

Proposed Segmentation Principles

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1. Full and timely cost recovery
2. Avoidance of rate shock
3. Any segmentation policy must encourage the widest possible diversified use of electric power at the lowest possible rates to consumers consistent with sound business principles.
 - The baseline for whether a proposal achieves this “Widest Use Standard” is a uniform rate.
4. Equitable cost allocation between federal and non-federal uses of the Transmission system
5. Emphasizes a regional perspective
 - Alternatives must consider how costs are allocated and recovered.
 - Proponents of alternatives must demonstrate how the region benefits from the alternative compared to status quo.
 - Helps facilitate customers working together with BPA on complex matters
6. Honor BPA and utility planning and financial decisions based on longstanding segmentation policies
7. Simplicity, understandability, public acceptance, and feasibility of application
8. Rate stability from rate period to rate period
9. Cost causation
10. Must align with BPA’s planning and financing policies