



A Division of the City of Idaho Falls

"A community with its own kind of energy"

January 29, 2014



Mr. Elliot Mainzer  
Administrator  
Bonneville Power Administration  
P.O. Box 3621  
Portland, OR 97208-3621

RE: Segmentation

Sent via: [techforum@bpa.gov](mailto:techforum@bpa.gov)

Dear Mr. Mainzer

I was in attendance for the segmentation meeting that BPA hosted in Portland yesterday and wanted to share a few thoughts on behalf of Idaho Falls Power as it pertains to segmentation. The panel had some good comments but the one that stuck in my mind was Mr. Marshall's question when he held up the conductor. The first word that came to my mind was simply, "expensive!" No utility; large, small, urban or rural, is immune from this ever increasing upward pressure on infrastructure costs. Idaho Falls is certainly no different in this aspect and is always looking for ways to bring our expenses down.

There are sound technical reasons one could use to justify moving expenses from the larger NT bucket to a more direct assignment aimed at certain customers based upon cost causation. Maybe, Idaho Falls Power should be front and center on this issue since we have paid transmission bills annually that greatly exceed the costs of the facilities BPA owns and maintains to deliver power to our system. We have been subsidizing other transmission customers for many years. This is a fact that we have gladly accepted because we understand the history and legacy of postage stamp rates in fulfillment of BPA's historic mission of bringing power to not only urban population centers like mine, but also those "end of line rural areas."

Power should not be a luxury purely afforded based upon your geographic location. BPA has a rich history of applying this principle. Doing so electrified remote areas of the Northwest by applying their congressional mission of widest possible use at the lowest possible rates. There are many outside unknown/unquantifiable risks utilities face today, but the history and rate setting principles of BPA helps stabilize our region. For this reason Idaho Falls urges BPA to maintain your historic practice on how you functionalize transmission facilities for ratemaking. Having historically steady policies from the Administration is of greater value than the monies Idaho Falls Power might gain from a new segmentation practice.

Thank you

A handwritten signature in blue ink that reads 'Bear Prairie'.

Bear Prairie  
Assistant General Manager

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