
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington D.C. 20549

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15 (d) of the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported):

March 14, 2007 (March 14, 2007)

PACIFICORP

(Exact name of registrant as specified in its charter)

STATE OF OREGON
(State or other jurisdiction
of incorporation)

1-5152
(Commission
File No.)

93-0246090
(I.R.S. Employer
Identification No.)

825 N.E. Multnomah, Suite 2000, Portland, Oregon
(Address of principal executive offices)

97232-4116
(Zip Code)

Registrant's telephone number, including area code:

(503) 813-5000

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 8.01 Other Events.

On March 14, 2007, PacifiCorp sold an aggregate principal amount of \$600.0 million of its 5.75% First Mortgage Bonds due April 1, 2037 (the "Bonds").

PacifiCorp intends to use the net proceeds to repay short-term debt and for general corporate purposes.

The Underwriting Agreement among PacifiCorp and the underwriters of the Bonds, Goldman, Sachs & Co. and BNP Paribas Securities Corp., dated March 9, 2007, and the Twentieth Supplemental Indenture to PacifiCorp's Mortgage and Deed of Trust, between PacifiCorp and The Bank of New York (as successor to JPMorgan Chase Bank, N.A.), as Trustee, which relates to the issuance of the Bonds and is dated as of March 1, 2007, are attached as exhibits under Item 9.01.

Item 9.01 Financial Statements and Exhibits.**(d) Exhibits**

1. Underwriting Agreement dated March 9, 2007.
4. Twentieth Supplemental Indenture, dated as of March 1, 2007, to PacifiCorp's Mortgage and Deed of Trust Dated as of January 9, 1989.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

PACIFICORP
(Registrant)

By: /s/ David J. Mendez
David J. Mendez
Senior Vice President and Chief Financial Officer

Date: March 14, 2007

EXHIBIT INDEX

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

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\$600,000,000

PACIFICORP

First Mortgage Bonds

5.75% Series Due 2037

UNDERWRITING AGREEMENT

March 9, 2007

Goldman, Sachs & Co.
85 Broad Street
New York, NY 10004

BNP Paribas Securities Corp.
787 Seventh Avenue
New York, NY 10019

Dear Sirs:

1. *Introductory.* PacifiCorp, an Oregon corporation (the “**Company**”), proposes, subject to the terms and conditions stated herein, to issue and sell to Goldman, Sachs & Co. and BNP Paribas Securities Corp. (the “**Underwriters**”) U.S. \$600,000,000 principal amount of its First Mortgage Bonds, 5.75% Series due 2037 (the “**Offered Securities**”) to be issued under that certain Mortgage Deed and Trust, dated as of January 9, 1989, with The Bank of New York, as successor trustee (the “**Trustee**”), as heretofore amended and supplemented by the supplemental indentures thereto and as further amended and supplemented by a supplemental indenture to be dated March 1, 2007 (collectively, the “**Mortgage**”) pursuant to registration statements on Form S-3 (File No. 333-128134 and 333-140661) filed on February 13, 2007, as amended to date (collectively the “**Initial Registration Statement**”). The Mortgage has been qualified under the Trust Indenture Act of 1939, as amended (the “**Trust Indenture Act**”), and the rules and regulations of the Securities and Exchange Commission (the “**Commission**”) under the Trust Indenture Act. The United States Securities Act of 1933, as amended, is herein referred to as the “**Securities Act**,” and the rules and regulations of the Commission thereunder are herein referred to as the “**Rules and Regulations**.”

The Company hereby agrees with the several Underwriters as follows:

2. *Representations and Warranties of the Company.* The Company represents and warrants to, and agrees with, the several Underwriters that:

(a) The Initial Registration Statement in respect of the Offered Securities has been filed with the Commission; the Initial Registration Statement and any post-effective amendments thereto prior to the date hereof, each in the form heretofore delivered or to be delivered to the Underwriters and, excluding exhibits to the Initial Registration Statement but including all documents incorporated by reference in the prospectus contained in such Initial Registration Statement, including any prospectus supplement relating to the Offered Securities that is filed with the Commission and deemed by virtue of Rule 430B under the Securities Act to be part of the Initial Registration Statement, has been declared effective by the Commission in such form;

other than a registration statement, if any, increasing the size of the offering (a “**Rule 462(b) Registration Statement**”, together with the Initial Registration Statement, the “**Registration Statement**”), filed pursuant to Rule 462(b) under the Securities Act, which, if so filed, became effective upon filing, and no other document with respect to the Initial Registration Statement or any document incorporated by reference therein has heretofore been filed or transmitted for filing with the Commission with respect to the offering contemplated by the Initial Registration Statement (other than documents filed after the filing date of the Initial Registration Statement under the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”), and prospectuses filed pursuant to Rule 424(b) of the Rules and Regulations, each in the form heretofore delivered to the Underwriters); and no stop order suspending the effectiveness of the Initial Registration Statement, any post-effective amendment thereto or the Rule 462(b) Registration Statement, if any, has been issued and no proceeding for that purpose has been initiated or threatened by the Commission.

(b) A preliminary prospectus and a final prospectus relating to the Offered Securities to be offered by the Underwriters have been prepared by the Company. Such preliminary prospectus (including the documents incorporated by reference therein) is hereinafter referred to as, the “**Preliminary Prospectus**”; such form of final prospectus relating to the Offered Securities filed with the Commission pursuant to Rule 424(b) under the Securities Act (including the documents incorporated by reference therein) is hereinafter referred to as the “**Prospectus**”. The Preliminary Prospectus, as amended or supplemented as of the Applicable Time (as defined below), when considered together with the final term sheet filed pursuant to Section 5(a) hereof, (the “**Disclosure Package**”) as of the Applicable Time did not include any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. The Prospectus, as of its date and as of the Closing Date (as defined below), did not and will not include any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; and each Issuer Free Writing Prospectus (as defined in Rule 433 under the Securities Act) listed on Schedule B (ii) hereto does not conflict with the information contained in the Registration Statement, the Preliminary Prospectus or the Prospectus and each such Issuer Free Writing Prospectus, as supplemented by and taken together with the Disclosure Package as of the Applicable Time, did not include any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; *provided*, the preceding two sentences do not apply to statements in or omissions from the Preliminary Prospectus, the Disclosure Package, the Prospectus or any Issuer Free Writing Prospectus based upon written information furnished to the Company by the Underwriters specifically for use therein, it being understood and agreed that the only such information is that described as such in Section 7(b) hereof. For purposes of this Agreement, the “**Applicable Time**” is 1:03 p.m., New York City Time, on the date of this Agreement.

At the earliest time after the filing of the Initial Registration Statement that the Company or another offering participant made a *bona fide* offer (within the meaning of Rule 164(h)(2) under the Act) of the Offered Securities, the Company was not an “ineligible issuer” as defined in Rule 405 under the Securities Act.

(c) The Registration Statement and the Prospectus conform, and any further amendments or supplements to the Registration Statement or the Prospectus when made will conform, in all material respects to the requirements of the Securities Act and the Rules and Regulations and the Registration Statement conforms, and any further amendments or

supplements to the Registration Statement when made will conform, in all material respects to the requirements of the Trust Indenture Act, and the rules and regulations of the Commission thereunder. The Registration Statement as of the applicable Effective Date and any amendments thereto as of the Closing Date does not and will not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading, and the Prospectus as of its date as amended or supplemented as of the Closing Date does not and will not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(d) The Company has been duly incorporated and is validly existing as a corporation under the laws of the State of Oregon with corporate power and corporate authority (i) to own its properties and conduct its business as described in the Disclosure Package and the Prospectus and (ii) to execute and deliver, and perform its obligations under, this Agreement, the Mortgage and the Offered Securities; and the Company is duly qualified as a foreign corporation to transact business and is in good standing in each jurisdiction in which it owns or leases substantial properties or in which the conduct of its business requires such qualification, except where the failure to so qualify would not have a material adverse effect on the financial condition, business or results of operations of the Company and its subsidiaries taken as a whole (a “**Material Adverse Effect**”).

(e) The Mortgage has been duly authorized, executed and delivered by the Company, and constitutes a valid and legally binding instrument of the Company enforceable against the Company in accordance with its terms, except as limited by bankruptcy, insolvency, fraudulent conveyance, reorganization and other similar laws relating to or affecting creditors’ rights generally and general equitable principles (whether considered in a proceeding in equity or at law); and the Mortgage conforms to the description thereof in the Disclosure Package and the Prospectus.

(f) The Offered Securities have been duly authorized by the Company and, when authenticated and delivered in accordance with the Mortgage and paid for by the purchasers thereof, will constitute valid and legally binding obligations of the Company enforceable against the Company in accordance with their terms, except as limited by bankruptcy, insolvency, fraudulent conveyance, reorganization and other similar laws relating to or affecting creditors’ rights generally and general equitable principles (whether considered in a proceeding in equity or at law), and will be entitled to the benefit of the security afforded by the Mortgage; and the Offered Securities conform to the description thereof in the Disclosure Package and the Prospectus.

(g) No consent, approval, authorization or order of, or filing or registration by the Company with, any court, governmental agency or third party is required for the consummation of the transactions contemplated by this Agreement and the Mortgage in connection with the issuance and sale of the Offered Securities by the Company and the use of the proceeds of the offering of the Offered Securities as described in the Disclosure Package and the Prospectus, except such as have been obtained or made.

(h) This Agreement has been duly authorized, executed and delivered by the Company and is a valid and legally binding agreement of the Company enforceable against the Company in accordance with its terms, except as limited by bankruptcy, insolvency, fraudulent conveyance, reorganization and other similar laws relating to or affecting creditors’ rights generally and general equitable principles (whether considered in a proceeding in equity or at

law) and subject to any principles of public policy limiting the right to enforce the indemnification and contribution provisions contained herein.

(i) Except as disclosed in the Disclosure Package and the Prospectus, the Company has good and sufficient title to all the properties described as owned or leased by it (the “**Properties**”), subject to minor defects and irregularities customarily found in properties of like size and character that do not materially impair the use of the property affected thereby in the operation of the business of the Company.

(j) The Company is not in violation of (i) the Articles of Incorporation (the “**Articles**”) or its Bylaws, as amended, or in default in the performance or observance of any material obligation, covenant or condition contained in any contract, agreement or other instrument to which it is a party or by which it may be bound or (ii) any order, rule or regulation applicable to the Company of any court or any federal or state regulatory body or administrative agency or other governmental body, the effect of which, in the case of (ii), would result in a Material Adverse Effect, and neither the execution and delivery of this Agreement, the Mortgage, or the Offered Securities, the consummation of the transactions herein or therein contemplated, the fulfillment of the terms hereof or thereof nor compliance with the terms and provisions hereof or thereof will conflict with, or result in a breach of, or constitute a default under (x) the Articles or such Bylaws, or any material contract, agreement or other instrument to which it is now a party or by which it may be bound or (y) any order, rule or regulation applicable to the Company of any court or any federal or state regulatory body or administrative agency or other governmental body having jurisdiction over the Company or over its properties, the effect of which, singly or in the aggregate, would have a Material Adverse Effect.

(k) Except as disclosed in the Disclosure Package and the Prospectus, there are no legal or governmental proceedings pending or to the Company’s knowledge threatened against the Company or its subsidiaries which are not adequately disclosed in the Disclosure Package and the Prospectus that, if determined adversely to the Company or any subsidiary would be reasonably likely to have, individually or in the aggregate, a Material Adverse Effect or a material adverse effect on the ability of the Company to perform its obligations under this Agreement or the Mortgage.

(l) The consolidated financial statements included or incorporated by reference in the Disclosure Package and the Prospectus present fairly the financial condition and operations of the Company and its consolidated subsidiaries at the respective dates or for the respective periods to which they apply; such financial statements have been prepared in each case in accordance with generally accepted accounting principles consistently applied throughout the periods involved except as otherwise indicated in the Disclosure Package and the Prospectus; and PricewaterhouseCoopers LLP, who examined certain audited financial statements of the Company, was, as of May 26, 2006 and during the period covered by the financial statements on which they reported, an independent registered public accounting firm as required by the Securities Act and the Rules and Regulations thereunder; and Deloitte & Touche LLP, who has examined certain audited financial statements of the Company, is an independent registered public accounting firm as required by the Act and the Regulations thereunder.

(m) Except as reflected in, or contemplated by, the Disclosure Package and the Prospectus, since the respective most recent dates as of which information is given in the Disclosure Package and the Prospectus, there has not been any change in the capital stock or long-term debt of the Company (other than changes arising from transactions in the ordinary course of business), or any material adverse change in the business, affairs, business prospects,

property or financial condition of the Company and its subsidiaries taken as a whole, whether or not arising in the ordinary course of business, and since such dates there has not been any material transaction entered into by the Company other than transactions contemplated by the Disclosure Package and the Prospectus, and transactions in the ordinary course of business; and the Company has no material contingent obligation that is not disclosed in the Disclosure Package and the Prospectus.

(n) The Company (i) makes and keeps books, records, and accounts, which, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company and its consolidated subsidiaries and (ii) maintains a system of internal accounting controls sufficient to provide reasonable assurances that (1) transactions are executed in accordance with management's general or specific authorization; (2) transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles or any other criteria applicable to such statements and to maintain accountability for assets; (3) access to assets is permitted only in accordance with management's general or specific authorization; and (4) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

(o) There is and has been no failure on the part of the Company or, to the knowledge of the Company, any of the Company's directors or executive officers in their respective capacities as such, to comply in all material respects with the provisions of the Sarbanes-Oxley Act of 2002 and the rules and regulations promulgated in connection therewith.

3. *Purchase, Sale and Delivery of Offered Securities.* On the basis of the representations, warranties and agreements herein contained, but subject to the terms and conditions herein set forth, the Company agrees to sell to the Underwriters, and the Underwriters agree, severally and not jointly, to purchase from the Company, at a purchase price of 99.996%% of the principal amount thereof plus accrued interest from March 14, 2007 to the Closing Date (as hereinafter defined), the respective principal amounts of the Offered Securities set forth opposite the names of the several Underwriters in Schedule A hereto.

The Company will deliver against payment of the purchase price the Offered Securities to be purchased by each Underwriter hereunder and to be offered and sold by each Underwriter in the form of one or more global securities in registered form without interest coupons (the "**Global Securities**") deposited with the Trustee as custodian for the Depository Trust Company ("**DTC**") and registered in the name of Cede & Co., as nominee for DTC. Interests in the Global Securities will be held only in book-entry form through DTC, except in the limited circumstances described in the Disclosure Package and the Prospectus.

Payment for the Offered Securities shall be made by the Underwriters in Federal (same day) funds by wire transfer to an account at a bank acceptable to the Underwriters drawn to the order of the Company, at the office of Latham & Watkins LLP, 885 Third Avenue, New York, New York, 10022, at 10:00 A.M., (New York time), on March 14, 2007, or at such other time not later than seven full business days thereafter as the Underwriters and the Company determine, such time being herein referred to as the "**Closing Date**", against delivery to the Trustee as custodian for DTC of the Global Securities. The Global Securities will be made available for checking at the above office of Latham & Watkins LLP at least 24 hours prior to the Closing Date.

4. *Representations by Underwriters; Resale by Underwriters.*

(a) Each of the Underwriters severally represents and agrees that (i) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (the “FSMA”)) received by it in connection with the issue or sale of any Offered Securities in circumstances in which section 21(1) of the FSMA does not apply to the Company; and (ii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Offered Securities in, from or otherwise involving the United Kingdom.

(b) In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “**Relevant Member State**”), each Underwriter represents and agrees that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “**Relevant Implementation Date**”), it has not made and will not make an offer of the Offered Securities to the public in that Relevant Member State prior to the publication of a prospectus in relation to the bonds which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive, except that it may, with effect from and including the Relevant Implementation Date, make an offer of the bonds to the public in that Relevant Member State at any time: (i) to legal entities which are authorized or regulated to operate in the financial markets or, if not so authorized or regulated, whose corporate purpose is solely to invest in securities; (ii) to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year, (2) a total balance sheet of more than €43,000,000, and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts; or (iii) in any other circumstances which do not require the publication by the Company of a prospectus pursuant to Article 3 of the Prospectus Directive. For the purposes of this provision, the expression an “offer of bonds to the public” in relation to any bonds in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the bonds to be offered so as to enable an investor to decide to purchase or subscribe the bonds, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression Prospectus Directive means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

(c) (i) In Hong Kong, it has not offered or sold the Offered Securities by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap. 32, Laws of Hong Kong), or (ii) to “professional investors” within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a “prospectus” within the meaning of the Companies Ordinance (Cap. 32, Laws of Hong Kong), and no advertisement, invitation or document relating to the Offered Securities may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to Offered Securities which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder.

(ii) It will not circulate or distribute the Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Offered

Securities, nor will it offer or sell, or be made the subject of an invitation for subscription or purchase, the Offered Securities, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the "FSA"), (ii) to a relevant person, or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

(d) It will not offer or sell any Offered Securities, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to a resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Securities and Exchange Law and any other applicable laws, regulations and ministerial guidelines of Japan; and;

5. *Certain Agreements of the Company.* The Company agrees with the several Underwriters that:

(a) It will prepare the Prospectus in a form approved by you and to file such Prospectus pursuant to Rule 424 (b) under the Securities Act not later than the Commission's close of business on the second business day following the date of this Agreement; to make no further amendment or any supplement to the Registration Statement, or the Prospectus prior to the Closing Date that shall be reasonably disapproved by you promptly after reasonable notice thereof; to advise you, promptly after it receives notice thereof, of the time when any amendment to the Registration Statement has been filed or becomes effective or any amendment or supplement to the Prospectus has been filed and to furnish you with copies thereof; to prepare a final term sheet, containing solely a description of the Offered Securities, in a form approved by you and to file such term sheet pursuant to Rule 433(d) under the Securities Act within the time required by such Rule; to file promptly all other material required to be filed by the Company with the Commission pursuant to Rule 433(d) under the Securities Act; to file promptly all reports and any definitive proxy or information statements required to be filed by the Company with the Commission pursuant to Section 13(a), 13(c), 14 or 15(d) of the Exchange Act subsequent to the date of the Prospectus and for so long as the delivery of a prospectus (or in lieu thereof, the notice referred to in Rule 173(a) under the Act) is required in connection with the offering or sale of the Offered Securities; to advise you, promptly after it receives notice thereof, of the issuance by the Commission of any stop order or of any order preventing or suspending the use of any Preliminary Prospectus or other prospectus in respect of the Offered Securities, of the suspension of the qualification of the Offered Securities for offering or sale in any jurisdiction, of the initiation or threatening of any proceeding for any such purpose, or of any request by the Commission for the amending or supplementing of the Registration Statement or the Prospectus or for additional information; and, in the event of the issuance of any stop order or of any order preventing or suspending the use of any Preliminary Prospectus or other prospectus or suspending any such qualification, to promptly use its best efforts to obtain the withdrawal of such order; and in the event of any such issuance of a notice of objection, promptly to take such steps including, without limitation, amending the Registration Statement or filing a new registration statement, at its own expense, as may be necessary to permit offers and sales of the Offered Securities by the Underwriters (references herein to the Registration Statement shall include any such amendment or new registration statement).

(b) Prior to 10:00 a.m., New York City time, on the New York Business Day next succeeding the date of this Agreement and from time to time, to furnish the Underwriters with

written and electronic copies of the Prospectus in New York City in such quantities as you may reasonably request, and, if the delivery of a prospectus (or in lieu thereof, the notice referred to in Rule 173(a) under the Securities Act) is required at any time prior to the expiration of nine months after the time of issue of the Prospectus in connection with the offering or sale of the Offered Securities and if at such time any event shall have occurred as a result of which the Prospectus as then amended or supplemented would include an untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made when such Prospectus (or in lieu thereof, the notice referred to in Rule 173(a) under the Securities Act) is delivered, not misleading, or, if for any other reason it shall be necessary during such same period to amend or supplement the Prospectus or to file under the Exchange Act any document incorporated by reference in the Prospectus in order to comply with the Securities Act, the Exchange Act or the Trust Indenture Act, to notify you and upon your request to file such document and to prepare and furnish without charge to each Underwriter and to any dealer in securities as many written and electronic copies as you may from time to time reasonably request of an amended Prospectus or a supplement to the Prospectus that will correct such statement or omission or effect such compliance; and in case any Underwriter is required to deliver a prospectus (or in lieu thereof, the notice referred to in Rule 173(a) under the Securities Act) in connection with sales of any of the Offered Securities at any time nine months or more after the time of issue of the Prospectus, upon your request but at the expense of such Underwriter, to prepare and deliver to such Underwriter as many written and electronic copies as you may request of an amended or supplemented Prospectus complying with Section 10(a)(3) of the Securities Act.

(c) To make generally available to its securityholders as soon as practicable, but in any event not later than 16 months after the effective date of the Registration Statement (as defined in Rule 158(c) under the Act), an earnings statement of the Company and its subsidiaries (which need not be audited) complying with Section 11(a) of the Securities Act and the Rules and Regulations thereunder (including, at the option of the Company, Rule 158);

(d) The Company will arrange for the qualification of the Offered Securities for sale and the determination of their eligibility for investment under the laws of such jurisdictions in the United States and Canada as the Underwriters designate and will continue such qualifications in effect so long as required for the resale of the Offered Securities by the Underwriters, provided that the Company will not be required to qualify as a foreign corporation, to file a general consent to service of process in any such jurisdiction or to take any other action that would subject the Company to service of process in any suits (other than those arising out of the offering of the Offered Securities) or to taxation in respect of doing business in any jurisdiction in which it is not otherwise subject.

(e) The Company will pay all expenses incident to the performance of its obligations under this Agreement and the Mortgage, for any filing fees and other expenses (including fees and disbursements of counsel) incurred in connection with qualification of the Offered Securities for sale and determination of their eligibility for investment under the laws of such jurisdictions as the Underwriters designate and the printing of memoranda relating thereto, for the fees and expenses of the Trustee and its professional advisors, for all expenses in connection with the execution, issue, authentication, packaging and initial delivery of the Offered Securities, the preparation and printing of this Agreement, the Offered Securities, the Disclosure Package and the Prospectus, any Issuer Free Writing Prospectus, and amendments and supplements thereto, and any other document relating to the issuance, offer, sale and delivery of the Offered Securities, for the cost of any advertising approved by the Company in connection with the issue of the Offered Securities, for any fees charged by investment rating agencies for the rating of the

Offered Securities, for any travel expenses of the Company's officers and employees, and any other expenses of the Company in connection with attending or hosting meetings with prospective purchasers of the Offered Securities and for expenses incurred in distributing the Disclosure Package, the Prospectus or any Issuer Free Writing Prospectus (including any amendments and supplements thereto) to the Underwriters. Except as otherwise provided in this Section 5(e) or in Section 9 of this Agreement, the Underwriters will pay all of their costs and expenses, including fees and expenses of their counsel, transfer taxes on the resale of the Offered Securities and any advertising and travel expenses incurred by them.

(f) In connection with the offering, until the earlier of (i) 180 days following the Closing Date and (ii) the date the Underwriters shall have notified the Company of the completion of the resale of the Offered Securities, neither the Company nor any of its affiliates has or will, either alone or with one or more other persons, bid for or purchase for any account in which it or any of its affiliates has a beneficial interest any Offered Securities or attempt to induce any person to purchase any Offered Securities; and neither it nor any of its affiliates will make bids or purchases for the purpose of creating actual, or apparent, active trading in, or of raising the price of, the Offered Securities.

(g) From the date hereof through and including the Closing Date, the Company will not, without the prior written consent of the Underwriters, offer, sell, contract to sell, pledge or otherwise dispose of, directly or indirectly, or file with the Commission a registration statement under the Securities Act relating to, any United States dollar-denominated debt securities issued or guaranteed by the Company and having a maturity of more than one year from the date of issue.

(h) If the Company elects to rely upon Rule 462(b), the Company shall file a Rule 462(b) Registration Statement with the Commission in compliance with Rule 462(b) by 10:00 P.M., Washington, D.C. time, on the date of this Agreement, and the Company shall at the time of filing either pay to the Commission the filing fee for the Rule 462(b) Registration Statement or give irrevocable instructions for the payment of such fee pursuant to Rule 111(b) under the Act.

6. *Conditions of the Obligations of the Underwriters.* The obligations of the several Underwriters to purchase and pay for the Offered Securities will be subject to the accuracy of the representations and warranties on the part of the Company herein, to the accuracy of the statements of officers of the Company made pursuant to the provisions hereof, to the performance by the Company of its obligations hereunder and to the following additional conditions precedent:

(a) The Prospectus as amended or supplemented in relation to the applicable Offered Securities shall have been filed with the Commission pursuant to Rule 424(b) within the applicable time period prescribed for such filing (without reliance on Rule 424(b)(8) by the Rules and Regulations and in accordance with Section 5(a) hereof; if the Company has elected to rely upon Rule 462(b), the Rule 462(b) Registration Statement shall have become effective by 10:00 P.M., Washington, D.C. time, on the date hereof; no stop order suspending the effectiveness of the Registration Statement or any part thereof shall have been issued and no proceeding for that purpose shall have been initiated or to the knowledge of the Company threatened by the Commission; and all requests for additional information on the part of the Commission shall have been complied with.

(b) (i) On the date hereof, PricewaterhouseCoopers LLP shall have furnished to the Underwriters a letter, dated as of the date hereof, in form and substance satisfactory to the

Underwriters, confirming that as of May 26, 2006 and during the period covered by the financial statements on which it reported, it was an independent registered public accounting firm with respect to the Company and its subsidiaries within the meaning of the Securities Act, the Exchange Act and the applicable published Rules and Regulations and stating that as of the Applicable Time (or, with respect to matters involving changes or developments since the respective dates as of which specified financial information is given in the Preliminary Prospectus as of a particular time not more than five business days prior to the Applicable Time) conclusions and findings of such firm, to the effect that:

(A) in their opinion the financial statements examined by them and incorporated by reference in the Preliminary Prospectus comply as to form in all material respects with the applicable accounting requirements of the Securities Act, the Exchange Act and the related published Rules and Regulations; and

(B) they have compared specified dollar amounts (or percentages derived from such dollar amounts) and other financial information contained in the Preliminary Prospectus (in each case to the extent that such dollar amounts, percentages and other financial information are derived from the general accounting records of the Company and its subsidiaries subject to the internal controls of the Company's accounting system or are derived directly from such records by analysis or computation) with the results obtained from inquiries, a reading of such general accounting records and other procedures specified in such letter and have found such dollar amounts, percentages and other financial information to be in agreement with such results, except as otherwise specified in such letter.

(ii) The Underwriters shall have received a letter, dated the Closing Date, of PricewaterhouseCoopers LLP which meets the requirements of subsection (b)(i) of this Section, except that (A) the specified date referred to in such subsection will be a date not more than three days prior to the Closing Date for the purposes of this subsection, and (B) references to the Preliminary Prospectus will be replaced with references to the Prospectus.

(c) (i) On the date hereof, Deloitte & Touche LLP shall have furnished to the Underwriters a letter, dated as of the date hereof, in form and substance satisfactory to the Underwriters, confirming that they are an independent registered public accounting firm with respect to the Company and its subsidiaries within the meaning of the Securities Act, the Exchange Act and the applicable published Rules and Regulations and stating that as of the Applicable Time (or, with respect to matters involving changes or developments since the respective dates as of which specified financial information is given in the Preliminary Prospectus as of a particular time not more than five business days prior to the Applicable Time) conclusions and findings of such firm, to the effect that:

(A) in their opinion the financial statements examined by them and incorporated by reference in the Preliminary Prospectus comply as to form in all material respects with the applicable accounting requirements of the Securities Act, the Exchange Act and the related published Rules and Regulations;

(B) on the basis of a reading of the latest available interim financial statements of the Company, inquiries of officials of the Company who have responsibility for financial and accounting matters and other specified procedures, nothing came to their attention that caused them to believe that:

(1) at the date of the latest available balance sheet read by such accountants, or at a subsequent specified date not more than one business day prior to the date of this Agreement, there was any change in the capital stock or any increase in short-term indebtedness or long-term debt of the Company and its consolidated subsidiaries or, at the date of the latest available balance sheet read by such accountants, there was any decrease in total shareholders' equity or total consolidated net current assets, as compared with amounts shown on the latest balance sheet incorporated by reference in the Preliminary Prospectus; or

(2) for the period from the closing date of the latest statement of income incorporated by reference in the Preliminary Prospectus to the closing date of the latest statement of income read by such accountants, there were any decreases, as compared with the corresponding period of the previous year, in consolidated revenue or net income (excluding decreases due to derivatives accounted for under Statement of Financial Accounting Standards No. 133); and

(B) they have compared specified dollar amounts (or percentages derived from such dollar amounts) and other financial information contained in the Preliminary Prospectus (in each case to the extent that such dollar amounts, percentages and other financial information are derived from the general accounting records of the Company and its subsidiaries subject to the internal controls of the Company's accounting system or are derived directly from such records by analysis or computation) with the results obtained from inquiries, a reading of such general accounting records and other procedures specified in such letter and have found such dollar amounts, percentages and other financial information to be in agreement with such results, except as otherwise specified in such letter.

(ii) The Underwriters shall have received a letter, dated the Closing Date, of Deloitte & Touche LLP which meets the requirements of subsection (c)(i) of this Section, except that (A) the specified date referred to in such subsection will be a date not more than one day prior to the Closing Date for the purposes of this subsection, and (B) references to the Preliminary Prospectus will be replaced with references to the Prospectus.

(d) Subsequent to the Applicable Time, there shall not have been (i) any change, or any development or event involving a prospective change, in the financial condition, business, properties or results of operations of the Company and its subsidiaries taken as a whole, which, in the judgment of the Underwriters, is material and adverse and makes it impractical or inadvisable to proceed with completion of the offering or the sale of and payment for the Offered Securities; (ii) any downgrading in the rating of any debt securities or preferred stock of the Company by any "nationally recognized statistical rating organization" (as defined for purposes of Rule 436(g) under the Securities Act), or any public announcement that any such organization has under surveillance or review its rating of any debt securities or preferred stock of the Company (other than an announcement with positive implications of a possible upgrading, and no implication of a possible downgrading, of such rating); (iii) any material suspension or material limitation of trading in securities generally on the New York Stock Exchange, or any setting of minimum prices for trading on such exchange; (iv) any suspension of trading of any securities of the Company on any exchange or in the over-the-counter market; (v) any banking moratorium declared by U.S. Federal or New York authorities; (vi) any major disruption of settlements of

securities or clearance services in the United States; or (vii) any attack on, or outbreak or escalation of hostilities or act of terrorism involving, the United States, any declaration of war by Congress or any other substantial national or international calamity or emergency if, in the judgment of the Underwriters, the effect of any such attack, outbreak, escalation, act, declaration, calamity or emergency makes it impractical or inadvisable to proceed with completion of the offering or sale of and payment for the Offered Securities.

(e) The Underwriters shall have received an opinion, dated the Closing Date, of Mark C. Moench, General Counsel of the Company, substantially in the form of Exhibit A hereto.

(f) The Underwriters shall have received an opinion, dated the Closing Date, of Perkins Coie LLP, special counsel to the Company, in substantially the form of Exhibit B hereto.

(g) The Underwriters shall have received from Latham & Watkins LLP, counsel for the Underwriters, such opinion or opinions, dated the Closing Date, in form and substance satisfactory to the Underwriters, and the Company shall have furnished to such counsel such documents as they request for the purpose of enabling them to pass upon such matters. In rendering such opinion, Latham & Watkins LLP may rely as to the incorporation of the Company and all other matters governed by Oregon law upon the opinion of Mark C. Moench referred to above.

(h) The Underwriters shall have received a certificate, dated the Closing Date, of the President or any Vice President and a principal financial or accounting officer of the Company in which such officers, to the best of their knowledge after reasonable investigation, shall state that: (i) the representations and warranties of the Company in this Agreement are true and correct, or true and correct in all material respects where such representations and warranties are not qualified by materiality or Material Adverse Effect; (ii) that the Company has complied with all agreements and satisfied all conditions on its part to be performed or satisfied hereunder at or prior to the Closing Date; and (iii) that, subsequent to the date of the most recent financial statements in, or incorporated by reference in, the Preliminary Prospectus, there has been no material adverse change, nor any development or event involving a prospective material adverse change, in the financial condition, business or results of operations of the Company and its subsidiaries taken as a whole except as set forth in the Disclosure Package and the Prospectus or as described in such certificate.

The Company will (i) furnish the Underwriters with such conformed copies of such opinions, certificates, letters and documents as the Underwriters reasonably request. The Underwriters may waive compliance with any conditions to their obligations hereunder.

A. The Company (i) represents and agrees that, other than the final term sheet prepared and filed pursuant to Section 5 (a) hereof, without the prior consent of the Underwriters, it has not made and will not make any offer relating to the Offered Securities that would constitute a "free writing prospectus" as defined in Rule 405 under the Act and (ii) has complied and will comply with the requirements of Rule 433 under the Act applicable to any Issuer Free Writing Prospectus, including timely filing with the Commission or retention where required and legending.

B. each Underwriter represents and agrees that, without the prior consent of the Company and the Underwriters, other than one or more term sheets relating to the Offered Securities containing customary information, it has not made and will not make any offer relating to the Offered Securities that would constitute a free writing prospectus; and

C. any such free writing prospectus the use of which has been consented to by the Company and the Underwriters (including the final term sheet prepared and filed pursuant to Section 5(a) hereof) is listed on Schedule B hereto;

7. *Indemnification and Contribution.* (a) The Company will indemnify and hold harmless each Underwriter, its partners, members, directors and officers and each person, if any, who controls such Underwriter within the meaning of Section 15 of the Securities Act, against any losses, claims, damages or liabilities, joint or several, to which such Underwriter may become subject, under the Securities Act or the Exchange Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of any material fact contained in the Registration Statement, the Preliminary Prospectus, the Disclosure Package, the Prospectus or any Issuer Free Writing Prospectus, or any amendment or supplement to the Registration Statement, the Prospectus or any Issuer Free Writing Prospectus, or any "issuer information" filed or required to be filed pursuant to Rule 433(d) under the Act, arise out of or are based upon the omission or alleged omission to state therein a material fact necessary in order to make the statements therein made, in light of the circumstances under which they were made (in the case of the Registration Statement, necessary in order to make the statements therein not misleading), not misleading, including any losses, claims, damages or liabilities arising out of or based upon the Company's failure to perform its obligations under Section 5(a) of this Agreement, and will reimburse each Underwriter for any legal or other expenses reasonably incurred by such Underwriter in connection with investigating or defending any such loss, claim, damage, liability or action as such expenses are incurred; *provided, however*, that the Company will not be liable in any such case 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 in or omission or alleged omission from any of such documents in reliance upon and in conformity with written information furnished to the Company by any Underwriters specifically for use therein, it being understood and agreed that the only such information consists of the information described as such in subsection (b) below; *provided, further*, that the foregoing indemnity with respect to any Preliminary Prospectus shall not inure to the benefit of any Underwriter from whom the person asserting any such losses, claims, damages or liabilities (or actions in respect thereof), in connection with clauses (i) through (iii) below, purchased Offered Securities, or any person controlling such Underwriter, where it shall have been determined by a court of competent jurisdiction by final and non-appealable judgment that (i) prior to the Applicable Time the Company has notified such Underwriter that the Preliminary Prospectus, dated March 9, 2007, contains an untrue statement of material fact or omits to state therein a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, (ii) such untrue statement or omission of a material fact was corrected in an amended or supplemented Preliminary Prospectus and such corrected Preliminary Prospectus was provided to such Underwriter sufficiently in advance of the Applicable Time so that such corrected Preliminary Prospectus could have been conveyed to such person prior to the Applicable Time and (iii) such corrected Preliminary Prospectus was not conveyed to such person at or prior to the Applicable Time to such person.

(b) Each Underwriter will severally and not jointly indemnify and hold harmless the Company, its directors and officers and each person, if any, who controls the Company within the meaning of Section 15 of the Securities Act, against any losses, claims, damages or liabilities to which the Company may become subject, under the Securities Act or the Exchange Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of any material fact contained in the Registration Statement, the Preliminary Prospectus, the Disclosure Package, the Prospectus or any Issuer Free Writing Prospectus, or any amendment or supplement to the Registration Statement, the Prospectus or any Issuer Free Writing Prospectus or arise out of or are based upon the omission or the alleged omission to state therein a material fact necessary in order to make the statements therein, in the light of the circumstances

under which they were made (in the case of the Registration Statement, necessary in order to make the statements therein not misleading), not misleading, in each case to the extent, but only to the extent, that such untrue statement or alleged untrue statement or omission or alleged omission was made in reliance upon and in conformity with written information furnished to the Company by such Underwriter specifically for use therein, and will reimburse any legal or other expenses reasonably incurred by the Company in connection with investigating or defending any such loss, claim, damage, liability or action as such expenses are incurred, it being understood and agreed that the only such information furnished by any Underwriter consists of the following information in the Preliminary Prospectus and Prospectus furnished on behalf of each Underwriter: under the caption "Underwriting", paragraphs 3, 4 (second sentence only) 5 and 6; *provided, however*, that the Underwriters shall not be liable for any losses, claims, damages or liabilities arising out of or based upon the Company's failure to perform its obligations under Section 5(a) of this Agreement.

(c) Promptly after receipt by an indemnified party under this Section of notice of the commencement of any action, such indemnified party will, if a claim in respect thereof is to be made against the indemnifying party under subsection (a) or (b) above, notify the indemnifying party 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 under subsection (a) or (b) above except to the extent that it has been materially prejudiced (through forfeiture or impairment of procedural or substantive rights or defenses) by such failure; and provided further that the failure to notify the indemnifying party shall not relieve it from any liability that it may have to an indemnified party otherwise than under subsection (a) or (b) above. In case any such action is brought against any indemnified party and it notifies the indemnifying party of the commencement thereof, the indemnifying party will be entitled to participate therein and, to the extent that it may wish, jointly with any other indemnifying party similarly notified, to assume the defense thereof, with counsel reasonably satisfactory to such indemnified party (who shall not, except with the consent of the indemnified party, be counsel to the indemnifying party), and after notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof, the indemnifying party will not be liable to such indemnified party under this Section for any legal or other expenses subsequently incurred by such indemnified party in connection with the defense thereof other than reasonable costs of investigation; *provided, however*, that the indemnified party shall have the right to employ counsel to represent the indemnified party and their respective controlling persons who may be subject to liability arising out of any claim in respect of which indemnity may be sought by the indemnified party against the indemnifying party under this Section 7 if the employment of such counsel shall have been authorized in writing by the indemnifying party in connection with the defense of such action, if in the written opinion of counsel to either the indemnifying party or the indemnified party, representation of both parties by the same counsel would be inappropriate due to actual or likely conflicts of interest between them or the indemnifying party shall have failed to employ counsel within a reasonable period of time, and in that event the fees and expenses of one firm of separate counsel (in addition to the fees and expenses of one local counsel in each applicable jurisdiction) shall be paid by the indemnifying party. No indemnifying party shall, without the prior written consent of the indemnified party (which consent shall not be unreasonably withheld), effect any settlement of any pending or threatened action in respect of which any indemnified party is or could have been a party and indemnity could have been sought hereunder by such indemnified party unless such settlement (i) includes an unconditional release of such indemnified party from all liability on any claims that are the subject matter of such action and (ii) does not include a statement as to or an admission of fault, culpability or failure to act by or on behalf of any indemnified party.

(d) If the indemnification provided for in this Section is unavailable or insufficient to hold harmless an indemnified party under subsection (a) or (b) above, then each indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of the losses, claims, damages or liabilities referred to in subsection (a) or (b) above (i) in such proportion as is appropriate to

reflect the relative benefits received by the Company on the one hand and the Underwriters on the other from the offering of the Offered Securities or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Company on the one hand and the Underwriters on the other in connection with the statements or omissions which resulted in such losses, claims, damages or liabilities as well as any other relevant equitable considerations. The relative benefits received by the Company on the one hand and the Underwriters on the other shall be deemed to be in the same proportion as the total net proceeds from the offering (before deducting expenses) received by the Company bear to the total discounts and commissions received by the Underwriters from the Company under this Agreement. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company or the Underwriters and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such untrue statement or omission. The amount paid by an indemnified party as a result of the losses, claims, damages or liabilities referred to in the first sentence of this subsection (d) shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any action or claim which is the subject of this subsection (d). Notwithstanding the provisions of this subsection (d), no Underwriter shall be required to contribute any amount in excess of the amount by which the total price at which the Offered Securities purchased by it were resold exceeds the amount of any damages which such Underwriter has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The Underwriters' obligations in this subsection (d) to contribute are several in proportion to their respective purchase obligations and not joint.

(e) The obligations of the Company under this Section shall be in addition to any liability which the Company may otherwise have and shall extend, upon the same terms and conditions, to each person, if any, who controls any Underwriter within the meaning of the Securities Act or the Exchange Act; and the obligations of the Underwriters under this Section shall be in addition to any liability which the respective Underwriters may otherwise have and shall extend, upon the same terms and conditions, to each person, if any, who controls the Company within the meaning of the Securities Act or the Exchange Act.

8. *Default of Underwriters.* If any Underwriter or Underwriters defaults in its or their obligations to purchase Offered Securities hereunder and the aggregate principal amount of Offered Securities that such defaulting Underwriter or Underwriters agreed but failed to purchase does not exceed 10% of the total principal amount of Offered Securities, the non-defaulting Underwriters may make arrangements satisfactory to the Company for the purchase of such Offered Securities by other persons, including themselves, but if no such arrangements are made by the Closing Date, the non-defaulting Underwriters shall be obligated severally, in proportion to their respective commitments hereunder, to purchase the Offered Securities that such defaulting Underwriter or Underwriters agreed but failed to purchase. If any Underwriter or Underwriters so defaults and the aggregate principal amount of Offered Securities with respect to which such default or defaults occur exceeds 10% of the total principal amount of Offered Securities and arrangements satisfactory to the non-defaulting Underwriters and the Company for the purchase of such Offered Securities by other persons are not made within 36 hours after such default, this Agreement will terminate without liability on the part of the non-defaulting Underwriters or the Company, except as provided in Section 9. As used in this Agreement, the term "Underwriter" includes any person substituted for a Underwriter under this Section. Nothing herein, including the Company's obligations pursuant to Section 9 hereof, will relieve a defaulting Underwriter from liability for its default.

9. *Survival of Certain Representations and Obligations.* The respective indemnities, agreements, representations, warranties and other statements of the Company or its officers and of the several Underwriters set forth in or made pursuant to this Agreement will remain in full force and effect, regardless of any investigation, or statement as to the results thereof, made by or on behalf of any Underwriter, the Company or any of their respective representatives, officers or directors or any controlling person, and will survive delivery of and payment for the Offered Securities. If this Agreement is terminated pursuant to Section 8 or if for any reason the purchase of the Offered Securities by the Underwriters is not consummated other than such default by an Underwriter, the Company shall remain responsible for the expenses to be paid or reimbursed by it pursuant to Section 5 and the respective obligations of the Company and the Underwriters pursuant to Section 7 shall remain in effect. If the purchase of the Offered Securities by the Underwriters is not consummated for any reason other than solely because of the termination of this Agreement pursuant to Section 8 or the occurrence of any event specified in clause (iii), (v), (vi) or (vii) of Section 6(c), the Company will reimburse the Underwriters for all out-of-pocket expenses (including fees and disbursements of counsel) reasonably incurred by them in connection with the offering of the Offered Securities, provided that the Company shall not be obligated under this Section 9 to reimburse the Underwriters for any expenses (including any reasonable fees and disbursements of counsel) in excess of \$200,000.

10. *No Fiduciary Duty.* The Company acknowledges and agrees that in connection with this offering or any other services the Underwriters may be deemed to be providing hereunder, notwithstanding any preexisting relationship, advisory or otherwise, between the parties or any oral representations or assurances previously or subsequently made by the Underwriters: (i) no fiduciary or agency relationship between the Company and any other person, on the one hand, and the Underwriters, on the other, exists in connection with the offering of the Bonds; (ii) the Underwriters are not acting as advisors, expert or otherwise, to the Company in connection with the offering of the Bonds and such relationship between the Company, on the one hand, and the Underwriters, on the other, is entirely and solely commercial, based on arms-length negotiations; any duties and obligations that the Underwriters may have to the Company in connection with the offering of the Bonds shall be limited to those duties and obligations specifically stated herein; and (iv) the Underwriters and their respective affiliates may have interests that differ from those of the Company. Any review by the Underwriters of the Company, the transactions contemplated hereby or other matters related to such transactions will be performed solely for the benefit of the Underwriters and not on behalf of the Company. The Company hereby waives any claims that the Company may have against the Underwriters with respect to any breach of fiduciary duty in connection with this offering.

11. *Notices.* All communications hereunder will be in writing and, if sent to the Underwriters, will be mailed, delivered or faxed and confirmed to each of (i) Goldman, Sachs & Co., One New York Plaza, 42nd Floor, New York, New York 10004, Attention Registration Department, and (ii) BNP Paribas Securities Corp., 787 Seventh Avenue, New York, N.Y. 10019, Facsimile number 212-841-3785, Attention: Debt Capital Markets, with a copy to Legal Capital Markets, Facsimile number 212-841-3561, or, if sent to the Company, will be mailed, delivered or telegraphed and confirmed to it at PacifiCorp, 825 NE Multnomah, 18th Floor, Portland, OR 97232, Attention: Legal Department; *provided, however*, that any notice to a Underwriter pursuant to Section 7 will be mailed, delivered or faxed and confirmed to such Underwriter.

12. *Successors.* This Agreement will inure to the benefit of and be binding upon the parties hereto and their respective successors and the controlling persons referred to in Section 7, and no other person will have any right or obligation hereunder.

13. *Counterparts.* This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all such counterparts shall together constitute one and the same Agreement.

14. *Applicable Law.* This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York without regard to principles of conflicts of laws.

The Company hereby submits to the exclusive jurisdiction of the Federal and state courts in the Borough of Manhattan in The City of New York in any suit or proceeding arising out of or relating to this Agreement or the transactions contemplated hereby.

If the foregoing is in accordance with the Underwriters' understanding of our agreement, kindly sign and return to us one of the counterparts hereof, whereupon it will become a binding agreement between the Company and the several Underwriters in accordance with its terms.

Very truly yours,

PACIFICORP

By: /s/ David Mendez
Name: David Mendez
Title: Senior Vice President and Chief Financial Officer

The foregoing Underwriting Agreement
is hereby confirmed and accepted
as of the date first above written.

GOLDMAN, SACHS & CO.

By: /s/ Goldman, Sachs & Co.
Name:
Title:

BNP Paribas Securities Corp.

By: /s/ Peter Masco
Name: Peter Masco
Title: Managing Director

(Underwriting Agreement)

SCHEDULE A

<u>Underwriter</u>	<u>Principal Amount of Offered Securities</u>
Goldman, Sachs & Co	300,000,000
BNP Paribas Securities Corp	300,000,000
Total	<u>\$ 600,000,000</u>

(Underwriting Agreement)

SCHEDULE B(i)

Issuer Free Writing Prospectuses

See Schedule B(ii)

(Underwriting Agreement)

SCHEDULE B(ii)

FINAL TERM SHEET

Issuer:	PacifiCorp
Expected Ratings:	A3/A-/A- (Stable/Stable/Stable)
Issue:	First Mortgage Bonds due 2037
Offering Size:	\$600,000,000
Coupon:	5.75% per annum, payable semi-annually on each April 1 and October 1, commencing October 1, 2007
Trade Date:	March 9, 2007
Settlement Date:	March 14, 2007
Maturity:	April 1, 2037
Treasury Benchmark:	4.500% due February 15 th , 2036
US Treasury Spot:	96-03
US Treasury Yield:	4.75%
Spread to Treasury:	100 basis points
Re-offer Yield:	5.75%
Price to Public (Issue Price):	99.996%
Gross Proceeds:	\$599,976,000
Optional Redemption:	Make Whole call, at any time at a discount rate of Treasury plus 20 bps
Minimum Denomination:	\$2,000 x \$1,000
Bookrunners:	Goldman, Sachs & Co., BNP Paribas Securities Corp.
CUSIP:	695114CD8

The issuer has filed a registration statement (including a prospectus) with the SEC for the offering to which this communication relates. Before you invest, you should read the prospectus in that registration statement and other documents the issuer has filed with the SEC for more complete information about the issuer and this offering. You may get these documents for free by visiting EDGAR on the SEC Web site at www.sec.gov.

Alternatively, the issuer, any underwriter or any dealer participating in the offering will arrange to send you the prospectus if you request it by calling Goldman, Sachs & Co. toll-free at 1-866-471-2526 or BNP Paribas Securities Corp. toll-free at 1-800-854-5674.

(Underwriting Agreement)

PACIFICORP
(An Oregon Corporation)

TO

THE BANK OF NEW YORK

(as successor to JP Morgan Chase Bank, N.A.)

*As Trustee under PacifiCorp's
Mortgage and Deed of Trust,
Dated as of January 9, 1989*

**Twentieth Supplemental Indenture
Dated as of March 1, 2007**

**Supplemental to PacifiCorp's Mortgage and Deed of Trust
Dated as of January 9, 1989**

This Instrument Grants a Security Interest by a Transmitting Utility

This Instrument Contains After-Acquired Property Provisions

TWENTIETH SUPPLEMENTAL INDENTURE

THIS INDENTURE, dated as of the 1st day of March, 2007, made and entered into by and between PACIFICORP, a corporation of the State of Oregon, whose address is 825 NE Multnomah, Portland, Oregon 97232 (hereinafter sometimes called the "Company"), and THE BANK OF NEW YORK (as successor to JPMorgan Chase Bank, N.A.), a New York banking corporation whose address is 101 Barclay Street, New York, New York 10286 (the "Trustee"), as Trustee under the Mortgage and Deed of Trust, dated as of January 9, 1989, as heretofore amended and supplemented (hereinafter called the "Mortgage"), is executed and delivered by the Company in accordance with the provisions of the Mortgage, this indenture (hereinafter called the "Twentieth Supplemental Indenture") being supplemental thereto.

WHEREAS, the Mortgage was or is to be recorded in the official records of the States of Arizona, California, Colorado, Idaho, Montana, New Mexico, Oregon, Utah, Washington and Wyoming and various counties within such states, which counties include or will include all counties in which this Twentieth Supplemental Indenture is to be recorded; and

WHEREAS, by the Mortgage the Company covenanted that it would execute and deliver such supplemental indenture or indentures and such further instruments and do such further acts as might be necessary or proper to carry out more effectually the purposes of the Mortgage and to make subject to the Lien of the Mortgage any property thereafter acquired, made or constructed and intended to be subject to the Lien thereof; and

WHEREAS, in addition to the property described in the Mortgage, the Company has acquired certain other property, rights and interests in property; and

WHEREAS, the Company has executed, delivered, recorded and filed supplemental indentures as follows:

	<u>Dated as of</u>
<i>First</i>	<i>March 31, 1989</i>
<i>Second</i>	<i>December 29, 1989</i>
<i>Third</i>	<i>March 31, 1991</i>
<i>Fourth</i>	<i>December 31, 1991</i>
<i>Fifth</i>	<i>March 15, 1992</i>
<i>Sixth</i>	<i>July 31, 1992</i>
<i>Seventh</i>	<i>March 15, 1993</i>
<i>Eighth</i>	<i>November 1, 1993</i>
<i>Ninth</i>	<i>June 1, 1994</i>
<i>Tenth</i>	<i>August 1, 1994</i>
<i>Eleventh</i>	<i>December 1, 1995</i>
<i>Twelfth</i>	<i>September 1, 1996</i>
<i>Thirteenth</i>	<i>November 1, 1998</i>
<i>Fourteenth</i>	<i>November 15, 2001</i>
<i>Fifteenth</i>	<i>June 1, 2003</i>
<i>Sixteenth</i>	<i>September 1, 2003</i>
<i>Seventeenth</i>	<i>August 1, 2004</i>
<i>Eighteenth</i>	<i>June 1, 2005</i>
<i>Nineteenth</i>	<i>August 1, 2006</i>

and

WHEREAS, the Company has heretofore issued, in accordance with the provisions of the Mortgage, bonds entitled and designated First Mortgage and Collateral Trust Bonds or First Mortgage Bonds, as the case may be, of the series and in the principal amounts as follows:

	Series	Due Date	Aggregate Principal Amount Issued	Aggregate Principal Amount Outstanding (1)
First	-10.45% Series due January 9, 1990	1/9/90	\$ 500,000	\$ 0
Second	-Secured Medium-Term Notes, Series A	various	250,000,000	0
Third	-Secured Medium-Term Notes, Series B	various	200,000,000	0
Fourth	-Secured Medium-Term Notes, Series C	various	300,000,000	111,000,000
Fifth	-Secured Medium-Term Notes, Series D	various	250,000,000	0
Sixth	-C-U Series	various	250,432,000	105,278,000
Seventh	-Secured Medium-Term Notes, Series E	various	500,000,000	173,500,000
Eighth	-6 3/4% Series due April 1, 2005	4/1/2005	150,000,000	0
Ninth	-Secured Medium-Term Notes, Series F	various	500,000,000	140,000,000
Tenth	-E-L Series	various	71,200,000	71,200,000
Eleventh	-Secured Medium-Term Notes, Series G	various	500,000,000	200,000,000
Twelfth	-Series 1994-1 Bonds	various	216,470,000	216,470,000
Thirteenth	-Adjustable Rate Replacement Series	2002	13,234,000	0
Fourteenth	-9 3/8% Replacement Series due 1997	1997	50,000,000	0
Fifteenth	-Bond Credit Series Bonds	various	498,589,753	0
Sixteenth	-Secured Medium-Term Notes, Series H	various	500,000,000	325,000,000
Seventeenth	-5.65% Series due 2006	11/1/06	200,000,000	0
Eighteenth	-6.90% Series due November 15, 2011	11/15/11	500,000,000	500,000,000
Nineteenth	-7.70% Series due November 15, 2031	11/15/31	300,000,000	300,000,000
Twentieth	-Collateral Bonds, First 2003 Series	12/1/14	15,000,000	15,000,000
Twenty-First	-Collateral Bonds, Second 2003 Series	12/1/16	8,500,000	8,500,000
Twenty-Second	-Collateral Bonds, Third 2003 Series	1/1/14	17,000,000	17,000,000
Twenty-Third	-Collateral Bonds, Fourth 2003 Series	1/1/16	45,000,000	45,000,000
Twenty-Fourth	-Collateral Bonds, Fifth 2003 Series	11/1/25	5,300,000	5,300,000
Twenty-Fifth	-Collateral Bonds, Sixth 2003 Series	11/1/25	22,000,000	22,000,000
Twenty-Sixth	-4.30% Series due 2008	9/15/08	200,000,000	200,000,000
Twenty-Seventh	-5.45% Series due 2013	9/15/13	200,000,000	200,000,000
Twenty-Eighth	-4.95% Series due 2014	8/15/14	200,000,000	200,000,000
Twenty-Ninth	-5.90% Series due 2034	8/15/34	200,000,000	200,000,000
Thirtieth	-5.25% Series due 2035	6/15/35	300,000,000	300,000,000
Thirty-First	-6.10% Series Due 2036	8/1/36	350,000,000	350,000,000

(1) Amount outstanding as of March 1, 2007.

and

WHEREAS, Section 2.03 of the Mortgage provides that the form or forms, terms and conditions of and other matters not inconsistent with the provisions of the Mortgage, in connection with each series of bonds (other than the First Series) issued thereunder, shall be established in or pursuant to one or more Resolutions and/or shall be established in one or more indentures supplemental to the Mortgage, prior to the initial issuance of bonds of such series; and

WHEREAS, Section 22.04 of the Mortgage provides, among other things, that any power, privilege or right expressly or impliedly reserved to or in any way conferred upon the Company by any provision of the Mortgage, whether such power, privilege or right is in any way restricted or is unrestricted, may be in whole or in part waived or surrendered or subjected to any restriction if at the time unrestricted or to additional restriction if already restricted, and the Company may enter into any further covenants, limitations, restrictions or provisions for the benefit of any one or more series of bonds issued thereunder and provide that a breach thereof shall be equivalent to a Default under the Mortgage, or the Company may cure any ambiguity contained therein, or in any supplemental indenture, or may (in lieu of establishment in or pursuant to a Resolution in accordance with Section 2.03 of the Mortgage) establish the forms, terms and provisions of any series of bonds other than said First Series, by an instrument in writing executed by the Company; and

WHEREAS, the Company now desires to create a new series of bonds and (pursuant to the provisions of Section 22.04 of the Mortgage) to add to its covenants and agreements contained in the Mortgage certain other covenants and agreements to be observed by it; and

WHEREAS, the execution and delivery by the Company of this Twentieth Supplemental Indenture, and the terms of the bonds of the Thirty-Second Series herein referred to, have been duly authorized by the Board of Directors in or pursuant to appropriate Resolutions;

Now, Therefore, This Indenture Witnesseth:

That PACIFICORP, an Oregon corporation, in consideration of the premises and of good and valuable consideration to it duly paid by the Trustee at or before the ensembling and delivery of these presents, the receipt and sufficiency whereof is hereby acknowledged, and in order to secure the payment of both the principal of and interest and premium, if any, on the bonds from time to time issued under the Mortgage, according to their tenor and effect and the performance of all provisions of the Mortgage (including any instruments supplemental thereto and any modification made as in the Mortgage provided) and of such bonds, and to confirm the Lien of the Mortgage on certain after-acquired property, hereby mortgages, pledges and grants a security interest in (subject, however, to Excepted Encumbrances as defined in Section 1.06 of the Mortgage), unto The Bank of New York (as successor to JPMorgan Chase Bank, N.A.), as Trustee, and to its successor or successors in said trust, and to said Trustee and its successors and assigns forever, all properties of the Company real, personal and mixed, owned by the Company as of the date of the Mortgage and acquired by the Company after the date of the Mortgage, subject to the provisions of Section 18.03 of the Mortgage, of any kind or nature (except any herein or in the Mortgage expressly excepted), now owned or, subject to the provisions of Section 18.03 of the Mortgage, hereafter acquired by the Company (by purchase, consolidation, merger, donation, construction, erection or in any other way) and wheresoever situated (except such of such properties as are excluded by name or nature from the Lien hereof), including the properties described in Article IV hereof, and further including (without limitation) all real estate, lands, easements, servitudes, licenses, permits, franchises, privileges, rights of way and other rights in or relating to real estate or the occupancy of the same; all power sites, flowage rights, water rights, water locations, water appropriations, ditches, flumes, reservoirs, reservoir sites, canals, raceways, waterways, dams, dam sites, aqueducts, and all other rights or means for appropriating, conveying, storing and supplying water; all rights of way and roads; all plants for the generation of electricity and other forms of energy (whether now known or hereafter developed) by steam, water, sunlight, chemical processes and/or (without limitation) all other sources of power (whether now known or hereafter developed); all power houses, gas plants, street lighting systems, standards and other equipment incidental thereto; all telephone, radio, television and other communications, image and data transmission systems, air-conditioning systems and equipment incidental thereto, water wheels, water works, water systems, steam and hot water plants, substations, lines, service and supply systems, bridges, culverts, tracks, ice or refrigeration plants and equipment, offices, buildings and other structures and the

equipment thereof; all machinery, engines, boilers, dynamos, turbines, electric, gas and other machines, prime movers, regulators, meters, transformers, generators (including, but not limited to, engine-driven generators and turbogenerator units), motors, electrical, gas and mechanical appliances, conduits, cables, water, steam, gas or other pipes, gas mains and pipes, service pipes, fittings, valves and connections, pole and transmission lines, towers, overhead conductors and devices, underground conduits, underground conductors and devices, wires, cables, tools, implements, apparatus, storage battery equipment and all other fixtures and personalty; all municipal and other franchises, consents or permits; all lines for the transmission and distribution of electric current and other forms of energy, gas, steam, water or communications, images and data for any purpose including towers, poles, wires, cables, pipes, conduits, ducts and all apparatus for use in connection therewith and (except as herein or in the Mortgage expressly excepted) all the right, title and interest of the Company in and to all other property of any kind or nature appertaining to and/or used and/or occupied and/or enjoyed in connection with any property hereinbefore described;

TOGETHER WITH all and singular the tenements, hereditaments, prescriptions, servitudes and appurtenances belonging or in anywise appertaining to the aforesaid property or any part thereof, with the reversion and reversions, remainder and remainders and (subject to the provisions of Section 13.01 of the Mortgage) the tolls, rents, revenues, issues, earnings, income, product and profits thereof, and all the estate, right, title and interest and claim whatsoever, at law as well as in equity, which the Company now has or may hereafter acquire in and to the aforesaid property and franchises and every part and parcel thereof.

IT IS HEREBY AGREED by the Company that, subject to the provisions of Section 18.03 of the Mortgage, all the property, rights and franchises acquired by the Company (by purchase, consolidation, merger, donation, construction, erection or in any other way) after the date hereof, except any herein or in the Mortgage expressly excepted, shall be and are as fully mortgaged and pledged hereby and as fully embraced within the Lien of the Mortgage as if such property, rights and franchises were now owned by the Company and were specifically described herein or in the Mortgage and mortgaged hereby or thereby.

PROVIDED THAT the following are not and are not intended to be now or hereafter mortgaged or pledged hereunder, nor is a security interest therein hereby granted or intended to be granted, and the same are hereby expressly excepted from the Lien and operation of the Mortgage, namely: (1) cash, shares of stock, bonds, notes and other obligations and other securities not hereafter specifically pledged, paid, deposited, delivered or held under the Mortgage or covenanted so to be; (2) merchandise, equipment, apparatus, materials or supplies held for the purpose of sale or other disposition in the usual course of business or for the purpose of repairing or replacing (in whole or part) any rolling stock, buses, motor coaches, automobiles or other vehicles or aircraft or boats, ships or other vessels, and any fuel, oil and similar materials and supplies consumable in the operation of any of the properties of the Company; rolling stock, buses, motor coaches, automobiles and other vehicles and all aircraft; boats, ships and other vessels; all crops (both growing and harvested), timber (both growing and harvested), minerals (both in place and severed), and mineral rights and royalties; (3) bills, notes and other instruments and accounts receivable, judgments, demands, general intangibles and choses in action, and all contracts, leases and operating agreements not specifically pledged under the Mortgage or covenanted so to be; (4) the last day of the term of any lease or leasehold which may be or become subject to the Lien of the Mortgage; (5) electric energy, gas, water, steam, ice and other materials, forms of energy or products generated, manufactured, produced or purchased by the Company for sale, distribution or use in the ordinary course of its business; (6) any natural gas wells or natural gas leases or natural gas transportation lines or other works or property used primarily and principally in the production of natural gas or its transportation, primarily for the purpose of sale to natural gas customers or to a natural gas distribution or pipeline company, up to the point of connection with any distribution system; (7) the Company's franchise to be a corporation; (8) any interest (as lessee, owner or otherwise) in the Wyodak Facility, including, without limitation, any equipment, parts, improvements, substitutions, replacements or other property relating thereto; and (9) any property heretofore released pursuant to any provision of the Mortgage and not heretofore disposed of by the Company; provided, however, that the property and rights expressly excepted from the Lien and operation of the Mortgage in the above subdivisions (2) and (3) shall (to the extent permitted by law) cease to be so excepted in the event and as of the date that the Trustee or a receiver for the Trustee shall enter upon and take possession of the Mortgaged and Pledged Property in the manner provided in Article XV of the Mortgage by reason of the occurrence of a Default;

AND PROVIDED FURTHER, that as to any property of the Company that, pursuant to the after-acquired property provisions thereof, hereafter becomes subject to the lien of a mortgage, deed of trust or similar indenture that may in accordance with the Mortgage hereafter become designated as a Class "A" Mortgage, the Lien hereof shall at all times be junior and subordinate to the lien of such Class "A" Mortgage;

TO HAVE AND TO HOLD all such properties, real, personal and mixed, mortgaged and pledged, or in which a security interest has been granted by the Company as aforesaid, or intended so to be (subject, however, to Excepted

Encumbrances as defined in Section 1.06 of the Mortgage), unto The Bank of New York (as successor to JPMorgan Chase Bank, N.A.), as Trustee, and its successors and assigns forever;

IN TRUST NEVERTHELESS, for the same purposes and upon the same terms, trusts and conditions and subject to and with the same provisos and covenants as are set forth in the Mortgage, this Twentieth Supplemental Indenture being supplemental to the Mortgage;

AND IT IS HEREBY COVENANTED by the Company that all the terms, conditions, provisos, covenants and provisions contained in the Mortgage shall affect and apply to the property hereinbefore described and conveyed, and to the estates, rights, obligations and duties of the Company and the Trustee and the beneficiaries of the trust with respect to said property, and to the Trustee and its successor or successors in the trust, in the same manner and with the same effect as if the said property had been owned by the Company at the time of the execution of the Mortgage, and had been specifically and at length described in and conveyed to said Trustee by the Mortgage as a part of the property therein stated to be conveyed.

The Company further covenants and agrees to and with the Trustee and its successor or successors in such trust under the Mortgage, as follows:

ARTICLE I

Thirty-Second Series of Bonds

SECTION 1.01. There shall be a series of bonds designated "5.75% Series due 2037" (herein sometimes referred to as the Thirty-Second Series), each of which shall also bear the descriptive title "First Mortgage Bond," and the form thereof, which shall be established by or pursuant to a Resolution, shall contain suitable provisions with respect to the matters hereinafter in this Section specified.

(I) Bonds of the Thirty-Second Series shall mature on April 1, 2037 and shall be issued as fully registered bonds in the denomination of two thousand dollars and, at the option of the Company, any multiple or multiples of one thousand dollars in excess thereof (the exercise of such option to be evidenced by the execution and delivery thereof).

The Company reserves the right to establish, at any time, by or pursuant to a Resolution filed with the Trustee, a form of coupon bond, and or appurtenant coupons, for the Thirty-Second Series and to provide for exchangeability of such coupon bonds with the bonds of the Thirty-Second Series issued hereunder in fully registered form and to make all appropriate provisions for such purpose.

Bonds of the Thirty-Second Series need not be issued at the same time and such series may be reopened at any time, without notice to or the consent of any then-existing holder or holders of any bond of the Thirty-Second Series, for issuances of additional bonds of the Thirty-Second Series in an unlimited principal amount. Any such additional bonds will have the same interest rate, maturity and other terms as those initially issued, except for payment of interest accruing prior to the original issue date of such additional bonds and for the first interest payment date following such original issue date.

(II) Bonds of the Thirty-Second Series shall bear interest at the rate of five and seventy-five hundredths per centum (5.75%) per annum payable semi-annually in arrears on April 1 and October 1 of each year (each, an "Interest Payment Date"). Bonds of the Thirty-Second Series shall be dated and shall accrue interest as provided in Section 2.06 of the Mortgage.

The initial Interest Payment Date is October 1, 2007. The amount of interest payable will be computed on the basis of a 360-day year consisting of twelve 30-day months. If any date on which interest is payable on any bond of the Thirty-Second Series is not a Business Day, then payment of the interest payable on that date will be made on the next succeeding day which is a Business Day (and without any additional interest or other payment in respect of any delay), with the same force and effect as if made on such date.

Interest payable on any bond of the Thirty-Second Series and punctually paid or duly provided for on any Interest Payment Date for such bond will be paid to the person in whose name the bond is registered at the close of business on the Record Date (as hereinafter specified) for such bond next preceding such Interest Payment Date; provided, however, that interest payable at maturity or upon earlier redemption will be payable to the person to whom principal shall be payable. So long as the bonds of the Thirty-Second Series remain in book-entry only form, the "Record Date" for each Interest Payment Date shall be the close of business on the Business Day before the applicable Interest Payment Date. If the bonds of the Thirty-Second Series are not in book-entry only form, the Record Date for each Interest Payment Date shall be the close of business on the 15th calendar day of the month preceding the month of the applicable Interest Payment Date (whether or not a Business Day).

“*Business Day*” means, for purposes of this Section (II), a day other than (i) a Saturday or a Sunday, or (ii) a day on which banking institutions in The City of New York are authorized or obligated by law or executive order to remain closed.

Any interest on any bond of the Thirty-Second Series which is payable but is not punctually paid or duly provided for, on any Interest Payment Date for such bond (herein called “Defaulted Interest”), shall forthwith cease to be payable to the registered owner on the relevant Record Date for the payment of such interest solely by virtue of such owner having been such owner; and such Defaulted Interest may be paid by the Company, at its election in each case, as provided in subsection (i) or (ii) below:

- (i) The Company may elect to make payment of any Defaulted Interest on the bonds of the Thirty-Second Series to the persons in whose names such bonds are registered at the close of business on a Special Record Date (as hereinafter defined) for the payment of such Defaulted Interest, which shall be fixed in the following manner: The Company shall, at least 30 days prior to the proposed date of payment, notify the Trustee in writing (signed by an Authorized Financial Officer of the Company) of the amount of Defaulted Interest proposed to be paid on each bond of the Thirty-Second Series and the date of the proposed payment (which date shall be such as will enable the Trustee to comply with the next sentence hereof), and at the same time the Company shall deposit with the Trustee an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Trustee for such deposit on or prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the persons entitled to such Defaulted Interest as in this subsection provided and not to be deemed part of the Mortgaged and Pledged Property. Thereupon, the Trustee shall fix a record date (herein referred to as a “Special Record Date”) for the payment of such Defaulted Interest which date shall be not more than 15 nor less than 10 days prior to the date of the proposed payment and not less than 10 days after the receipt by the Trustee of the notice of the proposed payment. The Trustee shall promptly notify the Company of such Special Record Date and, in the name and at the expense of the Company, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first-class postage prepaid, to each registered owner of a bond of the Thirty-Second Series at his, her or its address as it appears in the bond register not less than 10 days prior to such Special Record Date. Notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor having been mailed as aforesaid, such Defaulted Interest shall be paid to the persons in whose names the bonds of the Thirty-Second Series are registered at the close of business on such Special Record Date and shall no longer be payable pursuant to the following subsection (ii).
- (ii) The Company may make payment of any Defaulted Interest on the bonds of the Thirty-Second Series in any other lawful manner not inconsistent with the requirements of any securities exchange on which such bonds may be listed and upon such notice as may be required by such exchange, if, after notice given by the Company to the Trustee of the proposed payment pursuant to this subsection, such payment shall be deemed practicable by the Trustee.

Subject to the foregoing provisions of this Section, each bond of the Thirty-Second Series delivered under the Mortgage upon transfer of or in exchange for or in lieu of any other bond shall carry all rights to interest accrued and unpaid, and to accrue, which were carried by such other bond and each such bond shall bear interest from such date, that neither gain nor loss in interest shall result from such transfer, exchange or substitution.

(III) The principal of and interest and premium, if any, on each bond of the Thirty-Second Series shall be payable at the office or agency of the Company in the Borough of Manhattan, The City of New York, in such coin or currency of the United States of America as at the time of payment is legal tender for public and private debts or in such other currency or currency unit as shall be determined by or in accordance with the Resolution filed with the Trustee.

(IV) Bonds of the Thirty-Second Series shall not be redeemable prior to maturity at the option of any holder or holders of such bonds. Bonds of the Thirty-Second Series shall be redeemable in whole or in part and at any time prior to maturity at the option of the Company. The redemption price shall include accrued and unpaid interest to the redemption date on the bonds to be redeemed, plus the greater of (a) one hundred per centum (100%) of the principal amount of bonds then Outstanding to be redeemed, or (b) the sum of the present values of the remaining scheduled payments of principal and interest thereon (not including any portion of such payments of interest accrued as of the redemption date) discounted to the redemption date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Adjusted Treasury Rate, plus 20 basis points, as calculated by an Independent Investment Banker. The Company shall give the Trustee notice of such redemption price immediately after the calculation thereof, and the Trustee shall have no responsibility for such calculation. If the Company elects to partially redeem the bonds of the Thirty-Second Series, the Trustee shall select in a fair and appropriate manner the bonds of the Thirty-Second Series to be redeemed.

“*Adjusted Treasury Rate*” means, with respect to any redemption date, the yield, under the heading which represents the average for the immediately preceding week, appearing in the most recently published statistical release designated “H.15(519)” or any successor publication which is published weekly by the Board of Governors of the Federal Reserve System and which establishes yields on actively traded United States Treasury securities adjusted to constant maturity under the caption “Treasury Constant Maturities,” for the maturity corresponding to the Comparable Treasury Issue (if no maturity is within three months before or after the Remaining Life, yields for the two published maturities most closely corresponding to the Comparable Treasury Issue will be determined and the Adjusted Treasury Rate will be interpolated or extrapolated from such yields on a straight line basis, rounding to the nearest month); or if such release (or any successor release) is not published during the week preceding the calculation date or does not contain such yields, the rate per annum equal to the semi-annual equivalent yield to maturity of the Comparable Treasury Issue, calculated using a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such redemption date. The Adjusted Treasury Rate will be calculated on the third Business Day preceding the redemption date.

“*Business Day*” means, for purposes of this Section (IV), a day other than (i) a Saturday or a Sunday, or (ii) a day on which banking institutions in The City of New York are authorized or obligated by law or executive order to remain closed.

“*Comparable Treasury Issue*” means the United States Treasury security selected by an Independent Investment Banker as having a maturity comparable to the remaining term of the bonds of the Thirty-Second Series to be redeemed that would be used, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of such bonds (the “Remaining Life”).

“*Comparable Treasury Price*” means (a) the average of four Reference Treasury Dealer Quotations for such redemption date, after excluding the highest and lowest Reference Treasury Dealer Quotations, or (b) if the Independent Investment Banker obtains fewer than four such Reference Treasury Dealer Quotations, the average of all such quotations.

“*Independent Investment Banker*” means one of the Reference Treasury Dealers appointed by the Company and its successors, or if that firm is unwilling or unable to serve as such, an independent investment and banking institution of national standing appointed by the Company.

“*Reference Treasury Dealer*” means: (a) each of Goldman, Sachs & Co., BNP Paribas Securities Corp. and their respective successors; provided that, if one of these parties ceases to be a primary U.S. Government securities dealer in New York City (“Primary Treasury Dealer”), the Company will substitute another Primary Treasury Dealer; and (b) up to two other Primary Treasury Dealers selected by the Company.

“*Reference Treasury Dealer Quotations*” means, with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by the Independent Investment Banker, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Independent Investment Banker at 5:00 p.m., New York City time, on the third Business Day preceding such redemption date.

(V) Each bond of the Thirty-Second Series may have such other terms as are not inconsistent with Section 2.03 of the Mortgage, and as may be determined by or in accordance with a Resolution filed with the Trustee.

(VI) At the option of the registered owner, any bonds of the Thirty-Second Series, upon surrender thereof for cancellation at the office or agency of the Company in the Borough of Manhattan, The City of New York, shall be exchangeable for a like aggregate principal amount of bonds of the same series and same terms of other authorized denominations.

(VII) Bonds of the Thirty-Second Series shall be transferable, subject to any restrictions thereon set forth in any such bond of the Thirty-Second Series, upon the surrender thereof for cancellation, together with a written instrument of transfer, if required by the Company, duly executed by the registered owner or by his, her or its duly authorized attorney, at the office or agency of the Company in the Borough of Manhattan, The City of New York. Upon any transfer or exchange of bonds of the Thirty-Second Series, the Company may make a charge therefor sufficient to reimburse it for any tax or taxes or other government charge, as provided in Section 2.08 of the Mortgage, but the Company hereby waives any right to make a charge in addition thereto for any exchange or transfer of bonds of the Thirty-Second Series.

(VIII) After the execution and delivery of this Twentieth Supplemental Indenture and upon compliance with the applicable provisions of the Mortgage and this Twentieth Supplemental Indenture, it is contemplated that there shall be issued bonds of the Thirty-Second Series in an initial aggregate principal amount of Six Hundred Million Dollars (U.S. \$600,000,000).

ARTICLE II

The Company Reserves the Right to Amend Provisions

Regarding Properties Excepted from Lien of Mortgage

SECTION 2.01. The Company reserves the right, without any consent or other action by holders of bonds of the Eighth Series, or any other series of bonds subsequently created under the Mortgage (including the bonds of the Thirty-Second Series), to make such amendments to the Mortgage, as heretofore amended and supplemented, as shall be necessary in order to amend the first proviso to the granting clause of the Mortgage, which proviso sets forth the properties excepted from the Lien of the Mortgage, to add a new exception (10) which shall read as follows:

“(10) 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, Pub. L. 101-549, Nov. 15, 1990, 104 Stat. 2399, 42 USC 7651, et seq., as now in effect or as hereafter supplemented or amended.”

ARTICLE III

Miscellaneous Provisions

SECTION 3.01. The right, if any, of the Company to assert the defense of usury against a holder or holders of bonds of the Thirty-Second Series or any subsequent series shall be determined only under the laws of the State of New York.

SECTION 3.02. The terms defined in the Mortgage shall, for all purposes of this Twentieth Supplemental Indenture, have the meanings specified in the Mortgage. The terms defined in Article I of this Twentieth Supplemental Indenture shall, for purposes of those respective Articles, have the meanings specified in Article I of this Twentieth Supplemental Indenture.

SECTION 3.03. The Trustee hereby accepts the trusts hereby declared, provided, created or supplemented, and agrees to perform the same upon the terms and conditions herein and in the Mortgage, as hereby supplemented, set forth, including the following:

The Trustee shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Twentieth Supplemental Indenture or for or in respect of the recitals contained herein, all of which recitals are made by the Company solely. Each and every term and condition contained in Article XIX of the Mortgage shall apply to and form part of this Twentieth Supplemental Indenture with the same force and effect as if the same were herein set forth in full, with such omissions, variations and insertions, if any, as may be appropriate to make the same conform to the provisions of this Twentieth Supplemental Indenture.

SECTION 3.04. Whenever in this Twentieth Supplemental Indenture either of the Company or the Trustee is named or referred to, this shall, subject to the provisions of Articles XVIII and XIX of the Mortgage, be deemed to include the successors and assigns of such party, and all the covenants and agreements in this Twentieth Supplemental Indenture contained by or on behalf of the Company, or by or on behalf of the Trustee, shall, subject as aforesaid, bind and inure to the respective benefits of the respective successors and assigns of such parties, whether so expressed or not.

SECTION 3.05. Nothing in this Twentieth Supplemental Indenture, expressed or implied, is intended, or shall be construed to confer upon, or to give to, any person, firm or corporation, other than the parties hereto and the holders of the bonds and coupons outstanding under the Mortgage, any right, remedy or claim under or by reason of this Twentieth Supplemental Indenture or any covenant, condition, stipulation, promise or agreement hereof, and all the covenants, conditions, stipulations, promises and agreements in this Twentieth Supplemental Indenture contained by or on behalf of the Company shall be for the sole and exclusive benefit of the parties hereto, and of the holders of the bonds and of the coupons outstanding under the Mortgage.

SECTION 3.06. This Twentieth Supplemental Indenture shall be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

ARTICLE IV

Specific Description of Property

The properties of the Company, owned as of the date hereof, and used (or held for future development and use) in connection with the Company's electric utility systems, or for other purposes, as follows:

A—ELECTRIC SUBSTATIONS AND SWITCHYARDS

College Place Substation

Lands in WALLA WALLA County, State of WASHINGTON

A triangular parcel of land containing 3.07 acres, more or less, being all that portion of Lot 2 (fractional NW1/4 NE1/4) of Section 1, Township 6 North, Range 35 East of the Willamette Meridian, except roads, lying and being Northwesterly of a line drawn parallel with the distant 100 feet Northwesterly of the following described center line survey of Primary State Highway No. 3. Walla to Hell's Forty, as now located and of record in the office of the Director of Highways at Olympia:

Commencing at the North Quarter of said Section 1, thence North 89°36' east, 791.7 feet to an intersection with said center line survey at Highway Engineer's Station 143+75.2 P.O.T., and the beginning of the center line description:

Thence South 51°26' West, 1004.5 feet to the West line of said Lot 2 and the end of this center line description.

EXCEPTING THEREFORE any portion lying within Larch Avenue and State Highway 125

Copper Hills Substation

Lands in SALT LAKE County, State of UTAH

A parcel of land situate in the Northwest Quarter of Section 3, Township 3 South, Range 2 West, Salt Lake Base and Meridian, Salt Lake County, Utah. The boundaries of said parcel are described as follows, to wit:

Beginning at a point which is 785.35 feet South 89°52'00" East along the section line from the Northwest Corner of said Section 3 and running thence South 89°52'00" East 309.63 feet along said section line to the Westerly right of way line of State Route 111; thence South 08°01'40" West 173.98 feet along said right of way to the Northeast corner of that certain land conveyed to Utah Power and Light; thence North 89°52'00" West 227.73 feet to the Northwest corner of said land; thence South 00°08'00" West 200.0 feet to the Southwest Corner of said land; thence North 89°52'00" West 58.00 feet; thence North 00°08'00" East 372.33 feet to the point of beginning.

Cozy Dale Substation

Lands in WEBER County, State of UTAH

A tract of land situate in the Northeast Quarter of the Northwest Quarter of Section 13, Township 5 North, Range 2 West, Salt Lake Base and Meridian, Weber County, Utah. The boundary of said tract is described as follows, to wit:

Beginning at a point which is 2077.19 feet South 89°52'11" East along the section line and 33.00 feet South 00°07'19" East from the Northwest Corner of said Section 13 and running thence North 89°52'11" East 210.24 feet, thence South 06°05'56" West 132.82 feet; thence South 41°52'56" West 125.53 feet; thence North 83°54'04" West 135.53 feet; thence North 06°05'58" East 212.00 feet to the point of beginning.

Gateway Quail Creek Substation

Lands in WASHINGTON County, State of UTAH

A parcel of land situate in Lot Five (5), Section 4, Township 42 South, Range 14 West, Salt Lake Base and Meridian, Washington County, Utah. The boundaries of said parcel are described as follows, to wit:

Beginning at a right of way marker at the intersection of the Southerly line of SR-17 and the East line of said Lot 5 which is 209.59 feet South 00°42'56" West along said East line from the Northeast Corner of said Lot 5 and running thence South 00°42'56" West, 315.26 feet along said East line to Pope Engineering Plastic survey cap and rod; thence South 47°15'53" West, 259.67 feet (record South 46°36'30" West, 259.03 feet) to a plastic survey cap and rod marker LS 4409; thence South 50°30'01" West, 374.76 feet (record South 50°20'40" West, 370.85 feet); thence North 65°29'36" West 85.11 feet; thence North 31°53'22" East, 774.97 feet (record North 32°01'03" East, 772.70 feet) to the said Southerly line of SR-17; thence North 76°28'41" East, 156.21 feet along said Southerly line to the point of beginning.

Hazelwood Substation

Lands in LINN County, State of OREGON

Lot 3 in Block 21, HAZELWOOD ADDITION to the City of Albany.

Herriman Substation

Lands in SALT LAKE County, State of UTAH

Beginning at a point which lies North 00°13'34" East, along the Section line 303.00 feet from the Southwest Corner of Section 35, Township 3 South, Range 2 West, Salt Lake Base and Meridian; and running thence North 00°13'34" East along the Section line 130.00 feet to the Southwest Corner of Josephson Subdivision; thence South 89°42'16" East, along the Southerly line of said Subdivision, 525.00 feet to a point on the Westerly line of Preston Butterfield No. 1 Subdivision; thence South 00°13'34" West, along said Westerly line 433.00 feet to a point on the Southerly line of said Section 35; thence North 89°42'16" West, along the section line 242.00 feet; thence North 00°13'34" East 303.00 feet; thence North 89°42'16" West 283.00 feet to the point of beginning, A.P.N. 26-35-351-034-0000.

Prineville Substation

Lands in CROOK County, State of OREGON

Lot Four (4) of OCHOCO PLAZA SUBDIVISION.

Three Peaks Substation

Lands in IRON County, State of UTAH

Beginning at a point North 89°39'44" East 656.59 feet from the West Quarter Corner of Section 36, Township 34 South, Range 12 West, Salt Lake Base and Meridian. Said point of being in the centerline of a 66 foot roadway right of way; thence departing said centerline running North 89°39'44" East 656.65 feet; thence South 00°08'21" West 1356.57 feet to a point in the centerline of a 66 foot roadway right of way; thence South 87°43'44" West along said centerline 660.58 feet to a point in the intersection of said roadway right of way; running thence North 00°16'45" East along the centerline of the roadway right of way 1378.89 feet to the point of beginning.

Together with a roadway easement described as follows:

Beginning at a point South 00°08'45" East 1298.15 feet from the East Quarter Corner of Section 36, Township 34 South, Range 12 West, Salt Lake Base and Meridian; said point being on the East of Section 36; thence South 00°08'45" East along the East line of said section 66.00 feet; thence South 89°29'21" West 2690.23 feet; thence South 87°43'44" West 2014.60 feet; thence North 00°16'45" East 1411.89 feet to the East-West Quarter Section line; thence North 89°39'44" East 66.00 feet; thence South 00°16'45" West 1345.89 feet; thence North 87°43'44" East 1948.60 feet; thence North 89°29'21" East 2690.23 feet to the point of beginning.

Tieton Substation

Lands in YAKIMA County, State of WASHINGTON

That portion of the East Half of the Southeast Quarter of the Northwest Quarter of Section 20, Township 14 North, Range 17 East, W.M. lying Northerly of Summitview Road, Also know as the Cowiche-Tieton Road, and Southerly of the following described line:

Commencing at the southeast corner of said Northwest Quarter; thence North 01°07'25" East along the east line thereof 944.05 feet to the Point of Beginning of said line; Thence North 88°52'35" West 357.83 feet to the northeasterly right of way line of Summitview Road and the terminus of said line. Except any portion thereof lying within the following described parcel: Beginning at the intersection of the North line of Cowiche-Tieton Road and the East line of said Northwest Quarter, said point being 509.1 feet Northerly of the monument marking the center of said section; Thence Northwesterly along said North line of the Cowiche-Titeon Road to a point 175 feet West (measured at right angles) to the East line of said Northwest Quarter; Thence Northerly Parallel with said East line 200.00 feet; Thence Easterly at right angles 175.00 feet to the east line of said Northwest Quarter; Thence Southerly 433.0 feet to the Point of Beginning. Situate in Yakima County, Washington (Assessor's Parcel No. 171420-24002).

Yew Avenue Substation

Lands in DESCHUTES County, State of OREGON

Lots Three (3) and Four (4), Pasco Industrial Subdivision.

Parcel 1 of PARTITION PLAT NO. 2006-66, a partition of Parcel 3 of PARTITION PLAT NO. 2004-102, located in the East Half of the Southeast Quarter (E1/2 SE1/4) of Section 29, Township 15 South, Range 13 East of the Willamette Meridian, City of Redmond.

B—OFFICE BUILDINGS

Madras Service Center

Lands in JEFFERSON County, State of OREGON

Tax Lots 804 and 1401, located at 1655 NW Mill Street in the City of Madras.

IN WITNESS WHEREOF, PACIFICORP has caused its corporate name to be hereunto affixed, and this instrument to be signed and sealed by an Authorized Executive Officer of the Company, and its corporate seal to be attested to by its Treasurer for and in its behalf, and The Bank of New York has caused its corporate name to be hereunto affixed, and this instrument to be signed and sealed by one of its Vice Presidents, and its corporate seal to be attested to by one of its Vice Presidents, all as of the day and year first above written.

[SEAL]

PACIFICORP

By

/s/ David Mendez

David Mendez

Senior Vice President and Chief Financial Officer

Attest:

/s/ Bruce N. Williams

Bruce N. Williams

Vice President and Treasurer

[SEAL]

THE BANK OF NEW YORK, as trustee

By

/s/ James D. Heaney

James D. Heaney

Vice President

Attest:

/s/ Francine Kincaid

Francine Kincaid

Vice President

(Twentieth Supplemental Indenture)

STATE OF OREGON)
)
COUNTY OF
MULTNOMAH) SS.:

On this 13th day of March, 2007, before me, Lore S. Boles, a Notary Public in and for the State of Oregon, personally appeared David Mendez and Bruce N. Williams, known to me to be Senior Vice President and Chief Financial Officer, Vice President and Treasurer, respectively, of PACIFICORP, an Oregon corporation, who being duly sworn, stated that the seal affixed to the foregoing instrument is the corporate seal of said corporation and acknowledged this instrument to be the free, voluntary, and in all respects duly and properly authorized act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year first above written.

[SEAL]

/s/ LORE S. BOLES
Residing at: Battle Ground, Washington

STATE OF NEW YORK)
)
COUNTY OF NEW
YORK) SS.:

On this 14th day of March, 2007, before me, Carlos R. Luciano, a Notary Public in and for the State of New York, personally appeared James D. Heaney and Francine Kincaid, known to me to be Vice Presidents of THE BANK OF NEW YORK, a New York banking corporation, who being duly sworn, stated that the seal affixed to the foregoing instrument is the corporate seal of said corporation and acknowledged this instrument to be the free, voluntary, and in all respects duly and properly authorized act and deed of said association.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year first above written.

[SEAL]

/s/ CARLOS R. LUCIANO
Notary Public, State of New York

(Twentieth Supplemental Indenture)
