

Proposed Segmentation Principles

Date: February 19, 2014

1. Full and timely cost recovery
2. Lowest possible rates consistent with sound business principles
3. Equitable cost allocation between federal and non-federal uses of the
Transmission system
4. Cost causation
5. Simplicity, understandability, public acceptance, and feasibility of application
6. Avoidance of rate shock
7. Rate stability from rate period to rate period
8. Considers a regional perspective
 - Alternatives include how costs are allocated and recovered
 - BPA hopes that proponents of alternatives will explain how the region benefits from the alternative compared to status quo
9. Encourage widest possible diversified use
 - Historically BPA has applied uniform rates to achieve widest possible diversified use

