

## NRU COMMENTS FOR 10/11/07 SLICE MEETING

NRU senior staff participated in the BPA review of the Slice product in 2005 and hired an independent consultant, Walt Pollock to provide technical support for non-Slice customers.

NRU filed extensive comment in the Regional Dialogue process. We are willing to support BPA alternative #2, “Continue sale of the Slice product at approximately the current amount, with modest reductions in the current level of operating flexibility and/or clarification of the nature of the capacity rights and flexibility.”

NRU also supported the “10 Proposed Principles for Post 2011 Slice Product” contained in the Policy Proposal.

Assuming these principles are implemented, NRU has been willing to support a modest increase in the Slice Product, up to a 10% increase from 22.6% to 25%.

NRU remains concerned about cost shifts associated with the Slice Product, and has previously requested BPA to perform a rigorous cost shift study, which the Agency declined to undertake.

We expressed a willingness in the Regional Dialogue comments to review the comments of the Slice customers to see if it is possible for all customer groups and BPA to come to a future consensus regarding the product features described in Alternative #2.

We recognize that in other forums with BPA, Slice customers and NRU staff are discussing the amount of the Slice Product that could be offered post 2011 while retaining the basic product features of Alternative #2. This discussion is part of an overall package advanced by public power representatives.

In conclusion we would like BPA and Slice customers to come to agreement about Alternative #2, but to do so in a manner that does not create cost shifts to other customer groups.