


Peninsula Light Co.
a mutual corporation

February 10, 2014

Via email: techforum@bpa.gov

Elliot Mainzer, Administrator
Bonneville Power Administration

RE: Transmission Segmentation Discussion and Proposed Principles

Dear Elliott:

Peninsula Light Company appreciates the opportunity to comment on BPA's segmentation process and proposed segmentation principles. Proposed changes to BPA's long-standing segmentation policy are of great concern to our utility and I appreciate your personal attention to this matter. Peninsula Light supports the comments and segmentation principles proposed by NRU.

The issue of segmentation is about equity and fairness. 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.

BPA's transmission system was developed to serve the entire region. BPA must recognize that utilities throughout the region have planned and built their transmission and distribution systems around BPA's longstanding policy of postage stamp rates. We developed our utility's plan of service with a reliance on BPA's application of its historical segmentation policy to existing facilities. Peninsula Light doesn't charge a member differently based upon where they are located and BPA should maintain the same policy.

The current BPA segmentation policy is sound - there is no compelling reason to change it. A few of BPA's larger and more urban customers are advocating that BPA abandon its longstanding segmentation policy for one that would slightly benefit those larger customers, but would be to the extreme detriment of BPA's smaller, more rural customers. A change that would benefit only a few and harm all others involved is simply not sound policy and more importantly, would be inconsistent with BPA's statutory obligation.

Thank you again for the opportunity to comment and your continued involvement on this issue.

Sincerely,


✍ Jafar Taghavi, CEO
Peninsula Light Company

cc: John Saven, Northwest Requirements Utilities