pursuant to the ULA and to borrow from IGT in unlimited amounts, in each case consistent with the conditions of the PMI ULA Authority; and (iii) authorize the Company to enter into the ULA with its other current and future consolidated subsidiaries (collectively, Subsidiaries), in each case consistent with the conditions of the PMI ULA Authority, but, however, subject to a per Subsidiary \$10,000,000 lending limit. The Company's lending limit to all of the Subsidiaries would, in the aggregate, remain subject to the \$200,000,000 lending limit included in Order No. 97-459. Except for the increased loan authority, the other terms and conditions of the PMI ULA Authority would not be changed. For Commission docketing purposes, the current filing is considered as UI 1().

At its public meeting on _____, 2006, the Commission adopted the staff's recommendation to approve the application for increased and new authority with conditions.

Based on the application and its record, the Commission makes the following:

FINDINGS OF FACT

The Company engages in the generation, purchase, transmission, distribution and sale of power to the public in Oregon.

The Company and PMI have two or more officers or directors in common, and at least 5 percent of each of PMI, IGT and the other Subsidiaries is owned by the Company. These facts establish an affiliated interest relationship between the Company, on the one hand, and PMI, IGT and the other Subsidiaries, on the other hand, under ORS 757.015(5) and (6), as applicable.

The current application provides that the Company may borrow funds from PMI and loan funds of not more than \$30,000,000 at any one time to PMI pursuant to the ULA. A review of the April 2004 to March 2005 ULA transactions statement shows that the maximum amount loan by the Company to PMI and PacifiCorp Group Holdings Company (then the only parties to the ULA) during that period approximated \$23 million. The Commission notes that PacifiCorp Group Holdings Company is no longer party to the ULA. The current application additionally provides that the Company may borrow funds from IGT and loan funds of not more than \$30,000,000 at any one time to IGT pursuant to the ULA, and that the Company may borrow funds from the other Subsidiaries and loan up to an aggregate amount of \$200,000,000 at any one time to the other Subsidiaries (subject to a \$10,000,000 per other Subsidiary loan limitation) pursuant to the ULA.

These figures are within the \$200,000,000 ceiling currently authorized. Therefore, (i) the increased loan authority to PMI from \$10,000,000 to \$30,000,000; (ii) the new loan authority to IGT of up to \$30,000,000; and (iii) the per other Subsidiary \$10,000,000 loan limitation, neither affects the pre-existing \$200,000,000 aggregate loan authority nor increases the risk to the Company's ratepayers that is currently contemplated by the Commission's orders authorizing the transactions contemplated by the ULA.

OPINION

Jurisdiction

ORS 757.005 defines a "public utility" as anyone providing electric service to the public in Oregon. The Company is a public utility subject to the Commission's jurisdiction.

Affiliation

ORS 757.015(5) defines an affiliated interest as every corporation which has two or more officers or directors in common with a public utility. ORS 757.015(6) further defines an affiliated interest as any entity in which a public utility has a 5 percent or greater ownership interest. Because the Company and PMI have two or more directors in common, and because the ownership interest of the Company in each of PMI, IGT and the other Subsidiaries is greater than 5 percent, an affiliated relationship exists under ORS 757.015.

Applicable Law

ORS 757.495 requires public utilities to seek approval of contracts with affiliated interests within 90 days after execution of the contract. The intent of the statute is to protect ratepayers from the abuses which may arise from less than arm's length transactions. *Portland General Electric Company*, UF 3739, Order No. 81-737 at 6. Failure to file within the 90-day time limit may preclude the utility from recovering costs incurred under the contract. See ORS 757.495.

ORS 757.495(3) requires the Commission to approve the contract if the Commission finds that the contract is "fair and reasonable and not contrary to the public interest." However, the Commission need not determine the reasonableness of the contract for ratemaking purposes. The Commission will reserve that issue for a subsequent proceeding.

CONCLUSIONS

1. The Company is a public utility subject to the jurisdiction of the Commission.
2. An affiliated interest relationship exists between the Company, on the one hand, and PMI, IGT and the other Subsidiaries, on the other hand.
3. The ULA, as amended to date and as proposed to be amended, is fair, reasonable and not contrary to the public interest.
4. The Commission should grant the application, subject to certain conditions.

ORDER

IT IS ORDERED that:

1. The Company's supplemental application seeking increased authority to loan up to \$30,000,000 to PMI pursuant to the ULA is hereby granted. Except as so amended, the Commission's prior Order No. 95-405 issued in Docket No. UI 1(8) shall remain in effect.
2. The Company's supplemental application seeking new authority to loan up to \$30,000,000 to IGT pursuant to the ULA is hereby granted, subject to the same conditions applicable to PMI in Order No. 95-405 and this Order.
3. The Company's supplemental application seeking authority to enter into the ULA with its other Subsidiaries is hereby granted, subject to the same conditions applicable to PMI in Order No. 95-405 and this Order, provided that (i) the loans to any such other Subsidiary shall not be subject to the \$30,000,000 limitation applicable to PMI and IGT but shall instead be subject to a \$10,000,000 per other Subsidiary loan limitation and (ii) the aggregate amount of loans to the Subsidiaries (including PMI and IGT, to the extent loans to them under the ULA are outstanding) be subject to the aggregate \$200,000,000 limitation included in Order No. 97-459.

Made, entered, and effective _____, 2006.

BY THE COMMISSION:

Becky Beier
Commission Secretary

A party may request rehearing or reconsideration of this order pursuant to ORS 756.561. A request for rehearing or reconsideration must be filed with the Commission within 60 days of the date of service of this order. The request must comply with the requirements in OAR 860-014-0095. A copy of any such request must also be served on each party to the proceeding as provided by OAR 860-013-0070(2). A party may appeal this order by filing a petition for review with the Court of Appeals in compliance with ORS 183.480-183.484.

COPY

UMBRELLA LOAN AGREEMENT

Umbrella Loan Agreement (Agreement) dated as of April 4, 1983 between Pacific Power & Light Company (Pacific), a Maine corporation, and certain of its affiliated interests (the "Affiliates") which are named on the signature pages hereof.

Pacific and the Affiliates desire to enter into an agreement to provide for loans from Pacific to any of the Affiliates from time to time in principal amounts not to exceed an aggregate of \$200,000,000 outstanding at any time and for borrowings by Pacific from any of the Affiliates from time to time in principal amounts not to exceed an aggregate of \$200,000,000 outstanding at any time.

Now, therefore, the parties hereto agree as follows:

I

LOANS

1.1 Pacific's Loans.

Pacific, to the extent it has funds available for such purposes and subject to the terms and conditions of this Agreement, will make loans to the Affiliates from time to time; provided, however, that the aggregate principal amount of loans outstanding at any one time made pursuant to this Section 1.1 shall not exceed \$200,000,000.

1.2 Affiliates' Loans.

Each of the Affiliates, to the extent it has funds available for such purposes and subject to the terms and conditions of this Agreement, will make loans to Pacific from time to time; provided, however, that the aggregate principal amount of loans by all Affiliates outstanding at any one time made pursuant to this Section 1.2 shall not exceed \$200,000,000.

1.3 No Obligation to Lend.

Notwithstanding anything herein to the contrary, no Lender (as defined below) shall be obligated under this Agreement to make any loan or renew any note. Any loan shall occur only as between willing lenders and borrowers.

1.4 Manner of Borrowing.

Subject to the terms and conditions of this Agreement, a borrowing may occur in such amounts allowable under Section 3.2 if (a) a borrower (such borrower, whether Pacific or an Affiliate, being herein referred to as the "Borrower") and a lender (such lender, whether Pacific or an Affiliate, being herein referred to as the "Lender") are willing lenders and borrowers, and (b) the Borrower has satisfied the conditions set forth in Section 3.1. All borrowing hereunder shall be in thousand dollar multiples.

1.5 Maturity of Loans and Notes.

All borrowings made hereunder shall be payable upon demand of the Lender.

The indebtedness of each Borrower resulting from loans from a Lender to such Borrower shall be evidenced by a single demand promissory note in substantially the form of Exhibit A hereto (Note). No Note shall be outstanding for more than one year.

1.6 Termination of Participation.

The parties to this Agreement may terminate their participation as follows:

- (a) Pacific may terminate this Agreement as to any one or more Affiliates upon 30 days' notice to such Affiliate or Affiliates. The termination of an Affiliate shall not affect the rights or obligations of the other Affiliates under this Agreement.
- (b) Any Affiliate may terminate its participation under this Agreement upon 30 days' notice to Pacific. The termination by an Affiliate shall not affect the rights or obligations of the other Affiliates under this Agreement.
- (c) The dissolution of a party to this Agreement shall terminate its participation under this Agreement.

The dissolution of an Affiliate shall not affect the rights or obligations of the other Affiliates under this Agreement.

Upon the termination of a party's participation under this Agreement pursuant to this Section, such party shall be relieved of any further obligations to make a loan and shall not be entitled to receive a loan under this Agreement. Any loans made to or by a party prior to termination of such party's participation and still outstanding shall come due on the termination date.

II

PAYMENTS OF PRINCIPAL AND INTEREST

2.1 Payments of Principal.

Each Borrower agrees to repay to the applicable Lender the principal amount outstanding of any borrowings by such Borrower upon demand.

2.2 Payments of Interest.

Each Borrower agrees to pay to the applicable Lender interest on the principal amount outstanding on each day of the month. Interest for the month is payable in arrears by not later than the tenth day of the following month.

2.3 Application of Payments.

Each payment received by a Lender shall be credited first to the Borrower's obligation to pay interest pursuant to Section 2.2 and, second, to reduce principal.

2.4 Computation of Interest.

The interest rate on each loan shall be determined each day and shall equal the cost of Pacific's least cost, external, short-term borrowings on each day, or, if no such external borrowing occurs on a day or days, the next preceding day Pacific borrowed externally; except that, if no such external borrowing has occurred within 15 days preceding the determination of the rate, the interest rate charged shall be the lowest cost then available to Pacific from such external borrowings, as determined by Pacific in its sole discretion in good faith. Interest shall be paid for the actual number of days elapsed (including the first day but excluding the last day).

2.5 Optional Prepayments.

Any Borrower may repay its outstanding borrowings in whole or in part at any time upon oral notice (confirmed in writing) delivered to the applicable Lender before noon (Pacific Time) the preceding business day; provided, however, that a Borrower shall provide oral notice (confirmed in writing) five (5) business days in advance of any repayment of an amount equal to, or greater than, \$20,000,000. Any partial repayment shall be in thousand dollar multiples.

III

CONDITIONS TO LOANS

3.1 Conditions to Making Loans.

No loan shall be made under the Agreement without oral notice (confirmed in writing) having been delivered to the applicable Lender before noon (Pacific Time) the preceding business day, or, in the case of any loan of an amount equal to, or greater than, \$20,000,000, such notice being so delivered five (5) business days in advance of the loan, and until a Note, as described in Section 1.6, is delivered to such Lender.

3.2 Amount of Loan.

Any loan hereunder will be made only to the extent a Lender has "available short-term funds." For purposes of this Agreement, "available short-term funds" are those funds which are or would be on the day such loan is to be made held by the Lender either in cash or in immediately available funds on deposit in general accounts, which are, in the sole judgment of the Lender surplus to the immediate cash needs of the Lender and legally available for lending hereunder.

IV

MISCELLANEOUS

4.1 Transfer of Funds.

All loans, payments, prepayments or other transfers of funds hereunder shall be made in same-day funds.

4.2 Governing Law.

This Agreement shall be interpreted under and enforced in accordance with the laws of the State of Oregon applicable to contracts made and to be performed entirely within such state.

4.3 Waiver.

Any of the terms and conditions of this Agreement may be waived at any time in writing by the party entitled to the benefit thereof, but a waiver in one instance shall not be deemed to constitute a waiver in any other instance. A failure to enforce any provision of this Agreement shall not operate as a waiver of such provision or of any other provision hereof.

4.4 Amendment.

This Agreement may be amended as between Pacific and any Affiliate by an instrument in writing signed by Pacific and such Affiliate.

4.5 Notices.

Except as otherwise provided herein, any notice, request, demand and other communication given under this Agreement shall be in writing and shall be delivered personally or mailed to the address or addresses set forth on the signature pages hereof.

4.6 Agreement Is Not Assignable.

The rights and obligations under this Agreement are intended to facilitate the transfer of surplus funds between

Pacific and its Affiliates and, except for the addition of Affiliates pursuant to Section 4.7, neither this Agreement nor any Notes issued hereunder may be assigned.

4.7 Addition of Affiliates.

Any consolidated subsidiary of Pacific, either existing or hereafter created, may become a party to this Agreement, without the further consent of the Affiliates, by signing a counterpart hereof.

4.8 Counterparts; Effectiveness.

This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. This Agreement shall be effective as between Pacific and any Affiliate only after receipt of all required regulatory approvals and when Pacific and such Affiliate shall have signed counterparts hereof. The signature of all Affiliates and the continued participation of all Affiliates is not a requirement to the effectiveness of this Agreement.

IN WITNESS TO THEIR PARTICIPATION in this Agreement, the parties have caused this Agreement to be executed by their authorized officers on the dates indicated below:

Pacific Power & Light Company
1600 Pacific First Federal Center
851 SW Sixth Avenue
Portland OR 97204
Attn: Robert V. Stewart

By RF Dolender PRESIDENT
(name & title)

Date 2-14-83

Pacific Telecom, Inc.
915 Main
Vancouver, WA 98668
Attn: Harvey Pekkala

By *Anthony*, *Chmn.*
(name & title)

Date 3/8/83

NERCO, Inc.
111 SW Columbia, Suite 800
Portland, OR 97201
Attn: Kim Beach

By *[Signature]*
(name & title)

Date 2-22-83

Wyopac Services, Inc.
600 Public Service Building
920 SW Sixth Avenue
Portland, OR 97204
Attn: Jack Dailey

By *JK Dailey*
(name & title)

Date 2-14-83

Willamette Development Corp.
c/o Pacific Telecom, Inc.
915 Main
Vancouver, WA 98668
Attn: Harvey Pekkala

By *Anthony*, *Vice Pres.*
(name & title)

Date 3/8/83

PACOM Inc.
c/o Pacific Telecom, Inc.
915 Main
Vancouver, WA 98668
Attn: Harvey Pekkala

By *Ambleman, V.P.*
(name & title)

Date *3/5/83*

Pacific Relocation Service Company
600 Public Service Building
920 SW Sixth Avenue
Portland, OR 97204
Attn: Jack Dailey

By *J.M. Sander*
(name & title)

Date *February 14, 1983*

Specific Energy Services, Inc.
700 Executive Building
811 SW Sixth Avenue
Portland, OR 97204
Attn: Carl Ertler

By *D.A. Bolender*
(name & title)

Date *3-26-83*

NOTE

Portland, Oregon
Date _____

One day after demand, _____ (the "Borrower") promises to pay to the order of _____ (the "Lender") the outstanding principal amount borrowed by the Borrower from the Lender pursuant to the Umbrella Loan Agreement dated _____ (the "Agreement") among the Borrower, the Lender, and certain other affiliates of Pacific Power & Light Company. Borrower promises to pay interest on such outstanding principal amounts on the dates and at the interest rates provided for in the Agreement.

All payments of principal and interest shall be made in lawful money of the United States at the office of the Lender specified in the Agreement in same-day funds.

All loans made by the Lender pursuant to the Agreement and all payments of principal and interest shall be entered on a ledger of the Lender, which ledger is hereby incorporated by reference, and which, in the absence of manifest error, shall be the official record of transactions under the Agreement and this note.

This note is one of the Notes referred to in the Agreement. Reference is made to such Agreement for provisions governing this note.

[BORROWER]

By _____

Title _____

**AMENDMENT NO. 1
TO
UMBRELLA LOAN AGREEMENT**

This AMENDMENT NO. 1 to Umbrella Loan Agreement (this "Amendment"), effective as December 18, 1997, by and among PacifiCorp, an Oregon corporation (the "Company"), and certain of its Affiliates named on the signature pages hereof (the "Affiliates").

RECITALS

WHEREAS, the Company and certain of its Affiliates have heretofore entered into an Umbrella Loan Agreement, dated as of April 4, 1983 (the "ULA"), to provide for loans from the Company to certain of its Affiliates and for borrowings by the Company from those Affiliates; and

WHEREAS, the Company has requested that certain amendments be made to the ULA consistent with orders issued by public utility commissions having jurisdiction over the Company with respect to the transactions contemplated by the ULA;

NOW, THEREFORE, the parties hereto agree as follows:

AGREEMENT

SECTION 1. Definitions; References. Unless otherwise specifically defined herein, each term used herein which is defined in the ULA has the meaning assigned to such term in the ULA. Each reference to "hereof," "hereunder," "herein" and "hereby" and each other similar reference and each reference to "this Agreement" and each other similar reference contained in the ULA shall from and after the effective date hereof refer to the ULA as amended hereby.

SECTION 2. Amendment to Recitals. The second paragraph of the Recitals to the ULA is hereby amended and restated to read in its entirety as follows:

“Pacific and the Affiliates desire to enter into an agreement to provide for loans from Pacific to any of the Affiliates from time to time in principal amounts not to exceed an aggregate of \$200,000,000 outstanding at any time and for borrowings by Pacific from any of the Affiliates.”

SECTION 3. Amendment to Section 1.1. Section 1.1 of the ULA is hereby amended and restated to read in its entirety as follows:

“Pacific, to the extent it has funds available for such purposes and subject to the terms and conditions of this Agreement, will make loans to the Affiliates from time to time; provided, however that (i) the aggregate principal amount of loans outstanding at any one time made pursuant to this Section 1.1 shall not exceed \$200,000,000, and (ii) the aggregate principal amount of loans outstanding to Pacific Minerals, Inc. at any one time made pursuant to this Section 1.1 shall not exceed \$10,000,000”

SECTION 4. Amendment to Section 1.2. Section 1.2 of the ULA is hereby amended and restated to read in its entirety as follows:

“Each of the Affiliates, to the extent it has funds available for such purposes and subject to the terms and conditions of this Agreement, will make loans to Pacific from time to time.”

SECTION 5. Effectiveness. This Amendment shall become effective as of the date first written above. As to any particular Affiliate that does not execute a counterpart signature page hereto on the same date as the Company, this Amendment shall become effective as of the date of such Affiliate’s execution of a counterpart signature page. The signature of all Affiliates and the continued participation of all Affiliates under the ULA is not a requirement to the effectiveness of this Amendment.

SECTION 6. Confirmation of Agreement. Except as amended in this Amendment, all terms and conditions in the ULA remain in full force and effect and are hereby accepted, ratified and confirmed by the parties hereto.

SECTION 7. Governing Law. This Amendment shall be governed by and construed in accordance with the laws of the State of Oregon applicable to contracts made and to be performed entirely within such state.

SECTION 8. Counterparts. This Amendment may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

(Signature pages follow.)

IN WITNESS WHEREOF, the parties hereto have caused this Amendment,
which is effective as of the date first written above, to be duly executed on the dates written
below.

PACIFICORP,
an Oregon corporation

Dated: February 28, 2003

By: Bruce N. Williams
Bruce N. Williams
Treasurer

PACIFICORP GROUP HOLDINGS COMPANY,
a Delaware corporation

Dated: February 28, 2003

By: Tanya S. Sacks
Tanya S. Sacks
Assistant Treasurer

PACIFIC MINERALS, INC.,
a Wyoming corporation

Dated: February 28, 2003

By: Bruce N. Williams
Bruce N. Williams
Treasurer

**PROPOSED FORM
OF
AMENDMENT NO. 2
TO
UMBRELLA LOAN AGREEMENT**

This AMENDMENT NO. 2 to Umbrella Loan Agreement (this "Second Amendment"), effective as _____, 2006, by and among PacifiCorp, an Oregon corporation (the "Company"), and certain of its Affiliates named on the signature pages hereof (the "Affiliates").

RECITALS

WHEREAS, the Company and certain of its Affiliates have heretofore entered into an Umbrella Loan Agreement, dated as of April 4, 1983 (as amended prior to the date hereof, the "ULA"), to provide for loans from the Company to certain of its Affiliates and for borrowings by the Company from those Affiliates;

WHEREAS, the Company and certain of its Affiliates have heretofore entered into an Amendment No. 1 to the ULA, dated as of February 28, 2003 (the "First Amendment"), to amend the ULA to change and remove certain of the borrowing and loan limitations in the ULA; and

WHEREAS, the Company has requested that certain amendments be made to the ULA consistent with orders issued by public utility commissions having jurisdiction over the Company with respect to the transactions contemplated by the ULA;

NOW, THEREFORE, the parties hereto agree as follows:

AGREEMENT

SECTION 1. Definitions; References. Unless otherwise specifically defined herein, each term used herein which is defined in the ULA has the meaning assigned to such term in the ULA, as amended by the First Amendment. Each reference to "hereof," "hereunder," "herein" and "hereby" and each other similar reference and each reference to "this Agreement" and each

other similar reference contained in the ULA shall from and after the effective date hereof refer to the ULA as amended by the First Amendment and hereby.

SECTION 2. Amendment to Section 1.1. Section 1.1 of the ULA is hereby amended and restated to read in its entirety as follows:

“Pacific, to the extent it has funds available for such purposes and subject to the terms and conditions of this Agreement, will make loans to the Affiliates from time to time; provided, however that (i) the aggregate principal amount of loans outstanding at any one time made pursuant to this Section 1.1 shall not exceed \$200,000,000, (ii) the aggregate principal amount of loans outstanding to Pacific Minerals, Inc. at any one time made pursuant to this Section 1.1 shall not exceed \$30,000,000; (iii) the aggregate principal amount of loans outstanding to Intermountain Geothermal Company at any one time made pursuant to this Section 1.1 shall not exceed \$30,000,000; and (iv) the aggregate principal amount of loans outstanding to any single other Affiliate pursuant to this Section 1.1 shall not exceed \$10,000,000.”

SECTION 3. Effectiveness. This Second Amendment shall become effective as of the date first written above. As to any particular Affiliate that does not execute a counterpart signature page hereto on the same date as the Company, this Second Amendment shall become effective as of the date of such Affiliate’s execution of a counterpart signature page. The signature of all Affiliates and the continued participation of all Affiliates under the ULA is not a requirement to the effectiveness of this Second Amendment.

SECTION 4. Confirmation of Agreement. Except as amended in this Second Amendment, all terms and conditions in the ULA remain in full force and effect and are hereby accepted, ratified and confirmed by the parties hereto.

SECTION 5. Governing Law. This Second Amendment shall be governed by and construed in accordance with the laws of the State of Oregon applicable to contracts made and to be performed entirely within such state.

SECTION 6. Counterparts. This Second Amendment may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Second Amendment, which is effective as of the date first written above, duly executed on the dates written below.

PACIFICORP,
an Oregon corporation

Dated: _____, 2006

By: _____

Name:

Title:

PACIFIC MINERALS, INC.,
a Wyoming corporation

Dated: _____, 2006

By: _____

Name:

Title:

INTERMOUNTAIN GEOTHERMAL COMPANY,
a Delaware corporation

Dated: _____, 2006

By: _____

Name:

Title:

TERMINATION AGREEMENT

This TERMINATION AGREEMENT (this "Agreement"), dated as of March 6, 2006, is between PacifiCorp, an Oregon corporation (the "Company"), and PacifiCorp Group Holdings Company, a Delaware corporation (the "Affiliate").

WITNESSETH:

WHEREAS, the parties hereto are party to that certain Umbrella Loan Agreement, dated as of April 4, 1983 (as such agreement may be amended from time to time, the "ULA"), to provide for loans by the Company from the Affiliate from time to time;

WHEREAS, the Affiliate and the Company wish to terminate the Affiliate's participation under the ULA; and

WHEREAS, pursuant to Section 1.6(b) of the ULA, the Affiliate may terminate its participation under the ULA upon 30 days' notice to the Company, which notice the Company has agreed to waive;

NOW, THEREFORE, in consideration of the promises and covenants contained in this Agreement, and of other good and valuable consideration that the parties hereto acknowledge, the parties hereto agree as follows:

AGREEMENT

Notwithstanding any term or provision in the ULA to the contrary or any other agreement to the contrary, the participation of the Affiliate under the ULA is hereby terminated effective as of the closing of the sale of all of the common stock of the Company to MidAmerican Energy Holdings Company ("MidAmerican") pursuant to that certain Stock Purchase Agreement dated May 23, 2005 by and among Scottish Power plc, PacifiCorp Holdings, Inc. and MidAmerican.

In accordance with the ULA, this Termination Agreement shall affect the rights and obligations of no other party participating under the ULA, except for those rights and obligations of the Affiliate. Any loans made to or by the Affiliate prior to this Termination Agreement shall become due upon execution of this Termination Agreement.

(Signature page follows.)

IN WITNESS WHEREOF, the parties hereto have executed this Termination Agreement
as of the date first written above.

PACIFICORP,
an Oregon corporation

By: Bruce N. Williams
Bruce N. Williams
Treasurer

PACIFICORP GROUP HOLDINGS COMPANY,
a Delaware corporation

By: [Signature]
Name: Karl Olsoni
Title: Vice President and Treasurer