**Summary of Changes**

Under Regional Dialogue, BPA and customers felt the contract should be clear regarding the relationship between the contract and the TRM. This provision makes clear that the PRDM terms stated here are simply recitations of the PRDM terms, and notes that if the the recited terms change in the PRDM, the BPA will unilaterally revise the Agreement to reflect the recited changes in the Agreement. BPA is proposing edits to reflect changes in process (BPA does not plan to ask for FERC approval of the PRDM), and remove terms that will not be used in Provider of Choice (i.e.. RHWM and CDQ).

**Edits of Particular Note**

N/A.

**6. PUBLIC RATE DESIGN METHODOLOGY*(07/21/09 Version)***

6.1 BPA has adopted a tiered rate construct for a period of 19 years (through September 30, 2044)BPA defines and establishes the rate design in the PRDM. BPA shall apply the PRDM in accordance with its terms, which shall govern BPA’s establishment, review and revision, pursuant to section 7(i) of the Northwest Power Act, of all rates for power sold under this Agreement.

6.2 The recitation of language from the PRDM in this Agreement is not intended to incorporate such language into this Agreement. ThePRDM’s language may be revised, but only in accordance with the requirements of PRDM sections 12 and 13. If language of the PRDM is revised, then BPA will unilaterally amend this Agreement to accordingly modify any such language recited in this Agreement.

6.3 Any disputes over the meaning of the PRDM or rates or whether the Administrator is correctly implementing the PRDM or rates, including but not limited to matters of whether the Administrator is correctly interpreting, applying, and otherwise adhering or conforming to the PRDM or rate, shall (1) be resolved pursuant to any applicable procedures set forth in the PRDM; (2) if resolved by the Administrator as part of a proceeding under section 7(i) of the Northwest Power Act, be reviewable as part of the United States Court of Appeals for the Ninth Circuit’s review under section 9I(5) of the Northwest Power Act of the rates or rate matters determined in such section 7(i) proceeding (after FERC final confirmation and approval, and subject to any further review by the United States Supreme Court); and (3) if resolved by the Administrator outside such a section 7(i) proceeding, and such decision is a final action, be reviewable by the United States Court of Appeals for the Ninth Circuit under section 9(e)(5) of the Northwest Power Act (subject to any further review by the United States Supreme Court). The remedies available to «Customer Name» through such judicial review shall be «Customer Name»’s sole and exclusive remedy for such disputes, except as provided in the next paragraph.

Any knowing failure of BPA to abide by the PRDM, or any BPA repudiation of its obligation here and under the PRDM to revise the PRDM only in accordance with the PRDM sections 12 and 13 procedures for revision, would be a matter of contract to be resolved as would any other claim of breach of contract under this Agreement. For purposes of this paragraph, when there is a dispute between BPA and «Customer Name» concerning what the PRDM means or requires, a “knowing failure” shall occur only in the event the United States Court of Appeals for the Ninth Circuit or, upon further review, the United States Supreme Court rules against BPA on its position as to what the PRDM means or requires and BPA thereafter persists in its prior position.

6.4 BPA shall not publish a Federal Register Notice regarding BPA rates or the PRDM that prohibits, limits, or restricts «Customer Name»’s right to submit testimony or brief issues on rate matters regarding the meaning or implementation of the PRDM or establishment of BPA rates pursuant to it, provided however for purposes of BPA’s conformance to this paragraph a “rate matter” shall not include budgetary and program level issues.

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