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VIA EMAIL

Tech Forum

Bonneville Power Administration

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McMinnville Water & Light offers the following comments on the Integrated Network Segmentation Analysis proposal by Snohomish Public Utility District ("Snohomish"). McMinnville Water & Light finds the Snohomish proposal completely unacceptable and strongly urges Bonneville to reject it or any similar segmentation concept. The definition Bonneville currently uses for its network segment appropriately and equitably allocates the costs the of the Federal transmission system.

Snohomish proposes to redefine the Network Segment and allocate the costs of certain facilities to either (1) individual utilities or (2) the NT customers as a whole. This is completely contrary to Bonneville's mission, organic statutes, and the way Bonneville and its utilities have set up their distribution systems.

Bonneville's Mission to Provide Electricity to the Rural Northwest

Bonneville is our transmission provider. Many of Bonneville's utilities serve retail customers in low density and difficult-to-serve geographical areas. **If Bonneville adopted the Snohomish segmentation proposal, some utilities would experience a 500% transmission rate increase.** This is more than rate shock. It would be seriously detrimental to the already struggling economies of the rural communities these utilities serve. Bonneville's history is rife with statements about the importance of providing low cost electricity to rural areas. In vivid contrast, Snohomish's proposal is completely contrary to these objectives. In addition, it is our understanding that BPA's current approach is the same transmission role provided by all other Power Marketing Administrations around the nation and the Tennessee Valley Authority, all of whom use postage stamp transmission rates.

Bonneville's Policies of Uniform Rates

Utilities would have built their systems totally differently if BPA charged a different rate for lower voltage facilities as in Snohomish's proposal. It would be inherently unfair to now begin directly assigning costs to customers that would not exist but for Bonneville's decades-long policies of uniform rates.

Conclusion

Snohomish's proposal is incompatible with Bonneville's organic statutes and primary purpose, which is to encourage the widest possible diversified use and electrify the rural Northwest. Adoption of Snohomish's proposal would seriously harm Bonneville's smallest and most rural customers. The Snohomish proposal simply encourages unnecessary protracted battles between differently situated customers rather than the region working collectively to maintain and improve the transmission system. For the foregoing reasons, McMinnville Water & Light urges Bonneville to reject the Snohomish proposal.

Thank you for the opportunity to comment on the Snohomish segmentation proposal. Please feel free to contact us with any questions you have about these comments.

Sincerely,

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