Comments on the calculation methodology of Block Shaping Factors:

The language on the calculation of Block Shaping Factors should clearly state that Block Shaping Factors should be calculated on monthly total retail load (Tier-1 and Tier-2 load) after subtracting total dedicated resources ("Existing" for Tier-1 and "new" Tier-2 resources) if a customer has above HWM load. We believe that is BPA's intent, but the language should be clear.

Comments on using 4 years of historical data to recalculated Block Shaping Factors:

Using 4 years of historical data to recalculate Block Shaping Factors will substantially lag the actual shaping needs if a customer has a material shift in its monthly net loads due to either the loss or gain of a large customer(s). There should be an option for consideration for a utility's Block Shaping Factors for certain events. One way to reduce this potential material lag is to exclude (if a large load loss) or include (if a large load gain) that large load impact in all four years of the average calculation.

Comments on the Marginal Energy True Up (PRDM-26 issue and a PoC contract issue?):

We appreciate BPA's revisions to the METU to account for increased forecast errors resulting from moving from an annual forecast net requirement process to a two-year Rate Period forecast process for establishing a planned product customer's annual net requirement.

There are two main factors of forecast error: 1) unforeseen and un-forecasted load loss/gains, and 2) weather. (note – load forecasts assume "normal weather"). These two factors can combine and result in material difference between forecast and actual loads for planned product customers that are completely out of their control. BPA presented a proposal to partially account for the "unforeseen and un-forecasted load loss/gains" (i.e., not weather) resulting from moving to a two-year forecast of net requirements. BPA proposed that if a customer's updated load forecast for the second year of a rate period deviated by 20%, or by 30 aMWs (whichever is lower) from the original two-year forecast, BPA would work with that customer to update the second-year net requirement. We believe the 20% or 30 aMW forecast error threshold for revising the net requirement forecast are too high and should be set at the lower of 5% or 10 aMWs (if a MW threshold is even needed?).

Of note, the consequences of the METU could be much worst for a partial requirements customer. Take an example of a customer that had a total retail load of 100 aMWs but a forecast net requirement of only 10 aMWs. Further, assume a 5% forecast error and 5% error due to weather not being "normal". The customer's total retail load "forecast error" is 10%, or 10 aMWs. In this circumstance the customers annual bill is approximately $3.1M ($35/MWh*8760*10aMWs) and its METU would be approximately $2.2M (($60-$35/MWh)*8760*10aMWs), a 71% increase from the original forecast bill. This impact will become even bigger as market prices increase in the future. These potential outcomes need careful consideration for a balanced and fair METU for planned product customers to avoid unintended consequences.

Comments on changes to Exhibits L & M (previously Exhibits M & N)

Tacoma Power sincerely appreciates BPA's commitment to offering and supporting the Slice product. Upon review of the Slice Exhibits M and N, we think that we (BPA and Slice Customers) may have the opportunity to revisit the Slice Simulator methodology and/or contractual construct to reduce the

logistical complexity of the product and allow for a less staff-intensive approach on both sides. In this light, Tacoma Power has the following suggestions:

1) Develop a collaborative engagement between BPA and the Slice Customers to carefully review the Slice Simulator and contractual philosophy to identify areas of improvement that may now be possible with a Day-Ahead product.

2) Create a cross-functional team of hydro operational experts from both BPA and the Slice Customers that can work together to facilitate a reasonable and mutual beneficial approach.

This is a similar approach that BPA and the Slice Customers followed for the RD slice contract when our teams worked together to construct the current Slice simulator. This approach would help assure that the Slice Contract will work effectively and efficiently for a Day-Ahead Slice product.

We also recommend revised language around the Default User Interface (DUI) to include the Customer Facing Interface (CFI). The CFI has become the predominate portal through which a customer manages its Slice simulation. For this and other reasons the CFI should be incorporated into contract language that puts it on par with the DUI as one alternative for interacting with the POCSA.

Multiple references to Exhibit F, Section 4.1 regarding the timeline for the scheduling of Slice are unclear. Customers would appreciate a more thorough review of the timing for Slice submittals, deadlines, and POCSA interactions.

Customers would like BPA to consider applying average daily SOAs spread over a 24-hour period. This would have the same effect of keeping forecasted inflows trued up with actual inflows but without some of the SOA anomalies customers have experienced in the current within-day, hourly Slice product but that should no longer be a consideration in a day-ahead Slice product.

Thank you for consideration of these comments.