

**From:** Salmon River Electric  
**Subject:** Segmentation  
**Date:** January 30, 2014

To Whom It May Concern:

I appreciated the opportunity to participate in the Segmentation meeting on January 28. As a follow-up to that meeting, I am providing written comments.

First and foremost I believe the Segmentation issue is a policy issue and must be addressed at this level before anything else. I support the “widest diversified use of the power resource standard”. I support “postage stamp rates” and believe they are consistent with long standing statutory directives, regional policies, and the mission of BPA. I heard compelling testimony that supports this position at the January 28, meeting.

The Industry Practices Scan that BPA undertook at least lends support to how BPA currently addresses the segmentation issue. Any other conclusions drawn from the scan have little value to me as the comparisons were not to other entities like BPA and were not necessarily operating under the same statutory directives, regional policies, and mission that BPA is.

Once BPA has reaffirmed its mission, statutory directives, and regional policies, the proposed Segmentation Principles appear to be a reasonable guide to further address cost recovery on the BPA transmission system. The principle of cost causation can be problematic, if not considered along side of the other Segmentation Principles outlined. I heard a comment that suggested that technical studies should be the basis for any Segmentation work that lies ahead. I disagree and would propose that impartial and factual studies can help inform the decision making that might occur but certainly shouldn't trump sound business practices.

Once again I appreciate the opportunity to participate in this process.

Sincerely,  
Ken Dizes  
General Manager  
Salmon River Electric Cooperative