**Reservation of Rights:**

*All draft Provider of Choice (POC) contract language presented by BPA for discussion is subject to ongoing review and revision. Prior to finalizing the POC contract templates, BPA will publish complete contract templates for public review and comment. BPA acknowledges that failure to offer edits or comments on this document does not preclude a stakeholder from offering edits or comments during the formal public review.*

**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 the fact that those terms are recited in the contract does not make them a matter of contract. 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). As proposed, the PRDM will not specify an end to its effective date, rather, as designed and written, the PRMD would be in effect as long as a power sales contract points to it.

Section 6.1 has been slightly edited since the first review by customers at the May 6 workshop. BPA wanted to ensure it was clear that it is the *tiered rate design* that is established in the PRDM. Also, in the prior version we stated that BPA has adopted a tiered rate construct for a period of 19 years (through September 30, 2044). BPA wants to both add clarity and retain flexibility for the PRDM and not specify an end to its effective date.

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For the December 11 workshop:

Since BPA shared this language at workshop on October 9, BPA has made several revisions in response to customer comments. BPA has revised language to address WPAG and NRU comments and has included BPA’s suggested approach to update language from RD to PoC. The draft has been edited to address how any disputes over the meaning of the PRDM may be raised and how any subsequent resolution would occur in section 6.3.

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**Edits of Particular Note**

N/A

**6. PUBLIC RATE DESIGN METHODOLOGY*(XX/XX/XX Version)***

6.1 The PRDM applies for the term of this Agreement. BPA shall apply the PRDM in accordance with its terms, which govern BPA’s establishment, review and revision of Priority Firm Power (PF) rates pursuant to section 7(i) of the Northwest Power Act for Firm Requirements Power sold under this Agreement.

6.2 The recitation of language from the PRDM in this Agreement does not incorporate such language into this Agreement. BPA may revise the PRDM’s language in accordance with the requirements of PRDM section 9. If BPA revises the language of the PRDM, 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, including whether BPA is adhering to its obligation under the PRDM to revise the PRDM only in accordance with the PRDM section 9, 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 9(e)(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.

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 the PRDM. For purposes of BPA’s conformance to this paragraph, a “rate matter” shall not include budgetary and program level issues, or any other matter unrelated to the PRDM or the establishment of rates pursuant to the PRDM.

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