

February 10, 2014

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

Dear Administrator Mainzer:

On behalf of the customers of Columbia River People's Utility District, I appreciate the opportunity to comment on BPA's segmentation process and proposed segmentation principles.

The issue of BPA's segmentation policy is of paramount concern to our utility, its customers and the communities we serve. The mission of our utility is to provide safe, reliable and affordable electricity to our customers. The proposed segmentation policy will increase the cost of transmission delivery and shift those costs directly to our customers.

A monumental policy change of this nature that shifts costs from private investors/shareholders and larger urban public utilities with diversified economies and a more affluent customer base to the customer's of Columbia River PUD requires more thoughtful deliberation and understanding.

Columbia County is not an "affluent" county in Oregon or elsewhere within BPA's footprint. Its economy has been built on timber, pulp and paper. The recent deep recession impacted Columbia County as it did others. Unfortunately, this county had a jump-start on the national recession when the Boise Cascade pulp mill initiated the shutdown of its St Helens mill in 2009, ultimately idling over 500 union workers. On a parallel path, our county began to lose federal funding from the O&C Act of 1937 which directed that 18 counties in Oregon receive 75% of the receipts from the sale of timber harvested from federal lands. Those funds became an essential component of county budgets. Changes in environmental policy have diminished those revenue sources to a fraction of what they once were. Consequently, Columbia County is currently taking the final steps to close its jail and fulfill the basic level of public safety required by statute. We continue to struggle. Keeping our product safe, reliable and affordable is critical to our economic recovery.

**Board of  
Directors**

David Baker  
Carol Everman  
Jarrel Purkerson  
Richard Simpson  
Loren Tarbell

**General Manager**  
vin P. Owens, P.E.

One of the primary reasons Congress created BPA was to ensure that 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.

The proposed rewrite of the Segmentation Policy by a few of BPA's larger and more urban customers casts this premise to the wind and creates future public power service territories that epitomize the "haves" and "have nots". If this policy were in place over the previous 75 years, there would be no economic base in rural Oregon beyond farming and ranching. This is clearly, a very poorly thought-out example of public policy that CRPUD cannot support.

BPA should remain 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.

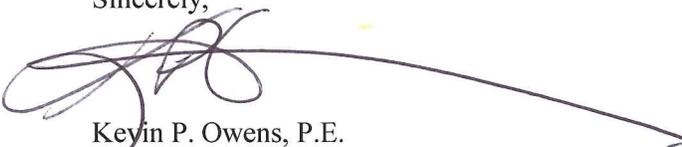
If an alternative proposal would result in rate impacts that would have BPA's more rural and remote customers paying more for transmission service than the rest of the region, and thereby failing the widest use standard, BPA should not consider it, which also means not engaging in time-consuming technical 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.

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

Columbia River PUD also supports the comments of Northwest Requirements Utilities (NRU) and urges BPA to adopt the Segmentation principles as proposed by NRU.

I appreciate your personal attention to this matter and ask that you fully understand the implications of such a policy shift on our customers.

Sincerely,



Kevin P. Owens, P.E.  
General Manager  
Columbia River PUD

Cc: CRPUD Board of Directors  
John Saven, Northwest Requirements Utilities  
Diego Ochoa, BPA