

Changes to the August 19 Slice/Block Template

September 3, 2008 - Slice Customer Meeting

Notice: The list below is not exhaustive, but represents a vast majority of changes made to the 8/19 Slice/Block Template. Other minor editorial, clean-up, and formatting changes have been made and additional changes will likely be made before the document is final.

Beginning on Page 5 below, red-line language excerpted from the latest Template is included for reference.

- On August 19, BPA published a redline version of the Slice/Block Template (Template) that included edits made by BPA relative to the August 7 version. These edits were based both on the August 11 Slice meeting discussions and an internal BPA technical review of the Template.
- On August 22, BPA held a meeting to discuss the August 19 Template changes with customers, and provided a document outlining the more significant changes that appeared in that Template.
- Since August 22, BPA has continued to review and make edits to the Template based on the August 22 Slice meeting discussions, subsequent Slice customer comments provided to BPA on August 26, and a BPA executive-level review.
- Based on the August 22 meeting, the August 26 customer comments, and subsequent internal discussions regarding those comments, BPA has made the following changes to the Template:
 - Prudent Operating Decision definition was modified to remove the term “prudent” as requested by Slice customer representatives.
 - Section 3.7 - Slice representatives asked that BPA cite certain statutory requirements in this section. Upon review BPA has determined that referencing 5b(1) of the Northwest Power Act would be appropriate.
 - Section 5.5.5, notice of surplus curtailment - the Template had stated BPA would issue notice of curtailment “to all other extra regional purchasers”. This has been changed to state “all other extra regional and non-preference purchasers”. This modification was made based on concerns expressed by Slice customer representatives.
 - Section 11.2.3 - BPA reinstated language from prior drafts providing the customers a right to switch products if Slice scheduling is required by individual resource. This was requested by Slice customer representatives.
 - Exhibit F, section 5 - the requirement to provide BPA copies of resource tags was changed from a preschedule / real-time requirement to a requirement within 10 days after the end of each month as requested by Slice customer representatives.
 - Exhibit N, section 5, constraint violations - the concept behind BPA determining a customer’s course of action and whether generation levels

shall be set to zero as a penalty is now tied to how BPA would need to operate the system, and whether BPA would face consequences, under “similar conditions”.

- The following topics were also discussed at the August 22 meeting, or were submitted by customers on August 26, but changes were not made:
 - Federal Operating Decisions / Prudent Operating Decisions - these definitions were discussed at length with many failed attempts to reach full consensus. BPA explained the rationale for these being the final versions at prior meetings and at the August 22 meeting.
 - Section 3.4 - BPA representatives were under this impression this language was included in all contracts. Subsequently we researched this issue and found that the language in other requirements contracts places this provision in effect should a non-Slice customer choose to switch to Slice.
 - Section 5.5.6 - reimbursing Slice customers market value for curtailed Surplus energy would create a cost-shift to non-Slice customers. In addition, since there is no charge for Slice “capacity”, there is nothing to reimburse.
 - Section 5.6.2.5 - the RSO test has been discussed at great length, and BPA has worked with customers to develop several levels of safeguard against failing the monthly test.
 - Section 5.12.2.3 - during previous discussions with customers there was agreement not to connect SCA changes or upgrades with results of the Performance Test. Instead the agreement was to allow BPA to test changes or upgrades as they determined necessary, given the scope of the change, and as long as compliance with section 5.1 is maintained while assuring other portions of the SCA do not malfunction.
 - Section 17.1 - BPA representatives agreed on August 22 that this language should be reciprocal, but after subsequent internal discussion, Power Services determined that because the language is included in the final Load Following template that has already been offered to customers, the change cannot be accommodated.
 - Exhibit A, section 1.1 - BPA’s General Counsel advises that the contract can state that the issue will be arbitrated but a binding arbitration requires a separate agreement under BPA/DOJ binding arbitration policy, and stating binding arbitration here is not consistent with that BPA policy.
- In addition to the changes above, based on BPA’s executive-level and technical review of the Template, BPA has made various additional edits, most of which correct errors, clarify language, or conform the Template to established criteria. The following is a list of additional changes that have been made:
 - Main body definitions with non-material edits:
 - ASOE

- BOS Flex
 - BOS Module
 - Delivery Limits
 - Elective Sill
 - H/K
 - Interim Slice Implementation Procedures
 - SCA
 - Simulator
 - Slice/Block PSA
 - Slice/Block Product
 - Slice Output Energy
 - Slice Percentage
 - Storage Content
 - Storage Energy
- Main body definitions with material edits:
 - “Flat Annual Shape” definition - was clarified to state the shape has the same energy value in all hours of the year, rather than all months of the year.
 - “Monthly Reimbursement Value” definition - the rate at which BPA will reimburse customers for curtailed surplus energy is a calculated effective rate determined by dividing the monthly “Customer Charges” by the sum of the ASOE and the curtailed surplus energy. The Customer Charges are defined by reference to section 5 of the TRM.
 - “Peak Net Requirement” definition - the reference to “maximum purchase amount” was removed such that what remains represents a calculation of the peak TRL minus the peak resource amount. The resulting value is now limited to no less than zero.
 - “Preliminary Slice Agreement” definition - deleted, including all references throughout the Template.
 - “Transmission Curtailment Management Services definition – deleted, no reference within the document.
 - Section 3.2 - second half of the paragraph has been made consistent with the first half of the paragraph.
 - Section 3.7 - clarified that the “limit” that may be applied is equal to a customer’s Peak Net Requirement.
 - Section 5.1, third paragraph - the term “Energy” was inserted after “Slice Output”, as this language speaks to energy available to meet load.
 - Section 5.6 (RSO Test) - section headings were added throughout such that the section is easier to follow.

- Section 5.6.2.4 - if a customer meets the 105 / 95 criteria, they will have satisfied the RSO test as opposed to being deemed to have satisfied the test.
- Section 5.8.1.6 - definition of “Incremental Cost” for CGS was revised to remove any indication that Power Services “operates” CGS.
- Section 5.8.2 - the timing of the first election to not participate in CGS displacement was moved from January 2011 to January 2012, since February through September 2011 does not fall within the dates of delivery under the agreement. This means customers will not have an election for October through January 2011 (very unlikely any Displacement will occur).
- Section 5.10.1.2 - definition for “Interim Slice Operating Procedures” was corrected by changing the trigger for implementing Ex O from “if the SCA Functionality Test fails”, to “if the SCA Implementation Date occurs after 10/1/2011”, which captures the failure of either the Functionality or Performance test.
- Section 5.10.3 - section heading was corrected and changed to SCA Implementation Date rather than SCA Passes Functionality Test.
- Section 5.10.5 - all references to “Slice Output Energy amounts” were changed to “Delivery Requests”
- Section 11.2.4 - the waiver of claims for damages was expanded to include all of section 11 rather than just section 11.2.
- Exhibit I - the introductory paragraph was corrected to state the annual determination of the AARTISC applies to the “upcoming Fiscal Year”, rather than “each FY of the applicable Rate Period”.
- Exhibits J and K - the Slice Percentages stated within these exhibits will be entered as both a percentage xx.xxxxx% and a numerical value 0.xxxxxxx to avoid the confusion that occurred with implementation of the current agreement.
- Ex M, section 3.5.3.4 - the days (M, Tu, etc) selected for the ramp down tests have been corrected to match up with the calendar dates. The M, Tu designations were from 2009, while the calendar dates reflect 2010.
- Ex M, section 4.2.4 - clarified that a non-zero day-total BOS Flex amount would result in a “compensating adjustment” to the BOS deviation rather than be “added to” the BOS deviation.
- Ex P - slight modification to Functionality Test milestone and date, and added a revisions section stating the dates are subject to change and the exhibit would be revised for significant changes.
- Ex Q - revised several dates such that there is no longer conflict between the timing of various tasks.

Excerpted Template Language, in the order they appear in the Template:

- 2.6 “Actual Slice Output Energy” or “ASOE” (08/2815/08 Version) -means the actual amount of «Customer Name»’s Slice Output Energy BPA makes available to «Customer Name» at the Scheduling Point of Receipt.
- 2.24 “Block Product” (08/2815/08 Version) -means a planned amount of ~~BPA’s~~ Firm Requirements Power sold to «Customer Name» to meet a portion of its regional consumer load pursuant to the terms set forth in section 4 of this Agreement.
- 2.29 “BOS Flex” (08/2815/08 Version) -means the amount by which the BOS Base can reasonably be reshaped within a given calendar day by utilizing the flexibility available ~~in~~from the Lower Snake Complex.
- 2.30 “BOS Module” (08/2815/08 Version) means the Slice Computer Application module that is used to determine «Customer Name»’s available Slice Output Energy and Delivery Limits available from the BOS Complex.
- 2.49 “Delivery Limits” (08/2815/08 Version) means the limits that govern the availability of Slice Output and the scheduling of Slice Output Energy by «Customer Name» as determined by BPA ~~pursuant to this Agreement~~, and implemented through the Slice Computer Application.
- 2.57 “Elective Spill” (08/2815/08 Version) -means Spill other than Bypass Spill or Fish Spill that occurs at a hydroelectric project and is within such project’s available turbine capacity such that the Spill may otherwise~~could~~ be utilized to produce energy.
- 2.70 “Flat Annual Shape” (08/2815/08 Version) -means a distribution of energy having the same ~~average megawatt~~ value of energy in all ~~hours each month~~ of the year.
- 2.78 “H/K” (08/2815/08 Version) means, prospectively, a hydroelectric project’s water-to-energy conversion factor used to forecast such project’s potential energy production, ~~expressed in MW~~, per unit of turbine discharge, expressed ~~as~~ in MW per kcfs, or retrospectively, for any given period of time, the value equal to a hydroelectric project’s average Net Generation, ~~expressed in MW~~, divided by such project’s average turbine discharge, expressed ~~as~~ in MW per kcfs.
- 2.88 “Interim Slice Implementation Procedures” (08/2815/08 Version) shall have the meaning as defined in section 5.10.1.2, ~~and as set forth on Exhibit O.~~

- 2.99 “Monthly Reimbursement Value” (08/2815/08 Version) -means the value determined by dividing the amount «Customer Name» is billed for a month under ~~the applicable its~~ Customer Charges TOCA, as described pursuant to section 5.1 of the TRM, by the sum of (1) «Customer Name»’s ASOE for such month and (2) the amount of «Customer Name»’s Surplus Slice Output energy that is curtailed during such month.
- 2.114 “Peak Net Requirement” (08/2815/08 Version) means «Customer Name»’s ~~the maximum hourly amount of energy, expressed in MW, that «Customer Name» is entitled to purchase from BPA to serve its hourly~~ peak Total Retail Load, minus the total hourly peak capability of its Dedicated Resources, expressed in MW, as specified in Exhibit A. The Peak Net Requirement shall not be less than zero.
- 2.124 “Prudent Operating Decision” (08/2815/08 Version) means a decision made by Power Services operations staff ~~who,~~ in their exercise of reasonable judgment, ~~determine~~ that modifies the a prudent operating range ~~shall be~~ applied to any project or projects that comprise the FCRPS for the purpose of meeting any BPA obligation, including but not limited to Federal Operating Decisions, except actions taken by Power Services solely to enhance surplus power marketing.
- 2.138 “SCA” or “Slice Computer Application” (08/2815/08 Version) means BPA’s proprietary computer hardware, software and related processes, developed, updated and maintained by BPA and consisting of: (1) the Simulator; (2) the BOS Module; (3) the Default User Interface; and ~~(4)w~~ other related processes, including but not limited to used for communications, scheduling, electronic tagging and accounting for Slice Output Energy, all as described in Exhibit M.
- 2.146 “Simulator” or “Slice Water Routing Simulator” (08/2815/08 Version) means the Slice Computer Application (SCA) module used to determine «Customer Name»’s ~~available~~ Slice Output available from associated with the Simulator Projects.
- 2.152 “Slice/Block Power Sales Agreement” (08/2815/08 Version) means this Agreement and all other BPA-agreements with Slice Customers that provide for the sale of the Slice/Block Product.
- 2.153 “Slice/Block Product” (08/2815/08 Version) means «Customer Name»’s purchase ~~obligation under of~~ the Slice Product and the Block Product to meet its regional consumer load obligation as described in section 3.1.
- 2.157 “Slice Output Energy” (08/2815/08 Version) means the energy made available to «Customer Name» under the Slice Product ~~pursuant to this Agreement.~~

- 2.158 “Slice Percentage” *(08/2815/08 Version)* means the percentage set forth in section 2 of Exhibit K applicable during each Fiscal Year that is used to determine the Slice Output that is made available to «Customer Name» ~~pursuant to this Agreement.~~
- 2.169 “Storage Content” *(08/2815/08 Version)* means the amount of water stored in a project’s reservoir, expressed in thousands of second-foot-days (ksfd). The Storage Content is typically calculated based on a conversion of such reservoir’s measured forebay elevation, expressed in feet, ~~to ksfd~~~~accomplished~~ through the use of an established elevation-to-content conversion table.
- 2.170 “Storage Energy” *(08/2815/08 Version)* means the amount of energy that would be produced if a project released a specified amount of Storage Content and is determined by multiplying such Storage Content by a specified H/K, such as the project’s at-site H/K or the combined H/K of the project and ~~specified~~~~all~~ downstream projects.
- 2.177 “Tier 1 Block Amount” *(08/15/08 Version)* means the amount of Firm Requirements Power made available to «Customer Name» under the Block Product that is sold at Tier 1 Rates.
- 2.185 “Tier 2 Block Amount” *(08/15/08 Version)* means the amount of Firm Requirements Power made available to «Customer Name» under the Block Product that is sold at Tier 2 Rates.
- 3.2 **Take or Pay** *(08/2907/08 Version)*
 «Customer Name» shall pay rates established by BPA in a 7(i) Process, for (1) the amounts of Firm Requirements Power that BPA makes available under the Block Product that «Customer Name» ~~has committed~~~~is obligated~~ to purchase pursuant to section 3.1(1), and (2) the Slice ~~Output Product~~, including the amounts of Slice Output Energy that BPA makes available under the Slice Product that «Customer Name» is obligated to purchase pursuant to section 3.1(2).~~»~~ «Customer Name» shall pay such rates regardless of whether or not «Customer Name» takes delivery of such amounts of power ~~at the Scheduling Point of Receipt.~~

3.3.1.1 Application of Specified Resources

«Customer Name» shall use the output of all Specified Resources, listed in section 2 of Exhibit A, to serve «Customer Name»’s Total Retail Load. BPA shall determine «Customer Name»’s Net Requirement,

using the amounts listed in the then current Exhibit A for each Fiscal Year. The amounts listed are not intended to interfere with «Customer Name»'s ~~decisions on~~ operation of its Specified Resources.

3.4 ~~Current~~ **Standard for Calculating Resource Peak Amounts** «Customer Name»'s Specified Resources' peak amounts are set forth in Exhibit A ~~for its Specified Resources~~ and have been established pursuant to the Declaration Parameters set forth in the BPA Power Product Catalog current as of October 1, 2006. If BPA revises such Declaration Parameters in order to incorporate different peak capability determination standards: (1) as established by the Northwest Power and Conservation Council as part of its regional resource adequacy process; (2) as used in PNCA regional resource planning; or (3) as used by BPA to determine the peak capability of the Tier 1 System Resources, then BPA will provide written notice to «Customer Name» that BPA has adopted revised Declaration Parameters that incorporates such new standards. Within 180 days of such notice BPA shall, in consultation with «Customer Name», recalculate peak amounts for each Specified Resource listed in section 2 of Exhibit A in accordance with such revised Declaration Parameters. BPA shall revise Exhibit A to update the applicable tables with such peak amounts determined in accordance with this section 3.4, and such revised Exhibit A shall take effect beginning ~~within~~ the first Fiscal Year of the next Rate Period.

3.5.6 **Resource Additions for Annexed Loads**

If «Customer Name» acquires an Annexed Load after the Effective Date, «Customer Name» shall add Dedicated Resources to Exhibit A to serve amounts of such load for which «Customer Name» did not receive a CHWM addition pursuant to section 1.2.2 of Exhibit B. «Customer Name» shall serve such load with Dedicated Resources for the remainder of the Purchase Period during which «Customer Name» acquires such load. «Customer Name» may only purchase Firm Requirements Power at Tier 2 Rates to serve such Annexed Load amounts, if «Customer Name» has provided BPA with its election ~~by a Notice Deadline~~ for such power purchase at Tier 2 Rates in accordance with section 9 ~~during the corresponding Purchase Period.~~

3.7 **Application of Peak Net Requirement During Periods When the Peak Capability of the Tier 1 System is Constrained** «Customer Name»'s Peak Net Requirement shall be determined by BPA pursuant to section 5b(1) of the Northwest Power Act and section 1 of Exhibit A of this Agreement. BPA shall have the right,

upon written notice to «Customer Name», to develop a methodology that redetermines BPA's total peak net requirement load and the Federal capacity available for service. BPA's review shall describe the terms and conditions under which BPA may limit «Customer Name's access to capacity from the Tier 1 System to its Peak Net Requirement during periods when such capacity is constrained. Such limits may be implemented through~~included in~~ the Slice Computer Application. Following BPA's notice to «Customer Name» of its intent to develop such a methodology, BPA shall conduct a public process for the public review, evaluation and adoption of such methodology, including, without limitation, a formal public comment process and record of decision. Any methodology so adopted shall not be implemented by BPA under this Agreement until the beginning of the first Fiscal Year following the date upon which the record of decision adopting such methodology is issued.

4.1 **Block Product General Description**

The Block Product is sold to provides a planned amount of Firm Requirements Power to serve a portion of «Customer Name's Annual Net Requirement.

4.2.2 **Tier 2 Block Amount Shape**

Tier 2 Block Amounts sold to and purchased by «Customer Name» for its load, shall only be made available by BPA to «Customer Name» in a Flat Annual Shape.

4.4 **Annual Tier 2 Block Amounts**

The annual Tier 2 Block Amounts, if any, sold to and purchased by «Customer Name» shall be specified in section 2 of Exhibit C.

Section 5.1

The Slice Product does not provide «Customer Name» any rights to utilize Tier 1 System Resources for within-hour energy or capacity services, including but not limited to dynamic scheduling, self-supply of operating reserves, and self-supply of energy imbalance. Slice Output Energy is scheduled firm for the hour of delivery.

Section 5.2, Third Paragraph:

BPA does not guarantee that the amount of Slice Output Energy made available under the Slice Product, combined with Firm Requirements Power made available under the Block Product, will be sufficient to meet «Customer Name's regional consumer load, on an hourly, daily, weekly, monthly, or annual basis.

5.3.1 Preliminary Slice Percentage

«Customer Name»'s Preliminary Slice Percentage shall be ~~determined pursuant to the Preliminary Slice Percentage Agreement, and shall be~~ as specified in section ~~12~~ of Exhibit J as of the Effective Date.

5.3.2 Initial Slice Percentage

«Customer Name»'s Initial Slice Percentage shall be ~~equal to its Preliminary Slice Percentage, except as otherwise adjusted determined~~ pursuant to ~~section 4 of~~ Exhibit Q. No later than May 1, 2011, BPA shall revise section ~~23~~ of Exhibit J to state «Customer Name»'s Initial Slice Percentage.

5.4 Critical Slice Amount

BPA shall determine «Customer Name»'s Critical Slice Amount ~~for Fiscal Year 2012~~ no later than 15 days prior to the first day of ~~Fiscal Year 2012~~, and ~~for each subsequent Fiscal Year no later than 15 days prior to the first day of~~ for each ~~such Fiscal Year thereafter~~, using the procedure described in section 2 of Exhibit I.

5.5.2 All sales of Surplus Slice Output by «Customer Name» for use outside the Region, or to parties not serving firm retail load in the Region, are subject to the provisions of the Pacific Northwest Consumer Power Preference Act and section 9(c) of the Northwest Power Act, and BPA and «Customer Name» acknowledge their respective responsibilities thereunder.

5.5.4 Pursuant to the Pacific Northwest Consumer Power Preference Act ~~and section 9(c) of the Northwest Power Act~~, BPA shall have the right to curtail all or a portion of «Customer Name»'s (1) Surplus Slice

5.5.5 If BPA issues a notice of curtailment pursuant to section 5.5.4, then it shall concurrently issue notices of curtailment, recall, or termination to all other extra regional and non-preference purchasers to whom BPA has sold Surplus Firm Power, or surplus capacity, for durations longer than specified in the notice, provided that such sales agreements contain provisions that allow for recall, curtailment or termination.

5.6.2 Requirements Slice Output Test

5.6.2.1 Submission of Monthly Actual Total Retail Load Data

On or before the 10th Business Day of each calendar month, «Customer Name» shall submit to BPA its

actual Total Retail Load for the preceding calendar month, expressed in MWh.

5.6.2.2 **RSO Test**

BPA shall compare (1) «Customer Name»'s Slice Output Energy delivered to its actual Total Retail Load plus loss return schedules to Transmission Services (Slice-to-Load Delivery) during each month with (2) «Customer Name»'s RSO for each such month. Such comparison is the monthly RSO Test.

5.6.2.3 **Notification of Results of RSO Test**

On or before the 20th Business Day of each calendar month, BPA shall notify «Customer Name» in writing of the results of the RSO Test conducted pursuant to section 5.6.2.2.

5.6.2.4 **Conditions that Result in Passage of RSO Test**

(1) _____ If «Customer Name»'s Slice-to-Load Delivery in a month is greater than or equal to its RSO for such month, then «Customer Name» shall have satisfied the requirements of the RSO Test for such month; ~~or, and the provisions of sections 5.6.2.5 through 5.6.2.7 shall not apply.~~

~~5.6.2.5~~ ~~If «Customer Name»'s Slice to Load Delivery in a month is less than its RSO for such month, then:~~

~~(2)~~ If «Customer Name»'s Slice-to-Load Delivery in a month is less than its RSO for such month, but if «Customer Name»'s Actual Slice Output Energy (ASOE) for the month is less than 105 percent of its RSO, and «Customer Name»'s monthly Slice-to-Load Delivery is greater than 95 percent of its ASOE for such month, then ~~BPA shall deem «Customer Name» to shall~~ have satisfied the RSO Test for such month; ~~or,~~

5.6.2.5 Conditions Under Which BPA May Deem «Customer Name» to Have Satisfied the RSO Test

~~(12)~~ If «Customer Name» has not satisfied the requirements of the RSO Test pursuant to section 5.6.2.4, «Customer Name» may, ~~W~~within 14 calendar days after BPA provides «Customer Name» with written notice of the

RSO Test results pursuant to section 5.6.2.3, ~~«Customer Name» may~~ provide BPA with data that demonstrates «Customer Name» took reasonable and prudent actions to otherwise satisfy the RSO Test for such month. Such data may include analysis indicating «Customer Name» satisfied the RSO Test in each of two distinct periods of 10 or more consecutive days within the month. If Power Services determines such data and/or analysis demonstrates such compliance, then BPA shall deem «Customer Name» to have satisfied the RSO Test for such month. BPA shall have the sole discretion to determine whether «Customer Name» shall be deemed to have satisfied the RSO Test pursuant to this section 5.6.2.5(12). BPA shall, no later than 14 calendar days following the day «Customer Name» provides such supporting data and/or analysis, notify «Customer Name», in writing, of its decision as to whether or not «Customer Name» shall be deemed to have satisfied the RSO Test, and the basis for such decision.

~~(2)5.6.2.6~~—If recurring conditions exist that result in BPA repeatedly deeming «Customer Name» to have satisfied the RSO Test, BPA and «Customer Name» shall collaboratively develop documentation, through a separate letter agreement, that establishes for a specified prospective time period the conditions under which BPA shall deem «Customer Name» to have satisfied the RSO Test.

5.6.2.67 Conditions that Result in Failure of RSO Test and Associated Penalty

If «Customer Name» fails to satisfy the RSO Test per section 5.6.2.45, and is not deemed by BPA to have satisfied the RSO Test pursuant to sections ~~5.6.2.5 or 5.6.2.6~~ for any month, then a penalty charge shall be assessed as follows for that month:

- (1) The penalty charge shall be equal to «Customer Name»'s under-delivered amount for such month multiplied by the UAI Charge for energy for each such month.
- (2) The under-delivered amount for such month is equal to the lesser of the amount «Customer

Name’s monthly Slice-to-Load Delivery is less than (1) **«Customer Name»**’s RSO for the month, or (2) if section 5.6.2.45(2) is applicable, then 95 percent of **«Customer Name»**’s ASOE for the month.

5.7 **Northwest Power Act Section 6(m) Resource Acquisitions Under Section 6(m) of the Northwest Power Act**

«Customer Name» retains all rights to participate in any BPA major resource acquisitions pursuant to section 6(m) of the Northwest Power Act.

5.8.1.6 “Incremental Cost” means the additional costs that Power Services would have incurred if ~~it~~CGS had been operated ~~CGS~~ at full capability, and ~~had not instituted~~ CGS Displacements had not been instituted, including the costs of nuclear fuel and variable operations and maintenance costs, expressed in dollars per MWh.

5.8.2 **CGS Displacement Election**

No later than January 31, 201~~2~~1, and no later than January 31 of each calendar year thereafter during the term of this Agreement, **«Customer Name»** shall provide Power Services written notice stating whether or not it elects to participate in CGS Displacements for the Election Year that begins on the following day. Such election shall be irrevocable for each such Election Year, and shall apply to all CGS Displacements implemented by Power Services during such Election Year.

5.8.4.3 Following the end of each ~~Election~~ Fiscal Year, **«Customer Name»** shall pay an amount equal to **«Customer Name»**’s balance in the accumulated Additional Energy account multiplied by the Incremental Cost and such account balance shall be set to zero for the beginning of the subsequent ~~Election~~ Fiscal Year. Such amount shall be included on ~~«Customer Name»’s the~~ next power bill immediately after the end of the ~~Election~~ Fiscal Year.

5.9 **Treatment of RHW Augmentation**

«Customer Name» shall ~~be entitled to~~ purchase and receive a share of RHW Augmentation in an amount equal to **«Customer Name»**’s Slice Percentage multiplied by the RHW Augmentation for each Fiscal Year, as set forth in Exhibit L.

5.10.1.2 “Interim Slice Implementation Procedures” means the procedures set forth in Exhibit O that will be used on an interim basis to determine «Customer Name»’s available Slice Output and Delivery Limits in the event the SCA Implementation Date occurs after October 1, 2011, fails the SCA Functionality Test pursuant to section 5.10.32.

5.10.3 SCA Implementation Date Passes SCA Functionality Test

5.10.5.2 Updates to Preschedule Values

Using the same criteria as set forth in section 5.10.5.1, BPA shall revise «Customer Name»’s Customer Inputs, and submit to «Customer Name» its revised Slice Output Energy amounts Delivery Requests, as needed to reflect BPA’s latest estimated generation, inflow and BOS Base values (1) by 1800 hours on the day prior to delivery, and (2) by 60 minutes prior to the beginning of each hour of delivery.

5.10.5.3 Submission of Electronic Tags

«Customer Name» shall submit electronic tags to Power Services on preschedule and real time, pursuant to Exhibit F, which shall indicate hourly Slice Output Energy amounts Delivery Requests established under this section 5.10.5.

- (1) If energy amounts indicated on «Customer Name»’s electronic tags are greater than its hourly Slice Output Energy amounts Delivery Requests, then «Customer Name» shall receive the electronic tag amounts and shall be charged at the UAI Charge for the energy that is in excess of the Slice Output Energy amount.
- (2) If energy amounts indicated on «Customer Name»’s electronic tags are less than its hourly Slice Output Energy amounts Delivery Requests, then «Customer Name» shall receive the electronic tag amounts and shall forfeit the remaining Slice Output Energy amount.

5.14.1.1 Determination of Interest Rate

Interest shall be computed ~~upon~~ and added to the Slice True-Up Adjustment Charge using the daily simple interest rate. The daily simple interest rate shall be the Prime Rate for Large Banks as reported

in the Wall Street Journal or successor publication in the first issue of the Fiscal Year in which the Slice True-Up Adjustment Charge is calculated, divided by 365. The daily simple interest rate will be fixed on the first day of the Fiscal Year in which the Slice True-Up Adjustment Charge is calculated for the time periods specified under section 5.14.1.2.

Section 10.3, second paragraph:

If «Customer Name» does not provide BPA ~~with such timely~~ notice as provided herein, then BPA shall determine the order of and associated amounts of Existing Resource removal for the upcoming Fiscal Year.

11.1.4 Change Confirmation

Within 30 days of BPA's presentation to «Customer Name» of the additional charges determined in section 11.1.3, «Customer Name» shall provide BPA with written notice whether it wishes to proceed with its request to change its purchase obligation. If «Customer Name» does not provide BPA with such confirmation, then «Customer Name»'s existing purchase obligation identified in section 3 shall continue ~~to apply~~.

11.2.3 Changes to Transmission Scheduling Practices

«Customer Name» may change its purchase obligation to that stated in section 11.2.4 by providing written notice to BPA in accordance with section 20 not later than 60 calendar days after BPA, or its successor, adopts standards, rules, practices or procedures, that require «Customer Name» to schedule hourly energy based on Point of Receipt and an energy amount (in megawatts) for each of the Tier 1 System Resources from which «Customer Name» may receive Slice Output under this Agreement. Unless the Parties agree otherwise, the effective date of the contingent contract amendment shall be October 1 of the Fiscal Year following the date BPA adopts such policy.

11.2.~~5~~4 Waiver of Certain Claims for Damages

In the event that «Customer Name» changes its purchase obligation in accordance with this section 11.~~2~~, «Customer Name» agrees not to seek and hereby waives the right, if any such right exists, to pursue any claim for damages from BPA due to any such change. This waiver is limited to any claims «Customer Name» may have arising from changes to «Customer Name»'s purchase obligation under this section 11.~~2~~. This waiver has no application to, and «Customer Name» hereby expressly preserves, any claims for damages arising under any other section of this Agreement.

Exhibit A, section 1.1, second paragraph:

«Customer Name» may submit to arbitration under section 22 of the body of the Agreement the issue of the reasonableness of BPA's forecast of «Customer Name»'s Total Retail Load used by BPA to fill in the table below. Such arbitration shall not include issues of the interpretation or application of BPA's policies with respect to such forecast, including without limitation BPA's 5(b)/9(c) Policy.

1.2 Forecast of Net Requirements

By September 15, 2011, and by each September 15 thereafter, BPA shall calculate, and fill in the table below with, «Customer Name»'s Net Requirement forecast for the upcoming Fiscal Year by month. «Customer Name»'s Net Requirement forecast equals «Customer Name»'s Total Retail Load forecast, shown in section 1.1 above, minus «Customer Name»'s Dedicated Resource amounts, shown in section 5 below. In no event shall «Customer Name»'s planned Firm Requirements Power purchased for a Fiscal Year under this Agreement exceed «Customer Name»'s Net Requirement forecast for the Fiscal Year.

Exhibit F:

3.2 Schedules of Slice Output Energy submitted to Power Services by «Customer Name» ~~for preschedule~~ shall comply with period-average and period-ending Delivery Limits ~~or operating limits~~ established in the Slice Computer Application.

3.3.1 For the purpose of approving requests for deliveries of Slice Output Energy, Power Services shall approve electronic tags, as described in section 3.3.2 below, that «Customer Name» submits to Power Services' consistent with section 3.2 above prior to the Power Services scheduling deadline, as specified in Section 4 of this exhibit.

4.2 Real-Time Electronic Tag Submission Deadline

Power Services shall approve electronic tags, as described in section 3.3.2 of this exhibit, that are consistent with section 3.2 of this exhibit and submitted to Power Services by «Customer Name» prior to the Power Services' scheduling deadline, which is 30 minutes prior to the start of each Scheduling Hour.

5. SCHEDULING OF DEDICATED RESOURCES

No later than 10 days following the end of each month, «Customer Name» agrees that it will electronically copy Power Services on all electronic tags that were created or modified ~~submitted~~ during the previous month in association with the delivery of «Customer Name»'s Dedicated Resources, if any, listed in sections 2, 3, and 4 of Exhibit A.

Exhibit I:**1. ESTABLISHING ADJUSTED ANNUAL RHW TIER 1 SYSTEM CAPABILITY**

No later than 90 days prior to the start of each Fiscal Year, beginning with FY 2012, and no later than 90 days prior to each Fiscal Year thereafter, BPA shall determine the annual and monthly Average Megawatt amounts of Adjusted Annual RHW Tier 1 System Capability for the upcoming each Fiscal Year ~~of the applicable Rate Period.~~

Exhibit J:**1. DEFINITIONS**

Drafter's Note: Enter contract number below

1.1 ~~“Preliminary Slice Percentage Agreement” means Contract No. 09PB-«XXXXX#####» entered into by BPA, «Customer Name», and all other Slice Customers, pursuant to which the Preliminary Slice Percentage is determined.~~

Drafter's Note: Enter Preliminary Slice Percentage Below

12. PRELIMINARY SLICE PERCENTAGE

«Customer Name»'s Preliminary Slice Percentage is as specified below: ~~determined in accordance with the~~ Preliminary Slice Percentage Agreement ~~is equal to~~ «xx.xxxxx»%, or 0.xxxxxxx as a decimal value.

Drafter's Note: This percentage below to be left blank at contract signing

23. INITIAL SLICE PERCENTAGE

«Customer Name»'s Initial Slice Percentage shall be determined in accordance with section 4 of Exhibit Q. Promptly following such determination, BPA shall enter «Customer Name»'s Initial Slice Percentage below:

Initial Slice Percentage = xx.xxxxx%, or 0.xxxxxxx as a decimal value.

34. REVISIONS

No later than May 1, 2011, BPA shall revise section 23 of this Exhibit J to enter «Customer Name»'s Initial Slice Percentage.

Exhibit K:**1.3 Determination of Slice Percentage**

By September 15, 2011, and by each September 15 thereafter, BPA shall determine «Customer Name»'s Slice Percentage by adjusting Customer Name's Initial Slice Percentage, as set forth in section 2 of Exhibit J, using the procedure set forth below.

1.3.1 **Annual Net Requirement Greater Than or Equal to the Product of AART1SC*ISP*SPAR**

If «Customer Name»'s Annual Net Requirement is greater than or equal to the product of (1) the Adjusted Annual RHWM Tier 1 System Capability, (2) «Customer Name»'s Initial Slice Percentage, and (3) the SPAR, then «Customer Name»'s Slice Percentage shall be set equal to its Initial Slice Percentage multiplied by the SPAR. ~~BPA shall enter «Customer Name»'s Slice Percentage so computed into the table in section 2 as a percentage rounded to the fifth digit.~~

1.3.2 **Annual Net Requirement Less Than the Product of AART1SC*ISP*SPAR**

If «Customer Name»'s Annual Net Requirement is less than the product of (1) the Adjusted Annual RHWM Tier 1 System Capability, (2) «Customer Name»'s Initial Slice Percentage, and (3) the SPAR, then «Customer Name»'s Slice Percentage shall be set equal to the ratio determined by dividing (A) the product of «Customer Name»'s Tier 1 Purchase Amount and the SPAR, by (B) the Adjusted Annual RHWM Tier 1 System Capability. ~~BPA shall enter «Customer Name»'s Slice Percentage so computed into the table in section 2 as a percentage rounded to the fifth digit.~~

2. SLICE PERCENTAGE

~~BPA shall enter «Customer Name»'s Slice Percentage calculated pursuant to section 1.3 of this exhibit into the table below as a percentage rounded to the fifth digit, and as a decimal value rounded to the seventh digit.~~

~~Customer Name»'s Initial Slice Percentage, as set forth in section 3 of Exhibit J shall be adjusted for each Fiscal Year in accordance with this Exhibit K.~~

Exhibit L:

2. MODELING OF RHWM AUGMENTATION IN THE SLICE COMPUTER APPLICATION

The amounts of RHWM Augmentation listed in section 1 of this ~~E~~exhibit ~~L~~ will be ~~made available to «Customer Name» as a component of the BOS Base amount as determined by the BOS Module pursuant to section 4.4.1 of Exhibit M, and shall be made available to «Customer Name» in a Flat Annual Shape for the applicable Fiscal Year, as determined by the BOS Module.~~

Exhibit M:

2.1 “Algorithm Tuning Parameters” means factors, coefficients, or variables that are embedded within Simulator algorithms or formulas and are adjusted by Power Services as needed to appropriately implement provisions of this Agreement necessary to maintain

~~Simulator outputs that are in compliance with the accuracy criteria defined in section 3.5.3 of this exhibit.~~

2.6 “Simulator Initialization Time” means the ~~date and that represents the beginning of the first one-hour period of time at which a Simulator run is initialized, designating the starting time for~~ the Simulator Modeling Period.

3.1.1 The Simulator will be managed, updated and maintained by BPA. «Customer Name» shall have access to the Simulator for the purpose of running various Simulated Operating Scenarios.

4.1.1 The BOS Base amount, for each hour, shall be equal to the sum of (1) Power Services’ latest planned or scheduled generation amounts associated with the BOS Complex projects, (2) the amount of Elective Spill Power Services implements on the BOS Complex projects, (3) the ~~amount of energy associated with~~ RHWM Augmentation, as described in Exhibit L, and (4) the forecast amount of energy associated with Tier 1 System Obligations. Tier 1 System Obligations will be netted against or added to the BOS Complex generation as appropriate. Energy associated with RHWM Augmentation included in the BOS Base amount shall be applied in equal amounts each hour of each FY.

Section 3.5.3.4, Ramp-down Dates:

(3) The ramp down test dates will be:
 January 7-8 (~~W-Th-F~~) and 16-17 (~~F-Sa-Su~~), 2010,
 February 4-5 (~~W-Th-F~~) and 24-25 (~~Tu-W-Th~~), 2010,
 March 10-11 (~~Tu-W-Th~~) and 22-23 (~~Su-M-Tu~~), 2010,
 April 2-3 (~~Th-F-Sa~~) and 19-20 (~~Su-M-Tu~~), 2010,
 May 6-7 (~~W-Th-F~~) and 27-28 (~~W-Th-F~~), 2010,
 June 9-10 (~~Tu-W-Th~~) and 21-22 (~~Su-M-Tu~~), 2010,
 July 1-2 (~~W-Th-F~~) and 30-31 (~~Th-F-Sa~~), 2010,
 August 12-13 (~~W-Th-F~~) and 20-21 (~~Th-F-Sa~~), 2010,
 September 6-7 (~~M-Tu-W~~) and 16-17 (Th-F), 2010.

3.5.4.2 As an ongoing check of the Simulator’s accuracy, Power Services shall run a retrospective Simulator Performance Test as described in section 3.5.3 by October 31 of each year calendar during the term of this Agreement, beginning with calendar year 2012. The Simulator accuracy criteria for each Simulator Performance Test shall be set equal to actual Simulator accuracy associated with the preceding Simulator Performance Test results, unless the

Parties agree otherwise through the SIG process. The specific study dates for each Simulator Performance Test shall be as agreed by the Parties. Additional The test study criteria for each Simulator Performance Test may be ~~added~~ modified to the annual Simulator Performance Test as agreed by the Parties. The results of each such test shall be made available to «Customer Name» by November 15 of each calendar year. The frequency of such tests may be modified by agreement of the Parties through the SIG process.

- 4.2.4 In real-time, «Customer Name» shall update its hourly BOS Flex schedules to comply with revised BOS Flex amounts. If a mid-day change to the BOS Flex amounts prohibits «Customer Name» from scheduling its net day-total BOS Flex energy to equal zero, then «Customer Name» shall adjust its BOS Flex schedules to bring its net day total BOS Flex schedule as close to zero as possible within the revised BOS Flex amounts. ~~Any non-zero day total BOS Flex scheduled for any calendar~~ «Customer Name»'s BOS Deviation Account balance shall be adjusted to compensate for any non-zero day-total BOS Flex amount scheduled for any calendar day shall be added to «Customer Name»'s BOS Deviation Account balance.

7. HOURLY DELIVERY REQUEST

«Customer Name»'s hourly Delivery Request for Slice Output Energy associated with any given Scheduling Hour shall be equal to the sum of the following components:

- (1) the sum of «Customer Name»'s final Simulated Output Energy Schedules established per section 3.3.7 of this exhibit for each of the Simulator Projects multiplied by «Customer Name»'s Slice Percentage, rounded to a whole number; and,
- (2) «Customer Name»'s total BOS amount, established pursuant to section 4.5 of this exhibit.

«Customer Name» shall revise its hourly Delivery Requests for Slice Output Energy consistent with the requirements of section 3.4 of Exhibit F.

Exhibit N:

1. SLICE IMPLEMENTATION PROCEDURES – GENERAL DESCRIPTION

The procedures established in this Exhibit N shall be used by BPA and «Customer Name» in conjunction with Exhibit M to implement deliveries of energy sold to «Customer Name» under the Slice Product.

4.5 «Customer Name» shall make [all](#) reasonable efforts to adjust its requests for deliveries of Slice Output Energy to reduce its SOA balances to zero by 2400 hours PPT on September 30, 2028, or the date of termination of this Agreement, whichever occurs earlier. Any balances in «Customer Name»'s SOAs as of the earlier of 2400 hours on September 30, 2028, or the date of termination of this Agreement shall be converted to energy amounts by multiplying such SOA balances by the associated federal downstream H/Ks. These resulting energy amounts shall be summed with «Customer Name»'s BOS Deviation Account balance as of the earlier of 2400 hours on September 30, 2028, or the date of termination of this Agreement . The resulting amount of energy, expressed in MWh, if positive, shall be delivered by Power Services to «Customer Name», or if negative, delivered by «Customer Name» to Power Services, within the next 30 days after the termination of this Agreement.

5. OPERATING CONSTRAINT AND BOS FLEX VIOLATIONS

The Simulator is designed such that «Customer Name»'s Simulated Operating Scenario maintains compliance with all Hard and Absolute Operating Constraints. However, Power Services and «Customer Name» recognize there may be occasions where one or more Hard or Absolute Operating Constraints are violated within a Simulated Operating Scenario. In the event the Customer Inputs submitted by «Customer Name» result in the violation of one or more Hard or Absolute Operating Constraints in a final Simulated Operating Scenario, as established per section 3.3.7 of Exhibit M, Power Services shall establish operating guidelines [based upon its determination of how Power Services would operate the system under similar conditions](#), such as operating to a minimum flow constraint, that «Customer Name» shall follow until such time as «Customer Name»'s Simulated Operating Scenario is in compliance with all Operating Constraints. Also, based on [Power Services' determination of consequences it would face under similar conditions](#)~~the nature of the violation~~, Power Services may set «Customer Name»'s Simulated Output Energy Schedules to zero for one or more Simulator Projects for purposes of computing «Customer Name»'s Delivery Request for as long as such Hard or Absolute Operating Constraint is violated as determined by «Customer Name»'s subsequent final Simulated Operating Scenarios.

6.2 Application of the Grand Coulee PSB

Power Services shall designate each Grand Coulee PSB that does not represent an Absolute Operating Constraint as either a Hard Operating Constraint or a Soft Operating Constraint. [Unless designated otherwise by Power Services](#)~~Typically~~, Grand Coulee PSB associated with date-specific required forebay elevations shall be designated as Hard Operating Constraints and Grand Coulee PSB associated with interpolated points in effect on days between such date-specific required forebay elevations shall be designated as Soft Operating Constraints. «Customer Name» shall maintain its Slice

Storage Account balance within the upper and lower Grand Coulee PSB that are designated as Hard Operating Constraints, or be subject to penalties as established in section 6.4 [of this exhibit](#). «Customer Name»'s Slice Storage Account balance may exceed the upper or lower Grand Coulee PSB designated as Soft Operating Constraints without penalty. However, «Customer Name» recognizes that maintaining an SSA that is not within the upper and lower Grand Coulee PSB increases «Customer Name»'s risk of violating the Grand Coulee PSB designated as Hard Operating Constraints and incurring the associated penalties.

6.4.2.2 If «Customer Name» fails to take the action specified in section 6.4.2.1 [of this exhibit](#), then a penalty shall be applied [to «Customer Name»](#) equal to Grand Coulee's at-site Storage Energy amount, expressed in MWh, associated with the absolute value of the Grand Coulee PSB exceedence determined pursuant to section [65.3 of this exhibit](#) multiplied by the UAI Charge for energy.

11. CONFIDENTIALITY

BPA considers all prospective operational information associated with the Tier 1 System or any Tier 1 System Resource to be proprietary and business sensitive. Such information that is provided by BPA to «Customer Name» or its scheduling agent pursuant to Exhibit M or this Exhibit N shall be treated as confidential by «Customer Name» and its scheduling agent. [«Customer Name» shall limit its use of such information to its employees or agent solely for the implementation of the terms of this Agreement, and to no others.](#) BPA reserves the right to withhold such operational information from scheduling agents that BPA determines are significant, active participants in WECC wholesale power or transmission markets and [that](#) are not purchasers of the Slice Product. If «Customer Name» enlists the services of a scheduling agent that is not a purchaser of the Slice Product «Customer Name» shall require its scheduling agent to develop systems or procedures that create functional separation between Slice related operational information and such scheduling agent's marketing functions.

Exhibit O:

Section 2(h), last paragraph:

Penalties assessed by Power Services pursuant to this Exhibit O may be waived by Power Services in accordance with section 25.5 of the body of this Agreement. Any waiver granted with respect to a specific circumstance shall not [constitute a waiver of future exceedence, nor](#) create a waiver for a recurrence of such circumstance or for any other circumstance.

7(e) **Termination of the Interim Slice Implementation Procedures and Slice Participant's SSDA Balance**

BPA shall provide «Customer Name» notice that these Interim Slice Implementation Procedures shall terminate no less than five (5) days prior to the date of such termination. Any balance remaining in «Customer Name's» SSDA as of 2400 hours on the date these Interim Slice Implementation Procedures are terminated shall be transferred to «Customer Name's» BOS Deviation Account as the initial balance in that account.

Exhibit P:

1. SLICE COMPUTER APPLICATION DEVELOPMENT SCHEDULE

The Following table represents milestones and the associated dates by which BPA intends to meet those milestones during development of the Slice Computer Application.

Milestone Description	Date
Publish SCA Requirements Document	1/30/2009
Project kick-off with Slice Customers	2/3/2009
Review of SCA Requirements Document Complete	3/2/2009
Publish Simulator Requirements Document	6/1/2009
Publish BOS and Reporting module Requirements Document	8/1/2009
Publish Customer Facing Web Service Design Specification	10/1/2009
Begin Prototype Simulator Testing	4/1/2010
Publish Draft Simulator Specification	6/1/2010
"Performance Test Ready" version of Simulator Complete	8/1/2010
Performance Test Complete	10/31/2010
Publish Simulator Specification	1/15/2011
Begin Customer application integration testing with Customer facing Web Service	1/15/2011
<u>Begin Publish Functionality Testing Procedures</u>	4/15/2011
<u>Functionality Test Complete</u>	7/1/2011
Begin Customer Training and Testing of SCA	7/1/2011
SCA "Go-Live"	10/1/2011

2. REVISIONS

The timelines represented in the table above are non-binding, pursuant to section 5.11 of the body of this Agreement, and are subject to change. BPA shall revise this Exhibit P as needed to reflect significant changes.

Exhibit Q:

- 1.11 "Slice Percentage Determination Requirements Load" means a forecast amount of «Customer Name's» requirements load that is used only in the determination of «Customer Name's» Preliminary Slice

Percentage and Initial Slice Percentage. ~~«Customer Name»'s Slice Percentage Determination Requirements Load shall be equal to «Customer Name»'s annual 2010 load value, as calculated in accordance with section 1.2.1.1 of Exhibit C, less the sum of (1) «Customer Name»'s New Large Single Loads plus (2) «Customer Name»'s Existing Resources for CHWMs (as that term is defined in the TRM).~~ «Customer Name»'s Slice Percentage Determination Requirements Load is: ~~«x,xxx»~~ aMW

2.3 Unsold Slice Amount Less Than One aMW

If the Unsold Slice Amount is less than one aMW, then BPA shall notify «Customer Name» no later than January ~~30~~15, 2011, that there shall be no allocation of the Unsold Slice Amount and that «Customer Name»'s Initial Slice Percentage shall be as determined pursuant to section 4.1 of this exhibit.

2.4 Unsold Slice Amount Equal To or Greater Than One aMW

If the Unsold Slice Amount is equal to or greater than one aMW, then BPA shall provide written notice to «Customer Name» no later than January ~~30~~15, 2011 of the Unsold Slice Amount available for allocation. The Unsold Slice Amount shall be allocated pursuant to section 3 of this exhibit.

3. ALLOCATION PROCEDURES FOR UNSOLD AMOUNTS OF SLICE

No later than ~~Jan~~February ~~30~~15, 2011, BPA shall make available to Initial Slice Customers the Unsold Slice Amount using the procedure below.

3.2 Slice Customers Determine Allocation of Unsold Slice Amounts Among Themselves

«Customer Name», if it is an Eligible Slice Customer, shall make a good faith effort, working with the other Eligible Slice Customers, to determine, no later than ~~February 15~~March 15, 2011, an allocation of the Unsold Slice Amount, such that the sum of all Eligible Slice Customers' Additional Slice Amounts is less than or equal to the Unsold Slice Amount.

If the Eligible Slice Customers agree upon an allocation of the Unsold Slice Amount that conforms with the above limitation, then they shall submit the Additional Slice Amounts in a letter to BPA no later than ~~February 15~~March 15, 2011, signed by all Eligible Slice Customers, that sets out the name and Additional Slice Amount for each Eligible Slice Customer. «Customer Name»'s Initial Slice Percentage shall then be determined pursuant to section 4.5 of this exhibit.

If the Eligible Slice Customers are unable to agree by ~~February 15~~March 15, 2011 on an allocation of the Unsold Slice Amount, then «Customer Name» shall provide written notification to BPA no later than ~~February 22~~March 8~~22~~, 2011 that it elects to, or elects not to,

participate in BPA's determination of Additional Slice Amounts, pursuant to section 3.3 [of this exhibit](#). If «Customer Name» elects not to participate in BPA's allocation of the Unsold Slice Amount, or fails to provide written notification to BPA of its election no later than ~~February 22~~[March 8](#), 2011, then «Customer Name»'s Initial Slice Percentage shall be determined pursuant to section 4.4 [of this exhibit](#).

3.3 BPA's Allocation of Unsold Slice Amount

BPA shall allocate the Unsold Slice Amount, as set forth in the procedure below, for each Eligible Slice Customer that has provided written notice on or before ~~February 15~~[March 8](#), 2011 of its election to participate in such allocation.

4.5 Determination of Initial Slice Percentage when Eligible Slice Customers Agree on Allocation of Unsold Slice Amount

If the Eligible Slice Customers deliver a letter to BPA on or before ~~February~~[March 15](#), 2011 in accordance with section 3.2 [of this exhibit](#), then «Customer Name»'s Initial Slice Percentage shall be equal to (1) the sum of «Customer Name»'s Preliminary Slice Amount plus «Customer Name»'s Additional Slice Amount as specified in the letter, divided by (2) the Base Tier 1 System Capability, expressed as a 5 decimal percentage.