



City of Seattle

Edward B. Murray, Mayor

Seattle City Light

Jorge Carrasco, General Manager and Chief Executive Officer

February 11, 2014

VIA EMAIL

BPAFinance@bpa.gov

Comments of Seattle City Light on BPA Transmission Segmentation

To whom it may concern:

On behalf of Seattle City Light, thank you for holding the Segmentation Kickoff Workshop on January 28, 2014. Segmentation is an important topic that affects all transmission customers. City Light appreciates that BPA has scheduled time to continue discussion of segmentation.

BPA should prepare a full segmentation study to inform development of segmentation alternatives. In the BP-14 Final Record of Decision (ROD), the Administrator agreed that “[s]egmentation ... will benefit from further consideration outside the confines of a rate proceeding.” Further, the Administrator acknowledged that the decision in the BP-14 Final ROD “does not preclude the use of an alternative segmentation in the future.” A current, comprehensive study is necessary to determine a fair allocation of transmission costs that will be the basis for segmentation in the future.

Seattle City Light is very interested in this issue and working on a solution for the region. We do not believe the status quo is sustainable. However, we understand that changes to the methodologies will take time to implement.

Future meetings regarding segmentation should address alternatives and the need to move this issue to resolution. As segmentation affects all transmission customers, future meetings should be open to all transmission customers. The process must be transparent, provide customers the opportunity to understand all aspects of alternative segmentation practices, and allow for adequate input.



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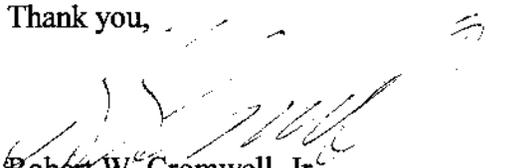
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Seattle City Light is the 10th largest publicly owned utility in the nation dedicated to exceeding our customers' expectations in safely producing and delivering power that is low cost, reliable and environmentally responsible.

City Light supports finding means to reduce or phase in cost increases and mitigate "rate shock." One such means is already in place, namely the rate design change in BP-14 from modified co-incident peak to 12 monthly non-co-incident peaks. This change resulted in NT customers, as a class, getting a rate increase that is nearly 6% less than the increase experienced by PTP customers for demand and scheduling. Individual NT customers will see different changes to their transmission costs based on actual usage.

We look forward to working jointly to develop an alternative segmentation method for use in the BP-16 transmission rate proceeding.

Thank you,



Robert W. Cromwell, Jr.
Director, Power Contracts & Resource Acquisition

RWC:ehe

cc: Eric Espenhorst, SCL
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