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Central Lincoln PUD (“Central Lincoln”) appreciates the opportunity to comment on resolving the Utility Delivery Charge Issue for BPA-owned facilities. Central Lincoln is a load following, consumer owned electric utility serving approximately 39,000 customers on the central Oregon coast. These comments are submitted in support of the NRU/PNGC/WPAG proposal for Resolving the Utility Delivery Charge Issue for BPA-owned Facilities.

Central Lincoln has always received some deliveries from BPA below 34.5 kV. Central Lincoln has worked with BPA on the Low Voltage Utility Delivery Issue by either purchasing substations from BPA or installing its own transformers in Glasgow, Florence, Hauser, and Reedsport. Central Lincoln has only 2 remaining delivery points below 34.5kV: Mapleton and Gardiner. Central Lincoln has identified several challenges including joint ownership, environmental, and reliability concerns that must be resolved before it could purchase these facilities from BPA. BPA must allow adequate time to resolve these challenges and Central Lincoln believes the 3 rate periods which NRU/PNGC/WPAG proposed is a reasonable time period for resolution.

Joint ownership is a concern at both the Mapleton and Gardiner facilities. Central Lincoln and Blachley-Lane Cooperative Electric Association receive delivery from Mapleton. In Gardiner, Central Lincoln shares delivery with Douglas Electric Cooperative. Gardiner presents a unique circumstance in which the facility serves contested territory. Both Douglas Electric Cooperative and Central Lincoln fear that if BPA sells the facility to either utility, the purchasing utility will become the de facto service provider for the contested territory.

Mapleton also presents other challenges. The transformer has known leakage issues which may have caused environmental damage. The leakage may cause future reliability problems and presents a liability if Central Lincoln took ownership. The facility is also difficult to access due to a railroad crossing. Finally, the transformer serving Central Lincoln is significantly oversized, which presents a “costs vs. benefits” problem.

Central Lincoln suspects that most of the remaining facilities below 34.5kV have similar challenges which require a significant amount of time to resolve before utilities can purchase the facilities from BPA. The proposed three rate periods is likely adequate time to work through the sale of these facilities.

Additionally, BPA can take certain steps to shorten the time needed to work through these issues with all utilities. As noted by NRU/PNGC/WPAG, the sale of these facilities “will require more imagination and flexibility than has been heretofore required. Consideration should be given to sales propositions that meet both the customers’ and BPA’s business needs on a case by case basis.” An approach that attempts to maximize value for BPA will only lengthen the time needed to resolve these issues. Also, many utilities, including Central Lincoln, have reduced their staffing levels in the face of rising costs and may not have the resources to carry on intense negotiations for facilities which they may have little interest in purchasing. Central Lincoln urges BPA to approach selling the remaining low voltage delivery facilities with an open mind and a more collaborative attitude than it might have had previously.

Again, Central Lincoln supports the NRU/PPC/WPAG proposal and looks forward to working with BPA in resolving the Utility Delivery Charge issue for BPA-owned Facilities.