



COLUMBIA BASIN ELECTRIC COOPERATIVE, Inc.

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VIA EMAIL

Tech Forum
Bonneville Power Administration
911 NE 11th Ave.
Portland, Oregon 97232
techforum@bpa.gov

SUBJECT: BP14 Transmission Rate Case – NT Customers' UDC Proposal

Columbia Basin Electric Cooperative supports the NRU/PNGC/WPAG proposal for the sale of BPA's low voltage delivery facilities. The three rate period time period should give BPA and Utilities the required time to negotiate the terms of the transfer. Three rate periods will also give utilities the time to get approval from their lenders (RUS, CFC) if they need to finance the facilities.

Columbia Basin Electric Cooperative serves 3700 meters in some of the poorest, remote service territory in Northeast Oregon. In the last 30 years we have seen a 30% loss of retail sales. Any proposal from BPA that unnecessarily raises wholesale or transmission rates has a negative impact on our customers.

In 1996 when BPA first offered these low voltage delivery facilities to local utilities we immediately entered negotiations to purchase the two delivery points that qualified. The Vinson delivery point was not for sale. The delivery facilities are owned by Umatilla Electric Cooperative and Pacific Corp. BPA's only asset is the pole mounted metering. The second low voltage facility we tried to purchase was the Lone Substation. Most people at BPA and CBEC would agree that BPA should pay us to take the substation. BPA priced the station for \$247,000. I requested and receive their pricing formula, book values and environmental reports. Using BPA's own pricing formula at that time their asking price of \$247,000 was totally unreasonable. We elected to pay the \$1000 per month delivery charge. If at any time in the future BPA was willing to enter into reasonable negotiations CBEC is willing to discuss purchase of the Lone Substation.

Sincerely,

Jerry M. Healy
General Manager

Cc: Geoff Carr (ghcarr@nru-nw.com)