

CUSTOMER PROPOSAL TO ALIGN SLICE AND NONSLICE RATES
Slice Financial Subgroup Meeting, September 29, 2005

Item	All Products	Slice	Non-Slice
All Revenue Requirements Including MRNR	Yes	Yes	Yes
Except Below			
Surplus Sales Credit	No	No	Yes
Including PBL Transmission			
Power Purchase	No	No	Yes
Slice Implementation	No	Yes	No
± Spending PNRR	Yes	Yes	Yes
Hydro/Price PNRR	No	No	Yes
Δ Spending last completed rate period	Yes	Yes	Yes
Δ Net Sales/Purchases plus Transmission	No	No	Yes

- Split Risks into two pots
 - ± Spending Risk
 - ± Net Sales / Purchases Risk
- Develop Risk Mitigation strategies for each pot of risk (e.g., reserves, PNRR, CRACs, etc.)
- Can Toolkit / NORM deal with these risks separately?
- How do we solve cash problem? i.e. timely Treasury payment
- Reserves accounting by customer class
- Flexibility for new customers / programs
- Debt Optimization Program effects?

Proposal for incorporating deltas in spending across rate periods

	Option A
Q ₂ 2011 Adopt rates for FY 12/13	NA
Q ₂ 2013 Adopt rates for FY 14/15	Include carry-over of spending delta from FY 12
Q ₂ 2015 Adopt rates for FY 16/17	Include carry-over of spending delta from FY 13 + 14