

First Voting Process on TRM Revisions is Complete

During the months of June through August, BPA and customer representatives discussed changes that were needed in BPA's Tiered Rate Methodology (TRM). BPA and customer representatives worked together to accurately express the changes necessary to correct five unintended consequences of TRM provisions that were discovered during the TRM implementation process.

For the first time, as outlined in TRM chapters 12 & 13, Criteria and Conditions for Revising the TRM and Processes for TRM Revisions, BPA and Customer Groups proposed Unintended Consequence Proposals in advance of the 7(i) process.

BPA sent its notice in the form of a letter to all Customers with CHWM contracts on August 24, 2010. Attached to the notice was the Explanation of Proposed Revisions to the TRM document which described: 1) why each Unintended Consequence Proposal would address or rectify the unintended consequence that would put at risk the policy goals underlying the TRM as set forth in the Regional Dialogue policy, and 2) how the value of each Unintended Consequence Proposal would outweigh any detriment created by it.

The notice also described the date by which all Customers might have **objected** to the Unintended Consequence proposals.

Between August 25, and September 17, 2010, Customers submitted their ballots. The voting results are as follows:

Category	TRM Results	THWM (CHWM Proxy)
Total number of Customers with CHWM contracts	133	100 %
Percentage of Customers who voted	61% (81)	67.76%
Percent of Customers who did not vote	39% (52)	32.24%
Non-objections	99% (132)	
Objections received	<1% (1)	

The TRM states BPA or a Customer Group may propose in a 7(i) an Unintended Consequence proposal unless it is objected to by customers totaling both 1) at least 70% of Customers by utility count and 2) at least 50% of the sum of the CHWMs, with both of the foregoing measured by the individual vote of each Customer. In determining the total, BPA shall count each abstention and absence of a vote as a vote that the Customer does not object to the proposal change.

In accordance with this precedent setting process and based on the voting results, BPA intends to propose the five Unintended Consequences proposals in the BP-12 7(i) process.