

- (7) **Disposition of Requirements Slice Output and Monthly Slice to Load Test**
- (A) Requirements Slice Output (RSO) purchased by «Customer Name» under this Agreement and made available by BPA shall be used solely for the purpose of serving «Customer Name»'s Net Requirements Load. «Customer Name» shall maintain monthly documentation establishing the delivery of RSO to serve its Net Requirements Load, such as by schedule or by tag for each such month. «Customer Name» shall make such documentation available to BPA upon request.
- (B) «Customer Name»'s Slice Output energy delivered for service to Total Retail Load (Slice-to-Load energy delivery) during each month must be greater than or equal to the RSO energy amount for each such month, all as determined below.
- (i) «Customer Name»'s monthly Slice-to-Load energy delivery shall be equal to the sum of (1) «Customer Name»'s delivery schedules tagged and delivered to its Total Retail Load service area, and (2) «Customer Name»'s delivery schedules submitted to TS as loss return schedules.
- (ii) «Customer Name»'s RSO energy amount for each month shall be equal to the lesser of:
1. «Customer Name»'s Critical Slice Amount (CSA).
  2. «Customer Name»'s forecasted Net Requirement, less the sum of the Tier 1 Block Amount and Tier 2 Block Amount.
  3. «Customer Name»'s actual Net Requirement, less the sum of the Tier 1 Block Amount and Tier 2 Block Amount.
- (C) If «Customer Name»'s monthly Slice-to-Load energy delivery is greater than or equal to its RSO energy amount, then «Customer Name» shall have satisfied the requirements of the RSO Test (the "Test") for such month.

- (D) If «Customer Name»'s monthly Slice-to-Load energy delivery is not greater than or equal to its RSO energy amount, and «Customer Name»'s Actual Energy Slice Output (AESO) for the month is less than 105 percent of its RSO energy amount, then «Customer Name» shall be deemed to have satisfied the Test, provided that «Customer Name»'s Slice-to-Load energy delivery is greater than 95 percent of its AESO for such month.
- (E) If «Customer Name» does not satisfy the Test per section 3(b)(7)(C) and is not deemed to have satisfied the Test per section 3(b)(7)(D) for any month, then a penalty charge shall be assessed to «Customer Name» based on its under-delivery amount.
- (i) «Customer Name»'s under-delivery amount shall be equal to the lesser of the amount «Customer Name»'s Slice-to-Load energy delivery is less than (1) «Customer Name»'s RSO energy amount for the month, or (2) 95 percent of «Customer Name»'s AESO for the month.
- (ii) BPA plans to determine the appropriate charge at a later date and place it within the final contract offer. The nature of the charge will be determined after further regional discussion, but may be a charge to «Customer Name» equal to the product of «Customer Name»'s energy under-delivery amount and (1) the Unauthorized Increase rate for such month, (2) the peak hourly Mid-C rate for such month, or (3) twice the difference between two market index rates for such month, such as the Mid-C heavy load and Mid-C light load market index rates.
- (F) «Customer Name» may request that BPA waive the penalty charge determined in section 3(b)(7)(E)(ii) above. «Customer Name» may only request a waiver if «Customer Name» supports such request by providing BPA data demonstrating the basis for its inability to satisfy the Test. BPA shall have the sole discretion to approve or deny such request for waiver of the penalty.