

151 Main Street West  
Monmouth, Oregon 97361  
(503) 838-0722  
FAX (503) 838-0725  
[www.ci.monmouth.or.us](http://www.ci.monmouth.or.us)



*Promoting pride,  
progress, and friendly  
hometown values*

Elliot Mainzer, Administrator  
Bonneville Power Administration  
RE: Transmission Segmentation Discussion and Proposed Principles  
Via email: [techforum@bpa.gov](mailto:techforum@bpa.gov)  
February 10, 2014

Dear Administrator Mainzer:

The City of Monmouth Power and Light appreciates this opportunity to comment on BPA's segmentation process and proposed segmentation principles. The subject of BPA's segmentation policy is of utmost concern to our utility, and I am grateful for your personal attention to this issue. Monmouth Power and Light moreover supports the comments of Northwest Requirements Utilities (NRU) and strongly encourage BPA to adopt the Segmentation principles as proposed by NRU, which we have also included.

As you know, one of the principal reasons Congress created BPA was to ensure the entire Northwest region would have access to affordable electricity. BPA's statutes obligate the agency to "promote the widest possible diversified use of electric power at the lowest possible rates to consumers consistent with sound business principles". In order to meet this objective, BPA has always used a postage stamp rate, which allows all of BPA's public preference customers to receive transmission service at the same affordable price without regard to location or size.

This access to affordable electricity has enabled our community to develop and grow, and it continues to be crucial to the viability of our local economy. Additionally, due to the nature of our service territory, we have fewer customers to whom we can spread costs. For example:

- Latest census (2010): Monmouth unemployment rate at 7.5%
- Latest census: Poverty level was at 24.6% compared to 12.8% statewide
- Lack of affordable electricity means higher costs for farmers and local business owners, which in turn has a domino effect on consumers. When smaller, local businesses must raise their prices, already struggling consumers take their business to the larger chain stores
- With an estimated population of 9,732, there are fewer customers to spread the costs
- With an estimated 6,200 students that attend Western Oregon University, located in Monmouth, the population of Monmouth can vary greatly

A few of BPA's larger and more urban customers are now advocating that BPA abandon its longstanding segmentation policy for a policy that would slightly benefit those customers proposing alternatives to the extreme detriment of BPA's smallest and most rural customers. However, BPA remains obligated to encourage the widest possible use of power, and the postage stamp rate should be the baseline to determine whether any alternative segmentation proposal meets the widest use obligation. The rate impacts under any alternative proposal must be as good or better *for the entire region* as compared to the current postage stamp rate.

If an alternative proposal would result in rate impacts that would have BPA's more rural and remote customers paying more for transmission service than the rest of the region, and thereby failing the widest use standard, BPA should not consider it, which also means not engaging in time-consuming technical studies. BPA should not spend valuable staff time and resources doing any analytical work that is not supported by a sound legal and policy basis.

Furthermore, BPA should recognize that utilities throughout the region have planned and built their transmission and distribution systems around BPA's longstanding policy of postage stamp rates. Simply put, as a Network Integration Transmission (NT) customer of BPA, we developed our utility's plan of service with a reliance on BPA's application of its longstanding segmentation policy to existing facilities.

Thank you for this opportunity to comment and your continued involvement on this issue. I also appreciate the excellent work by BPA staff to explain the historical and analytical basis for BPA's current segmentation policy.

Sincerely,

A handwritten signature in cursive script that reads "Chuck Thurman". The signature is written in black ink and includes a horizontal line extending to the right.

Chuck Thurman, Superintendent  
Monmouth Power and Light

CC: John Saven, Northwest Requirements Utilities