



SPRINGFIELD UTILITY BOARD

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June 20, 2005

Helen Goodwin  
Bonneville Power Administration  
P.O. Box 3621  
Portland, OR 97208-3621

Re: BPA's Draft Slice Report – PS-6

Dear Helen,

This letter is in response to BPA's request for comments regarding BPA's May 31, 2005 Draft Slice Report. SUB appreciates BPA's attention to the issue of the Slice product as SUB may be interested in purchasing such a product in the future. While SUB did participate in the development of the Slice product, SUB is not a Slice customer.

SUB has the following comments/suggestions:

- 1) SUB agrees with the underlying Slice principles as presented by BPA. They remain largely unchanged from when the Slice product was initially developed.
- 2) BPA's concerns regarding operating flexibility are general and lack adequate detail to reach a conclusion. BPA has raised the issue of operational flexibility – particularly within-day operational flexibility, but has not adequately described the capability of the Federal Based System. Without underlying detail, BPA's concerns are perhaps premature.
- 3) SUB notes that BPA has adopted a wind integration product that relies on within-day system capability. Drawing from BPA's report and similar general concerns raised by BPA in other forums, curtailment of the Slice product would require a curtailment or elimination of the wind integration product because of operational concerns.
- 4) The Draft Slice Report deals indirectly with the fundamental question of utilities' responsibilities regarding resource planning to meet future loads. If the Slice product is limited in any way, it has direct implications on product options in the future. If product options are too limited, then, in reality, BPA is leaving utilities with no options.

- 5) BPA proposes a capacity product as an alternative to the Slice product. Having also participated in the development of the Partial-Complex product that dealt with power and capacity products, SUB notes that the Partial-Complex product dealt with same underlying legal, administrative, operational, and product equity concerns that BPA raises with the Slice product. BPA's recommendation to pursue power and capacity products in the Draft Slice report would merely cloak the issues raised by BPA under a different name while leaving the underlying concerns unanswered. As a result, BPA's suggestion yields little, if any, benefit while throwing customers into confusion over future product options.
- 6) Before BPA focuses in on recommendations regarding the Slice product based on limited information, SUB recommends that BPA conduct a comprehensive study on the operational capability of the federal based system. The study should culminate in public process to gather input on operational, legal, administrative, and other issues related to BPA's offering of a Slice product and how those issues are similar to (or different than) other product offerings.
- 7) According to BPA's Draft Slice Report, BPA is awaiting the final outcome of the Slice True-Up. Perhaps BPA should issue another Draft Slice Report once the issue of the Slice True-Up has been resolved and underlying questions regarding the True Up under the current (or future) Slice contract are addressed.

SUB looks forward to additional discussions on the issue of the Slice product. SUB is looking at the Slice product as a viable alternative in the future.

Respectfully submitted,

\_\_\_\_\_/s/\_\_\_\_\_  
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Jeff Nelson  
Springfield Utility Board

cc: SUB – Bob Linahan, Bob Schmitt, Tamara Johnson  
BPA – Tina Ko, Angie Quinata