

SLICE OF THE SYSTEM

Customer Issue List¹

1/7/99

1. Calculation of Net Entitlement
 - a. Impact of combinations of federal power products (1/13)
 - b. Buy Back (*lawyers will discuss on 1/8; waiting for customer proposal – 1/13; BPA considering 6-hour sustained peaking issue – 1/13*)
2. Joint Management (*lawyers to discuss 1/7-15; technical group to discuss 1/20*)
 - a. Use of agents
 - b. Consolidation of Slices
3. Eligibility/ability to purchase (*lawyers to discuss 1/7-15; technical group to discuss 1/20*)
4. Product Combinations (1/13)
 - a. Actual partial and Slice
 - b. Shaped block and Slice
5. Cost
 - a. Net cost of Inventory Solution
 - 1) Further refinement on what is included in Inventory Solution/what customers contribute to costs of Inventory Solution (*BPA considering – 1/13*)
 - 2) Treatment of post-2006 Inventory Solution net costs (*waiting for customer proposal – 1/13*)
 - b. Treatment of capital investment (*waiting for customer proposal*)
6. Dispute Resolution (*lawyers to discuss 1/7-15; technical group to discuss 1/20*)

¹ The parenthetical dates reflect the meeting dates where the issue will be discussed.

7. Dry hole risk (compliance with state law) (*lawyers to discuss 1/7-15; technical group to discuss 1/20*)
 - a. Municipal authority
 - b. Relationship to BPA's bond obligations
8. PNCA (*1/14*)
9. Statutory issues (*lawyers to discuss 1/7-15; technical group to discuss 1/20*)
 - a. Regional preference
 - b. Resale of Federal power
 - c. Requirements Calculation
10. Transmission of Slice
 - a. Basic
 - b. Ancillary

(*More detail to follow on specific transmission issues to be discussed with TBL on 1/26*)
11. Replacements (*after further consideration, does anyone take issue with treatment in Straw Proposal? -- 1/13*)
12. Assignment rights (*lawyers to discuss 1/7-15; technical group to discuss 1/20*)
13. Offer of Slice after subscription window closes (*1/27*)
14. Transmission surcharge: is it necessary to protect Slice Participants from making double-payment (*waiting for customer proposal – 1/13*)
15. Market displacement of WNP2 (*Terry Mundorf checking on fuel cost payments/BPA has proposal - 1/13*)
16. Renewal rights (*waiting for customer proposal – 1/27*)
17. Conversion to other Subscription products should court invalidate Slice contract (*BPA agrees, waiting for proposed language from customers – 1/13*)
18. More specifics on information exchange (*BPA working on exhibit for Straw Proposal – 1/14*)
19. Linkage between FRE and net requirements (*lawyers to discuss 1/7-15?; technical group to discuss 1/20*)

20. Inside Control Area (*BPA agrees that treating as nested control area might be a possible way to approach but haven't committed and TBL NEEDS TO BE INVOLVED IN DISCUSSION; BPA considering Mundorf language regarding feasibility of treating as a nested control area – 1/14*)
21. Slice System Storage Accounting (*customers caucusing morning of 1/13 to see whether there is issue; all parties will discuss 1/14*)