SLICE MEETING 12/10/98 Portland, Oregon

Initial Customer Issue List

1. Calculation of Net Entitlement

- a. Planning (mapping)/impact of combinations of federal power products
- b. Buyback
- c. Post-2001 customer contract resources (customer resources and how they affect how Slice operates if at all)

2. Joint Management

- a. Use of agents
- b. Consolidation of Slices

3. [Legal] Eligibility/ability to purchase

4. Product Combinations

- a. Actual partial and Slice
- b. Shaped block and Slice

5. Cost

- a. Net cost of Inventory Solution should be plus or minus
- b. True-up Mechanism
- c. Credits to Revenue Requirements

6. [Legal] Dispute Resolution

- 7. [Legal] Dry hole risk (compliance with state law)
 - a. Municipal Authority
 - b. Relationship to BPA's bond obligations

8. PNCA

Legal rights of parties Nature of Slice

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9. [Legal] Statutory issues

- a. Regional Preference
- b. Resale of Federal power
- 10. Transmission of Slice
 - a. Basic
 - b. Ancillary
- 11. Replacements
- 12. [Legal] Assignment rights
- 13. Offer of Slice after subscription window closes
- 14. Treatment of inventory solution after 2006 (i.e. outside or after rate case)
- 15. Contractual commitment by customer to meet loads greater than Slice

Clarifications

Accounting Pondage/storage Scheduling Reserves (sharing) Shift to direct signal Definitions of terms Load following

Public purpose resource

"Off the top" amounts

Difference between actual net cost and projected net cost of inventory solution

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