



Idaho County Light & Power Cooperative Association, Inc.  
A Touchstone Energy Cooperative

February 7, 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:

Idaho County Light & Power Cooperative (Idaho County) appreciates this 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, and I appreciate your personal attention to this matter. Idaho County also supports the comments of Northwest Requirements Utilities (NRU) and urges BPA to adopt the Segmentation principles as proposed by NRU.

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.

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

- Idaho County qualifies for the maximum BPA Low Density Discount for a very compelling reason – we serve approximately 3,700 members over 1,030 miles of line through rugged and remote central Idaho
- Due to our low density and lack large loads, our members experience among the highest electrical rates of any in Idaho
- Central Idaho's economy relies largely on agriculture and timber which explains why our unemployment rate exceeds both the state and the national averages
- Idaho County's members are already burdened with the economy of scales tipped against them, it would be a cruel and unnecessary blow to have to increase their rates in terms of cents per kilowatt-hours in order to save their urban neighbors fractions of mills on their bills

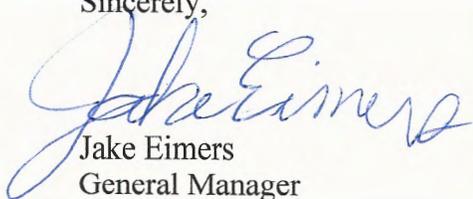
A few of BPA's larger and more urban customers are now advocating that BPA abandon its longstanding segmentation policy for a policy that would slightly benefit those customers proposing alternatives to the extreme detriment of BPA's smallest and most rural customers. However, BPA remains obligated to 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. Our members rely on BPA's application of its longstanding segmentation policy to existing facilities and its historical mission of serving to the common benefit of this region.

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,



Jake Eimers  
General Manager

CC: John Saven, Northwest Requirements Utilities