

# United States Senate

May 4, 2017

Elliott Mainzer  
Administrator  
Bonneville Power Administration  
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Portland, OR 97208-3621

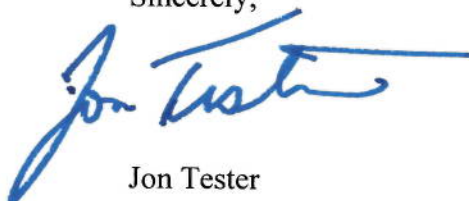
Dear Administrator Mainzer:

I am writing to you to encourage the removal of the Montana Intertie Rate (IM Rate) as part of the BP-18 Rate Proceeding. The IM Rate is an additional rate above and beyond the standard Network Rate, leading to increased costs for power generators attempting to access energy markets. Since the inception of the IM Rate decades ago, only 16 of 200 MW of transmission capacity has been sold. The IM Rate presents a barrier to energy development in Montana, and eliminating it would encourage use of currently unused capacity.

I understand that, during previous rate cases, your administration has chosen not to roll back the IM Rate, despite repeated calls to do so. The IM Rate, while a small part of BPA's overall financial considerations, presents an impediment both to Montana energy development and to BPA's full utilization of its existing transmission capacity. Montana is an energy-export state, and has significant renewable and traditional energy resources that are not yet tapped. Energy producers are far more likely to invest the resources in developing generation infrastructure if they can be sure of equitable access to energy markets. In the same vein, BPA continues to keep an additional rate in place on capacity that remains unused. Any additional transmission along that line, even without an IM Rate, would signify a greater return on investment for BPA and its ratepayers than the current status quo. The Eastern Intertie rates should be cost-based to help promote new energy development, preserve existing operations at Colstrip, and save Montana consumers money.

I urge you to eliminate the IM Rate to stimulate additional interest in energy development in Montana, and to encourage additional sales of unused transmission capacity for BPA's ratepayers. As you are aware, the court settlement mandating the closure of Colstrip Units 1 and 2 will result in a reduction of utilization in the near future. Energy development is often a slow process, making the timely elimination of the IM Rate critically important to fully utilizing all of Montana's energy potential.

Sincerely,



Jon Tester