

Exhibit Q (*Revised 7/18/08*)

DETERMINATION OF INITIAL SLICE PERCENTAGE

Reviewer's Note: This exhibit may need to be revised to reflect processes set out in BPA's Good Faith Estimate letter.

1. DEFINITIONS

The following definitions apply only to this Exhibit Q.

- 1.1 "Base Critical Slice Amount" means 1,850 annual aMW which represents the Base Slice Percentage multiplied by a deemed 7,400 annual aMW Tier 1 System Capability.
- 1.2 "Base Slice Percentage" means 25 percent.
- 1.3 "Maximum Critical Slice Amount" means the maximum Critical Slice Amount that «Customer Name» may request to purchase from BPA, and is calculated based upon «Customer Name»'s Net Requirement forecast, pursuant to section 2.1 below, expressed as an integer annual aMW value.
- 1.4 "Selected Critical Slice Amount" means the Critical Slice Amount that «Customer Name» may request to purchase from BPA, and is used only to determine the Initial Slice Percentage, expressed as an integer annual aMW value. «Customer Name»'s Selected Critical Slice Amount shall not exceed the Maximum Critical Slice Amount.
- 1.5 "Slice Parties" means «Customer Name» and all other Slice/Block purchasers.
- 1.6 "Unsold Slice Amount" means that portion of the Base Critical Slice Amount that remains unsold, as computed in section 3.2 below, rounded to an integer annual aMW value.
- 1.7 "Unsold Slice Percentage" means the Unsold Slice Amount, if any, converted to a three decimal digit percentage (xx.xxx percent).

2. DETERMINATION OF INITIAL SLICE PERCENTAGE

The following procedure shall be used to determine the Initial Slice Percentage.

2.1 Maximum Critical Slice Amount

No later than August 1, 2008, BPA shall provide to «Customer Name» a forecast of «Customer Name»'s FY 2012 Net Requirement. The forecasted FY 2012 Net Requirement is *xxx.xxx* aMW. The Maximum Critical Slice Amount is equal to:

$$(\text{Forecasted FY 2012 Net Requirement}) \times (0.70) = \text{xxx} \text{ aMW.}$$

- 2.2 Good Faith Estimate of Selected Critical Slice Amount**
No later than August 15, 2008, «Customer Name» shall provide written notification to BPA of its good faith estimate of its Selected Critical Slice Amount.
- 2.3 Total Good Faith Estimates of Selected Critical Slice Amounts**
No later than September 1, 2008, BPA shall sum the good faith estimates of the Selected Critical Slice Amounts for all Slice Parties.
- 2.4 Total Good Faith Estimates of Selected Critical Slice Amounts Less Than or Equal To Base Critical Slice Amount**
If the sum of the good faith estimates of the Selected Critical Slice Amounts is less than or equal to the Base Critical Slice Amount, then BPA shall notify «Customer Name» no later than September 15, 2008, that no adjustment to its good faith estimate of its Selected Critical Slice Amount will be needed. In this event, «Customer Name»'s good faith estimate of its Selected Critical Slice Amount shall be used to calculate its Initial Slice Percentage pursuant to section 2.7 below, and the terms of section 2.6 below shall not apply.
- 2.5 Total Good Faith Estimates of Selected Critical Slice Amount Greater Than Base Critical Slice Amount**
If the sum of the good faith estimates of the Selected Critical Slice Amounts is greater than the Base Critical Slice Amount, then BPA shall notify «Customer Name» in writing no later than September 15, 2008 of the amount by which the sum of the good faith estimates exceeds the Base Critical Slice Amount (“Oversubscribed Amount”), and that an adjustment to its Selected Critical Slice Amount and the Selected Critical Slice Amounts requested by other Slice Parties is needed.
- 2.6 Allocation Procedures to Adjust Selected Critical Slice Amounts**
If the Oversubscribed Amount pursuant to section 2.5 above is greater than zero then «Customer Name» and other Slice Parties shall use reasonable efforts to adjust their Selected Critical Slice Amounts such that the Oversubscribed Amount is reduced to zero, as described in section 2.6.1 below. In the event «Customer Name» and other purchasers of the Slice/Block Product are unable to agree on such adjustment, then BPA shall make an adjustment using the procedure in section 2.6.2 below.
- 2.6.1 Slice Parties Allocate Among Themselves**
The Slice Parties that have submitted good faith estimates of their Selected Critical Slice Amounts shall have thirty (30) days from the date of BPA's written notice pursuant to section 2.5 to determine an adjustment of the Oversubscribed Amount that results in Selected Critical Slice Amounts that sum to no more than the Base Critical Slice Amount and results in each Slice Party having a Selected Critical Slice Amount that is less than or equal to its Maximum Critical Slice Amount. If the Slice Parties agree upon an adjustment

that conforms with the above limitations, they shall submit their adjusted amounts to BPA no later than October 15, 2008, in writing, signed by all Slice Parties, specifying the Selected Critical Slice Amount for «Customer Name» and all other Slice Parties. If the Slice Parties are unable to agree on an adjustment before October 15, 2008, then they shall inform BPA in writing by that date and BPA shall make an adjustment pursuant to section 2.6.2 below.

2.6.2 BPA Allocation Procedures for Oversubscribed Amount

BPA shall calculate an Adjustment Percentage (“AP”) by dividing the Base Critical Slice Amount by the sum of the good faith estimates of the Selected Critical Slice Amounts submitted the Slice Parties pursuant to section 2.2 above. BPA shall then multiply «Customer Name»’s good faith estimate of its Selected Critical Slice Amount by the AP to determine «Customer Name»’s Selected Critical Slice Amount.

2.7 Calculation of Initial Slice Percentage

Following the determination of «Customer Name»’s Selected Critical Slice Amount pursuant to section 2.4, 2.6.1, or 2.6.2 above, «Customer Name»’s Initial Slice Percentage shall be rounded to the seven digit decimal quotient obtained by dividing its Selected Critical Slice Amount by the Base Critical Inventory Amount, and expressed as a percentage. The Initial Slice Percentage shall be set forth in a revision to Exhibit J, Preliminary Slice Percentage, Initial Slice Percentage, and Slice Percentage.

3. ADJUSTMENT PROCEDURES FOR UNSOLD AMOUNTS OF SLICE

No later than January 30, 2011, BPA shall make available to Slice Parties that have a Slice/Block Power Sales Agreement in effect as of January 1, 2011, any Unsold Slice Amount using the procedure below.

3.1 Compute Unsold Slice Percentage

The Unsold Slice Percentage shall be computed by subtracting the sum of all Initial Slice Percentage values of all Slice Parties that have an executed Slice/Block Power Sales Agreement as of January 1, 2011 from the Base Slice Percentage.

3.2 Compute Unsold Slice Amount

BPA shall compute the Unsold Slice Amount, expressed as an integer aMW value, by multiplying the forecasted FY 2012 Critical Inventory Amount by the Unsold Slice Percentage.

3.3 Unsold Slice Amount Less Than or Equal To Zero

If the Unsold Slice Amount is less than or equal to zero, then BPA shall notify «Customer Name» no later than January 15, 2011, that no adjustment for Unsold Slice Amount shall occur under this section 3, and the Initial Slice Percentage will remain as set forth in Exhibit K, Slice Percentage.

3.4 **Unsold Slice Amount Greater Than Zero**

If the Unsold Slice Amount is greater than zero, then BPA shall provide written notice to «Customer Name» no later than January 15, 2011 of the Unsold Slice Amount available.

3.4.1 **Slice Parties Determine any Adjustment Themselves**

«Customer Name» and the other Slice Parties shall no later than February 15, 2011, determine an adjustment of the Unsold Slice Amount that, when added to the Selected Critical Slice Amounts of all Slice Parties with an executed Slice/Block Power Sales Agreement as of January 1, 2011, sums to no more than the product of the Base Slice Percentage multiplied by the forecasted FY 2012 Critical Inventory Amount and results in each Slice Party having a Selected Critical Slice Amount that is no more than «Customer Name» Maximum Critical Slice Amount. If the Slice Parties agree upon adjustments that conform with the above limitations, they shall submit the adjustments in writing to BPA no later than February 15, 2011, signed by all Slice Parties, that sets out the name and Selected Critical Slice Amount for each Slice Party. If the Slice Parties are unable to agree on adjustments on or before February 15, 2011, then «Customer Name» shall then provide written notification to BPA no later than February 22, 2011 if it elects to participate in BPA's adjustment of the Unsold Slice Amount or not, pursuant to section 3.4.2 below. BPA shall then adjust the Unsold Slice Amount pursuant to section 3.4.2 below.

3.4.2 **BPA's Adjustment Procedure for Unsold Slice Amounts**

BPA shall adjust the Selected Critical Slice Amount of each Slice Party providing written notice of its election to participate in an adjustment by adding the Unsold Slice Amount to each such Slice Parties Selected Critical Slice Amount on a pro rata basis, in increments of at least 1 aMW per participating Slice Party, based on their respective Selected Critical Slice Amounts established pursuant to section 2 above.

3.5 **Determination of Adjusted Initial Slice Percentage**

If «Customer Name»'s Selected Critical Slice Amount has been increased pursuant to section 3.4.1 or 3.4.2 above, «Customer Name»'s Initial Slice Percentage shall be equal to the seven digit decimal quotient obtained by dividing its increased Selected Critical Slice Amount by the Base Critical Inventory Amount, expressed as a percentage, and set forth in a revision to Exhibit J.

If «Customer Name»'s Selected Critical Slice Amount is not adjusted pursuant to section 3.4.1 or 3.4.2 above, «Customer Name»'s Initial Slice Percentage shall be remain as set forth in Exhibit J.

4. REVISIONS
[To be completed.]