



February 3, 2014

Elliot Mainzer  
Administrator  
Bonneville Power Administration  
P.O. Box 3621  
Portland, OR 97208  
*submitted via e-mail to [techforum@bpa.gov](mailto:techforum@bpa.gov)*

RE: Transmission Segmentation Discussion – Proposed Segmentation Principles

Dear Administrator Mainzer:

Public Utility District No. 1 of Clallam County (“Clallam”) appreciates this opportunity to comment on the Bonneville Power Administration’s (“BPA”) Proposed Segmentation Principles. This issue is extremely important to Clallam as we are situated at the furthestmost NW corner of BPA’s transmission network and have been both a power and transmission customer of BPA since 1949. We have relied on BPA for these services at cost in the past, and expect to do so in the future.

Since its inception BPA, like Clallam, has used a uniform or postage stamp transmission rate under which every customer pays the same rate for each unit of transmission as every other customer irrespective of their size or geographic location. For this reason a “postage stamp” type rate has historically provided a rare foundation of equal economic opportunity for every community within the region. The region as a whole (i.e., urban and rural, east and west) has prospered and continues to benefit due to this uniform transmission rate construct.

Providing this foundation of shared opportunity irrespective of geography and demography is precisely what Congress intended BPA to do when it directed it to fix and establish rates with “a view to encouraging the widest possible diversified use of electric power at the lowest possible rates to consumers”. This is exactly what BPA’s postage stamp rate has achieved for more than three quarters of a century. BPA’s current segmentation methodology effectuates this policy goal.

A narrow subset of BPA’s customers wants BPA to abandon its long-standing segmentation methodology in favor of a technical approach. Clallam firmly believes that BPA has no real alternative but to maintain a regional perspective. Such a perspective is firmly required by BPA’s original mission to all Northwest consumers as defined by Congress in BPA’s organic statutes, and grounded in the celebrated postage stamp rate policy used by BPA during the entirety of its long history.

A guiding principle in the workshops must be that any alternative segmentation proposal be evaluated to determine whether it meets the policy threshold of ensuring the widest possible use at the lowest possible rate to the people in the Northwest. The baseline for any such determination should be the rate results obtained under BPA’s current segmentation policy coupled with its reliance on the historic uniform rate construct.

We urge BPA to ensure that the future Segmentation discussions have a foundation based on “a view to encouraging the widest possible diversified use of electric power at the lowest possible rate to consumers” as required by Congress.

Sincerely,

A handwritten signature in blue ink, appearing to read "Doug Nass". The signature is fluid and cursive, with a large initial "D" and "N".

Doug Nass  
General Manager