



*Raft River Rural
Electric Cooperative, Inc.*

January 29, 2014

Elliot Mainzer, Administrator
Bonneville Power Administration
Via email: techforum@bpa.gov

Dear Administrator Mainzer:

I want to express my gratitude for your personal involvement in the transmission segmentation kick-off meeting on January 28th and hope you will stay involved in this important policy issue. This has been an incredibly busy time for you and congratulations on your appointment to the Administrator position at BPA. I cannot overstate the importance of maintaining the current definition of the Network Segment to the member-owners of my cooperative as well as keeping a cohesive group of BPA Preference Customers engaged to tackle the larger problems that we face.

Segmentation is a public policy, not a technical issue. BPA changed their policy for interconnection and direct assignment back in 1996 and I think the region has been supportive of that change as it moved forward. It seems that some are now asking to back up and make that change retroactive and apply the new principles to infrastructure that was built pre 1996 under different policies and circumstances that existed in the past. This approach is clearly not fair and objective and is inconsistent with BPA's guiding principles.

We applaud your staff for making an initial effort to draft the Proposed Segmentation Principles to guide agency policy on this issue. These principles should now be revised to make clear that the principle of "encouraging widest possible diversified use at lowest possible rates consistent with sound business principles" is a pre-eminent, screening principle that any proposed segmentation methodology must pass to be considered for further evaluation. That principle is to the embodiment of the Bonneville Power Administration's (BPA's) statutory and historical mission and the agency may not compromise on it.

BPA has a long history of extending the transmission system so that all corners of the Pacific Northwest could be electrified. Not only has BPA extended the transmission system to deliver and make good on

Raft River Division
155 N. Main, P.O. Box 617
Malta, Idaho 83342
208-645-2211/fax 208-645-2300
1-800-342-7732 after hours

Western Division
260 Davidson, P.O. Box 85
Mountain City, NV 89831
775-763-6040 phone/fax
1-800-342-7732 after hours

the statutory obligation to deliver to its customers, BPA staff have found many non-wire solutions to fulfill this obligation to the region at the lowest possible cost which has benefited all customers rural or urban. This mission continues as electrification is not just about extending wires but also making electricity affordable for people in both rural and urban areas. As cooperatives, we were born out of the lack of willingness of other utility models to extend service to our homes, farms, and ranches. BPA's role of bringing wholesale power to our utility at postage stamp rates has allowed our rural communities and business to grow and thrive. The need to continue these policies is just as pressing now as it was when the system was first extended to us.

BPA's current segmentation policy along with postage stamp rates is a vital component in accomplishing the principle of widest possible diversified use at lowest possible rates.

In fact, the only change in segmentation that BPA should consider is rolling in the facilities remaining in the Delivery segment into the Integrated Network. After almost 20 years of substation sales efforts, BPA ought to recognize that the remaining facilities are unsalable. The Delivery Charge rate is becoming a crippling charge to those who experience it and practically double our transmission rates from BPA. I do appreciate the relief given to customers served across IOU systems that cannot buy our stations and should not have to face the delivery charge calculated by using the costs of BPA's remaining stations.

Your staff has done an excellent job with the materials researched and presented to date. We will continue to be deeply interested in this issue and are hopeful for an outcome that reflects BPA's mission and maintains the current definition of the Network segment of Bonneville's transmission system and use of postage stamp transmission rates.

Sincerely,

A handwritten signature in blue ink, appearing to read "Heber Carpenter". The signature is fluid and cursive, with a prominent initial "H" and a long, sweeping tail.

Heber Carpenter
General Manager
Raft River Rural Electric Co-op, Inc.