



MEMORANDUM

EUGENE WATER & ELECTRIC BOARD



TO: Commissioners McRae, Barofsky, Schlossberg, Brown, and Carlson
FROM: Deborah Hart, Assistant General Manager/CFO; Aaron Balmer, AIC Financial Services Manager; Adam Rue, Rates Manager; Alicia Voorhees, Interim Budgets & Rates Supervisor; Janice Lee, Interim Senior Financial Analyst; Daniel Davidson, Senior Financial Analyst
DATE: November 27, 2024
SUBJECT: 2025 Proposed Budgets and Prices
OBJECTIVE: Approval of 2025 Budget and Price Proposals

Issue

The annual budget process is an iterative cycle with opportunities for Board direction and customer feedback. The Board is required by statute to approve the Utility budgets prior to January 1st, and staff will seek Board approval following the second public hearing on December 3rd.

Background

Current budgets include increased revenue requirements for both utilities, and the 10-year financial plan includes additional increases in subsequent years as both utilities enter a period of significant infrastructure investment. Like utilities across the country, most of our community's electric grid was built in the 1960s and 1970s and is reaching the end of its useful life. Water storage reservoirs and pipes built by previous generations are also aging and do not meet modern seismic standards.

In addition, EWEB navigated an economic environment with uncomfortably high inflation over the past several years. Rate increases proposed in 2025 for both utilities will aid in adjusting for inflation and the new cost to doing business. EWEB will continue to manage costs and related revenue requirement increases by benchmarking revenue requirement projections against anticipated inflation. Increases outpacing inflation are anticipated for the Electric Utility to pre-fund the Leaburg decommissioning and for the Water Utility as planned investments in storage and treatment facilities are needed to renew an aging system and enhance resiliency.

BPA rates are forecast to increase 10% in October 2025, which translates to approximately 4% for EWEB customers. Management's proposal includes mitigating the impact of a 2025 increase on customers by splitting it into two smaller increases, deferring the portion attributed to BPA until October. Actual rate increases for EWEB customers will depend on the final rates from BPA and would be done as a strict pass through. Implementing the BPA increase as a pass through

significantly reduces the annual action in February and spreads the required overall increase to customers across a broader period, allowing for gradualism and greater transparency around our BPA costs. Beyond 2025, the Long-Term Financial Plan assumes BPA rate increases of 6% in 2028, 2030, 2032, and 2034, which translates to 2.5% for EWEB customers.

EWEB prepares organizational budgets annually and uses this information for each utility's Cost-of-Service Analysis (COSA). Staff completed a three-year COSA using 2025 budget and financial plan assumptions for 2026 and 2027. The intent of the multi-year COSA is to incorporate gradualism into specific recommendations and provide customers with cost-based price signals while easing and forecasting single year impacts. The updated COSA provided an opportunity to review and validate assumptions and ensure the models align with industry standards and best practices. EWEB engaged GDS Consulting to support its COSA review for both Water and Electric Utilities.

This year's COSA has two notable assumptions. First, the upcoming Bonneville Power Administration rate increase for the electric utility scheduled for October 2025 was not factored into the COSA and will be treated as a pass-through at the time of the increase. Second, EWEB is developing a 5-year rate plan for the Board. The COSA analysis doesn't pre-suppose any Board rate strategy direction but provides a tool to inform those discussions.

Discussion

Materials presented are consistent with the November Board presentation. Proposed budgets and prices remain unchanged, except where noted below:

- Incorporated CleanPower Rate, previously not included in November
- Minor grammatical edits for clarity and consistency
- Format changes to promote consistency between the Water and Electric price proposals
- Update to reserve balances and forecast ratios on Attachments 4 and 5 of the Budget Document

Budgets

Proposed 2025 budgets were developed in alignment with EWEB's strategic priorities and total \$489.6 million for the Water and Electric Utilities combined. The total proposed budgets represent an \$18.1 million increase from the 2024 approved budget.

The primary assumptions for creating the proposed 2025 Budgets are outlined in Attachment 1. These are the same assumptions presented in November, and Management believes they balance financial responsibility, operational resiliency, and affordability.

Pricing Changes

The overall increases in the revenue requirement correspond to varying impacts among customer classes. Staff perform annual analysis to derive price proposals for each customer class using a utility COSA framework. Price proposals for each utility have been prepared and outline respective methodologies and procedures used to develop 2025 pricing schedules.

EWEB historically used forward wholesale power market prices as the basis for updating market-based rates, such as customer generation. Staff plan to align retail products and services with

wholesale price forecast methodologies used in the Energy Resource Plan rather than the forward curve. Consideration of gradualism will be incorporated into the change in methodology from forward curve to forecasted wholesale market rates.

The annual COSA model is also used to derive and update contracted rates for retail power supply contracts. EWEB will update contract customers per individual contract terms.

Recommendation and Requested Board Action

After the public hearing on the 2025 Budgets and Price Proposals, Management recommends approval of Resolutions 2422, 2423, and 2424: adopting the 2025 Budgets as well as the Water and Electric Price proposals.

Attachments

- Attachment 1 – 2025 Key Budget Assumptions
- Attachment 2 – Median Household Income (MHI) %
- Attachment 3 – Average Bill Comparison
- Attachment 4 – 2025 Proposed Budget Document
- Attachment 5 – 2025 Electric Price Proposal
- Attachment 6 – 2025 Water Price Proposal
- Attachment 7 – Redlined Customer Service Policy

2025 Key Budget Assumptions

Both Utilities

- Non-Labor Operations and Maintenance Escalation – 2025 is escalated at 3.0%
- Labor Cost Escalation – fully loaded costs indexed to a combination of inflation factors and expected labor market comparators and benefit cost escalations
- Capital Escalation – 2025 is escalated at 5%
- Customer Care funding of \$1.6 million, an increase of \$275,000 from 2024 budget levels based on EWEB’s Utility-Burden Assistance Calculation

Electric

- Retail load approximately 2.3 million MWh’s, roughly the same as 2024 budget. Forecast for 2025 includes electrification load of approximately 22,000 MWh’s
- Contribution margin risk tolerance of \$10.5 million
- BPA estimated rate increase of 10% in October 2025 translating to 4% for EWEB customer-owners
- \$62/MWh melded mid-market price curve in 2025
- Environmental Commodities represent roughly \$14 million of wholesale revenue in 2025
- Use of \$7.2 million of Rate Stabilization Reserve funds for capital work in 2025
- Use of Power Operating Reserve in 2025 due to power market fluctuations during January ice storm
- Emergent Regulatory Mitigation Fund is funded at \$5 million in 2025

Water

- Consumption of approximately 7.8 million kgal
- Contribution margin risk tolerance of \$1.3 million in 2025
- System Development Charge reserve draw of \$600 thousand for debt service payments in 2025
- Includes watershed recovery fee funding and expenditure. Though grant revenues are anticipated to fund watershed efforts, grants not yet awarded are not modeled as revenue sources and associated expenses are not included

Background

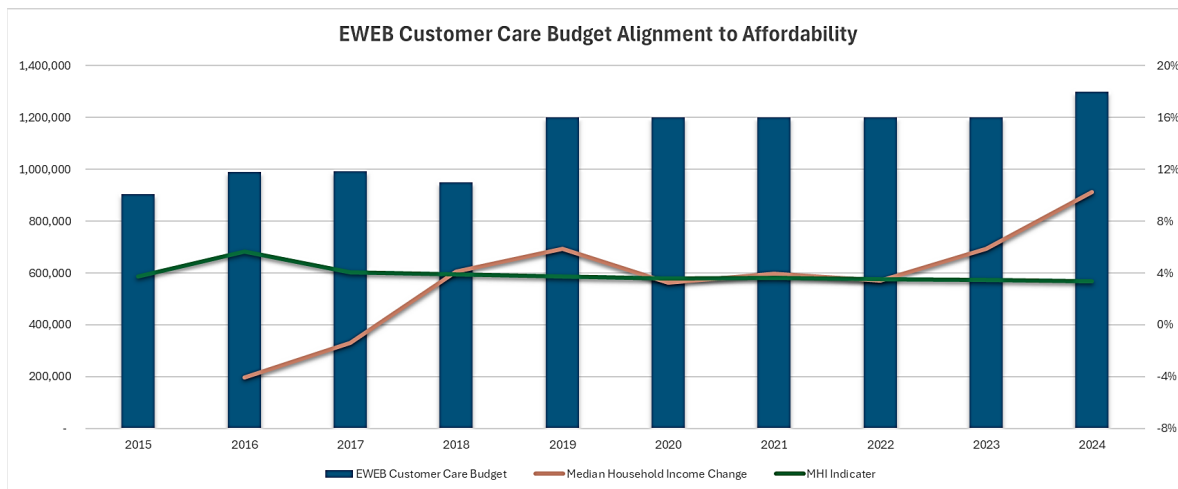
The source of each comparator’s Median Household Income (MHI) is from the United States Census Bureau website. The methodology uses the following data:

1. Monthly water and electric bill at average residential consumption
2. Annual bill at same level of use
3. Median household income (in 2022 dollars)

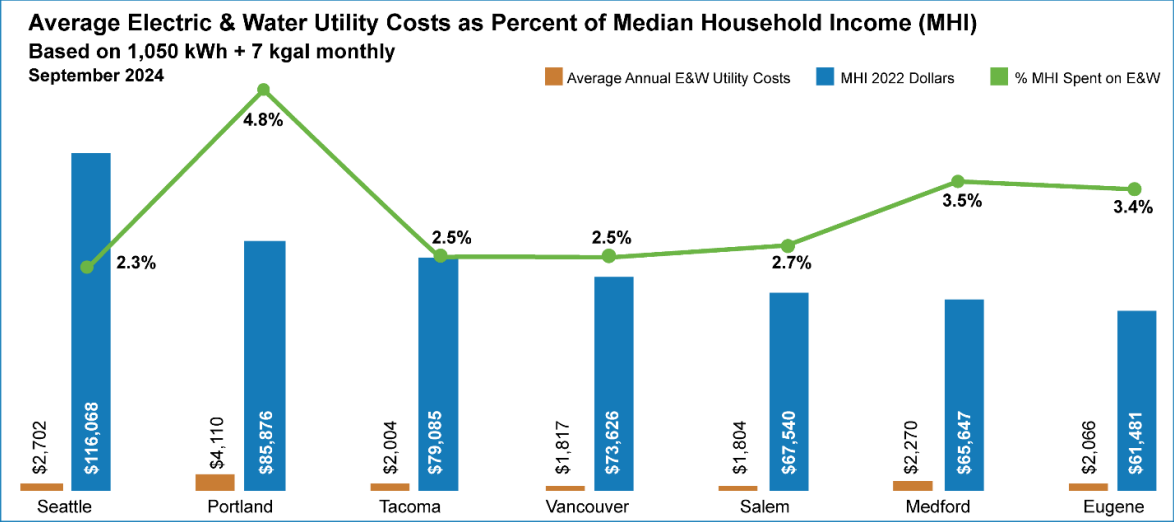
Consideration must be given to financial sustainability of the utility as a whole, in addition to affordability of price. Setting artificially lower prices may produce financial constraints to reinvesting in the system and eventually harm public health through poor product quality and service.

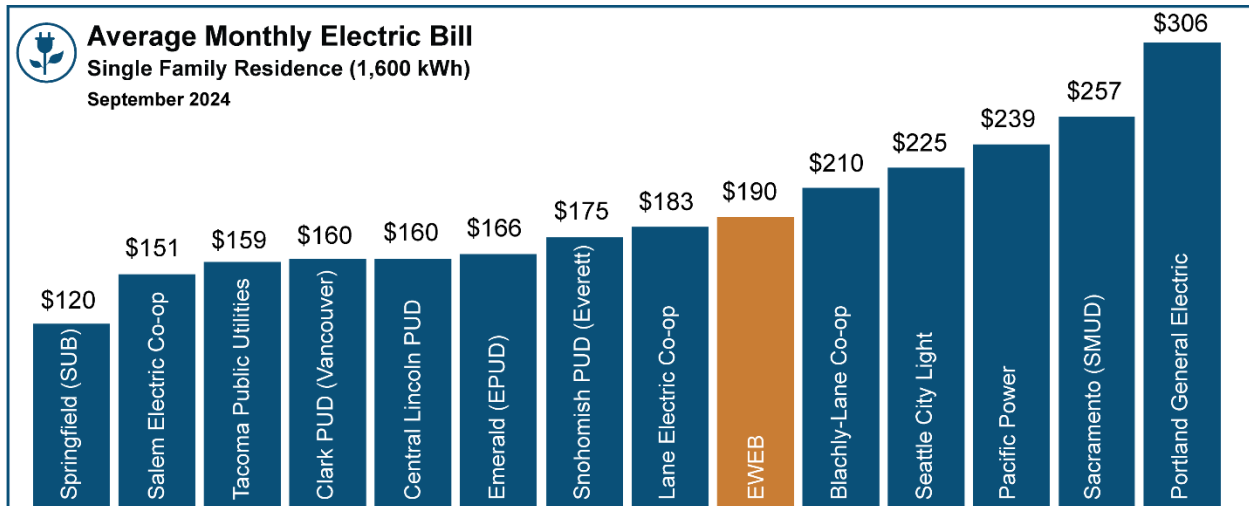
The state of Oregon considers households energy burdened when energy-related expenditures exceed 6% of income. While on average, EWEB bills fall well below that, we recognize our customers fall across a range of incomes. To address the limited income customer-owner bill impact, EWEB has maintained a Customer Care program for many years that provides assistance for bill payment and weatherization programs.

Historical funding for the Customer Care program is shown in the bar chart below. The MHI indicator is represented by the green line as the affordability measured each year. The MHI indicator has had a slight downward trend over the past 10 years as a function of EWEB bills growing at a slower pace than median household income.

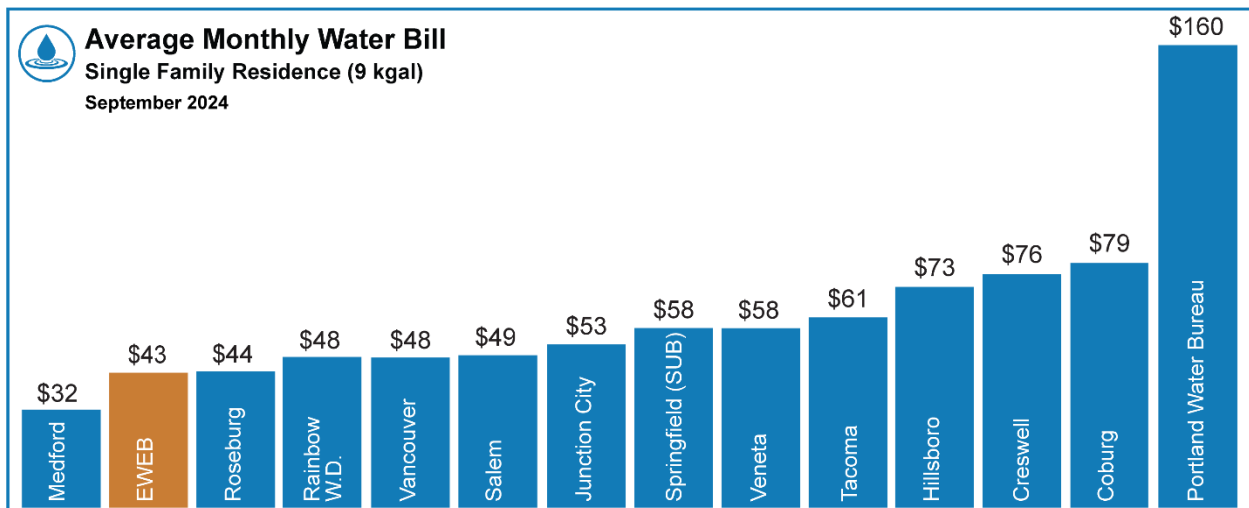


Included below are the combined average water and electric bills for residential customers in Eugene, Portland, Medford, Salem, Vancouver, Tacoma, and Seattle. Average consumption is based on 7 kgal of water and 1,050 kWh of electricity respectively. The average is annualized and compared as a percentage of MHI.





- Clark PUD serves the Vancouver, WA area
- Pacific Power serves areas of Corvallis, Junction City, Coburg, Creswell, Cottage Grove, Medford, and Portland metro
- For an average single-family residence, the proposed February increase would be approximately \$12



- For an average single-family residence, the proposed February increase would be approximately \$2.50



Fiscal Year 2025

Proposed Annual Budget

Rely on us.

Board of Commissioners



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LETTER TO THE BOARD OF COMMISSIONERS

Board of Commissioners,

The 2025 Eugene Water & Electric Board Operations & Maintenance (O&M) and Capital & Debt Service budgets are submitted for your consideration and approval. The combined total for both Utilities is \$489.6 million, representing an increase of 3.8% compared to the 2024 budget. Individual utility budgets are \$406.1 million for the Electric Utility and \$83.5 million for the Water Utility. Both Utilities' have increases in the overall revenue requirement and, accordingly, price increases are proposed among customer classes.

Financial planning is a means of targeting EWEB's strategic direction to *Foster Customer Confidence, Position for Flexibility, and Actualize Resilient Delivery*. Organizational values are also modeled through the allocation of resources in the proposed budgets for 2025.

Safe — Through best practice methods and continuous improvement, we prioritize employee and community safety. Our budget reflects investments in providing clean, healthy water, safeguarding the community during power outages, and preparing for emergencies.

Reliable — The electric grid and drinking water systems our customers rely on everyday are threatened by aging infrastructure, natural disasters, and climate change. Our budget reflects necessary investments to provide constant, reliable power and water under both normal operating conditions and disruptive events.

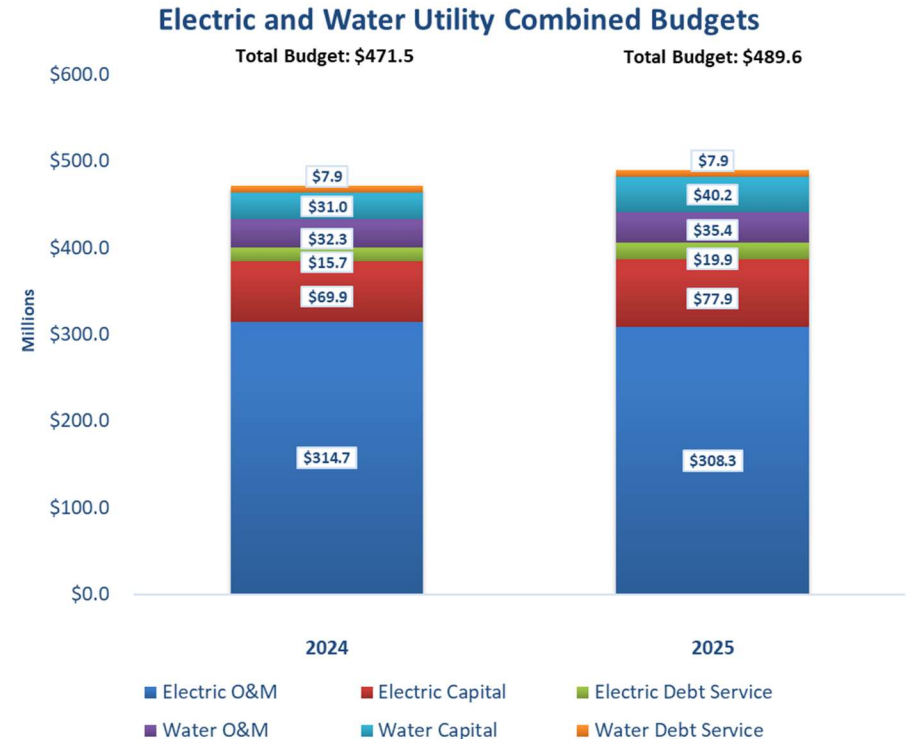
Affordable — We understand the economic pressures facing so many customers and we work hard to control costs and operate as efficiently as possible.

Environmental — Our environmentally-conscious community values that we provide clean, renewable energy and protect our watersheds. We continue to offer comprehensive incentives for energy and water efficiency programs, along with voluntary programs designed to help customers reduce greenhouse gas emissions and finance environmentally sustainable projects.

Community — We contribute a portion of revenues to local schools, programs to support limited income customers, and the Cities of Eugene and Springfield General Funds to help pay for services such as police, fire, and parks.

EWEB continues to be a strong community partner as evidenced by its Customer Care Program, which seeks to mitigate the utility burden of annual average water and electric expenses for at least 5% of the residential customer base. EWEB also provides \$450,000 annually in grants to local schools and \$230,000 annually for Greenpower and solar programs. In addition, incentive programs to encourage electrification of the transportation sector as well as building heating and cooling systems continue in 2025.

The following chart depicts the combined Electric and Water budgets for 2024 and 2025.



ELECTRIC UTILITY

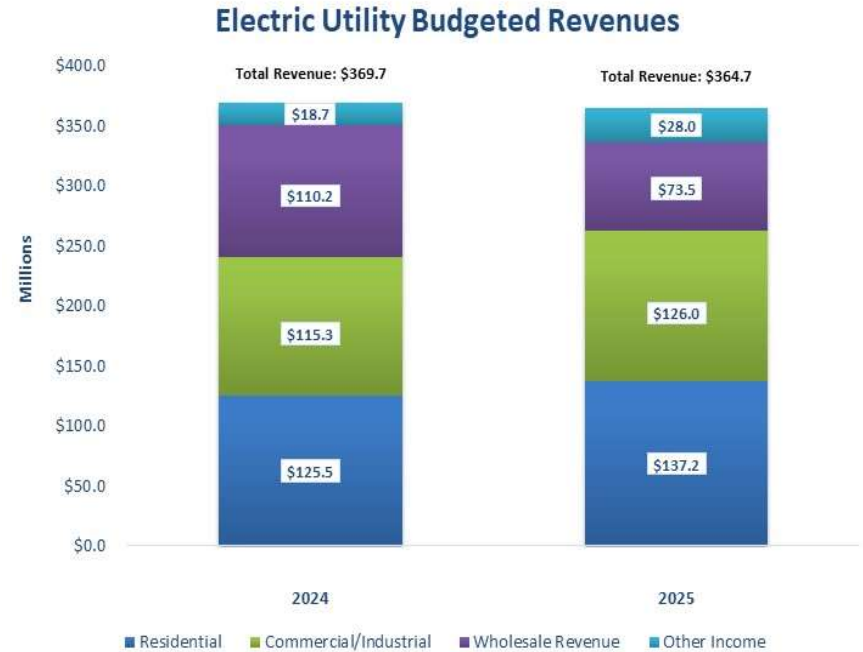
Overview and Revenue

The Electric Utility faces challenges related to evolving retail demand patterns, infrastructure investment and replacement needs, and volatile power markets in which it buys and sells energy. To navigate these challenges EWEB has invested in energy efficiency and electrification incentive programs, employed conservative demand and hydro assumptions, increased capital budgets for aging infrastructure replacement, and continued an active hedging and risk management program to mitigate market risk.

For the 2025 Budgets, electric retail load increased 0.4% relative to 2024. The 2025 budget assumes a contribution margin risk tolerance of \$10.5 million, which mitigates risk the Utility will experience revenue declines beyond its control. Given its surplus power position, EWEB has a strong hedging program designed to protect the Utility from falling wholesale prices and budget impacts. In recent years, extreme weather events have led to changing demand for electricity. Summer temperatures have consistently exceeded historical conditions, and cooling loads from air conditioning have approached winter peaks. These weather patterns also affect hydroelectric generation. Wholesale revenue decreased by \$36.7 million between 2024 and 2025. The decrease is due to lower wholesale market price assumptions year-over-year. Other income increased by \$9.1 million between 2024 and 2025. The increase is due to higher contracted REC sales.

In the future, as EWEB continues to assist customers with achieving their greenhouse gas (GHG) emission reduction goals as directed by EWEB’s Climate Change Policy, there will likely be impacts on retail demand for electricity. Long-term conservation, energy efficiency, and demand-response goals are established as part of the Utility’s Energy Resource Plan process, and EWEB will continue to monitor the impacts on peak demand and energy sales.

The following chart presents the Electric 2024 and 2025 revenue budgets.

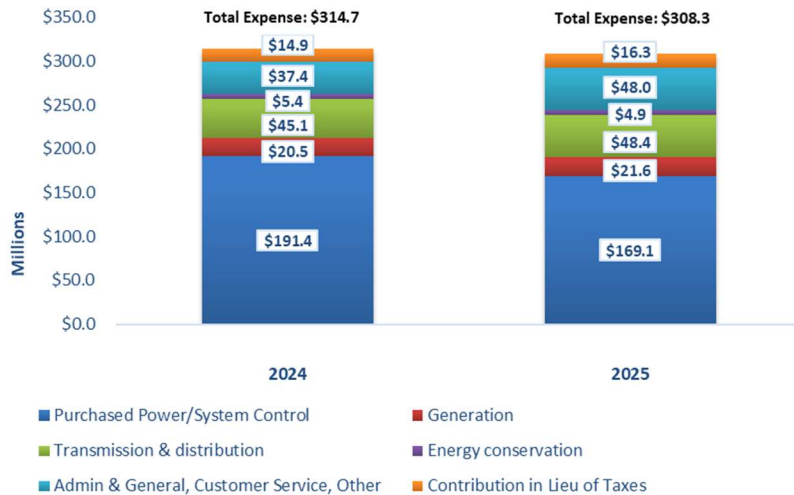


Operations & Maintenance Budget

The 2025 Electric O&M budget is \$308.3 million compared to the 2024 O&M budget of \$314.7 million. The budget for purchased power and system control expense represents the majority of costs and decreased by \$22 million year-over-year as a result of lower wholesale market price assumptions. Increases in other operational areas are driven by labor market changes and resources to support new technology, services, and infrastructure. The O&M budget projects a \$3.1 million deposit to reserves.

The following chart presents the Electric 2024 and 2025 O&M expense budgets.

Electric Utility Budgeted Operations & Maintenance Expenses



Capital and Debt Service Budget

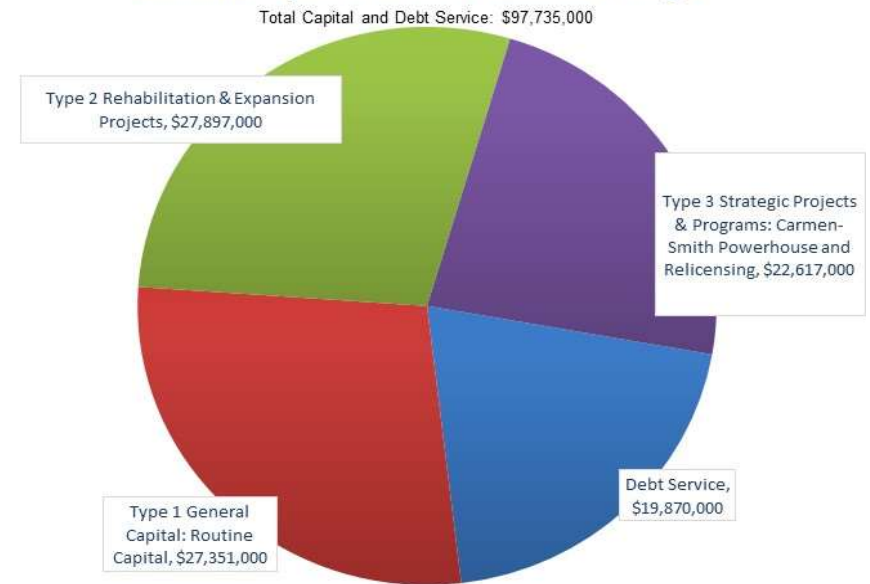
The Electric Utility installed significant distribution infrastructure in the 1960s and 1970s. The service life of these assets is ending, and therefore, EWEB needs to manage the replacement of these aging assets while maintaining reliability and increasing resiliency during disruptive events. The electric system investments will be prioritized by managing high customer-impact assets and systems that increase resiliency to critical locations. The Capital budget anticipates a \$41 million draw on reserves including use of bond proceeds.

The 2025 Electric Capital & Debt Service budget of \$97.7 million is \$12.0 million higher than the 2024 budget, aimed at addressing near-term regulatory requirements and risk mitigation efforts. \$33.5 million of the 2025 capital work is funded with electric retail revenue, which is a \$1.4 million increase from \$32.1 million funded from retail revenue in 2024. Additional detail on the capital budget is included in Attachment 1.

The 2025 budget includes \$19.9 million to service existing debt and the overall debt amount will be approximately \$255 million in principal at the end of 2025.

The following chart details the budget by type of cost.

Electric Capital and Debt Service Budget

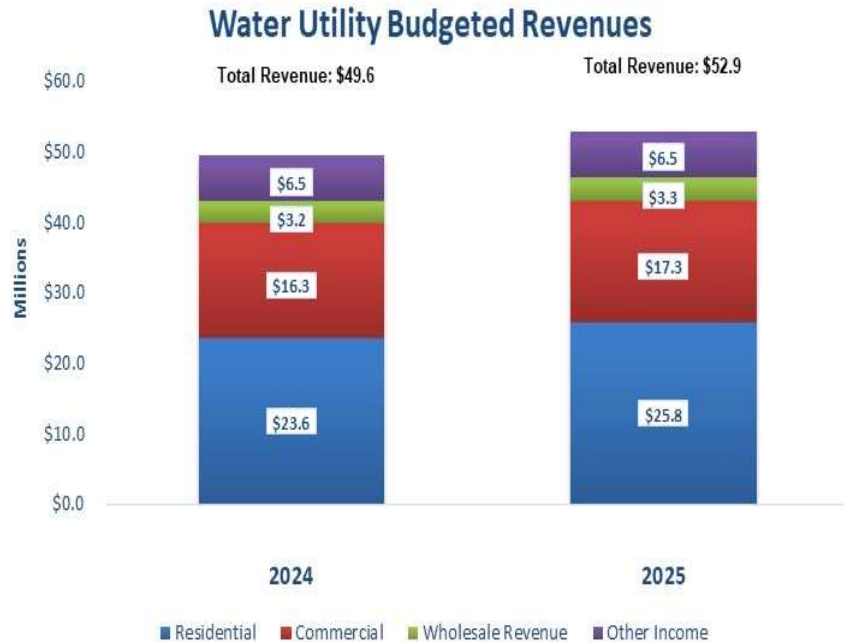


WATER UTILITY

Overview and Revenue

The Water Utility faces challenges such as replacement of aging infrastructure, water source protection, and developing a second source water treatment facility.

The budgeted sales for 2025 are 7.8 billion gallons, remaining flat to sales budgeted in 2024. The long-term financial plan sales forecast assumes 95% of historical 5-year average water consumption for the first five years, resulting in a contribution margin risk tolerance of approximately \$1.3 million in 2025. Residential revenue makes up 52% of the Water Utility's total revenues, while 48% is from commercial, sales for resale and other operating revenue.

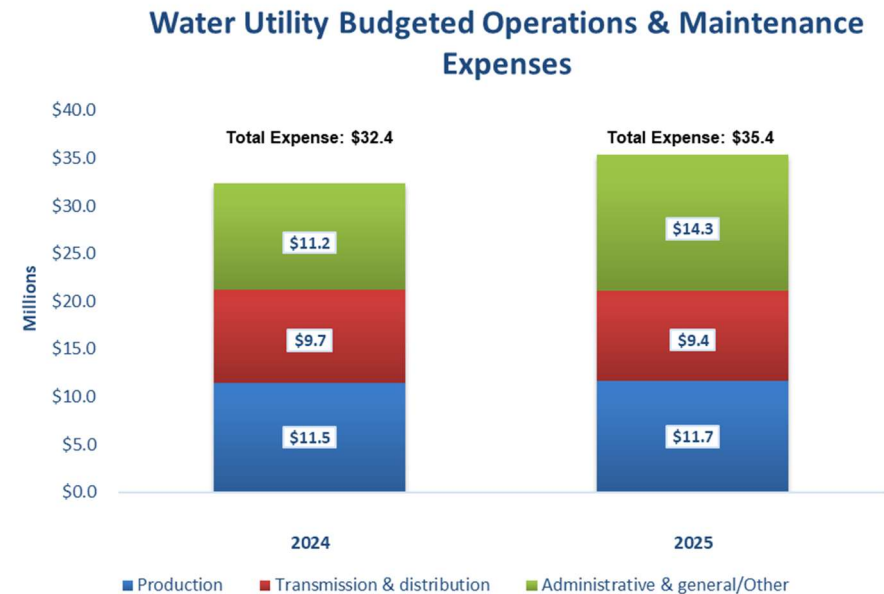


Operations & Maintenance Budget

The 2025 Water Utility O&M budget is \$35.4 million compared to \$32.4 million in 2024. The budget assumes \$2.4 million for Watershed Recovery work, to be funded by Watershed Restoration Fee revenues.

The O&M budget projects a \$5.8 million draw from reserves. The 2025 budget does not include potential funding from grants not yet awarded to support watershed restoration projects. In the event project grants are secured, a budget amendment would be proposed to the Board to accommodate increased spending. Year-over-year increases are driven by labor market changes and resources to support new technology, services, and infrastructure.

The following chart compares the 2024 and 2025 Water Utility Operations & Maintenance budgets.



Capital and Debt Service Budget

The Water Utility prioritizes investments in base-level storage and in-town transmission infrastructure. Construction will ramp up in 2025 and 2026 for the College Hill Reservoirs as well as the Alder Street transmission main. In addition, 2025 budgets incorporate plans for EWEB to continue design and permitting efforts for construction of a treatment plant on the Willamette River. The Capital budget projects a draw of \$22.7 million on reserves including the use of bond proceeds.

The Water Capital & Debt Service budget of \$48.2 million reflects a \$9.3 million increase from the 2024 budget. Depending on the type of project, funding is through water retail prices, customer contributions, or bonds.

The 2025 budget includes \$7.9 million for servicing existing debt, with the total principal debt expected to be around \$104 million at the end of 2025.

The 2025 budgets position both the Electric and Water Utilities to maintain their financial resiliency and flexibility. EWEB faces the challenge of effectively planning and operating in an environment of inflationary pressures, a changing climate, new technology, developing markets, political and regulatory flux, natural and human-caused threats, and evolving community expectations. In this environment, we need to embed resiliency into all our operations, processes, and decision making – from how we upgrade aging infrastructure, to planning for our community’s energy future, and transforming the technology and programs that build customer trust and enable operational consumption flexibility. I am pleased how EWEB has rallied around this focus, and I want to thank EWEB management, staff, and Commissioners for their assistance in helping EWEB achieve its mission “to enhance our community’s vitality by delivering drinking water and electric services consistent with the values of our customer-owners”.

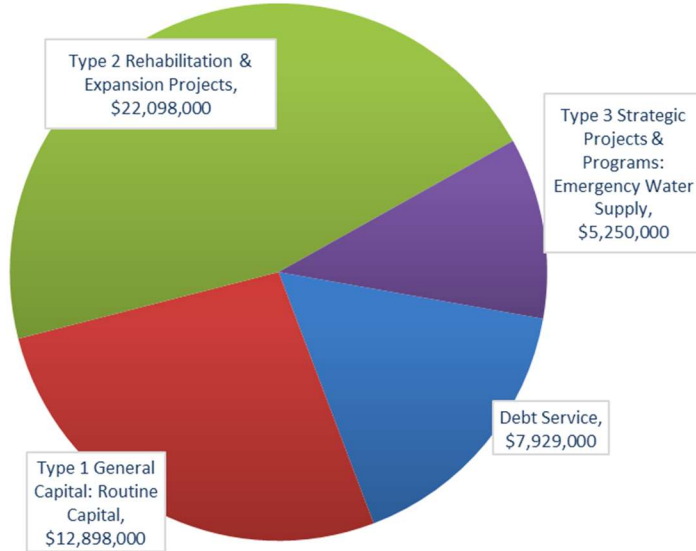
Respectfully submitted,



Frank Lawson, General Manager

Water Capital and Debt Service Budget

Total Capital and Debt Service: \$48,175,000



DID YOU KNOW?



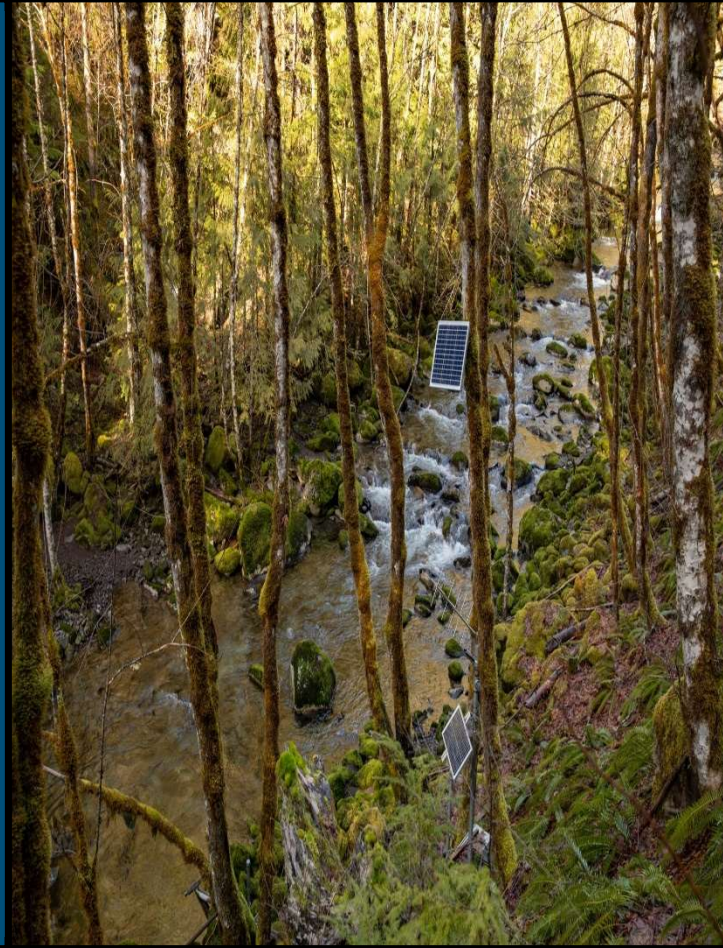
Carmen-Smith Relicensing

EWEB recently finished upgrading the Spawning Channel as part of relicensing the Carmen-Smith Hydroelectric Project. Habitat improvements include improving spawning gravels for adults to lay their eggs, creating riffles to oxygenate the water for egg development, and pools to slow the flow for juvenile fish once they've hatched.

ATTACHMENT 1

2025 PROPOSED BUDGET

DID YOU
KNOW?



Carmen-Smith Relicensing

In a partnership with USGS, EWEB installed a water and weather station at Smith River below the reservoir. The system will help monitor turbidity and other effects when water is released from Smith's spillway. There is another monitoring station at the bottom of Smith's reach just above Trail Bridge Reservoir.

EUGENE WATER & ELECTRIC BOARD

ELECTRIC UTILITY OPERATIONS & MAINTENANCE BUDGET AND REVENUE REQUIREMENTS 2025 PROPOSED BUDGET COMPARED WITH 2024 ADOPTED BUDGET AND 2023 ACTUAL

	2025 Proposed Budget		2024 Adopted Budget		2023 Actual	
	MWH	Revenue and Expense	MWH	Revenue and Expense	MWH	Revenue and Expense
Residential	981,000	\$ 137,209,000	970,000	\$ 125,450,000	984,000	\$ 120,206,000
Commercial	868,000	99,334,000	873,000	90,281,000	840,000	83,398,000
Industrial	494,000	26,685,000	490,000	25,023,000	490,000	21,702,000
Retail sales	2,343,000	263,228,000	2,333,000	240,754,000	2,314,000	225,306,000
Wholesale sales	1,165,000	73,468,000	1,351,000	110,202,000	1,038,000	64,994,000
Other Operating Revenues		19,094,000		9,991,000		11,485,000
Operating revenues	3,508,000	355,790,000	3,684,000	360,947,000	3,352,000	301,785,000
Other revenue		1,945,000		1,857,000		4,523,000
Interest earnings		7,010,000		6,850,000		6,843,000
Non-operating revenues		8,955,000		8,707,000		11,366,000
Total revenues		364,745,000		369,654,000		313,151,000
Purchased Power		162,768,000		184,937,000		148,313,000
System control		6,304,000		6,438,000		4,588,000
Generation		21,595,000		20,497,000		16,461,000
Wheeling		15,062,000		12,840,000		13,189,000
Transmission & distribution		33,331,000		32,365,000		30,366,000
Customer accounting		10,756,000		9,973,000		10,004,000
Energy conservation		6,821,000		6,972,000		5,397,000
Administrative & general		38,109,000		28,459,000		27,509,000
Operating expenses		294,746,000		302,481,000		255,827,000
Contributions in lieu of taxes		16,315,000		14,851,000		13,450,000
Change in balance sheet accounts/ other expenses		(2,806,000)		(2,650,000)		30,471,000 ¹
Non-operating expenses		13,509,000		12,201,000		43,921,000
Total operations and maintenance expenses		308,255,000		314,682,000		299,748,000
Rate funded capital		33,529,000		32,100,000		
Rate funded debt service		19,870,000		15,727,000		
Total rate funded capital related expenses		53,399,000		47,827,000		
Total rate funded expenses		361,654,000		362,509,000		
Revenues over/(under) expenses		\$ 3,091,000		\$ 7,145,000		
Deposit to Leaburg Reserve		2,160,000		4,200,000		
Deposit to / (Draw from) Unrestricted Reserves		931,000 ³		2,945,000		
Net change in reserves from operations		\$ 3,091,000		\$ 7,145,000		
Change in Net Position						\$ 13,403,000²

¹ Includes depreciation, other revenue deductions, interest and amortization expense, contribution in aid, and contributed plant assets

² Actual results are not directly comparable to budget due to a difference in accounting treatment

³ Board will allocate working cash above target to specific designated funds after annual audit
Dollars rounded to nearest thousand.

EUGENE WATER & ELECTRIC BOARD

ELECTRIC UTILITY CAPITAL AND DEBT SERVICE BUDGET

2025 PROPOSED BUDGET COMPARED WITH 2024 ADOPTED BUDGET

	2025 Proposed Budget	2024 Adopted Budget
Funding Source by Type		
<u>Source of Funds</u>		
Retail Revenue	\$ 33,529,000	\$ 32,100,000
Draw on Rate Stabilization Reserves	7,166,000	9,336,000
Bond Proceeds	33,854,000	24,255,000
Customer Contributions in Aid	2,276,000	3,019,000
Grant Funding	1,040,000	1,213,000
Total Source of Funds	77,865,000	69,923,000
Expenditures by Type		
<u>Type 1- General Capital ¹</u>		
Electric Infrastructure- Generation	1,307,000	1,937,000
Electric Infrastructure- Substations	4,016,000	2,966,000
Electric Infrastructure- Transmission & Distribution	9,641,000	8,561,000
Down town Network	1,092,000	1,198,000
Telecommunications	1,106,000	940,000
General Plant- Information Technology	6,632,000	4,039,000
General Plant- Buildings & Land	430,000	233,000
General Plant- Fleet	3,127,000	2,790,000
Total Type 1	27,351,000	22,664,000
<u>Type 2- Rehabilitation & Expansion Projects ²</u>		
Electric Infrastructure- Generation	6,857,000	1,050,000
Electric Infrastructure- Resiliency & Reliability Projects	2,205,000	3,717,000
Electric Meters	2,471,000	3,961,000
General Plant- Information Technology	8,187,000	9,006,000
General Plant- Buildings & Land	8,177,000	5,270,000
Total Type 2	27,897,000	23,004,000
<u>Type 3- Strategic Projects & Programs ³</u>		
Carmen-Smith Relicensing	22,617,000	24,255,000
Total Type 3	22,617,000	24,255,000
Total Electric Capital Budget	77,865,000	69,923,000
Rate Funded Debt Service	19,870,000	15,727,000
Total Electric Capital and Debt Service Budget	\$ 97,735,000	\$ 85,650,000

¹ Type 1 capital is routine capital work for projects totaling less than \$1 million and is primarily funded with rates and customer contributions

² Type 2 capital projects are discrete, with a defined completion period, and lifetime expenditures over \$1 million. Depending on the project, this work may be funded with rates, customer contributions, or bond funds

³ Type 3 capital projects are large strategic programs with long-term impacts, and are generally bond funded
Dollars rounded to the nearest thousand

EUGENE WATER & ELECTRIC BOARD
WATER UTILITY OPERATIONS & MAINTENANCE BUDGET AND REVENUE REQUIREMENTS
2025 PROPOSED BUDGET COMPARED WITH 2024 ADOPTED BUDGET AND 2023 ACTUAL

	2025 Proposed Budget		2024 Adopted Budget		2023 Actual	
	Gal (000)	Revenue and Expense	Gal (000)	Revenue and Expense	Gal (000)	Revenue and Expense
Residential	3,830,000	\$ 25,778,000	3,835,000	\$ 23,556,000	4,010,000	\$ 22,494,000
Commercial	3,304,000	17,342,000	3,305,000	16,316,000	3,608,000	16,927,000
Sales for Resale and Other	642,000	6,813,000	646,000	6,666,000	674,000	6,770,000
Operating revenues	<u>7,776,000</u>	<u>49,933,000</u>	<u>7,786,000</u>	<u>46,538,000</u>	<u>8,292,000</u>	<u>46,191,000</u>
Other revenue		1,061,000		547,000		3,869,000
Interest earnings		1,914,000		2,541,000		2,550,000
Non-operating revenues		<u>2,975,000</u>		<u>3,088,000</u>		<u>6,419,000</u>
Total revenues		<u>52,908,000</u>		<u>49,626,000</u>		<u>52,610,000</u>
Production		11,677,000		11,520,000		13,059,000
Transmission & distribution		9,402,000		9,687,000		7,663,000
Customer accounting		2,934,000		3,000,000		2,484,000
Conservation		1,075,000		933,000		649,000
Administrative & general		10,688,000		7,590,000		7,310,000
Operating expenses		<u>35,776,000</u>		<u>32,730,000</u>		<u>31,165,000</u>
Change in balance sheet accounts/ other expenses		(419,000)		(408,000)		9,536,000 ¹
Non-operating expenses		<u>(419,000)</u>		<u>(408,000)</u>		<u>9,536,000</u>
Total operations and maintenance expenses		<u>35,357,000</u>		<u>32,322,000</u>		<u>40,701,000</u>
Rate funded capital		15,991,000		4,927,000		
Rate funded debt service		7,329,000		7,020,000		
Total rate funded capital related expenses		<u>23,320,000</u>		<u>11,947,000</u>		
Total rate funded expenses		<u>58,677,000</u>		<u>44,269,000</u>		
Revenues over expenses		<u>\$ (5,769,000)</u>		<u>\$ 5,357,000</u>		
Deposit to / (Draw from) Unrestricted Reserves		(5,669,000)		4,407,000		
Deposit to / (Draw from) Rate Stabilization Fund		(100,000)		950,000		
Net change in reserves from operations		<u>\$ (5,769,000)</u>		<u>\$ 5,357,000</u>		
Change in Net Position						<u>\$ 11,909,000</u> ²

¹ Includes depreciation, other revenue deductions, interest and amortization expense, contribution in aid, and contributed plant assets

² Actual results are not directly comparable to budget due to a difference in accounting treatment
Dollars rounded to nearest thousand.

EUGENE WATER & ELECTRIC BOARD

WATER UTILITY CAPITAL AND DEBT SERVICE BUDGET

2025 PROPOSED BUDGET COMPARED WITH 2024 ADOPTED BUDGET

	2025 Proposed Budget	2024 Adopted Budget
Funding Source by Type		
<u>Source of Funds</u>		
Retail Revenue	\$ 15,991,000	\$ 4,927,000
Draw on Alternative Water Supply Reserve	1,752,000	1,625,000
Draw on Capital Reserve	380,000	350,000
Draw on Rate Stabilization Reserves	-	7,320,000
Bond Proceeds	20,541,000	15,294,000
Customer Contributions in Aid	1,166,000	1,166,000
System Development Charges, Improvements	416,000	291,000
Total Source of Funds	40,246,000	30,973,000
Expenditures by Type		
<u>Type 1 - General Capital¹</u>		
Source- Water Intakes & Filtration Plant	1,443,000	1,075,000
Water Infrastructure- Distribution & Pipe Services	7,855,000	7,155,000
Water Infrastructure- Distribution Facilities	1,197,000	987,000
General Plant- Information Technology	1,562,000	1,070,000
General Plant- Buildings, Land & Fleet	841,000	923,000
Total Type 1	12,898,000	11,210,000
<u>Type 2- Rehabilitation & Expansion Projects²</u>		
Water Infrastructure- Distribution	15,750,000	11,760,000
Water Meters	2,327,000	1,500,000
General Plant- Information Technology	2,586,000	2,844,000
General Plant- Buildings, Land & Fleet	1,435,000	1,034,000
Total Type 2	22,098,000	17,138,000
<u>Type 3- Strategic Projects & Programs³</u>		
Willamette Water Treatment Plant	5,250,000	2,625,000
Total Type 3	5,250,000	2,625,000
Total Water Capital Budget	40,246,000	30,973,000
Rate Funded Debt Service	7,329,000	7,020,000
SDC Reimbursement Funded Debt Service	600,000	910,000
Total Water Capital and Debt Service Budget	\$ 48,175,000	\$ 38,903,000

¹ Type 1 capital is routine capital work for projects totaling less than \$1 million and is primarily funded with rates and customer contributions

² Type 2 capital projects are discrete, with a defined completion period, and lifetime expenditures over \$1 million. Depending on the project, this work may be funded with rates, customer contributions, or bond funds

³ Type 3 capital projects are large strategic programs with long-term impacts, and are generally bond funded
Dollars rounded to the nearest thousand

ATTACHMENT 2

DEPARTMENT OPERATIONS & MAINTENANCE

DID YOU
KNOW?



College Hill Reservoir

EWEB is replacing an 80-year-old 15-million-gallon drinking water reservoir with new earthquake-proof tanks that will store and protect drinking water for all Eugene residents. The College Hill Reservoir was fully drained at the beginning of 2024 after EWEB finished construction on the new earthquake-proof drinking water storage tanks near East 40th Ave. and Patterson St.

Eugene Water & Electric Board – Division Operations & Maintenance Budget Summary

	2025 Proposed Budget Dollars	2024 Adopted Budget Dollars	2023 Actual Dollars
Business Continuity	\$8,609,000	\$8,231,000	\$6,497,000
Customer Service	22,373,000	21,302,000	17,983,000
Electric	31,316,000	30,074,000	28,918,000
Energy	204,920,000	223,742,000	181,806,000
Finance	7,490,000	7,605,000	6,310,000
General Manager	1,827,000	2,029,000	1,697,000
Human Resources	4,144,000	3,685,000	3,393,000
Information Services	23,697,000	14,242,000	13,587,000
Support Services	19,034,000	18,359,000	16,357,000
Water	20,510,000	20,197,000	20,376,000
Total Operations and Maintenance Budget	\$343,920,000	\$349,466,000	\$296,924,000

Note: Due to re-organization, prior year numbers have been restated for comparability.

Business Continuity Operations & Maintenance Budget

	2025 Proposed Budget Dollars	2024 Adopted Budget Dollars	2023 Actual Dollars
Wages / Benefits	\$4,865,000	\$4,790,000	\$3,725,000
<u>Purchases</u>			
Stores Materials and Supplies	2,000	3,000	1,000
EWEB Equipment	110,000	94,000	87,000
Materials and Supplies	113,000	107,000	99,000
Technology / Office Equipment	93,000	95,000	111,000
Total Purchases	\$318,000	\$299,000	\$298,000
<u>Services</u>			
Contract Labor	5,000	5,000	-
Miscellaneous Services	178,000	143,000	96,000
Professional and Technical Services	428,000 ¹	376,000	190,000
Software/Hardware Maintenance and Services	19,000	16,000	7,000
Legal Services	120,000	95,000	105,000
Insurance	2,561,000 ²	2,385,000	1,986,000
Training and Travel	115,000	122,000	90,000
Total Services	\$3,426,000	\$3,142,000	\$2,474,000
Total	\$8,609,000	\$8,231,000	\$6,497,000

¹ Includes employee wellness events, safety program, cyber security, and resiliency and fire mitigation initiatives

² Insurance premium increases for property, liability, and cyber security coverages

Customer Service Operations & Maintenance Budget

	2025 Proposed Budget Dollars	2024 Adopted Budget Dollars	2023 Actual Dollars
Wages / Benefits	\$12,248,000	\$10,745,000	\$8,711,000
<u>Purchases</u>			
EWEB Equipment	22,000	16,000	19,000
Materials and Supplies	16,000	12,000	5,000
Technology / Office Equipment	37,000	18,000	2,000
Total Purchases	\$75,000	\$46,000	\$26,000
<u>Services</u>			
Contract Labor	12,000	10,000	10,000
Conservation Measures and Incentives ¹	3,650,000	3,650,000	2,845,000
Electrification Incentive ²	1,110,000	1,530,000	1,031,000
Miscellaneous Services	44,000	80,000	26,000
Professional and Technical Services	2,095,000 ³	2,424,000	1,455,000
Property Rent	10,000	-	-
Printing and Postage	47,000	44,000	24,000
Training and Travel	129,000	115,000	73,000
Grants	978,000	958,000	1,670,000 ⁴
Uncollectable Accounts	400,000	400,000	381,000
Limited Income Services	1,575,000 ⁵	1,300,000	1,731,000
Total Services	\$10,050,000	\$10,511,000	\$9,246,000
Total	\$22,373,000	\$21,302,000	\$17,983,000

Note: Due to re-organization, prior year numbers have been restated for comparability

¹ Conservation Incentives are based on eligibility for reimbursement by Bonneville Power Administration (BPA)

² Load Growth Incentives for Transportation and Building Electrification programs are supplemented by Clean Fuel Credit revenue

³ Merchant processing and collection services fees; 2025 lower due to one-time consultation services for IRP initiative, Demand Side Potential Assessment (DSPA)

⁴ Includes grants issued for Holiday Farm Fire recovery, reimbursable by Lane County and the Department of Environmental Quality (DEQ)

⁵ Increased Customer Care payments, supplemented by customer donations

Electric Operations & Maintenance Budget

	2025 Proposed Budget Dollars	2024 Adopted Budget Dollars	2023 Actual Dollars
Wages / Benefits	\$21,962,000	\$21,270,000	\$18,732,000
<u>Purchases</u>			
Stores Materials and Supplies	741,000	689,000	729,000
EWEB Equipment	2,024,000	1,860,000	1,915,000
Maintenance and Repairs	25,000	19,000	52,000
Equipment	10,000	5,000	11,000
Materials and Supplies	547,000	413,000	672,000
Technology / Office Equipment	43,000	61,000	12,000
Total Purchases	\$3,390,000	\$3,047,000	\$3,391,000
<u>Services</u>			
Construction Agreements	4,380,000	4,211,000	5,129,000 ¹
Miscellaneous Services	178,000	166,000	166,000
Professional and Technical Services	698,000 ²	734,000 ²	342,000
Software/Hardware Maintenance and Services	69,000	70,000	56,000
Property Rent	16,000	15,000	15,000
Legal Services	2,000	2,000	584,000 ³
Fees and Licenses	255,000	260,000	201,000
Training and Travel	366,000	299,000	302,000
Total Services	\$5,964,000	\$5,757,000	\$6,795,000
Total	\$31,316,000	\$30,074,000	\$28,918,000

¹ One-time increase in scale of services to address vegetation management work. 2023 cost driven by efforts to catch-up on backlog of work

² Wildfire mitigation initiative and resiliency program

³ 2023 legal service expenses related to the Holiday Farm Fire now covered by insurance due to self-insurance coverage limit reached

Energy Operations & Maintenance Budget

	2025 Proposed Budget Dollars	2024 Adopted Budget Dollars	2023 Actual Dollars
Wages / Benefits	\$13,046,000	\$11,852,000	\$10,306,000
<u>Purchases</u>			
Stores Materials and Supplies	5,000	7,000	17,000
EWEB Equipment	765,000	690,000	573,000
Maintenance and Repairs	85,000	126,000	88,000
Equipment	34,000	44,000	28,000
Energy	162,989,000 ¹	185,127,000	148,504,000
Fuels ²	2,272,000	2,678,000	1,997,000
Materials and Supplies	265,000	241,000	233,000
Total Purchases	\$166,415,000	\$188,913,000	\$151,440,000
<u>Services</u>			
Contract Labor	170,000	195,000	99,000
Wheeling	15,062,000 ³	12,840,000	13,189,000
Construction Agreements	3,347,000 ⁴	3,407,000	2,945,000
Miscellaneous Services	104,000	82,000	123,000
Professional and Technical Services	3,609,000 ⁵	3,509,000	1,593,000
Software/Hardware Maintenance and Services	779,000	816,000	451,000
Memberships and Dues	752,000	748,000	518,000
Legal Services	895,000 ⁶	684,000	539,000
Fees and Licenses	446,000	451,000	425,000
Training and Travel	295,000	245,000	178,000
Total Services	\$25,459,000	\$22,977,000	\$20,060,000
Total	\$204,920,000	\$223,742,000	\$181,806,000

¹ Lower wholesale market prices

² Fuel cost for shared co-generation facility; year-over-year changes driven by fluctuations in fuel prices and generation schedules

³ Increased transmission costs due to BPA rate increases

⁴ Contracted costs for wind and co-generation facilities and Trail Bridge sinkhole remediation

⁵ BPA contract negotiation, organized market readiness, and Leaburg decommissioning engineering

⁶ Increased Leaburg decommissioning support

Finance Operations & Maintenance Budget

	2025 Proposed Budget Dollars	2024 Adopted Budget Dollars	2023 Actual Dollars
Wages / Benefits	\$6,628,000	\$6,675,000	\$5,770,000
<u>Purchases</u>			
Stores Materials and Supplies	4,000	12,000	3,000
EWEB Equipment	40,000	27,000	28,000
Materials and Supplies	31,000	40,000	22,000
Technology / Office Equipment	28,000	38,000	18,000
Total Purchases	\$103,000	\$117,000	\$71,000
<u>Services</u>			
Contract Labor	75,000	90,000	32,000
Miscellaneous Services	26,000	26,000	17,000
Professional and Technical Services	387,000	342,000	311,000
Software/Hardware Maintenance and Services	10,000	40,000	8,000
Legal Services	35,000	35,000	11,000
Fees and Licenses	75,000	90,000	33,000
Training and Travel	151,000	190,000	57,000
Total Services	\$759,000	\$813,000	\$469,000
Total	\$7,490,000	\$7,605,000	\$6,310,000

Note: Due to re-organization, prior year numbers have been restated for comparability

General Manager Operations & Maintenance Budget

	2025 Proposed Budget Dollars	2024 Adopted Budget Dollars	2023 Actual Dollars
Wages / Benefits	\$1,702,000	\$1,845,000	\$1,563,000
<u>Purchases</u>			
Materials and Supplies	14,000	21,000	7,000
Technology / Office Equipment	6,000	6,000	1,000
Total Purchases	\$20,000	\$27,000	\$8,000
<u>Services</u>			
Miscellaneous Services	47,000	39,000	39,000
Professional and Technical Services	8,000	46,000	38,000
Training and Travel	40,000	62,000	38,000
Grants	10,000	10,000	11,000
Total Services	\$105,000	\$157,000	\$126,000
Total	\$1,827,000	\$2,029,000	\$1,697,000

Human Resources Operations & Maintenance Budget

	2025 Proposed Budget Dollars	2024 Adopted Budget Dollars	2023 Actual Dollars
Wages / Benefits	\$3,526,000	\$3,126,000	\$2,955,000
<u>Purchases</u>			
EWEB Equipment	-	-	2,000
Materials and Supplies	37,000	38,000	12,000
Technology / Office Equipment	3,000	2,000	3,000
Total Purchases	\$40,000	\$40,000	\$17,000
<u>Services</u>			
Contract Labor	10,000	10,000	39,000
Miscellaneous Services	67,000	65,000	49,000
Professional and Technical Services	259,000	202,000	208,000
Software/Hardware Maintenance and Services	9,000	9,000	1,000
Legal Services	130,000	130,000	83,000
Training and Travel	103,000	103,000	41,000
Total Services	\$578,000	\$519,000	\$421,000
Total	\$4,144,000	\$3,685,000	\$3,393,000

Information Services Operations & Maintenance Budget

	2025 Adopted Budget Dollars	2024 Adopted Budget Dollars	2023 Actual Dollars
Wages / Benefits	\$13,404,000 ¹	\$8,683,000	\$7,210,000
<u>Purchases</u>			
Stores Materials and Supplies	405,000	405,000	392,000
Technology / Office Equipment	186,000	510,000	2,019,000 ²
Total Purchases	\$591,000	\$915,000	\$2,411,000
<u>Services</u>			
Contract Labor	25,000	25,000	3,000
Miscellaneous Services	461,000	486,000	380,000
Professional and Technical Services	1,108,000 ³	608,000	575,000
Software/Hardware Maintenance and Services	2,200,000	2,925,000	2,514,000
SBITA Services	5,243,000 ²	-	-
Printing and Postage	414,000	420,000	383,000
Fees and Licenses	11,000	11,000	10,000
Training and Travel	240,000	169,000	101,000
Total Services	\$9,702,000	\$4,644,000	\$3,966,000
Total	\$23,697,000	\$14,242,000	\$13,587,000

¹ Transfers from other divisions and increases in staffing with specialized technical expertise to provide ongoing infrastructure support for modernizing technology

² New cost category following implementation of a new accounting standard for Subscription-Based Information Technology Arrangements (SBITA). Consolidates Software as a Services (SaaS) contracts, some subscription contracts were previously captured in capital budgets and/or in other divisions, others will expire as applications are retired due to EWEB Enterprise Solutions

³ Includes new service maintenance contract

Support Services Operations & Maintenance Budget

	2025 Proposed Budget Dollars	2024 Adopted Budget Dollars	2023 Actual Dollars
Wages / Benefits	\$11,843,000	\$11,558,000	\$10,806,000
<u>Purchases</u>			
Stores Materials and Supplies	59,000	71,000	12,000
EWEB Equipment	1,733,000	1,514,000	1,675,000
Maintenance and Repairs	18,000	23,000	10,000
Energy	392,000	252,000	391,000
Water	164,000	102,000	157,000
Fuels	100,000	110,000	102,000
Vehicle Fuel and Oil	732,000	713,000	627,000
Materials and Supplies	521,000	434,000	406,000
Technology / Office Equipment	70,000	60,000	-
Total Purchases	\$3,789,000	\$3,279,000	\$3,380,000
<u>Services</u>			
Construction Agreements	1,848,000	2,067,000 ¹	974,000
Miscellaneous Services	216,000	199,000	206,000
Professional and Technical Services	525,000	483,000	422,000
Software/Hardware Maintenance and Services	111,000	110,000	78,000
Property Rent	146,000	134,000	139,000
Legal Services	90,000	90,000	63,000
Printing and Postage	20,000	17,000	19,000
Fees and Licenses	214,000	208,000	200,000
Training and Travel	232,000	214,000	70,000
Total Services	\$3,402,000	\$3,522,000	\$2,171,000
Total	\$19,034,000	\$18,359,000	\$16,357,000

Note: Due to re-organization, prior year numbers have been restated for comparability

¹ Shift of capital activity to Operations & Maintenance

Water Operations & Maintenance Budget

	2025 Proposed Budget Dollars	2024 Adopted Budget Dollars	2023 Actual Dollars
Wages / Benefits	\$11,360,000	\$11,050,000	\$10,723,000
<u>Purchases</u>			
Stores Materials and Supplies	326,000	285,000	249,000
EWEB Equipment	1,161,000	1,130,000	1,240,000
Maintenance and Repairs	71,000	52,000	60,000
Equipment	19,000	19,000	16,000
Energy	1,321,000 ¹	1,195,000	1,181,000
Water	31,000	18,000	17,000
Materials and Supplies	976,000	917,000	970,000
Technology / Office Equipment	29,000	44,000	12,000
Total Purchases	\$3,934,000	\$3,660,000	\$3,745,000
<u>Services</u>			
Contract Labor	47,000	62,000	3,000
Conservation Measures and Incentives	35,000	35,000	9,000
Construction Agreements ²	2,291,000	2,250,000	3,010,000
Miscellaneous Services	158,000	130,000	195,000
Professional and Technical Services	2,253,000	2,596,000 ³	2,441,000
Software/Hardware Maintenance and Services	152,000	134,000	92,000
Printing and Postage	22,000	25,000	21,000
Fees and Licenses	116,000	109,000	63,000
Training and Travel	124,000	128,000	74,000
Grants	18,000	18,000	-
Total Services	\$5,216,000	\$5,487,000	\$5,908,000
Total	\$20,510,000	\$20,197,000	\$20,376,000

¹ Increased energy rate for self-consumption

² Watershed recovery and water quality monitoring and analytical work

³ One-time increase for updates to 10-year Water Master Plan

LABOR & EMPLOYEE BENEFIT COSTS

DID YOU
KNOW?



Emergency Water Stations

Completed in 2024, the Amazon Park Emergency Water Station is the sixth such site established and operated by EWEB. Once the seventh and final station at Kennedy Middle School is completed at the end of 2024, Eugene will have a full network of geographically distributed Emergency Water Stations. Together, the stations have the capacity to provide immediate and reliable access to two gallons of water per person per day to everyone in Eugene following a disaster.

**EUGENE WATER & ELECTRIC BOARD
LABOR AND EMPLOYEE BENEFITS
2025 PROPOSED BUDGET COMPARED WITH PRIOR YEARS**

	2025 Proposed Budget		2024 Adopted Budget		2023 Actual	
	Budget	% of Total wages	Budget	% of Total wages	Actual	% of Total wages
Wages & benefits						
Regular Wages	\$ 71,321,000	98.0%	\$ 62,771,000	97.7%	\$ 53,493,000	91.9%
Premium Wages	1,420,000	2.0%	1,468,000	2.3%	4,709,000	8.1%
Total wages	<u>72,741,000</u>	<u>100.0%</u>	<u>64,239,000</u>	<u>100.0%</u>	<u>58,202,000</u>	<u>100.0%</u>
Public employees retirement fund	18,434,000	25.3%	15,825,000	24.6%	15,407,000	26.5%
Other benefits – employer contribution ¹	6,963,000	9.6%	6,311,000	9.8%	5,398,000	9.3%
Health insurance ²	16,258,000	22.4%	15,162,000	23.6%	13,163,000	22.6%
Post-retirement medical	154,000	0.2%	279,000	0.4%	447,000	0.8%
Long-term disability	383,000	0.5%	367,000	0.6%	375,000	0.6%
Life insurance	547,000	0.8%	443,000	0.7%	526,000	0.9%
Total benefits	<u>42,739,000</u>	<u>58.8%</u>	<u>38,387,000</u>	<u>59.7%</u>	<u>35,316,000</u>	<u>60.7%</u>
Total wages & benefits	<u>\$ 115,480,000</u>		<u>\$ 102,626,000</u>		<u>\$ 93,518,000</u>	

¹ Includes Social Security/Medicare tax, Unemployment Insurance, Workers' Compensation Insurance

² Includes Voluntary Employee's Beneficiary Association (VEBA) expense

ATTACHMENT 4

RESERVE INFORMATION

DID YOU
KNOW?



Currin Substation

Originally constructed over 60 years ago, the Currin Substation rebuild is anticipated to be completed by year-end 2024, marking a significant milestone in EWEB's investment in major infrastructure modernizations. The rebuilt Currin substation will contribute to improved future reliability by minimizing the frequency of outages resulting from equipment failure or routine maintenance. The substation's new design will also meet modern earthquake standards for infrastructure to withstand the Cascadia Subduction Zone earthquake.

EUGENE WATER & ELECTRIC BOARD
PROJECTED RESERVES, DESIGNATED, UNRESTRICTED AND RESTRICTED FUNDS
(\$000s omitted)

	Electric System			Water System		
	<i>Target</i>	12/31/24 Projected ¹	12/31/25 Projected ¹	<i>Target</i>	12/31/24 Projected ¹	12/31/25 Projected ¹
Reserves						
Operating and Self-Insurance	\$ 5,720	\$ 5,720	\$ 5,720	\$ 1,280	\$ 1,280	\$ 1,280
Power Operating ²	25,000	25,000	20,900			
Capital Improvement	26,000	26,000	26,000	9,000	9,380	9,000
Total Reserves	56,720	56,720	52,620	10,280	10,660	10,280
Board Designated Funds ³						
Rate Stabilization Fund	5,000	13,000	5,800	1,000	3,450	3,350
Water Stewardship Fund - Septic Repairs					90	90
Alternative Water Supply					2,100	350
Leaburg Decommissioning		5,700	7,900			
Emergent Regulatory Mitigation Fund		-	5,000			
Pension and Medical Funds		1,600	1,600		840	840
Total Designated Funds	5,000	20,300	20,300	1,000	6,480	4,630
Working Cash ⁴	45,000	40,800	45,000	3,400	9,070	3,400
Total Working Cash and Unrestricted Funds	\$ 106,720	\$ 117,820	\$ 117,920	\$ 14,680	\$26,210	\$18,310
Legally Restricted						
Bond Funds - Capital		\$ 39,900	\$ 6,000		\$ 25,340	\$ 4,800
Harvest Wind Reserve		500	500			
System Development Charge Reserves ⁵					230	120
Reserves for Debt Service		5,600	5,600		1,160	1,160
Customer Care/Customer Deposit		2,500	2,500			
Total Restricted Funds		\$ 48,500	\$ 14,600		\$ 26,730	\$ 6,080

* After completion of the annual audit, the Board of Commissioners reviews cash balances and may make transfers between funds.

¹ Projections as of November 2024

² Power Operating reserves projection for 2025 includes using funds to re-establish Working Cash reserves to target. It is anticipated that Power Operating reserves will be replenished in 2026

³ Designated funds are used for one-time expenses

⁴ 2024 changes to unrestricted reserves are included in working cash. The Board will officially transfer funds in the second quarter of 2025

⁶ SDC Reimbursement Reserve is funding \$600,000 of debt service payments in 2025

ATTACHMENT 5

PROJECTED FINANCIAL RATIOS & STATISTICS

DID YOU
KNOW?



Wildfire Mitigation Initiatives

EWEB crews installed 150 fault indicators on power lines. When an outage occurs on a section of line, these indicators light up, helping crews locate the specific location of the issue, even at night. This technology should significantly reduce outage patrol time and speed up the restoration process.

**EUGENE WATER & ELECTRIC BOARD
PROJECTED FINANCIAL RATIOS
December 31, 2025**

	Electric Utility	Water Utility
Financial Ratios		
Debt Service Coverage Ratio ¹	3.06	2.33
Days Cash ²	147	189
Target		
Debt Service Coverage Ratio	1.75 to 2.00	2.00 to 2.50
Days Cash	> 150 days	> 150 days

NOTE: A higher number for Debt Service Coverage Ratio and Days Cash and reflects a stronger financial position.

¹ Ratio of net revenues available for debt service to total long-term debt service costs for the year. This ratio measures the utility's ability to meet its annual long-term debt obligation

² Ratio of total available cash to adjusted average daily cash requirements for operating and other non-capital expenses. This measures the length of time the utility can carry projected non-capital related operations with readily available cash. Calculations include rate stabilization funds. In 2025, Management will recommend options for the Board to consider for reserves above Board target



EWEB



Eugene Water & Electric Board
4200 Roosevelt Blvd
Eugene, Oregon 97402-6520
541-685-7000

February 2025 Electric Price Proposal

**Fiscal Services Department
December 2024**

**EUGENE WATER & ELECTRIC BOARD
FEBRUARY 2025 ELECTRIC PRICE PROPOSAL**

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EXECUTIVE SUMMARY

The 2025 Electric Price Proposal was developed in accordance with the proposed 2025 budget. The Cost-of-Service analysis, revenue requirement, and proposed price schedules by customer class are included in this document.

Overall Average Price Change: An overall average price increase of 7.0% is required to recover revenues largely due to increases in operating expenses and capital investment needs. This price change does not include impact of the BPA rate change expected to go into effect November 1, 2025. The BPA increase will be implemented at the time of the increase through the *BPA Power Cost Recovery Adjustment*.

Cost-of-Service Analysis: EWEB conducts a comprehensive Cost-of-Service Analysis (COSA) every 3 to 5 years or when a major shift occurs in COSA variables. The 2025 COSA provides analysis to support the 2025 through 2027 pricing for retail electric service. This proposal includes detailed price design recommendations for 2025 only.

Price Design and Other Price Schedules: The following price/rate design proposal is recommended to meet the Board rate making principles of Sufficiency, Affordability, Efficiency, Cost Basis, Equity, and Gradualism. This proposal includes recommendations for the following service segments:

- Standard Retail Rates
 - Residential
 - Small General Service
 - Medium General Service
 - Large General Service
 - Street Lighting
- Market Based Rates
 - Partial Requirements Service Pricing
 - Customer Generation Rates
- Environmental Product Lines

I. INTRODUCTION

Purpose of Study

The purpose of this price study is to provide background information and technical analysis in support of Eugene Water & Electric Board (EWEB) staff recommendations for electric prices. The study includes documentation of the electric system revenue requirement, projected system loads and sales, and allocation of ongoing utility costs to customer classes for the twelve-month period beginning January 2025. The most recent changes to electric prices occurred in February 2024, with an overall average revenue requirement increase of 5.7%.

Establishment of Prices

EWEB is a locally regulated municipal utility operating under the authority of the Eugene City Charter and pertinent provisions of Oregon law. Five elected Commissioners who serve without pay carry out the responsibilities delegated to the Board pursuant to the City Charter. As an independent municipal agency, the EWEB Commissioners have exclusive jurisdiction to approve annual budgets and establish prices for electric service.

Although EWEB's electric prices are not subject to regulatory review by any federal or state utility commission or similar agency, the Board must comply with the requirements of applicable state and federal statutes as they pertain to the development of prices and the general conduct of utility business. Current statutes and related case law provide two general standards concerning the establishment of retail electric prices.

The first of these price making standards allows EWEB to set prices at a level sufficient to recover the ongoing costs of utility operation. These costs include annual operating expense, requirements for capital additions, interest and amortization of outstanding debts, applicable tax obligations, and the need to maintain adequate reserves. This standard is intended to ensure the financial integrity of the utility, while defining the costs of operation which can be lawfully recovered through prices.

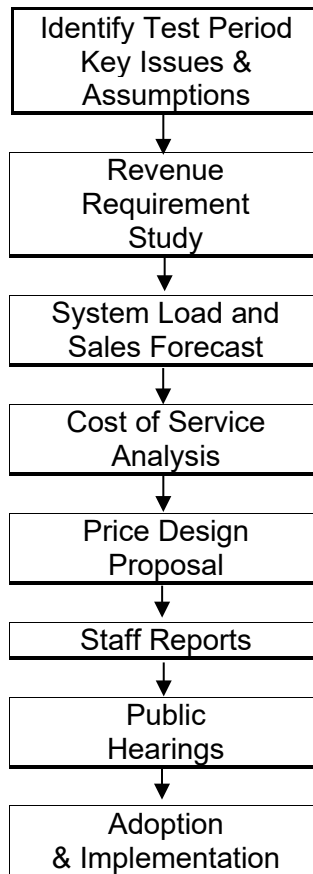
The second standard requires prices and charges for utility service be fair and non-discriminatory. Prices are considered non-discriminatory when customers who receive similar and synchronous services under comparable circumstances are treated equally in the development and application of specific prices. This second standard protects the equity concerns of individual utility customers, based on established utility policies and practices for allocating costs among customers and customer classes.

The above standards, together with established Board policies concerning cost allocation and price design, allow EWEB to maintain prices at the lowest possible level consistent with sound financial principles and traditional utility price making practices. They also give EWEB's elected Board of Commissioners complete authority to approve prices which are cost-based, non-discriminatory, and in concert with the needs of EWEB customers.

Price Review Process

EWEB's electric prices are reviewed with each annual budget cycle to ensure that they remain adequate to cover the cost of utility operations over the budget period. When budget projections or other forecasted operating conditions indicate the need for a price adjustment, EWEB staff are directed to prepare studies to determine appropriate price levels for each customer class. This formal review process involves several steps, all of which are coordinated with the EWEB Commissioners, General Manager, and management of the utility's operating departments. The process also affords an opportunity for review and comment by EWEB customers and other interested parties (see *Figure 1*).

Figure 1
Price Review Process



The first step in the price review process is a detailed examination of the projected operating expenses, capital costs, and anticipated revenues at current prices. The purpose of this effort is to confirm the overall revenue requirement that serves as a basis for development of proposed prices, the timing of the proposed price adjustment, and the period of time (or "test period") over which the new prices are expected to remain in place.

The next step is an assessment of the electric system load and resource forecasts. These projections are prepared by EWEB's Power Planning and Fiscal Services Departments, consistent with historical and future growth trends in the EWEB service area. The forecasts are

then used to estimate system sales by price class, as well as purchased power costs for the next several years. Test period load and sales forecasts are of major importance, since wholesale purchased power costs comprise more than half of EWEB's total annual operating expenses.

Once EWEB's projected operating costs, revenue requirement, and sales forecasts have been determined, a cost-of-service analysis is performed. This analysis allocates test period costs to customer classes and update price schedules according to where individual cost items are incurred. EWEB's COSA procedures employ standard utility industry costing methods consistent with the policy guidelines established by the Board. The resulting unit costs are then used to inform and recommend specific revisions for EWEB's published electric service schedules.

Public Notice and Hearings Schedule

EWEB's price review process is a formal, sequential procedure. The underlying objective is to ensure EWEB customers and the general public receive adequate notice and explanation of price change proposals. It also allows the Board to hear and consider public comment prior to approval and implementation of revised prices. Accordingly, EWEB Commissioners have adopted specific guidelines for public notice and hearings to run concurrent with the budget approval process.

<u>Publication Name</u>	<u>Date</u>
Register Guard	October 2, 2024
Register Guard	October 30, 2024

Exhibit 1 contains the text used in the published legal notices.

EXHIBIT 1

BEFORE THE EUGENE WATER & ELECTRIC BOARD

In the Matter of Consideration and
Adoption of Budgets, Revised Prices for
EWEB Electric and Water Service

**NOTICE OF PUBLIC HEARINGS
AND INVITATION TO COMMENT**

1. Three dates are scheduled for public hearings to seek comment regarding proposed 2025 budget approval and adjustments to EWEB water and electric prices. If approved, the proposed changes for residential, general service and other customers of the Eugene Water & Electric Board would become effective with utility billings rendered, on or after February 1, 2025.
2. Public hearings will be held in person and virtually (details to be posted on eweb.org). Meeting dates and times:

October 1, 2024 - 5:30 p.m.
November 12, 2024 - 5:30 p.m.
December 3, 2024 - 5:30 p.m.

Background information concerning the budget and price proposals will be presented at the meeting, followed by the public hearing which will provide opportunity for public testimony and comment.

3. Specific price recommendations for each customer class may be obtained on EWEB's website: <https://www.eweb.org/your-public-utility/board-of-commissioners/public-meetings> or by calling EWEB's Fiscal Services Department at (541) 685-7000 or emailing budget@eweb.org. Copies of the budget document and price proposals will also be made available upon request.
4. To provide spoken public comments in-person or via telephone, sign up at: <https://www.eweb.org/x2936>.

Written comments may be emailed to commissioners at: <https://www.eweb.org/your-public-utility/board-of-commissioners/contact-eweb-commissioners>

Written comments may also be mailed to:
EWEB, Attn: Board of Commissioners
4200 Roosevelt Blvd
Eugene, Oregon 97402

To ensure timely consideration, requests to speak or written comments must be received by 2:00 p.m. on December 3, 2024. Please indicate "public hearing" in your written comments or request to speak.

II. BACKGROUND INFORMATION

A. Organizational Structure

EWEB is responsible for providing electric and water service within the City of Eugene and certain outlying areas. The specific duties delegated to the Board pursuant to the Eugene City Charter are carried out by five elected Commissioners who serve without pay. The Commissioners and their respective terms of office are as follows:

	<u>Area</u>	<u>Term Expires</u>
Matt McRae, President	Wards 1, 8	First meeting after 2024
John Barofsky, Vice President	Wards 2, 3	First meeting after 2024
John Brown	Wards 4, 5	First meeting after 2026
Mindy Schlossberg	At-Large	First meeting after 2026
Sonya Carlson	Wards 6, 7	First meeting after 2024

As EWEB's primary policy and decision-making body, the individual Board members represent a broad range of professional experience and community perspectives on matters concerning local utility service. The Board meets regularly on the first Tuesday of each month. All meetings are open to the public and provide opportunities for public participation.

The executive management team, responsible for each of the major operating areas is as follows:

<u>Executive</u>	<u>Department</u>
Frank Lawson	General Manager
Rodney Price	Assistant General Manager
Deborah Hart	Assistant General Manager, Chief Financial Officer
Julie McGaughey	Chief Customer Officer
Karen Kelley	Chief Operations Officer
Travis Knabe	Chief Information Officer
Brian Booth	Chief Energy Resource Officer
Anne Kah	Administrative Services Manager

The utility's business priorities are reviewed annually by the Board, General Manager, and a planning group made up of the executive management team and other key personnel. Major organizational goals, strategic issues, opportunities, and planning contingencies for the coming year are then documented in the annual EWEB Strategic Plan. The General Manager meets regularly with the executive team members, who then hold meetings with their department staff to ensure employee productivity and efficient operations.

B. Electric System Highlights

EWEB is the largest publicly owned utility in the state of Oregon, the principal generating public utility in Oregon, and the sixth largest public agency customer of the Bonneville Power Administration. Founded by the citizens of Eugene in 1911, EWEB has remained a successful provider of essential utility services to the local community for over 100 years.

The 236-square-mile area served by EWEB includes most of the City of Eugene and adjacent areas, including locations near EWEB-owned power projects at Walterville and Leaburg. EWEB's

service area adjoins the City of Springfield municipal electric system on the east, the Emerald People's Utility District on the north, the Blachly-Lane Electric Cooperative on the west, and the Lane Electric Cooperative system on the south.

Current customers range in size from smaller residential and commercial customers to moderately sized processing and manufacturing facilities, to large institutional and industrial accounts. System load characteristics therefore vary throughout the year, with peak loads occurring in the winter months consistent with local weather patterns and building heating demands. In recent years summer temperatures have consistently exceeded historical conditions and cooling loads have approached winter peaks. Staff continue to monitor this trend as it will impact COSA results if EWEB shifts from a winter to summer peaking utility.

Table 1 below shows the percentage change in customers and electric sales over the past ten years. Electric customer counts have increased consistently over the past ten years. Megawatt hour sales are weather dependent but have generally been flat or slightly declining over the past ten years.

**Table 1
Customer & Megawatt-Hour Sales Statistics
For the Period 2014-2023**

Year	Customer Count	% Change	MWh Sales	% Change
2014	91,100	4.5%	2,411,455	-3.1%
2015	92,300	1.3%	2,377,381	-1.4%
2016	93,000	0.8%	2,288,056	-3.8%
2017	93,800	0.9%	2,454,901	7.3%
2018	94,200	0.4%	2,342,636	-4.6%
2019	95,300	1.2%	2,367,667	1.1%
2020	96,100	0.8%	2,261,295	-4.5%
2021	96,800	0.7%	2,301,228	1.8%
2022	98,100	1.3%	2,350,341	2.1%
2023	98,700	0.6%	2,311,488	-1.7%

NOTE: The above figures are as of the end of each year.

EWEB places a high value on quality service and responsiveness to the needs of its customers. Because of its standards for reliability and design, electric service interruptions are infrequent and limited to short duration unless operation of electrical lines or equipment present a safety risk to our customers and community. EWEB also offers a variety of customer programs to provide information about utility services, promote efficient use of energy resources, and assist customers.

EWEB's local electric system consists principally of three hydroelectric projects, an industrial cogeneration facility, and the necessary transmission and distribution facilities for provision of service to the end use consumers. EWEB currently maintains 38 substations which are networked together through 126 circuit miles of transmission lines and 1,150 circuit miles of overhead and underground distribution lines. The book value of the EWEB electric utility plant-in-service is approximately \$875 million.

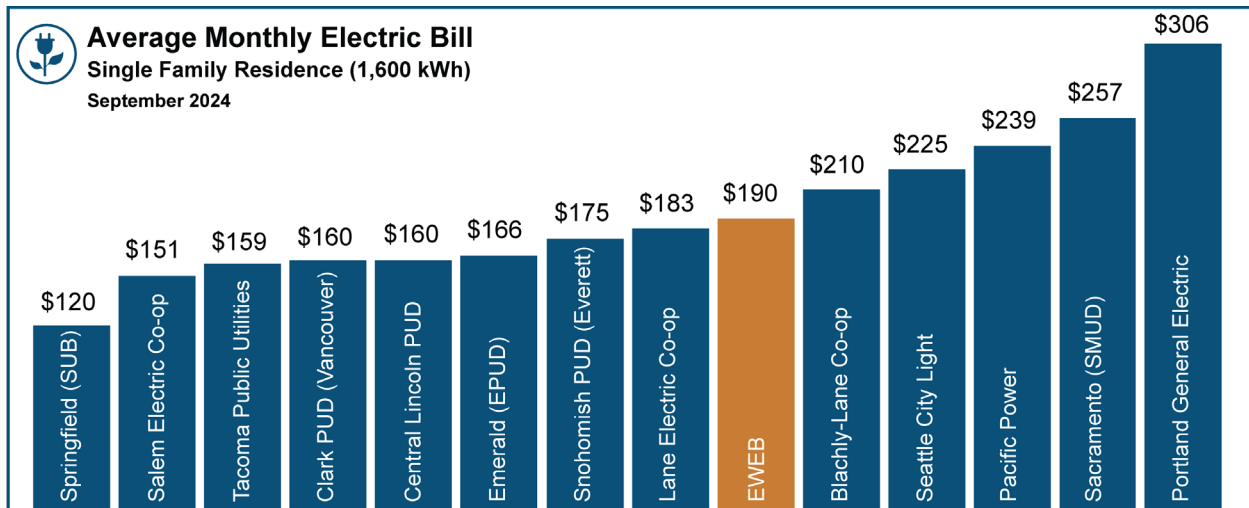
As Oregon’s largest generating public utility, EWEB customers are served by EWEB-owned generation facilities as well as through contracts with public and private utilities and energy suppliers. The largest portion of EWEB’s power portfolio is obtained through long-term contracts with the Bonneville Power Administration (BPA), a federal power marketing agency.

Although EWEB's power supply costs have historically ranked low nationally, recent proposed increases in BPA wholesale power prices and concerns about future BPA price stability have emphasized the need for continued resource planning. EWEB staff drafted an updated Energy Resource Plan (ERP), formerly referred to as its Integrated Resource Plan (IRP), which was approved by the Board with the goal to help inform decisions involving EWEB’s energy supply contracts, EWEB-owned generation, demand-side energy services, electric resource management, and energy trading. The ERP will continue to be updated on a biennial basis.

C. Residential Bill Comparisons

A comparison of current monthly residential bills for selected Northwest electric utilities is shown in *Figure 2*. Sample bills are calculated using EWEB's average monthly single family residence consumption of 1,600 kilowatt-hours. A bill of \$190 for EWEB in the figure is calculated using the existing residential price. The resulting monthly average electric bill based on this proposal is \$203, an increase of \$13 over current prices. The bill impact at different usage levels can be found in Table 8.

Figure 2



III. REVENUE REQUIREMENT STUDY

This section contains a general description of EWEB's annual budgeting process. It also includes documentation of EWEB's 2025 proposed budget for operating and capital expenses and revenue requirement which has been designated as the test period for the current price proposal. In addition to determining the overall revenue requirement needed to sustain operation of the electric utility, test period revenue requirement is a primary input to the Cost-of-Service Analysis.

A. Preparation of Annual Budgets

At the beginning of each annual budget cycle the utility's strategic priorities are identified by the Board and the General Manager. Major organizational goals, strategic issues, opportunities, and planning contingencies are then documented in the EWEB Strategic Plan. The Strategic Plan drives specific performance targets to address management priorities through ongoing work assignments and schedules.

Management and supervisory levels of EWEB are involved in preparation of the annual Electric Utility Budget in order to place responsibility for cost control on the managers who forecast and incur the costs. If a budget deficit cannot be corrected through cost reductions or deferrals, the amount of the deficit becomes an additional revenue requirement recommended for recovery through an electric price adjustment.

A draft budget with explanations on variances from prior years is discussed with the EWEB Commissioners. The Board reviews the draft budget and may suggest program adjustments and revisions. Public hearings are held to ensure customers have the opportunity to provide feedback. The Board approves a final budget in December, which then becomes the operating plan for the next year.

All supervisors are required to expend funds in a manner consistent with approved budget estimates. On a monthly basis, year-to-date balances are reviewed and compared to budgets to ensure that costs continue to track as expected. Quarterly financial reports and any significant deviations are brought to the attention of the Board for review in accordance with Board Policy EL-1, Financial Controls. Year-end results are routinely checked against budgets, with differences noted for potential input to the next year's budget cycle.

B. Revenue Requirement

EWEB has designated calendar year 2025 as the "test period" for development of electric system costs and revenues in this price proposal. This corresponds with the expenditures included in the 2025 Proposed Electric Budget and any known or anticipated impacts in subsequent years.

For the February 2025 price study, staff were able to incorporate the projected sales, revenues, and expenditure data from the proposed 2025 budget directly as a basis for this revenue requirement proposal.

The electric system costs are forecasted to be met with forecasted revenue including the current price proposal, as outlined in *Table 2*.

Table 2
Electric System Revenue Requirement
For 2025 Test Year

Revenues	Current Prices	Revenue at Proposed Prices	% of Total
Operating Revenues	\$246,561,000	\$263,600,000	72%
Wholesale Revenue, Interest, and Other Income	98,756,000	98,756,000	28%
Subtotal	345,317,000	362,356,000	100%
Expenditures			
Operating & Maintenance			
Purchased Power	160,405,000	160,405,000	44%
System Control	6,304,000	6,304,000	2%
Generation	21,568,000	21,568,000	6%
Wheeling	15,062,000	15,062,000	4%
Transmission & Distribution	33,331,000	33,331,000	9%
Customer Accounting	10,756,000	10,756,000	3%
Conservation	6,821,000	6,821,000	2%
Administration & General	38,109,000	38,109,000	11%
Subtotal	292,356,000	292,356,000	81%
Other Expenditures			
Contribution in Lieu of Tax	16,315,000	16,315,000	5%
Construction & Capital	33,529,000	33,529,000	9%
Debt Service, Interest, and Amortization	19,870,000	19,870,000	5%
Balance Sheet Changes	-2,806,000	-2,806,000	-1%
Subtotal	66,908,000	66,908,000	18%
To (From) Reserves	3,091,000	3,091,000	1%
Revenue Requirement	362,355,000	362,356,000	100%
Surplus / (Deficit)	-17,038,000	0	
As a % of Rate Revenue	-7%	0%	

*Note: Purchased Power excludes impact of BPA rate change
Figures may not sum due to rounding.

IV. SYSTEM LOAD AND SALES FORECAST

A. Overview of the Forecasting Process

EWEB routinely prepares both short and long-range electric system load forecasts as part of its ongoing planning activities. Annual projections of total system electric loads are prepared by the Energy Division in conjunction with the Fiscal Services Department. The annual forecasts employ both historical load data from EWEB records and projected economic, demographic, and climate trends for the Eugene area. Other regional forecasts are also reviewed for consistency and applicability to EWEB.

Basic growth projections for EWEB's system are developed through application of various forecasting methods, which include statistical trending, econometric analysis, and end-use models. Annual system forecasts are examined regularly and adjusted for changing local economic conditions and customer characteristics. The resulting base forecasts become a key input to energy resource planning, power scheduling, facilities design, and preparation of annual budgets. They also become an integral part of the price development process as a basis for allocation of operating costs and design of proposed prices for each customer class. Most recent forecasts reflect an anticipated increased electrification demand caused by electric vehicle adoption and usage. Actual load growth may vary considerably from year to year due to changes in local weather patterns and commercial activity.

EWEB's annual electric load forecast was adopted directly as the basis for estimating total system sales for the price study. Specifically, the twelve-month period from January through December 2025 was selected for analysis, corresponding with the test period budget and revenue requirement. The remainder of this section describes how the system load and sales forecasts are applied to the development of retail prices and describes the results obtained for the 2025 test period.

B. Methodology and Procedures

In order to develop appropriate retail electric prices, EWEB's annual system forecast must be translated into a detailed projection of monthly energy sales and customer use characteristics for the upcoming price period. This is done in a manner consistent with original forecast assumptions to arrive at a monthly estimate of customer counts, kilowatt-hour sales, and consumption patterns for each of EWEB's major customer classes.

Monthly historical sales statistics are obtained from EWEB financial statements and accounting records. Other local agencies are consulted as necessary for additional data pertinent to the forecasting of utility sales. Customer-specific data is also sought for major commercial/industrial users since the short-run requirements of these customers are often related to their unique business cycles rather than long-term trends.

Once the basic forecasting data is assembled, it is reviewed for consistency with recent historical trends, budget assumptions, and conditions expected to prevail over the price test period. Such review ensures the sales forecast used in the price design process remains consistent with projections used to prepare purchased power budgets and the EWEB revenue requirement discussed in Section III, Revenue Requirement Study.

The next step in the forecasting process is to divide the total system forecast into component parts by month and price class grouping. Historical customer sales statistics were used to calculate current class contribution to annual system sales and typical monthly distribution of consumption for each class.

Monthly projections for some classes, such as Street and Private Lighting, were calculated based on known load characteristics and seasonal traits. Customer-supplied estimates for larger commercial/industrial accounts were substituted for historical averages when it was reasonable to do so. The final projections were then correlated with available load research and engineering data for the EWEB system. The key end use load analysis is related to electrification. The results were used to determine projected customer class contribution to system peaks, non-coincident peak loads, and demand billing units.

C. 2025 Forecast Results

The results of EWEB's sales forecast for the 2025 price test period are summarized below in *Table 3*:

**Table 3
Test Period Forecast of Electric System
Customers & Sales by Price Class
For 2025 Price Test Period**

Customer Class	Customer Counts	Energy Sales in MWH	% of Sales
Residential	89,751	980,787	42.0%
Small General Service	8,672	175,744	7.5%
Medium General Service	1,693	492,611	21.1%
Large General Service	55	199,803	8.5%
Contract A	1	402,489	17.2%
Contract C	1	82,069	3.5%
Street Lighting	N/A	5,160	0.2%
Private Lighting	N/A	373	0.0%
Total	100,173	2,339,036	100.0%

NOTE: Energy Sales do not include line loss.

The above information represents an increase in EWEB customers by the end of 2025, which is a trend over the last several years and projected new service connections. Total electric sales for the period are forecast at 2.3 billion kilowatt-hours. The 2025 Load and Sales Forecast are used as a basis for cost allocation, price design and revenue projections at current and proposed prices.

V. COST OF SERVICE ANALYSIS

This section documents the procedures used in the development of a Cost of Service study.

A. Costing Methods and Procedures

EWEB's Cost of Service methodology uses standard electric utility costing procedures to allocate the test period revenue requirement to each customer class. The allocated costs reflect the contribution of each price class to total system costs during the period for which prices are being developed. Study results also measure the equity of prices charged to individual customer classes by testing the adequacy of revenues received relative to allocated costs of service. Through this process, the Cost of Service study apportions the test period revenue difference as a basis for determining appropriate price levels and percentage adjustments for each customer class. The study also derives unit costs used to assist in development of the actual energy, demand, and basic charge components recommended for each electric price schedule.

EWEB's Cost of Service study begins with a detailed assessment of utility proposed operating budget and revenue requirement for the upcoming price period. The analysis relies on anticipated electric system expenditures, retail sales, and projected revenues contained in the Proposed Electric Utility Budget.

Once the total utility revenue requirement has been determined, individual line-item costs are grouped according to major utility functions, such as power production, transmission, distribution, or customer accounting. Each line-item expense is then classified according to its contribution to monthly system peak demands, total energy consumption, or number of customers for each price class. Specific items are also identified for direct assignment when they are clearly associated with service to a price class.

To assign costs more accurately to individual price classes, the cost-of-service model also breaks down the various demand and customer costs into sub-classifications. Demand-related costs are segregated into transmission, and primary and secondary distribution components according to voltage level. Basic customer costs are sub-classified as either facilities or customer service related.

After classification and sub-classification, each cost category is distributed to one or more price classes through a detailed allocation procedure. Several related analyses are conducted to develop the many allocation factors applied in this step. For example, calculating the class contribution to monthly system peaks and seasonal energy requirements involves a full examination of all customer loads during the test period. Accordingly, the allocation step relies on sales projections and available load research data described in Section IV, System Load and Sales Forecast.

When all the allocation factors have been developed, they are then applied to yield a segregation of total system costs assigned to the different price classes. The final step is to combine the calculations in a summary table showing total allocated costs and recommended percentage adjustments for each customer class. These results can then be represented as unit costs, which form the basis for actual price design.

B. Class Definitions

The rate making principles of fairness apply to the equity in rates and allocating costs and charging customers fairly. Hypothetically, the exact cost of serving each customer could be determined and each customer would be allocated the exact cost of service on an individual customer basis. However, both calculating and administering the exact rates and costs for each individual customer would be very challenging and burdensome.

Alternatively, a uniform tariff would charge each customer the same rate in a uniform tariff. This approach would be easier to administer but may not fully capture the nuance and differences in the cost of providing service to different customer types.

The balanced approach is to develop clearly defined customer classes. Customer classes allow different categories of customers with shared characteristics to be grouped together and charged the same for their electricity use. The characteristics used to determine customer class can include *Delivery Voltage, Peak Monthly Demand, Energy Consumed, Load and End-Use Characteristics, Conditions of Service, Geography, and Conditions and Type of Metering*.

The customer classes generally used by EWEB are shown below and described in detail in the next section. The various EWEB classes each have similar characteristics, but significant variability also exists within each customer class. No changes to the existing customer classes described below are being proposed at this time.

- Residential customers
- Commercial customers
- Industrial customers
- Street Lighting customers

There are six major cost of service rate schedules:

Residential Service Schedule R-6, which includes a monthly Basic Charge, a volumetric Delivery Charge for transmission and distribution costs, and a volumetric Energy Charge.

These charges apply to residential separately metered single-family residences, duplexes, triplexes, quads, townhouses, multifamily structures with less than four living units, and mobile homes. There are over 84,000 accounts billed on this tariff.

Small General Service Schedule G-1, which includes a monthly Basic Charge, a volumetric two block Delivery Charge, a two block Demand Charge for highest 15-minute period during the month, and a volumetric Energy Charge.

These charges apply to commercial, industrial, irrigation, public buildings, churches, public and private schools, hospitals, and multifamily with four or more living units served through one meter and their common use facilities. Service under this schedule is applicable to customers with monthly billing demands that do not exceed 30 kilowatts. There are currently over 5,200 single phase and 3,400 three-phase customers billed on this tariff.

Medium General Service Schedule G-2, which includes a monthly Basic Charge, a two block Demand Charge for highest 15-minute period during the month, and a volumetric Energy Charge.

These charges apply to commercial, industrial, irrigation, public buildings, churches, public and private schools, hospitals, and multifamily with four or more living units served through one meter and their common use facilities. Service under this schedule is applicable to customers with monthly billing demands that fall between 31 and 500 kilowatts. There are currently roughly 190 single phase, and 1,500 three-phase customers billed on this tariff.

Large General Service Schedule G-3, which includes a monthly Basic Charge, a volumetric two block Delivery Charge, a two block Demand Charge for highest 15-minute period during the month, and a volumetric Energy Charge.

These charges apply to commercial, industrial, irrigation, public buildings, churches, public and private schools, hospitals, and multifamily with four or more living units served through one meter and their common use facilities. Service under this schedule is applicable to customers with monthly billing demands between 501 and 10,000 kilowatts. There are currently 13 Primary and 42 Secondary customers billed on this tariff.

Very Large General Service Schedule G-4, which currently includes a monthly Basic Charge, a two block Demand Charge for highest 15-minute period during the month, and a volumetric Energy Charge.

Service under this schedule is applicable to customers with monthly billing demands that exceed 10,000 kilowatts or are classified as New Large Single Load (“NLSL”) by the Bonneville Power Administration (“BPA”). This schedule includes provisions to protect other customer classes from impacts of power supply and Renewable Portfolio Standard compliance.

There are currently no customers billed on this tariff, but there is one large industrial site that has the NLSL designation by the BPA.

Customer-Owned Street Lighting and Private Lighting Service Schedules J-3, J-4, J-5, L-3, L-4, and L-5 are currently billed on a monthly basis. The rates charged each month are differentiated based on bulb wattage.

C. Cost of Service Results

Staff completed a three-year Cost of Service Analysis (COSA), with 2025 as year one in that study. The intent of the multi-year COSA is to incorporate gradualism into specific recommendations and provide customers cost-based price signals while easing and forecasting single year impacts. The multi-year results provided a forecast of recommended rate adjustments as shown below.

**Table 4
Multi-year Forecast for Electric Utility
Recommended Rate Adjustments
For 2025-2027 Test Periods**

Customer Class	Price Schedule(s)	2025	2026	2027
Residential	R-6	7.7%	7.1%	4.1%
Small General Service	G-1	6.7%	4.5%	3.0%
Medium General Service	G-2	5.1%	6.8%	2.4%
Large General Service	G-3	8.6%	5.8%	0.5%
Street Lighting	J-3, J-4, J-5	-5.0%	7.5%	5.3%
Private Lighting	L-3, L-4, L-5	-17.9%	6.3%	5.4%

EWEB prepares organizational budgets annually and uses this information to update the COSA. The unit costs are determined for each customer class to inform rate design. The key cost categories are as follows:

- **Customer Costs (customer allocated)** – for customer specific facilities and customer related costs, which includes meter, service drop meter reading, customer service, etc.
- **Distribution Facilities (demand allocated)** – for investments and operations and maintenance of shared distribution assets, such as substations and overhead and underground lines
- **Energy Services (energy and other basis allocated)** – for conservation, customer assistance, CILT, etc.
- **Transmission and Reliability (demand and energy allocated)** – for investments and operations and maintenance of EWEB transmission system and third-party wheeling and ancillary transmission costs to deliver power to EWEB system and maintain grid reliability
- **Energy Charge (demand and energy allocated)** – for investments and operations and maintenance of EWEB generating assets and purchased power from power contracts, such as BPA

The overall rate increase of 7% impacts the respective customer classes differently. The street lighting and private lighting are smaller customer classes and typically have stable usage

characteristics. However, these classes were reviewed as a part of the multi-year cost of service analysis, and there have been shifts in customer counts and wattage sizes since the last review. This resulted in impacts differing from the other classes and the overall increase.

VI. PRICE RECOMMENDATIONS

Staff recommend the revenue requirement be allocated in accordance with *Table 5* to employ the pricing principle of gradualism for retail customers.

**Table 5
Forecast of Electric Utility
Recommended Rate Adjustments
for 2025 Test Period**

Customer Class	Price Schedule(s)	2025
Residential	R-6	7.7%
Small General Service	G-1	6.7%
Medium General Service	G-2	5.1%
Large General Service	G-3	8.6%
Street Lighting	J-3, J-4, J-5	0.0%
Private Lighting	L-3, L-4, L-5	0.0%

Prices were developed in accordance with EWEB's price design objectives, to balance recovery based on the costs allocated to each customer class in the COSA. In addition, these proposals reflect other legitimate price making objectives, such as stability of prices, equity to customers within a class, and proper price signals in keeping with EWEB's costs. The rates align with COSA allocations, with the exception of lighting classes, which reflect initial year reductions and increases in subsequent years. The proposal employs gradualism to avoid reducing and then increasing rates.

The following subsections briefly describe pertinent issues for the design of charges in each published price schedule. The tables below demonstrate the projected billing units, current and proposed prices, and projected revenues follow each subsection, with a summary of anticipated customer impacts.

APPENDIX B - ELECTRIC SERVICE CHARGES AND PRICES

A. Residential Service (Schedule R-6)

Residential customers are served under EWEB's Schedule R-6, which applies to single family and smaller multifamily dwellings. This price schedule consists of a fixed monthly customer charge with a delivery and energy price applied to all monthly metered consumption. Currently, about 90,000 residential customers are served under this schedule.

EWEB is recommending increasing the Residential Basic Charge from \$25 to \$30 per month. The embedded customer cost of the Basic Charge is approximately \$34 per month and escalates to \$40 per month over the next three years. The current rate of \$25 per month increasing to \$34 would produce significant bill impact for primarily lower usage customer segments. EWEB intends to recommend modifying its rates over the three-year period to a cost of service basis.

The updated three-year COSA results are shown below in *Table 6*.

Table 6
Three Year COSA Results for Residential Class

	2025 COSA	2026 COSA	2027 COSA
Basic Charge (fixed monthly)	\$34.11	\$36.79	\$40.07
Distribution Facilities Charge (kwh)	\$0.0170	\$0.0193	\$0.0207
Energy Services (kwh)	\$0.0134	\$0.0141	\$0.0147
Transmission & Reliability (kwh)	\$0.0168	\$0.0174	\$0.0169
Energy Charge (kwh)	\$0.0560	\$0.0588	\$0.0590

Table 7 summarizes the proposed Residential prices.

Table 7
Residential Service, Schedule R-6
Existing Prices Compared to Proposed Prices

	Existing Prices	Proposed Prices
Basic Charge	\$25 per month	\$30 per month
Delivery Charge <i>(Transmission and Distribution Related)</i>	\$0.0296 per kwh	\$0.0338 per kwh
Energy Charge	\$0.0736 per kwh	\$0.0740 per kwh

The recommended increase in the monthly Basic Charge is proportionally higher than the overall increase and increases the revenue from fixed monthly charge from 21% to 23% of Residential customer class revenue on a projected basis for 2025.

The Delivery Charge is directly aligned with the Transmission and Distribution (“Grid Services”) cost categories. These costs and revenue are between 20 – 25% of total customer bills.

The Energy Charge is aligned with the power production cost, energy efficiency, contributions in lieu of tax, and purchased power costs. These costs and revenue represent over half of total costs and customer bills.

In this proposal, all price components increase towards the COSA results and align them to the current design structure to mitigate bill impacts. Slight weighting in proposed rates was placed on the basic charge as the COSA indicated a higher basic charge necessary to recover the fixed costs of the Electric System.

A monthly bill comparison at various usage levels for existing versus proposed prices can be found in *Table 8*.

Table 8
Residential Service, Schedule R-6
Monthly Bill Comparison

% of Bills	Usage Range	Average Usage	Current Tariff	Proposed 2025 Bill Impact		
				Proposed Tariff	Bill Impact	% Impact
9.6%	0 – 250	152	\$40.69	\$46.39	\$5.70	14%
10.8%	251 – 400	335	59.57	66.11	6.54	11%
8.3%	401 - 500	455	71.96	79.05	7.09	10%
8.4%	501 - 600	553	82.07	89.61	7.54	9%
11.9%	601 - 750	677	94.87	102.98	8.11	9%
10.3%	751 - 900	825	110.14	118.94	8.80	8%
10.9%	901 - 1100	997	127.89	137.48	9.59	7%
9.7%	1101 - 1300	1219	150.80	161.41	10.61	7%
10.1%	1351 - 1800	1549	184.86	196.98	12.12	7%
10.0%	1801 and over	2551	288.26	305.00	16.74	6%

APPENDIX B - ELECTRIC SERVICE CHARGES AND PRICES

B. Small General Service (Schedule G-1)

The Small General Service schedule consists of accounts with monthly billing demands from 0 to 30 kW. Customers are assigned to this class based on an average of the three highest demands in the prior 12 months falling below 30 kW.

There are about 8,700 commercial customers presently served in the demand range for Small General Service (Schedule G-1). This price typically applies to non-residential accounts for service at secondary distribution voltages of 480 volts or less. Under the General Service schedule, EWEB provides all distribution and service facilities necessary to meet the power requirements of the customer.

The structure of the Small General Service price includes a fixed monthly charge, a demand charge (based on the customer's peak load during the month), a flat energy charge, and a two-step delivery charge. Under the General Service price, these costs are separate price components and are additive in computing the bill.

The updated three-year COSA results are shown below in *Table 9*.

Table 9
Three Year COSA Results for Small General Service Class

	2025 COSA	2026 COSA	2027 COSA
Basic Charge (fixed monthly)	\$72.90	\$76.73	\$84.93
Distribution Facilities Charge (kWh/kW)	\$3.49	\$3.96	\$4.25
Energy Services (kWh)	\$0.0146	\$0.0152	\$0.0157
Transmission & Reliability (kWh/kW)	\$3.87	\$3.99	\$3.89
Energy Charge (kWh)	\$0.0591	\$0.0609	\$0.0600

Table 10 summarizes the proposed Small General Service prices.

Table 10
Small General Service, Schedule G-1
Existing Prices Compared to Proposed Prices

	Existing Prices	Proposed Prices
Basic Charge		
Single Phase	\$30.00 per month	\$45.00 per month
Three Phase	\$44.50 per month	\$60.00 per month
Demand Charge		
Over 10 kW	\$8.206 per kW-mo.	\$8.206 per kW-mo.
Deliver Charge		
First 1,750 kWh	\$0.0412 per kWh	\$0.0412 per kWh
Energy Charge	\$0.0732 per kWh	\$0.0800 per kWh

The recommended increase in the monthly Basic Charge is proportionally higher than the overall increase and increases the fixed monthly charge revenue from 15% to 20% of Small Commercial customer class revenue on a projected basis for 2025.

The Delivery and Demand Charges are aligned with the Transmission and Distribution (“Grid Services”) cost categories. These costs and revenue are between 25 – 30% of total customer bills.

The Energy Charge is aligned with the power production cost, energy efficiency, contributions in lieu of tax, and purchased power costs. These costs and revenue represent over half of total costs and customer bills.

There is an overall rate increase of 6.7% to all price components for Small General Service Schedule G-1.

A monthly bill comparison at various usage and demand volumes for existing versus proposed prices can be found in *Table 11*.

Eugene Water & Electric Board
 Electric Utility- 2025 Rate Design
 Small General Service - Schedule G-1
 Table 11 - Bill Impact

KWH LEVEL	1 KW			2 KW			3 KW			4 KW			5 KW		
	Monthly Bill at Present Rates	Monthly Bill at Proposed Rates	Percent Diff	Monthly Bill at Present Rates	Monthly Bill at Proposed Rates	Percent Diff	Monthly Bill at Present Rates	Monthly Bill at Proposed Rates	Percent Diff	Monthly Bill at Present Rates	Monthly Bill at Proposed Rates	Percent Diff	Monthly Bill at Present Rates	Monthly Bill at Proposed Rates	Percent Diff
100	\$42.06	\$ 57.12	35.8%	--	--	--	--	--	--	--	--	--	--	--	--
250	60.15	75.30	25.2%	\$ 60.15	\$ 75.30	25.2%	\$ 60.15	\$ 75.30	25.2%	--	--	--	--	--	--
500	90.30	105.60	16.9%	90.30	105.60	16.9%	\$ 90.30	105.60	16.9%	\$ 90.30	105.60	16.9%	\$ 90.30	\$ 105.60	16.9%
750	--	--	--	120.45	135.90	12.8%	120.45	135.90	12.8%	120.45	135.90	12.8%	120.45	135.90	12.8%
1,000	--	--	--	150.60	166.20	10.4%	150.60	166.20	10.4%	150.60	166.20	10.4%	150.60	166.20	10.4%
1,200	--	--	--	174.72	190.44	9.0%	174.72	190.44	9.0%	174.72	190.44	9.0%	174.72	190.44	9.0%
1,500	--	--	--	--	--	--	210.90	226.80	7.5%	210.90	226.80	7.5%	210.90	226.80	7.5%
2,000	--	--	--	--	--	--	--	--	--	261.28	277.10	6.1%	261.28	277.10	6.1%
2,500	--	--	--	--	--	--	--	--	--	--	--	--	301.73	317.10	5.1%
3,000	--	--	--	--	--	--	--	--	--	--	--	--	342.18	357.10	4.4%
3,500	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

APPENDIX B - ELECTRIC SERVICE CHARGES AND PRICES

C. Medium General Service (Schedule G-2)

The Medium General Service Schedule consists of accounts with monthly billing demands between 31 and 500 kW. Customers are assigned to the class based on an average of the three highest demands in the last 12 months falling between 31 and 500 kW.

There are approximately 1,700 commercial customers presently served in the demand range for Medium General Service (Schedule G-2). This price typically applies to non-residential accounts for service at secondary distribution voltages of 480 volts and primary voltages of up to 12.47 kilovolts. Under the General Service schedule, EWEB provides all distribution and service facilities necessary to meet the power requirements of the customer at the delivered voltage.

In addition to the standard or “secondary” Medium General Service price, EWEB offers an alternative price to larger qualifying customers. The Primary Service Power price is available to any commercial or industrial customer located outside the underground secondary network who:

- 1) receives single-point delivery at primary distribution voltages of 12.47 kV or greater,
- 2) is willing to contract for and pay for a minimum of 300 kilowatts of demand per month, and
- 3) is willing to provide, own, install and maintain all necessary transformers, cutouts, protection equipment, primary metering enclosures, and all distribution facilities beyond the point of delivery.

The structure of the Medium General Service price includes a fixed monthly charge, a demand charge (based on the customer's peak load during the month), and a flat energy charge. Under the General Service price, these costs are separate price components and are additive in computing the bill.

The updated three-year COSA results are shown below in *Table 12*.

Table 12
Three Year COSA Results for Medium General Service Class

	2025 COSA	2026 COSA	2027 COSA
Basic Charge (fixed monthly)	\$144.77	\$156.14	\$177.31
Distribution Facilities Charge (kW)	\$5.34	\$6.06	\$6.52
Energy Services (kWh)	\$0.0105	\$0.0110	\$0.0115
Transmission & Reliability (kW)	\$5.35	\$5.53	\$5.37
Energy Charge (kWh)	\$0.0576	\$0.0608	\$0.0611

There is an overall rate increase of 5.1% to all price components for Medium General Service Schedule G-2.

Table 13 summarizes the proposed Medium General Service prices.

Table 13
Medium General Service, Schedule G-2
Existing Prices Compared to Proposed Prices

	Existing Prices	Proposed Prices
Basic Charge		
Single Phase	\$70 per month	\$105 per month
Three Phase	\$107 per month	\$145 per month
Primary	\$3,975 per month	\$2,706 per month
Demand Charge		
Secondary	\$8.587 per kW-mo.	\$8.587 per kW-mo.
Primary over 300 kW	\$8.414 per kW-mo.	\$8.372 per kW-mo.
Energy Charge		
Secondary	\$0.0709 per kWh	\$0.0754 per kWh
Primary	\$0.0700 per kWh	\$0.0735 per kWh

A monthly bill comparison at various usage and demand volumes for existing versus proposed prices can be found in *Table 14*.

Eugene Water & Electric Board
 Electric Utility- 2025 Rate Design
 Medium General Service - Schedule G-2
 Table 14 - Bill Impact

KWH LEVEL	20 kW			100 kW			500 kW		
	Monthly Bill at Present Rates	Monthly Bill at Proposed Rates	Percent Diff	Monthly Bill at Present Rates	Monthly Bill at Proposed Rates	Percent Diff	Monthly Bill at Present Rates	Monthly Bill at Proposed Rates	Percent Diff
2,000	\$ 420.54	\$ 467.54	11.2%	--	--	--	--	--	--
2,500	455.99	505.24	10.8%	--	--	--	--	--	--
3,000	491.44	542.94	10.5%	--	--	--	--	--	--
3,500	526.89	580.64	10.2%	--	--	--	--	--	--
4,000	562.34	618.34	10.0%	--	--	--	--	--	--
6,000	704.14	769.14	9.2%	--	--	--	--	--	--
8,000	845.94	919.94	8.7%	\$ 1,532.90	\$ 1,606.90	4.8%	--	--	--
10,000	987.74	1,070.74	8.4%	1,674.70	1,757.70	5.0%	--	--	--
12,000	1,129.54	1,221.54	8.1%	1,816.50	1,908.50	5.1%	--	--	--
15,000	1,342.24	1,447.74	7.9%	2,029.20	2,134.70	5.2%	--	--	--
17,500	1,519.49	1,636.24	7.7%	2,206.45	2,323.20	5.3%	--	--	--
20,000	1,696.74	1,824.74	7.5%	2,383.70	2,511.70	5.4%	--	--	--
22,500	1,873.99	2,013.24	7.4%	2,560.95	2,700.20	5.4%	--	--	--
25,000	2,051.24	2,201.74	7.3%	2,738.20	2,888.70	5.5%	--	--	--
27,500	2,228.49	2,390.24	7.3%	2,915.45	3,077.20	5.5%	--	--	--
30,000	2,405.74	2,578.74	7.2%	3,092.70	3,265.70	5.6%	--	--	--
32,500	2,582.99	2,767.24	7.1%	3,269.95	3,454.20	5.6%	\$ 6,704.75	\$ 6,889.00	2.7%
35,000	--	--	--	3,447.20	3,642.70	5.7%	6,882.00	7,077.50	2.8%
40,000	--	--	--	3,801.70	4,019.70	5.7%	7,236.50	7,454.50	3.0%
60,000	--	--	--	5,219.70	5,527.70	5.9%	8,654.50	8,962.50	3.6%
80,000	--	--	--	--	--	--	10,072.50	10,470.50	4.0%
100,000	--	--	--	--	--	--	11,490.50	11,978.50	4.2%
120,000	--	--	--	--	--	--	12,908.50	13,486.50	4.5%
150,000	--	--	--	--	--	--	15,035.50	15,748.50	4.7%
180,000	--	--	--	--	--	--	17,162.50	18,010.50	4.9%
200,000	--	--	--	--	--	--	18,580.50	19,518.50	5.0%

APPENDIX B - ELECTRIC SERVICE CHARGES AND PRICES

D. Large General Service (Schedule G-3)

The Large General Service class consists of accounts with monthly billed demands greater than 501 kW up to 10,000 kW. Customers are assigned to the class based on an average of the three highest demands in the last 12 months falling between 501 - 10,000 kW.

There are 55 commercial, industrial, and public agency customers presently served in the demand range for Large General Service price (Schedule G-3). This price typically applies to non-residential accounts for service at secondary distribution voltages of 480 volts and primary voltages of up to 12.47 kilovolts. Under the General Service schedule, EWEB provides all distribution and service facilities necessary to meet the power requirements of the customer at the delivered voltage.

In addition to the “secondary” Large General Service price, EWEB offers an alternative commercial price to larger qualifying customers. The Primary Service Power price is available to any commercial or industrial customer located outside the underground secondary network who:

- 1) receives single-point delivery at primary distribution voltages of 12.47 kV or greater,
- 2) is willing to contract for and pay for a minimum of 300 kilowatts of demand per month, and
- 3) is willing to provide, own, install and maintain all necessary transformers, cutouts, protection equipment, primary metering enclosures, and all distribution facilities beyond the point of delivery.

The structure of the Large General Service price includes a fixed monthly charge, a demand charge (based on the customer's peak load during the month), and a flat energy charge. Under the General Service price, these costs are separate price components and are additive in computing the bill.

The updated three-year COSA results are shown below in *Table 15*.

**Table 15
Three Year COSA Results for Large General Service Class**

	2025 COSA	2026 COSA	2027 COSA
Basic Charge (fixed monthly)	\$378.41	\$412.48	\$450.40
Distribution Facilities Charge (kW)	\$4.71	\$5.35	\$5.74
Energy Services (kWh)	\$0.0087	\$0.0090	\$0.093
Transmission & Reliability (kW)	\$5.44	\$5.62	\$5.46
Energy Charge (kWh)	\$0.0534	\$0.0556	\$0.0551

There is an overall rate increase of 8.6% to all price components for Large General Service Schedule G-3.

Table 16 provides information on current prices versus proposed prices.

Table 16
Large General Service, Schedule G-3
Existing Prices Compared to Proposed Prices

	Existing Prices	Proposed Prices
Basic Charge		
Secondary	\$3,220 per month	\$3,423 per month
Primary	\$3,130 per month	\$3,337 per month
Demand Charge		
Secondary over 300 kW	\$8.983 per kW-mo.	\$10.15 per kW-mo.
Primary over 300 kW	\$8.747 per kW-mo.	\$9.90 per kW-mo.
Energy Charge		
Secondary	\$0.0582 per kWh	\$0.0628 per kWh
Primary	\$0.0571 per kWh	\$0.0612 per kWh

A monthly bill comparison at various usage and demand volumes for existing versus proposed prices can be found in *Table 17*.

**Eugene Water & Electric Board
 Electric Utility - 2025 Rate Design
 Large General Service - Schedule G-3
 Table 17 - Bill Impact**

KWH LEVEL	500 kW			1000 kW			3000 kW		
	Monthly Bill at Present Rates	Monthly Bill at Proposed Rates	Percent Diff	Monthly Bill at Present Rates	Monthly Bill at Proposed Rates	Percent Diff	Monthly Bill at Present Rates	Monthly Bill at Proposed Rates	Percent Diff
40,000	\$ 7,345	\$ 7,965	8.4%						
60,000	\$ 8,509	\$ 9,221	8.4%	--	--	--	--	--	--
80,000	\$ 9,673	\$ 10,477	8.3%	--	--	--	--	--	--
100,000	\$ 10,837	\$ 11,733	8.3%	\$ 15,328	\$ 16,808	9.7%	--	--	--
150,000	\$ 13,747	\$ 14,873	8.2%	18,238	19,948	9.4%	--	--	--
200,000	\$ 16,657	\$ 18,013	8.1%	21,148	23,088	9.2%	--	--	--
250,000	\$ 19,567	\$ 21,153	8.1%	24,058	26,228	9.0%	--	--	--
300,000	\$ 22,477	\$ 24,293	8.1%	26,968	29,368	8.9%	--	--	--
350,000	\$ 25,387	\$ 27,433	8.1%	29,878	32,508	8.8%	\$ 47,844	\$ 52,808	10.4%
500,000	--	--	--	38,608	41,928	8.6%	56,574	62,228	10.0%
600,000	--	--	--	44,428	48,208	8.5%	62,394	68,508	9.8%
700,000	--	--	--	50,248	54,488	8.4%	68,214	74,788	9.6%
800,000	--	--	--	--	--	--	74,034	81,068	9.5%
1,000,000	--	--	--	--	--	--	85,674	93,628	9.3%
1,500,000	--	--	--	--	--	--	114,774	125,028	8.9%
2,000,000	--	--	--	--	--	--	143,874	156,428	8.7%

APPENDIX B - ELECTRIC SERVICE CHARGES AND PRICES

E. Customer-Owned Street Lighting (Schedules J-3, J-4, J-5)

Customer-owned street lighting service is available to government agencies, lighting districts, and water districts. Proposed street lighting prices do not include any direct costs for installation or maintenance of customer-owned fixtures. The proposed price schedules recover only costs for energy and associated costs necessary to operate the customer's lighting equipment which meets the Board's specifications. This practice is appropriate because ongoing maintenance tasks are now the responsibility of the other agencies.

There are approximately 13,000 street lights served on the EWEB system. It is estimated that agency street lights will consume 5.2 million kilowatt-hours during 2025. This estimate is based on the wattage rating of each individual lighting fixture and the total number of night-time hours per year. The proposed agency lighting prices reflect allocated customer, demand, and energy costs by fixture type, consistent with available engineering data.

The updated three-year COSA results are shown below in *Table 18*.

Table 18
Three Year COSA Results for Customer-Owned Street Lighting Class

	2025 COSA	2026 COSA	2027 COSA
Basic Charge (fixed monthly)	\$3.24	\$3.54	\$3.81
Grid Services (per watt-month)	\$0.0155	\$0.0207	\$0.0223
Energy Charge (per kilowatt hour)	\$0.0472	\$0.0496	\$0.0501

There is no overall recommended increase to Customer-Owned Street Lighting prices for 2025 as the multi-year COSA results reflected a reduction in the initial year and increases in subsequent years.

APPENDIX B - ELECTRIC SERVICE CHARGES AND PRICES

F. Private Property Lighting Service (Schedules L-3, L-4, L-5)

EWEB also offers lighting service to individuals and businesses to provide overhead outdoor lighting for private property from dusk to dawn each day throughout the year. All equipment used to furnish service under this schedule is installed, owned, operated, and maintained by EWEB.

There are presently about 1,400 private security lights comprised of various lamp sizes on the EWEB system. It is estimated that these lights will consume about 373,000 kWh during the 12-month test period. In addition to collecting energy revenue, the prices presently in effect for private security lighting are designed to amortize capital costs and to provide for depreciation, funds for fixture replacement, maintenance, regular lamp washing, and lamp replacement.

Recommended charges for Private Property Lighting Service are based on the wattage rating and cost characteristics of each lamp size. Where there is a EWEB pole dedicated for private lighting, there is a \$1.00 per month pole rental charge.

In 2006, a new price schedule was added, Schedule L-4, Private Property Lighting Service. The schedule accommodates the gradual transition of L-3 private lights to high-efficiency, low-diffusion, high pressure sodium (HPS) lights, in accordance with standards mandated by Eugene City Code, Section 9.6725. Schedule L-3 is closed to new services and is being phased out. Schedule L-5, LED Private Lighting Service, was created in 2022 to implement a rate for LED private lighting.

The updated three-year COSA results are shown below in *Table 19*.

Table 19
Three Year COSA Results for Private Property Lighting Class

	2025 COSA	2026 COSA	2027 COSA
Basic Charge (fixed monthly)	\$3.24	\$3.54	\$3.81
Grid Services (per watt-month)	\$0.0155	\$0.0207	\$0.0223
Energy Charge (per kilowatt hour)	\$0.0564	\$0.0592	\$0.0601

There is no overall recommended increase to Private Property Lighting prices for 2025 as the multi-year COSA results reflected a reduction in the initial year and increases in subsequent years.

APPENDIX B - ELECTRIC SERVICE CHARGES AND PRICES

G. Partial Requirements Service Pricing (C-PRP)

In December 2022, the Board approved Resolution No. 2228 for electric partial requirements service pricing effective in 2023. There are currently no customers on this price schedule.

The **Partial Requirements Service Pricing** uses marginal energy and transmission costs, which are based on weighted ICE Mid-C wholesale power prices and probability of peak analysis for incremental transmission purchases from Bonneville Power Administration for time differentiated energy charges. The Basic Charge and Facilities Charge are derived from the embedded Cost-of-Service Analysis (COSA), and, if applicable, the Power Indifference Charge reflects the difference between marginal and embedded energy costs to recover fixed infrastructure investments made by the utility.

Effected Schedule in the Customer Service Policy, Appendix B is **Partial Requirements Service Pricing (C-PRP) (for services from 1,000 kW or greater)**. *Table 20* provides current prices versus proposed prices for Partial Requirements Service Pricing.

Table 20
Partial Requirements Service Pricing (C-PRP)
(For Services from 1,000 kW or greater)
Existing Prices Compared to Proposed Prices

	Existing Rates	Proposed Rates	
Basic Charge:	\$320.97	\$2,027	per month
Delivery Charge:			
Per Kilowatt of Facilities Capacity	\$4.87	\$6.23	per gross kW
Power Indifference Surcharge:			
Per Kilowatt of Facilities Capacity	\$0.00	\$1.50	per gross kW
Energy Charge:			
Summer On-Peak Kilowatt-Hours	\$0.1263	\$0.1351	per kWh
Summer Mid-Peak Kilowatt-Hours	\$0.0930	\$0.0995	per kWh
Summer Off-Peak Kilowatt-Hours	\$0.0617	\$0.0660	per kWh
Shoulder On-Peak Kilowatt-Hours	\$0.0821	\$0.0878	per kWh
Shoulder Mid-Peak Kilowatt-Hours	\$0.0725	\$0.0776	per kWh
Shoulder Off-Peak Kilowatt-Hours	\$0.0595	\$0.0637	per kWh
Winter On-Peak Kilowatt-Hours	\$0.1320	\$0.1412	per kWh
Winter Mid-Peak Kilowatt-Hours	\$0.1106	\$0.1183	per kWh
Winter Off-Peak Kilowatt-Hours	\$0.0756	\$0.0809	per kWh

APPENDIX B - ELECTRIC SERVICE CHARGES AND PRICES

H. Electric Customer Generation Rates

EWEB recently updated its Avoided Cost rates and established an avoided cost for Eugene Solar. Staff is proposing to update Power Purchase Rate Schedules to align with its Avoided Cost rates for Eugene Solar next year.

However, for the 2025 update, Staff recommend using the historical practice of using forward wholesale power market prices as the basis for EWEB distributed generation rates.

That said, the current forward prices (existing methodology) have decreased to a level approaching the Avoided Cost rate. To align with the principle of gradualism, the implementation of using the Avoided Cost will be deferred until the 2026 annual update, and updating using the existing methodology is recommended for the 2025 adjustment, as shown below in *Table 21*.

Table 21
Electric Customer Generation Rates
Existing Rates Compared to Avoided Cost, Proposed Rates

	Existing Rates	Existing Avoided Cost	Proposed Rates
DG Rate Power & RECs	\$0.1102	\$0.0634	\$0.0768
DG Rate Power Only	\$0.1045	\$0.0399	\$0.0710

Effected Schedules in the Customer Service Policy, Appendix B are **Renewable Net-Metered Rate** and **Annual Renewable Generation Purchase Rate**.

APPENDIX G - ENVIRONMENTAL PRODUCT LINE PRICES

I. Environmental Product Line Rates

The purpose of **CleanPower** product line is to provide an affordable and voluntary pricing option for the procurement and retirement of Renewable Energy Certificates (RECs), representing the legal property rights to the environmental attributes of renewable electricity generation on behalf of participating customers. This service is available to both Residential and General Service customers that either meet the minimum consumption criteria required for variable pricing under this service or participate under the block option. Funds received from customers under this schedule will cover program costs and match REC procurement and retirement with customer subscriptions.

EWEB will procure and retire an amount of RECs equivalent to the aggregate subscription volume for all CleanPower participants. A REC is a tradeable, market-based instrument that represents the legal property rights to the non-power, environmental attributes of renewable electricity generation. A REC is created for every megawatt hour (MWh) of electricity generated and delivered to the grid from a renewable energy resource.

**Table 22
CleanPower Rates
Existing Rates Compared to Proposed Rates (Avoided Cost)**

	Existing Rates	Proposed (Avoided Cost)
Variable Rates	\$0.00475 (\$4.75/MWh)	\$0.00376 (\$3.76/MWH)
Block Rates (5,000 kWh)	\$23.75	\$18.80
Block Rates (20,000 kWh)	\$95.00	\$75.20

The price of service under this schedule is additive to all other services, charges and/or fees. Prices are calculated annually, based upon transacted purchase price and/or a twelve-month rolling average of comparable market prices for qualifying RECs, plus an additional 28% for transactional and administrative expenses.



Eugene Water & Electric Board
4200 Roosevelt Blvd
Eugene, Oregon 97402-6520
541-685-7000

February 2025 Water Price Proposal

**Fiscal Services Department
December 2024**

**EUGENE WATER & ELECTRIC BOARD
FEBRUARY 2025 WATER PRICE PROPOSAL**

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EXECUTIVE SUMMARY

The 2025 Water Price Proposal was developed in accordance with the proposed 2025 budget. The Cost-of-Service analysis, revenue requirement, and proposed price schedules by customer class are included in this document.

Overall Average Price Change: An overall average price increase of 8.0% is required to recover revenues largely due to increases in operating expenses and capital investment needs.

Cost-of-Service Analysis: EWEB conducts a comprehensive Cost-of-Service Analysis (COSA) every 3 to 5 years or when a major shift occurs in COSA variables. The 2025 COSA provides analysis to support the 2025 through 2027 pricing for retail water service and wholesale contracts. This proposal includes detailed price design recommendations for 2025 only.

Price Design and Other Price Schedules: The following price design proposal is recommended to meet the Board rate making principles of Sufficiency, Affordability, Efficiency, Cost Basis, Equity, and Gradualism. This proposal includes recommendations for the following service segments:

- Residential Customer Class
- General Service Customer Class
- Elevation Charges
- City of Veneta
- Wholesale Contracts

I. INTRODUCTION

Purpose of Study

The purpose of this price study is to provide background information and technical analysis in support of the Eugene Water & Electric Board (EWEB) staff recommendations for water prices. The study includes documentation of the water system revenue requirement, projected system consumption and sales, allocation of ongoing utility costs to customer classes during the twelve-month period beginning January 2025. The most recent changes to water prices occurred in February 2024, with an overall average revenue requirement increase of 8%.

Establishment of Prices

EWEB is a locally regulated municipal utility operating under the authority of the Eugene City Charter and pertinent provisions of Oregon law. Five elected Commissioners who serve without pay carry out the responsibilities delegated to the Board pursuant to the City Charter. As an independent municipal agency, the EWEB Commissioners have exclusive jurisdiction to approve annual budgets and establish prices for water service.

Although EWEB's water prices are not subject to regulatory review by any federal or state utility commission or similar agency, the Board must comply with the requirements of applicable state and federal statutes as they pertain to the development of prices and the general conduct of utility business. Current statutes and related case law provide two general standards concerning the establishment of retail water prices.

The first of these rate making standards allows EWEB to set prices at a level sufficient to recover the ongoing costs of utility operations. These costs include annual operating expenses, requirements for capital additions, interest and amortization of outstanding debts, and the need to maintain adequate reserves. This standard is intended to ensure the financial integrity of the utility, while defining the costs of operation which can be lawfully recovered through prices.

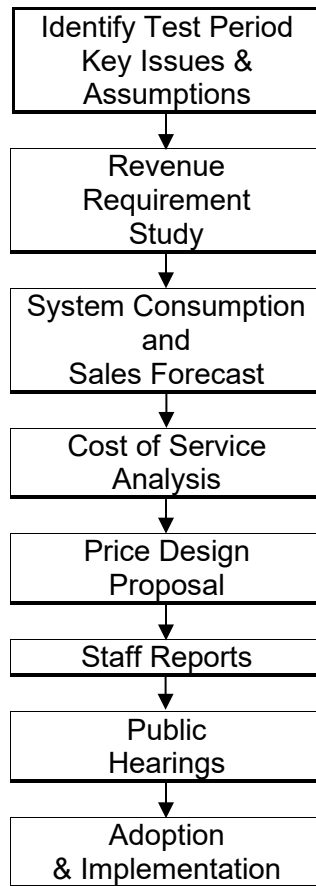
The second standard requires that prices and charges for utility service be fair and non-discriminatory. Prices are considered non-discriminatory when customers who receive similar services under comparable circumstances are treated equally in the development and application of specific prices. This second standard protects the equity concerns of individual utility customers based on established utility policies and practices for allocating costs among customers and customer classes.

The above standards, together with the established Board policies concerning cost allocation and price design, allow EWEB to maintain prices at the lowest possible level consistent with sound financial principles and traditional utility price making practice. They also give EWEB's elected Board of Commissioners complete authority to approve prices that are cost-based, non-discriminatory, and in concert with the needs of EWEB customers.

Price Review Process

EWEB's water prices are reviewed with each annual budget cycle to ensure they remain adequate to cover the cost of utility operations over the budget period. When budget projections or other forecasted operating conditions indicate the need for a price adjustment, EWEB staff are directed to prepare studies to determine appropriate price levels for each customer class. This formal review process involves several steps, all of which are coordinated with the EWEB Commissioners, General Manager, and management of the utility's operating departments. The process also affords an opportunity for review and comment by EWEB customers and other interested parties (see *Figure 1*).

Figure 1
Price Review Process



The first step in the price review process is a detailed examination of the projected operating expenses, capital costs, and anticipated revenues at current prices. The purpose of this effort is to confirm the overall revenue requirement that serves as a basis for development of proposed prices, the timing of the proposed price adjustment, and the period of time (or "test period") over which the new prices are expected to remain in place.

The next step is an assessment of the water system sales forecasts. These projections, consistent with historical and future growth trends in the EWEB service area, are then used to estimate system sales by price class.

Once EWEB's projected operating costs, revenue requirement, and sales forecasts have been determined, a cost-of-service analysis is performed. This analysis allocates test period costs to customer classes and update price schedules according to where individual cost items are incurred. EWEB's COSA procedures employ standard utility industry costing methods consistent with the policy guidelines established by the Board. The resulting unit costs are then used to inform and recommend specific revisions for EWEB's published water service schedules.

Public Notice and Hearings Schedule

EWEB's price review process is a formal, sequential procedure. The underlying objective is to ensure EWEB customers and the general public receive adequate notice and explanation of price change proposals. It also allows the Board to hear and consider public comment prior to approval and implementation of revised prices. Accordingly, EWEB Commissioners have adopted specific guidelines for public notice and hearings to run concurrent with the budget approval process. A legal notice of the public hearing is published as follows:

<u>Publication Name</u>	<u>Date</u>
Register Guard	October 2, 2024
Register Guard	October 30, 2024

Exhibit 1 contains the text used in the published legal notice.

EXHIBIT 1

BEFORE THE EUGENE WATER & ELECTRIC BOARD

In the Matter of Consideration and
Adoption of Budgets, Revised Prices for
EWEB Electric and Water Service

NOTICE OF PUBLIC HEARINGS
AND INVITATION TO COMMENT

1. Three dates are scheduled for public hearings to seek comment regarding proposed 2025 budget approval and adjustments to EWEB water and electric prices. If approved, the proposed changes for residential, general service, and other customers of the Eugene Water & Electric Board would become effective with utility billings rendered either, on or after February 1, 2025.
2. Public hearings will be held in person and virtually (details to be posted on eweb.org). Meeting dates and times:
 - October 1, 2024 - 5:30 p.m.
 - November 12, 2024 - 5:30 p.m.
 - December 3, 2024 - 5:30 p.m.

Background information concerning the budget and price proposals will be presented at the meeting, followed by the public hearing which will provide opportunity for public testimony and comment.

3. Specific price recommendations for each customer class may be obtained on EWEB's website: <https://www.eweb.org/your-public-utility/board-of-commissioners/public-meetings> or by calling EWEB's Fiscal Services Department at (541) 685-7000 or emailing budget@eweb.org. Copies of the budget document and price proposals will be made available upon request.
4. To provide spoken public comments in person or via telephone, sign up at: <https://www.eweb.org/x2936>.

Written comments may be emailed to commissioners at: <https://www.eweb.org/your-public-utility/board-of-commissioners/contact-eweb-commissioners>.

Written comments may also be mailed to:
EWEB, Attn: Board of Commissioners
4200 Roosevelt Blvd
Eugene OR 97402.

To ensure timely consideration, requests to speak or written comments must be received by 2:00 p.m. on December 3, 2024. Please indicate "public hearing" in your written comments or request to speak.

II. BACKGROUND INFORMATION

A. Organizational Structure

EWEB is responsible for providing electric and water service within the City of Eugene and certain outlying areas. The specific duties delegated to the Board pursuant to the Eugene City Charter are carried out by five elected Commissioners who serve without pay. The Commissioners and their respective terms of office are as follows:

	<u>Area</u>	<u>Term Expires</u>
Matt McRae, President	Wards 1, 8	First Meeting After 2024
John Barofsky, Vice President	Wards 2, 3	First Meeting After 2024
John Brown	Wards 4, 5	First Meeting After 2026
Mindy Schlossberg	At-Large	First Meeting After 2026
Sonya Carlson	Wards 6, 7	First Meeting After 2024

As EWEB's primary policy and decision-making body, the individual Board members represent a broad range of professional experience and community perspectives on matters concerning local utility service. The Board meets regularly on the first Tuesday of each month. All meetings are open to the public and provide opportunities for public participation.

The executive and management team responsible for each of the major operating areas is as follows:

<u>Executive</u>	<u>Department</u>
Frank Lawson	General Manager
Rodney Price	Assistant General Manager
Deborah Hart	Assistant General Manager, Chief Financial Officer
Julie McGaughey	Chief Customer Officer
Karen Kelley	Chief Operations Officer
Travis Knabe	Chief Information Officer
Brian Booth	Chief Energy Resource Officer
Anne Kah	Administrative Services Manger

The utility's business priorities are reviewed annually by the Board, General Manager, and a planning group made up of the executive management team and other key personnel. Major organizational goals, strategic issues, opportunities, and planning contingencies for the coming year are then documented in the annual EWEB Strategic Plan. The General Manager meets regularly with the executive team members, who then hold regular meetings with their department staff to ensure employee productivity and efficient operations.

B. Water System Highlights

EWEB is the largest publicly owned utility in the state of Oregon. Founded by the citizens of Eugene in 1911, EWEB has been a successful provider of essential utility services to the local community for over 100 years.

The Water System provides water to all areas within the city, two water districts, Willamette Water Company, and the City of Veneta. Water is supplied from the McKenzie River and is treated at the Hayden Bridge Filtration Plant, one of the largest treatment plants in Oregon. Water is pumped from the Hayden Bridge Filtration Plant into the distribution system through two large transmission mains, a 45-inch main and a 60-inch main. The water distribution system consists of 23 reservoirs with a combined storage capacity of 89 million gallons, 26 pump stations, 36.5 miles of transmission pipe, and approximately 800 miles of distribution mains.

Historical customer and consumption information is presented in the table below (*Table 1*). Annual consumption varies, particularly for the residential class, based on climatological conditions. These conditions are most clearly identified and correlated with summer temperatures and rainfall.

**Table 1
Customer & Thousands of Gallons Sales Statistics¹
For the Period 2019-2023**

Year	Customer Count	% Change	KGAL Sales	% Change
2019	54,112	0.8%	7,289,000	-4.6%
2020	54,518	0.8%	7,261,000	-0.4%
2021	54,934	0.8%	7,956,000	9.6%
2022	55,039	0.2%	7,168,000	-9.9%
2023	55,156	0.2%	7,614,000	6.2%

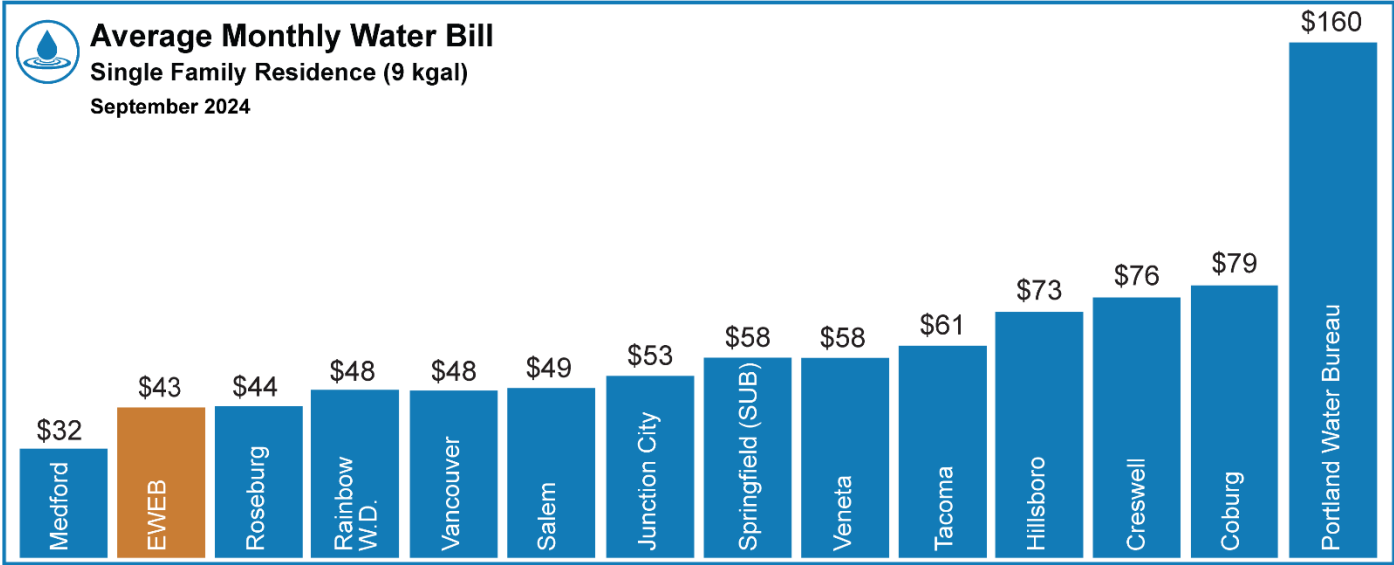
¹ Excludes Water District customers
NOTE: The above figures are as of the end of each year.

EWEB places a high value on quality service and responsiveness to the needs of its customers. Because of its standards for reliability and design, water service interruptions are infrequent and limited to short duration.

C. Residential Bill Comparison

A comparison of current monthly residential bills for selected Northwest water utilities is shown in Figure 2. Sample bills are calculated using EWEB's monthly average single family residence consumption of 9 thousand gallons. A bill of \$43.30 for EWEB in the figure is calculated using the current residential price. The resulting monthly average water bill based on this proposal is \$45.81, an increase of \$2.51 over current prices. The bill impact at different usage levels can be found in Table 8.

Figure 2



NOTE: Portland Water Bureau fixed monthly charge is for water, sewer and wastewater.
NOTE: Includes impact of Watershed Protection Fee

III. REVENUE REQUIREMENT STUDY

This section contains a general description of EWEB's annual budgeting process. It includes the documentation of EWEB's 2025 proposed budget for operating and capital expenses and revenue requirement which has been designated as the test period for the current price proposal. In addition to determining the overall revenue requirement needed to sustain operation of the water utility, test period revenue requirement are a primary input to the Cost-of-Service Analysis.

A. Preparation of Annual Budgets

At the beginning of each annual budget cycle, the utility's strategic priorities are identified by the Board and the General Manager. Major organizational goals, strategic issues, opportunities, and planning contingencies are then documented in the EWEB Strategic Plan. The Strategic Plan drives specific performance targets to address management priorities through ongoing work assignments and schedules.

Management and supervisory levels of EWEB are involved in preparation of the annual Water Utility Budget in order to place responsibility for cost control on the managers who forecast and incur the costs. If a budget deficit cannot be corrected through cost reductions or deferrals, the amount of the deficit becomes an additional revenue requirement recommended for recovery through a water price adjustment.

A draft budget with explanations of variances from prior years is discussed with the EWEB Commissioners. The Board reviews the draft budget and may suggest program adjustments and revisions. Public hearings are held to ensure customers have the opportunity to provide feedback. The Board approves a final budget in December, which then becomes the operating plan for the next budget year.

All supervisors are required to expend funds in a manner consistent with approved budget estimates. On a monthly basis, year-to-date balances are reviewed and compared to budgets to ensure that costs continue to track as expected. Quarterly financial reports and any significant deviations are brought to the attention of the Board for review in accordance with Board Policy EL-1, Financial Controls. Year-end results are routinely checked against budgets, with differences noted for potential input to the next year's budget cycle.

B. Revenue Requirement

EWEB has designated calendar year 2025 as the "test period" for the development of water system costs and revenues in this price proposal. This corresponds with the expenditure included in the 2025 Proposed Water Budget and any known or anticipated impacts in subsequent years.

For the February 2025 price study, staff were able to incorporate the projected sales, revenues, and expenditure data from the proposed 2025 budget directly as a basis for this revenue requirement proposal.

The water system costs are forecasted to be met with forecasted revenue including the current price proposal as outlined in the table below (*Table 2*).

Table 2
Water System Revenue Requirement
For 2025 Test Year

Revenues	Current Prices	Revenue at Proposed Prices	% of Total
Operating Revenues	\$42,280,000	\$45,384,000	86%
Interest and Other Income ¹	7,524,000	7,524,000	14%
Subtotal	49,804,000	52,908,000	100%
Expenditures			
Operating & Maintenance			
Source of Supply ²	4,188,000	4,188,000	12%
Pumping	1,614,000	1,614,000	5%
Power for Pumping	1,349,000	1,349,000	4%
Purification	4,526,000	4,526,000	13%
Transmission & Distribution	9,402,000	9,402,000	26%
Customer Accounting	2,934,000	2,934,000	8%
Conservation	1,075,000	1,075,000	3%
Administration & General	10,688,000	10,688,000	30%
Subtotal	35,776,000	35,776,000	68%
Other Expenditures			
Construction & Capital	15,991,000	15,991,000	30%
Debt Service, Interest, and Amortization	7,329,000	7,329,000	14%
Balance Sheet Changes	(419,000)	(419,000)	-1%
Subtotal	22,901,000	22,901,000	43%
To (From) Reserves	(5,769,000)	(5,769,000)	-11%
Revenue Requirement	52,908,000	52,908,000	100%
Surplus / (Deficit)	(3,104,000)	0	
As a % of Rate Revenue	-7.3%	0.00%	

¹ Includes Watershed Recovery Fee Revenue, System Development Charge Revenue

² Includes Watershed Recovery Expenditure

IV. SYSTEM CONSUMPTION AND SALES FORECAST

A. Overview of the Forecasting Process

EWEB routinely prepares both short and long-range water system consumption forecasts as part of its ongoing planning activities. Annual projections of the total system water consumption are prepared by the Fiscal Services Department. The annual forecasts employ historical sales data from EWEB records. The annual sales forecast forms the basis for revenue projections in the water cost-of-service analysis.

Basic growth projections for EWEB's system are developed through application of various forecasting methods, which include trending and econometric analysis. Annual system forecasts are examined regularly and adjusted for changing local economic conditions and customer characteristics. The resulting base forecasts become a key input to water resource planning, facilities design, and preparation of annual budgets. They also become an integral part of the price development process as a basis for allocation of operating costs and design of proposed prices for each customer class. Actual consumption may vary considerably from year to year due to changes in local weather patterns, the economy, and commercial activity.

EWEB's annual water consumption forecast was adopted directly as the basis for estimating total system sales for the price study. Specifically, the twelve-month period from January through December 2025 was selected for analysis, corresponding with the test period budget and revenue requirement. The remainder of this section describes how the system consumption and sales forecasts are applied to the development of retail prices and describes the results obtained for the 2025 test period.

B. Methodology and Procedures

In order to develop appropriate water prices, EWEB's annual system forecast of 95% of the last five years was used to develop a detailed projection of water sales and customer use characteristics for the upcoming price period.

Projection of customer sales relies on historical data collected by EWEB's Fiscal Services Department. Historical sales statistics are obtained from EWEB financial statements and accounting records. In addition, Fiscal Services maintains a detailed record of customer billing statistics for each price classification.

Once the basic forecasting data is assembled, it is reviewed for consistency with recent historical trends, budget assumptions, and conditions expected to prevail over the price test period. Such review ensures that the sales forecast used in the price design process remains consistent with projections used to prepare the EWEB revenue requirement discussed in Section III, Revenue Requirement Study.

The next step in the forecasting process is to divide the total system forecast into component parts by month and price class groupings. Historical customer sales statistics were used to calculate current class contribution to annual system sales and typical distribution of consumption

for each class. These historical ratios are then applied to the initial aggregate utility forecast to produce a projection of consumption by price class.

C. 2025 Forecast Results

The results of EWEB's sales forecast for the 2025 price test period are summarized below in *Table 3*:

**Table 3
Test Period Forecast of Water System
Customers & Sales by Price Class
For 2025 Price Test Period**

Customer Class	Customer Counts	Water Sales In KGAL	% of Sales
Residential – Inside City ¹	48,319	3,784,000	48.6%
Residential – Outside City ¹	468	46,000	0.6%
General Service – Inside City ¹	5,219	3,125,000	40.2%
General Service – Outside City ¹	241	179,000	2.3%
Water Districts	2	529,000	6.8%
Willamette Water Company	7	30,000	0.4%
City of Veneta	2	83,000	1.1%
Private Fire Lines	N/A	N/A	0.0%
Total	54,258	7,776,000	100.0%

¹ Elevation number of customers and consumption are included in the above customer classes.

The above information represents an increase in EWEB customers by the end of 2025, which is a trend over the last several years and projected new service connections. Total water sales for the period are forecast at 7.8 billion gallons.

The 2025 Consumption and Sales Forecast is used as a basis for cost allocation, price design, and revenue projections at current and proposed prices.

V. COST-OF-SERVICE ANALYSIS

This section documents the procedures used in the development of a Cost-of-Service study.

A. Costing Methods and Procedures

EWEB's Cost-of-Service methodology uses standard water utility costing procedures to allocate the test period revenue requirement to each customer class. The allocated costs reflect the contribution of each price class to total system costs during the period for which prices are being developed. Study results also measure the degree of equity in prices charged to individual customer classes by testing the adequacy of revenues received relative to allocated costs of service. Through this process, the Cost-of-Service study apportions the test period revenue difference as a basis for determining appropriate price levels and percentage adjustments for each customer class.

EWEB's Cost-of-Service study begins with a detailed assessment of utility's proposed operating budget and revenue requirement for the upcoming price period. The analysis relies on anticipated water system expenditures, retail sales, and projected revenues contained in the Proposed Water Utility Budget.

Once the total utility revenue requirement has been determined, individual line-item costs are grouped according to major utility functions, such as power for pumping, transmission, distribution, or customer accounting. Each line-item expense is then classified according to its contribution to the system's peak demands, total water consumption, or number of customers for each price class. Specific items are also identified for direct assignment when they are clearly associated with service to a price class.

To assign costs more accurately to individual price classes, the Cost-of-Service model breaks down the various demand and customer costs into sub-. Demand-related costs are segregated into max day demand for each month, while basic customer costs are sub-classified as relating to either "meters and services" or "billing and collecting."

After classification and sub-classification, each cost category is distributed to one or more price classes through a detailed allocation procedure. Several related analyses are conducted to develop the many allocation factors applied in this step. For example, calculating the class contribution to peak-day demand involves full examination of all customer sales during the test period. Accordingly, the allocation step relies on the revenue projections and available sales data described in Section IV, System Consumption and Sales Forecast.

When all the allocation factors have been developed, they are then applied to yield a segregation of total system costs assigned to the different price classes. The final step is to combine the calculations in a summary table showing the total allocated costs and recommended percentage adjustments for each customer class. These results can then be represented as unit costs, which form the basis for actual price design.

B. Cost-of-Service Results

Staff completed a three-year Cost-of-Service Analysis (COSA) for the years 2025 through 2027. The intent of the multi-year COSA is to incorporate gradualism into specific recommendations and provide customers cost-based price signals while easing and forecasting single year impacts. The multi-year results provided a forecast of recommended rate adjustments as shown below.

**Table 4
Multi-year Forecast for Water Utility
Recommended Rate Adjustments
For 2025-2027 Test Periods**

Customer Class	Price Schedule(s)	2025	2026	2027
Residential ¹	R-1, R-2	6.6%	7.5%	10.0%
General Service ¹	G-1, G-2	8.3%	8.2%	7.9%
Water Districts	4	14.3%	19.8%	6.5%
Willamette Water Company	5	9.5%	N/A	N/A
City of Veneta	6	7.6%	N/A	N/A
Elevation ²	N/A	22.1%	29.6%	12.1%

¹ Includes both Inside and Outside City

² Average of Levels 1, 2, and 3

The differential for Inside and Outside City for both Residential and General Service is 30%. The differential is not derived from the Cost-of-Service Analysis, and therefore, the combined customer classes are allocated with the differential subsequently applied.

VI. PRICE RECOMMENDATIONS

Staff recommend the revenue requirement be allocated in accordance with *Table 5* to employ the pricing principle of gradualism for retail customers. Wholesale prices are established according to their contracts.

Table 5
Proposed Revenue Requirement by Price Class

Customer Class	Price Schedule(s)	2025
Residential ¹	R-1, R-2	6.6%
General Service ¹	G-1, G-2	8.3%
Water Districts	4	14.3%
Willamette Water District	5	9.5%
City of Veneta	6	7.6%
Elevation ²	N/A	22.1%

¹ Includes both Inside and Outside City

² Average of Levels 1, 2, and 3

Prices were developed in accordance with EWEB's price design objectives, to balance recovery based on the costs allocated to each customer class in the COSA. In addition, these proposals reflect other legitimate price making objectives, such as stability of prices, equity to customers within a class, and proper price signals in keeping with EWEB's costs. EWEB water rates include fixed and variable components:

- Fixed water rates differ by capacity to serve the respective customer. The meter sizes range from smaller than 1-inch to 10-inches for some general service customers. AWWA recommends meter weighting be incorporated into the COSA for cost allocation. The proposal recommends transitioning over three years to the recommended weighting
- Variable water rates are tiered for residential customer class and flat volumetric rate for general service customers.

The American Water Works Association (AWWA) standard for meter weighting is shown below. This weighting underlies the cost allocation of many capacity related costs of the COSA. There is currently a disconnect between the AWWA standard weighting and the fixed monthly charge, as demonstrated in *Table 6*.

Table 6
Meter Size Weighting

	COSA	Residential Ratio	General Service Ratio
5/8 Inch Meter	1	1	1
3/4 Inch Meter	1.5	1	1
1 Inch Meter	2.5	1.3	1.4
1 1/2 Inch Meter	5	2.1	2.1
2 Inch Meter	8	3.7	3.7
3 Inch Meter	16	8.1	8.3
4 Inch Meter	25	-	14.2
6 Inch Meter	50		17.8
8 Inch Meter	80		30.9
10 Inch Meter	120		43.7

The transition to the COSA (AWWA standard) meter weighting would cause significant bill impacts and therefore the recommendation reflects a three-year transition.

The following subsections briefly describe pertinent issues for the design of charges in each published price schedule. Tables showing the projected billing units, current and proposed prices, and projected revenues follow each subsection with a summary of anticipated customer impacts.

A. Residential Service (Schedules R-1 and R-2)

Residential customers are served under Schedule R-1, which applies to single family and smaller multi-family dwellings inside the City of Eugene. The price schedule consists of a fixed monthly basic charge depending on meter size and a 3-tiered usage price applied to all monthly metered consumption.

The price increase for residential customers is illustrated in *Table 7*. *Table 8* provides information on price and monthly bill comparison using current and proposed prices for a residential customer within the City of Eugene.

Table 7
Residential Service Within City Limits, SCHEDULE R-1
Existing Prices Compared to Proposed Prices

	Existing Price	Proposed Price	
Basic Charge			
< 1"	\$24.09	\$25.00	per month
1"	\$32.52	\$36.39	per month
1 - 1/2"	\$49.75	\$61.37	per month
2"	\$89.14	\$106.04	per month
3"	\$194.96	\$225.30	per month
Volume Charge			
First 8 kgal	\$1.673	\$1.820	per kgal
Next 22 kgal	\$2.828	\$3.250	per kgal
Over 30 kgal	\$4.578	\$5.265	per kgal

Table 8
Price and Monthly Bill Comparison¹
Residential Water Service Inside City Limits, SCHEDULE R-1

< 1" Service			
Monthly Usage Level (KGAL)	Monthly Bill at Present Prices	Monthly Bill at Proposed Prices	Percent Difference
0	\$27.09	\$28.00	3.4%
1	\$28.76	\$29.82	3.7%
2	\$30.44	\$31.64	4.0%
3	\$32.11	\$33.46	4.2%
4	\$33.78	\$35.28	4.4%
5	\$35.46	\$37.10	4.6%
6	\$37.13	\$38.92	4.8%
7	\$38.80	\$40.74	5.0%
8	\$40.47	\$42.56	5.2%
9	\$43.30	\$45.81	5.8%
10	\$46.13	\$49.06	6.4%
15	\$60.27	\$65.31	8.4%
20	\$74.41	\$81.56	9.6%
25	\$88.55	\$97.81	10.5%
30	\$102.69	\$114.06	11.1%
35	\$125.58	\$140.39	11.8%
40	\$148.47	\$166.71	12.3%
45	\$171.36	\$193.04	12.6%
50	\$194.25	\$219.36	12.9%

¹ Includes Watershed Recovery Fee

Residential customers outside the City of Eugene are served under Schedule R-2, which includes a 30% price differential from R-1. *Tables 9 and 10* provide information on the calculation of revenues at current and proposed prices for residential customers outside City limits.

Table 9
Residential Service Outside City Limits, SCHEDULE R-2
Existing Prices Compared to Proposed Prices

	Existing Price	Proposed Price	
Basic Charge			
< 1"	\$31.34	\$32.50	per month
1"	\$42.27	\$47.30	per month
1 - 1/2"	\$64.68	\$79.78	per month
2"	\$115.88	\$137.85	per month
3"	\$253.45	\$292.89	per month
Volume Charge			
First 8 kgal	\$2.177	\$2.366	per kgal
Next 22 kgal	\$3.675	\$4.225	per kgal
Over 30 kgal	\$5.952	\$6.845	per kgal

Table 10
Price and Monthly Bill Comparison¹
Residential Water Service Outside City Limits, SCHEDULE R-2

< 1" Service			
Monthly Usage Level (KGAL)	Monthly Bill at Present Prices	Monthly Bill at Proposed Prices	Percent Difference
0	\$34.34	\$35.50	3.4%
1	\$36.52	\$37.87	3.7%
2	\$38.69	\$40.23	4.0%
3	\$40.87	\$42.60	4.2%
4	\$43.05	\$44.96	4.5%
5	\$45.23	\$47.33	4.7%
6	\$47.40	\$49.70	4.8%
7	\$49.58	\$52.06	5.0%
8	\$51.76	\$54.43	5.2%
9	\$55.43	\$58.65	5.8%
10	\$59.11	\$62.88	6.4%
15	\$77.48	\$84.00	8.4%
20	\$95.86	\$105.13	9.7%
25	\$114.23	\$126.25	10.5%
30	\$132.61	\$147.38	11.1%
35	\$162.37	\$181.60	11.8%
40	\$192.13	\$215.82	12.3%
45	\$221.89	\$250.05	12.7%
50	\$251.65	\$284.27	13.0%

¹ Includes Watershed Recovery Fee

B. General Service Inside City Limits (Schedule G-1)

EWEB’s commercial and industrial customers inside the City of Eugene are presently served under the General Service Schedule G-1. This price also applies to larger multi-family residential accounts. Under the General Service schedule, EWEB provides all distribution and service facilities necessary to meet the water requirements of the customer.

Table 11 provides information on existing and proposed prices.

Table 12 provides information on monthly bill comparisons at existing and proposed prices.

Table 11
General Service Water Service Inside City Limits, SCHEDULE G-1
Existing Prices Compared to Proposed Prices

	Existing Price	Proposed Price	
BASIC CHARGE			
< 1"	\$28.00	\$30.00	per month
1"	\$37.81	\$43.67	per month
1 - 1/2"	\$57.81	\$73.63	per month
2"	\$103.59	\$127.23	per month
3"	\$233.39	\$275.93	per month
4"	\$398.48	\$457.78	per month
6"	\$597.91	\$763.12	per month
8"	\$865.50	\$1,143.43	per month
10"	\$1,222.40	\$1,648.33	per month
VOLUME CHARGE			
All KGAL (1,000 gallons)	\$3.409	\$3.549	per kgal

Table 12
EUGENE WATER & ELECTRIC BOARD
Price and Monthly Bill Comparison¹
GENERAL SERVICE INSIDE CITY LIMITS
SCHEDULE G-1

Monthly Usage Level (KGAL)	< 1" SERVICE			1" SERVICE			2" SERVICE			4" SERVICE			6" SERVICE		
	Monthly Bill at Present Prices	Monthly Bill at Proposed Prices	Percent Difference	Monthly Bill at Present Prices	Monthly Bill at Proposed Prices	Percent Difference	Monthly Bill at Present Prices	Monthly Bill at Proposed Prices	Percent Difference	Monthly Bill at Present Prices	Monthly Bill at Proposed Prices	Percent Difference	Monthly Bill at Present Prices	Monthly Bill at Proposed Prices	Percent Difference
0	\$31.00	\$33.00	6.5%												
5	\$48.05	\$50.75	5.6%												
10	\$65.09	\$68.49	5.2%	\$74.90	\$82.16	9.7%									
15	\$82.14	\$86.24	5.0%	\$91.95	\$99.91	8.7%									
20	\$99.18	\$103.98	4.8%	\$108.99	\$117.65	7.9%	\$176.27	\$202.71	15.0%						
25	\$116.23	\$121.73	4.7%	\$126.04	\$135.40	7.4%	\$193.32	\$220.46	14.0%						
30	\$133.27	\$139.47	4.7%	\$143.08	\$153.14	7.0%	\$210.36	\$238.20	13.2%						
40	\$167.36	\$174.96	4.5%	\$177.17	\$188.63	6.5%	\$244.45	\$273.69	12.0%						
50	\$201.45	\$210.45	4.5%	\$211.26	\$224.12	6.1%	\$278.54	\$309.18	11.0%	\$580.93	\$647.23	11.4%			
75				\$296.49	\$312.85	5.5%	\$363.77	\$397.91	9.4%	\$666.16	\$735.96	10.5%			
100				\$381.71	\$401.57	5.2%	\$448.99	\$486.63	8.4%	\$751.38	\$824.68	9.8%	\$956.81	\$1,136.02	18.7%
200				\$722.61	\$756.47	4.7%	\$789.89	\$841.53	6.5%	\$1,092.28	\$1,179.58	8.0%	\$1,297.71	\$1,490.92	14.9%
250				\$893.06	\$933.92	4.6%	\$960.34	\$1,018.98	6.1%	\$1,262.73	\$1,357.03	7.5%	\$1,468.16	\$1,668.37	13.6%
500							\$1,812.59	\$1,906.23	5.2%	\$2,114.98	\$2,244.28	6.1%	\$2,320.41	\$2,555.62	10.1%
750										\$2,967.23	\$3,131.53	5.5%	\$3,172.66	\$3,442.87	8.5%
1,000										\$3,819.48	\$4,018.78	5.2%	\$4,024.91	\$4,330.12	7.6%
1,500													\$5,729.41	\$6,104.62	6.5%
2,000													\$7,433.91	\$7,879.12	6.0%
2,500													\$9,138.41	\$9,653.62	5.6%

¹ Includes Watershed Recovery Fee

C. General Service Outside City Limits (Schedule G-2)

EWEB also offers a General Service water price for customers located outside the City of Eugene. The schedule applies to commercial and industrial customers alike, as their total number is comparatively few.

The price structure of this schedule is identical to General Service Schedule G-1. The only distinction is a differential in the prices themselves. EWEB and other water utilities typically charge a higher price to retail customers outside the city boundary in recognition of cost differences for serving non-municipal customers. Schedule G-2 includes a 30% price differential from Schedule G-1.

Table 13 provides information on existing and proposed prices.

Table 14 provides information on monthly bill comparisons at existing and proposed prices.

Table 13
General Service Water Service Outside City Limits, SCHEDULE G-2
Existing Prices Compared to Proposed Prices

	Existing Price	Proposed Price	
BASIC CHARGE			
< 1"	\$36.40	\$39.00	per month
1"	\$49.12	\$56.78	per month
1 - 1/2"	\$75.16	\$95.72	per month
2"	\$134.65	\$165.40	per month
3"	\$303.40	\$358.71	per month
4"	\$518.01	\$595.12	per month
6"	\$777.29	\$992.05	per month
8"	\$1,125.16	\$1,486.45	per month
VOLUME CHARGE			
All KGAL (1,000 gallons)	\$4.434	\$4.61	per kgal

Table 14
EUGENE WATER & ELECTRIC BOARD
Price and Monthly Bill Comparison¹
GENERAL SERVICE OUTSIDE CITY LIMITS

SCHEDULE G-2

Monthly Usage Level (KGAL)	< 1" SERVICE			1" SERVICE			2" SERVICE			4" SERVICE			6" SERVICE		
	Monthly Bill at Present Prices	Monthly Bill at Proposed Prices	Percent Diff.	Monthly Bill at Present Prices	Monthly Bill at Proposed Prices	Percent Diff.	Monthly Bill at Present Prices	Monthly Bill at Proposed Prices	Percent Diff.	Monthly Bill at Present Prices	Monthly Bill at Proposed Prices	Percent Diff.	Monthly Bill at Present Prices	Monthly Bill at Proposed Prices	Percent Diff.
0	\$39.40	\$42.00	6.6%												
5	\$61.57	\$65.07	5.7%												
10	\$83.74	\$88.14	5.3%	\$96.46	\$105.91	9.8%									
15	\$105.91	\$111.21	5.0%	\$118.63	\$128.98	8.7%									
20	\$128.08	\$134.27	4.8%	\$140.80	\$152.05	8.0%	\$229.33	\$263.68	15.0%						
25	\$150.25	\$157.34	4.7%	\$162.97	\$175.12	7.5%	\$251.50	\$286.75	14.0%						
30	\$172.42	\$180.41	4.6%	\$185.14	\$198.19	7.0%	\$273.67	\$309.81	13.2%						
40	\$216.76	\$226.55	4.5%	\$229.48	\$244.32	6.5%	\$318.01	\$355.95	11.9%						
50	\$261.10	\$272.69	4.4%	\$273.82	\$290.46	6.1%	\$362.35	\$402.09	11.0%	\$751.71	\$837.80	11.5%			
75				\$384.67	\$405.80	5.5%	\$473.20	\$517.43	9.3%	\$862.56	\$953.15	10.5%			
100				\$495.52	\$521.15	5.2%	\$584.05	\$632.77	8.3%	\$973.41	\$1,068.49	9.8%	\$1,238.69	\$1,471.42	18.8%
200				\$938.92	\$982.52	4.6%	\$1,027.45	\$1,094.14	6.5%	\$1,416.81	\$1,529.86	8.0%	\$1,682.09	\$1,932.79	14.9%
250				\$1,160.62	\$1,213.20	4.5%	\$1,249.15	\$1,324.83	6.1%	\$1,638.51	\$1,760.54	7.4%	\$1,903.79	\$2,163.48	13.6%
500							\$2,357.65	\$2,478.25	5.1%	\$2,747.01	\$2,913.97	6.1%	\$3,012.29	\$3,316.90	10.1%
750										\$3,855.51	\$4,067.39	5.5%	\$4,120.79	\$4,470.33	8.5%
1,000										\$4,964.01	\$5,220.82	5.2%	\$5,229.29	\$5,623.75	7.5%
1,500													\$7,446.29	\$7,930.60	6.5%
2,000													\$9,663.29	\$10,237.45	5.9%
2,500													\$11,880.29	\$12,544.30	5.6%

¹ Includes Watershed Recovery Fee

D. Elevation Charges

The elevation charges have been updated to reflect cost of serving at the respective elevation levels. This increase affects all customers equally whether residential, general service, inside or outside city limits.

Table 15
Elevation Consumption Charges
Existing Charges Compared to Proposed Charges

Pumping Level	Existing Charge	Proposed Charge
Pumping Level 1	\$0.294	\$0.368
Pumping Level 2	\$0.659	\$0.846
Pumping Level 3	\$1.252	\$1.555

Table 16
Elevation Meter Charges
Existing Charges Compared to Proposed Charges

Pumping Level	Existing Charge	Proposed Charge
Pumping Level 1	\$3.54	\$ 4.43
Pumping Level 2	\$6.60	\$ 7.69
Pumping Level 3	\$11.88	\$ 14.14

E. Sale of Surplus Water (Schedules 4, 5, 6)

EWEB provides firm surplus wholesale water to Santa Clara and River Road Water Districts and Willamette Water Company, and surplus wholesale water to the City of Veneta. Each district has two contractual agreements with EWEB, one is for the service to be provided by EWEB and a second is for the supply of firm surplus water. Prices include a basic and a volume charge.

Price changes for Santa Clara and River Road Water Districts are recommended below in *Table 17*.

Table 17
Santa Clara and River Road Water Districts, SCHEDULE 4
Existing Prices Compared to Proposed Prices

	Existing Price	Proposed Price
BASIC CHARGE	\$3,898.21	\$4,455.65
VOLUME CHARGE		
Jan-June All KGAL	\$3.342	\$3.342
July - Dec All KGAL ¹	\$3.342	\$3.820

¹ July 1, 2025, effective date

The proposed increase for Willamette Water Company is driven by increased overall costs. *Table 18* provides information on existing and proposed prices for Willamette Water Company.

Table 18
Willamette Water Company, SCHEDULE 5
Existing Prices Compared to Proposed Prices

	Existing Price	Proposed Price
BASIC CHARGE		
< 1"	\$29.09	\$31.71
1"	\$39.26	\$42.79
1 - 1/2"	\$60.00	\$65.40
2"	\$107.56	\$117.24
3"	\$242.34	\$264.15
4"	\$413.74	\$450.98
6"	\$620.81	\$676.68
8"	\$898.66	\$979.54
VOLUME CHARGE		
All KGAL (1,000 gallons)	\$3.704	\$4.04

The proposed increase for Veneta is driven by increased overall costs. *Table 19* provides information on existing and proposed prices for the City of Veneta.

Table 19
City of Veneta, SCHEDULE 6
Existing Prices Compared to Proposed Prices

	Existing Price	Proposed Price
BASIC CHARGE	\$1,270.20	\$1,371.82
VOLUME CHARGE		
All KGAL (1,000 gallons)	\$1.606	\$1.734

F. Private Fire Lines

Private fire lines are separate attachments or services to the system for the provision of sufficient water capacity to meet fire requirements. The services are typically larger than the customer’s normal domestic line but conduct water for emergency use only. Fire protection lines are usually a requirement of the municipal fire chief and/or insurance companies. Since there is no routine water consumption for a private fire line, the only charge for the service is a flat price per month, based on the per-inch diameter of the pipe.

In this proposal, management recommends an 8% change to fire line prices. Prices for fire lines are contained within the Customer Service Policy & Procedures for General Service Inside (Schedule G-1) and Outside City (Schedule G-2). *Table 20* provides information on existing and proposed prices.

Table 20
Private Fire Lines
Existing vs. Proposed Charges

Line Size	Existing		Proposed	
	Inside City	Inside City	Outside City	Outside City
1"	\$51.96	\$56.11	\$66.22	\$71.52
1 - 1/2"	\$51.96	\$56.11	\$66.22	\$71.52
2"	\$51.96	\$56.11	\$66.22	\$71.52
3"	\$51.96	\$56.11	\$66.22	\$71.52
4"	\$51.96	\$56.11	\$66.22	\$71.52
6"	\$77.94	\$84.17	\$99.33	\$107.27
8"	\$103.92	\$112.23	\$132.44	\$143.03
10"	\$129.89	\$140.29	\$165.55	\$178.79
12"	\$155.87	\$168.34	\$198.66	\$214.55
16"	\$207.83	\$224.46	\$264.87	\$286.06



APPENDIX B - ELECTRIC SERVICE CHARGES AND PRICES

G. Residential Service - Schedule R-6

1. Applicable

To underground or overhead Electric Service for separately metered single-family residences, duplexes, triplexes, quads, townhouses, multifamily structures with less than four Living Units, and mobile homes, except as may be otherwise specified by prior contract. Boarding, lodging, rooming houses or group care facilities shall also be considered Residential Services if not more than five private sleeping rooms are used by other than members of the Customer's family.

When a major portion of a dwelling is regularly used for the conduct of business, the Customer may separate the wiring so that the residential portion may be metered separately and billed on the Residential Schedule, otherwise the entire dwelling shall be billed on a General Service Schedule.

Price Schedules apply to the sale of electrical energy for the sole and exclusive use of the Customer. The Customer shall not resell electrical energy supplied by EWEB.

2. Character of Service

Single-phase, 60-cycle, nominal 120, 208Y/120 or 240/120 volts, subject to voltage classification available and compatibility with geographic area.

3. Monthly Price

(Resolution No. 2324 – See Revision History)

Basic Charge\$~~30~~²⁵.00 per month

Delivery Charge (all usage):..... \$0.0~~338~~²⁹⁶ per kWh

Energy Charge:

All Kilowatt-Hours\$0.07~~40~~³⁶ per kWh

4. Minimum Charge

The minimum charge per month shall be the applicable basic charge

5. Power Cost Recovery Adjustment

At the discretion of the Board, the prices may be adjusted for 12 months to reflect the variance between budgeted and actual power cost for the previous calendar year. The adjustment is determined by dividing the amount to be rebated or recovered by the



- projected annual Kilowatt-Hour sales in that calendar year, and then decreasing or increasing the energy or power component of the price accordingly.
6. BPA Power Cost Adjustment

Electric prices may be automatically adjusted for up to 12 months to reflect a future variance in projected power costs due to changes in Bonneville Power Administration (BPA) wholesale prices. The adjustment is determined by dividing the amount to be rebated or recovered by the projected Kilowatt-Hour sales for the appropriate period and then decreasing or increasing the energy or power component of the price accordingly.

7. Special Provisions

Individual single-phase motors larger than 7.5 horsepower may be connected only with the written permission of EWEB.

8. General Terms and Conditions

Service under this schedule is subject to the policies and procedures of EWEB.

H. Small General Service - Schedule G-1 (For Service up to 30 kW)

1. Applicable

To commercial, industrial, commercial irrigation uses, public buildings, churches, public and private schools, public and private hospitals, multifamily structures with four or more Living Units served through one Meter, and their Common Use Facilities. This General Service schedule also applies to rooming, lodging, boarding houses, or group care facilities where more than five private sleeping rooms are used for persons not members of the Customer's immediate family. Service under this schedule is available to Customers with monthly billing Demands that do not exceed 30 Kilowatts. Service is applicable to Customers with the average of the three highest monthly kW Demands in the prior 12-month period not exceeding 30 Kilowatts.

When a major portion of a dwelling is regularly used for the conduct of business, the Customer may separate the wiring so that the residential portion may be metered separately and billed on the Residential schedule, otherwise the entire dwelling shall be billed on the General Service schedule.

All of the Customer's lighting, heating and power requirements shall be served through a single Meter at one Point of Delivery and one Secondary Voltage classification.



Service shall be supplied only at the phases and voltages as EWEB may have available. The Customer’s Load characteristics must be acceptable to EWEB.

Price Schedules apply to the sale of electrical energy for the sole and exclusive use of the Customer. The Customer shall not resell electrical energy supplied by EWEB.

2. Monthly Price
(Resolution No. 2324 – See Revision History)

Basic Charge:

Single-phase Service.....	\$ 45 30.00	per month
Three-phase Service.....	\$ 60 44.500	per month

Demand Charge:

First 10 kW		No Charge
All Additional kW.....	\$8.206	per kW

Delivery Charge:

First 1,750 kWh	\$0.0412	per kWh
All Additional kWh.....	\$0.0015	per kWh

Energy Charge:

All Kilowatt-Hours	\$0.0 800 794	per kWh
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3. Minimum Charge

The minimum charge per month shall be the applicable basic charge.

4. Power Cost Recovery Adjustment

At the discretion of the Board, the prices may be adjusted for 12 months to reflect the variance between budgeted and actual power cost for the previous calendar year. The adjustment is determined by dividing the amount to be rebated or recovered by the projected annual Kilowatt-Hour sales in that calendar year, and then decreasing or increasing the energy or power component of the price accordingly.

5. BPA Power Cost Recovery Adjustment

Electric prices may be automatically adjusted for up to 12 months to reflect a future variance in projected power costs due to changes in Bonneville Power Administration (BPA) wholesale prices. The adjustment is determined by dividing the amount to be rebated or recovered by the projected Kilowatt-Hour sales for the appropriate period and then decreasing or increasing the energy or power component of the price accordingly.



6. Demand

The Demand shall be the maximum active energy used by the Customer for any 15-minute period during the month, which is calculated as an average Kilowatt by a suitable Demand Meter.

7. General Terms and Conditions

Service under this schedule is subject to the policies and procedures of EWEB.

**I. Medium General Service - Schedule G-2
(For Service from 31 kW to 500 kW)**

1. Applicable

To Electric Service for commercial, industrial, and public agency Customers with monthly billing Demands from 31 to 500 Kilowatts. Service is applicable to Customers with the average of the three highest monthly kW Demands in the prior 12-month period falling between 31 and 500 Kilowatts.

All Customer's Load shall be served through a single Meter at one Point of Delivery and one Voltage classification. Service shall be supplied only at the phases and voltages as EWEB may have available. The Customer's Load characteristics must be acceptable to EWEB.

Primary Service may be available for Customers who contract for 300 Kilowatts or more at one Point of Delivery at approximately 12,470 volts. It is not available to Customers inside the underground Secondary Network. All Primary Service shall be three-phase, 60-cycle, at 12,470 volts or higher at the option of EWEB. Secondary Service applies to Customers served below 600 volts.

Price Schedules apply to the sale of electrical energy for the sole and exclusive use of the Customer. The Customer shall not resell electrical energy supplied by EWEB.

2. Monthly Price

(Resolution No. 2324 – See Revision History)

	<u>Secondary Service</u>	<u>Primary Service</u>	
Basic Charge:			
Single-phase Service.....	\$ 10570 .00	No charge	per month
Three-phase Service.....	\$ 14507 .00	\$ 2,7063,975	per month



Demand Charge:

First 300 kW of Demand.....	\$8.587	No charge per kW
Over 300 kW of Demand.....	\$8.587	\$8. 372 ⁴¹⁴ per kW

Energy Charge:

All Kilowatt-Hours	\$0.07 5409	\$0.07 3500 per kWh
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3. Minimum Charge

The minimum charge shall be the applicable basic charge.

4. Power Cost Recovery Adjustment

At the discretion of the Board, the prices may be adjusted for 12 months to reflect the variance between budgeted and actual power cost for the previous calendar year. The adjustment is determined by dividing the amount to be rebated or recovered by the projected annual Kilowatt-Hour sales in that calendar year, and then decreasing or increasing the energy or power component of the price accordingly.

5. BPA Power Cost Recovery Adjustment

Electric prices may be automatically adjusted for up to 12 months to reflect a future variance in projected power costs due to changes in Bonneville Power Administration (BPA) wholesale prices. The adjustment is determined by dividing the amount to be rebated or recovered by the projected Kilowatt-Hour sales for the appropriate period and then decreasing or increasing the energy or power component of the price accordingly.

6. Demand

The Demand shall be the maximum active energy used by the Customer for any 15-minute period during the month, which is calculated as an average Kilowatt by a suitable Demand Meter.

7. Special Provisions – Primary Service

The Customer shall provide, own, install and maintain all necessary transformers, cutouts, protection equipment, concrete slab or vault, primary metering enclosure, and all distribution equipment beyond the Point of Delivery. EWEB will furnish and install all distribution Facilities to the Point of Delivery and the primary potential and current transformers.



For Primary Service under this Price Schedule, transformer losses will be borne by the Customer and will be measured or calculated at the option of EWEB.

8. General Terms and Conditions

Service under this schedule is subject to the policies and procedures of EWEB.

**J. Large General Service - Schedule G-3
(For Service from 501 kW to 10,000 kW)**

1. Applicable

To Electric Service for large commercial, industrial, and public agency Customers with monthly billing Demands from 501 to 10,000 Kilowatts. Service is applicable to Customers with the average of the three highest monthly kW Demands in the prior 12-month period falling between 501 and 10,000 Kilowatts.

All Customer's Load shall be served through a single Meter at one Point of Delivery and one Voltage classification. Service shall be supplied only at the phases and voltages as EWEB may have available. The Customer's Load characteristics must be acceptable to EWEB.

Primary Service is available for Customers who contract for 300 Kilowatts or more at one Point of Delivery at approximately 12,470 volts. It is not available to Customers inside the underground Secondary Network. All Primary Service shall be three-phase, 60-cycle, at 12,470 volts or higher at the option of EWEB. Secondary Service applies to Customers served below 600 volts.

Price Schedules apply to the sale of electrical energy for the sole and exclusive use of the Customer. The Customer shall not resell electrical energy supplied by EWEB.

2. Monthly Price

(Resolution No. 2324 – See Revision History)

	Secondary	Primary
	<u>Service</u>	<u>Service</u>

Basic Charge:	\$3, 423 ²²⁰	\$3, 337 ¹³⁰	per month
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Demand Charge:

First 300 kW of Demand.....	No charge	No charge	
Over 300 kW of Demand.....	\$ 10.15 ^{8.983}	\$ 9.90 ^{8.747}	per kW

Energy Charge:



All Kilowatt-Hours\$0.0~~628582~~\$0.0~~612571~~ per kWh

3. Minimum Charge

The minimum charge shall be the applicable basic charge.

4. Power Cost Recovery Adjustment

At the discretion of the Board, the prices may be adjusted for 12 months to reflect the variance between budgeted and actual power cost for the previous calendar year. The adjustment is determined by dividing the amount to be rebated or recovered by the projected annual Kilowatt-Hour sales in that calendar year, and then decreasing or increasing the energy or power component of the price accordingly.

5. BPA Power Cost Recovery Adjustment

Electric prices may be automatically adjusted for up to 12 months to reflect a future variance in projected power costs due to changes in Bonneville Power Administration (BPA) wholesale prices. The adjustment is determined by dividing the amount to be rebated or recovered by the projected Kilowatt-Hour sales for the appropriate period and then decreasing or increasing the energy or power component of the price accordingly.

6. Demand

The Demand shall be the maximum active energy used by the Customer for any 15-minute period during the month, which is calculated as an average Kilowatt by a suitable Demand Meter.

7. Special Provisions – Primary Service

- a. The Customer shall provide, own, install and maintain all necessary transformers, cutouts, protection equipment, concrete slab or vault, primary metering enclosure, and all distribution equipment beyond the Point of Delivery. EWEB will furnish and install all distribution Facilities to the Point of Delivery and the primary potential and current transformers.
- b. For Primary Service under this Price Schedule, transformer losses will be borne by the Customer and will be measured or calculated at the option of EWEB.
- c. Service to eligible Loads will be provided under the Large General Service Price Schedule G-3 or by separate power service contracts at the discretion of the General Manager.



8. General Terms and Conditions

Service under this schedule is subject to the policies and procedures of EWEB.

**U. Partial Requirements Service Pricing (C-PRP)
(For Service from 1,000 kW or greater)**

1. Applicable

To Large Nonresidential Customers supplying all or some portion of their load by self-generation operating on a regular basis, where the self-generation has a total nameplate rating of 1,000 Kilowatts or greater. A Large Nonresidential Customer is a commercial, industrial, and public agency Customer with monthly billing Demands of 1,000 Kilowatts or greater. Service is applicable to Customers with the average of the three highest monthly kW Demands in the prior 12-month period falling over 1,000 Kilowatts.

Service shall be supplied only at the phases and voltages as EWEB may have available. The Customer’s Load characteristics must be acceptable to EWEB and metering installed and maintained by EWEB at the Point of Delivery and applicable generation facilities to record the fifteen-minute power demand.

Price Schedules apply to the sale of electrical energy for the sole and exclusive use of the Customer. The Customer shall not resell electrical energy supplied by EWEB.

2. Monthly Price

(Resolution No. 2324 – See Revision History)

Basic Charge: ~~\$2,027~~^{320.97} per month

Facilities Charge:

Per Kilowatt of Facilities Capacity~~\$6.23~~^{4.87} per gross kW

Power Indifference Surcharge:

Per Kilowatt of Facilities Capacity~~\$1.500~~^{0.00} per gross kW

Energy Charge:

Summer On-Peak Kilowatt-Hours~~\$0.135~~^{1.263} per kWh

Summer Mid-Peak Kilowatt-Hours~~\$0.09~~⁹⁵³⁰ per kWh

Summer Off-Peak Kilowatt-Hours~~\$0.06~~⁶⁰¹⁷ per kWh

Shoulder On-Peak Kilowatt-Hours~~\$0.08~~⁷⁸²¹ per kWh



Shoulder Mid-Peak Kilowatt-Hours	\$0.077625	per kWh
Shoulder Off-Peak Kilowatt-Hours	\$0.0637595	per kWh
Winter On-Peak Kilowatt-Hours	\$0.1412320	per kWh
Winter Mid-Peak Kilowatt-Hours.....	\$0.118306	per kWh
Winter Off-Peak Kilowatt-Hours.....	\$0.0809756	per kWh

On and Off-Peak Hours

Summer (beginning May 1st of each year to September 30th)

On-Peak	2:00 p.m. to 6:00 p.m.	Monday - Friday
Shoulder	7:00 a.m. to 2:00 pm	Monday - Friday
	6:00 p.m. to 12:00 a.m.	Monday - Friday
	9:00 a.m. to 11:00 p.m.	Saturday, Sunday and NERC Holidays**
Off-Peak	12:00 a.m. to 7:00 a.m.	Monday - Friday
	11:00 p.m. to 9:00 a.m.	Saturday, Sunday and NERC Holidays**

Winter (beginning December 1st of each year to January 31st)

On-Peak	7:00 a.m. to 10:00 a.m.	Monday - Friday
	5:00 p.m. to 7:00 p.m.	Monday - Friday
	5:00 p.m. to 7:00 p.m.	Saturday, Sunday and NERC Holidays**
Shoulder	5:00 a.m. to 7:00 a.m.	Monday - Friday
	10:00 a.m. to 5:00 p.m.	Monday - Friday
	7:00 p.m. to 11:00 p.m.	Monday - Friday
	6:00 a.m. to 5:00 p.m.	Saturday, Sunday and NERC Holidays**
	7:00 p.m. to 11:00 p.m.	NERC Holidays**
Off-Peak	11:00 p.m. to 5:00 a.m.	Monday - Friday
	11:00 p.m. to 6:00 a.m.	Saturday, Sunday and NERC Holidays**

Shoulder (beginning February 1st of each year to April 30th and beginning October 1st of each year to November 30th)

On-Peak	6:00 a.m. to 11:00 a.m.	Monday - Friday
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Shoulder	4:00 a.m. to 6:00 a.m.	Monday - Friday
	11:00 a.m. to 11:00 p.m.	Monday - Friday
	6:00 a.m. to 1:00 p.m.	Monday - Friday
	5:00 p.m. to 11:00 p.m.	Saturday, Sunday and NERC Holidays**
Off-Peak	11:00 p.m. to 4:00 a.m.	Monday - Friday
	11:00 p.m. to 6:00 a.m.	Saturday, Sunday and NERC Holidays**
	1:00 p.m. to 5:00 p.m.	

**North American Electric Reliability Corporation (NERC) Holidays include:

New Year's Day
Memorial Day
Independence Day
Labor Day
Thanksgiving Day
Christmas Day

3. Minimum Charge

The minimum charge shall be the applicable basic charge.

4. Facilities Capacity

The Facilities Capacity for the Facilities Charge and the Power Indifference Surcharge will be equal to the capability to deliver power at the Point of Delivery, or an alternative facilities capacity value mutually agreed upon by the Customer and EWEB.

5. Power Cost Recovery Adjustment

At the discretion of the Board, the prices may be adjusted for 12 months to reflect the variance between budgeted and actual power cost for the previous calendar year. The adjustment is determined by dividing the amount to be rebated or recovered by the projected annual Kilowatt-Hour sales in that calendar year, and then decreasing or increasing the energy or power component of the price accordingly.

6. BPA Power Cost Recovery Adjustment

Electric prices may be automatically adjusted for up to 12 months to reflect a future variance in projected power costs due to changes in Bonneville Power Administration (BPA) wholesale prices. The adjustment is determined by dividing the amount to be rebated or recovered by the projected Kilowatt-Hour sales for the appropriate period



and then decreasing or increasing the energy or power component of the price accordingly.

7. Energy Charge

The Energy Charge applies to energy supplied to the Customer by EWEB.

8. Demand Charge

The Demand for the Demand Charge shall be the maximum active energy used by the Customer for any 15-minute period during the month, which is calculated as an average Kilowatt by a suitable Demand Meter.

9. Special Provisions – Primary Service

The Customer shall provide, own, install and maintain all necessary transformers, cutouts, protection equipment, concrete slab or vault, primary metering enclosure, and all distribution equipment beyond the Point of Delivery. EWEB will furnish and install all distribution Facilities to the Point of Delivery and the primary potential and current transformers.

For Primary Service under this Price Schedule, transformer losses will be borne by the Customer and will be measured or calculated at the option of EWEB.

10. Special Provisions – Partial Requirements Service Agreements

Prior to receiving service under this schedule, the Customer must enter into a written service agreement specifying the terms and conditions of service. This includes the items below and any other information necessary for implementation of service under this schedule:

- **Interconnection Agreement:** Customer and EWEB must have an Interconnection Agreement, which is consistent with EWEB Interconnection Standard. The Interconnection Standard is available upon request from EWEB or on EWEB's website.
- **Scheduling Agreement:** Customer owned generation service under this schedule requires power scheduling, tagging and other generation power management services. The customer must provide an agreement to EWEB demonstrating adequate assurance of scheduling and related services being provided by EWEB, the Customer, or a third party.



Eligibility for the Partial Requirements Service schedule requires execution of a service agreement with the aforementioned terms and conditions.

11. General Terms and Conditions

Service under this schedule is subject to the policies and procedures of EWEB.

W. Renewable Power Purchase Rate Schedules (Customer Generation Systems Less than 200kW)

The following Renewable Power Purchase Rate Schedules are available to EWEB Customers with CG Systems as applicable:

- Net-Metered Generation Rate Schedule (“NMG”)
- Direct Generation Rate Schedule (“DG”)
- Behind-the-Meter Direct Generation Rate Schedule (“BTM-DG”)

These Rate Schedules are subject to annual review and may be adjusted or amended at the discretion of the EWEB Board. Service under all Schedules is subject to EWEB Customer Services Policies and Procedures.

1. Net-Metered Generation Rate Schedule (NMG) (For Generation Less than or Equal to 25 kW)

a. Applicability

Renewable Net-metered Rates shall apply to a CG System interconnected in parallel to EWEB on the Customer’s side of the meter and sized such that it primarily offsets the Customer’s Load at the site.

Renewable Net-metered Rates are available only to a CG System with an installed output capacity less than or equal to 25 kW, that use solar power, wind power, fuel cells, hydroelectric power, landfill gas, digester gas, waste, dedicated energy crops available on a renewable basis, or low-emission, non-toxic biomass based on solid organic fuels from wood, forest, or field residues.

- b. A Customer who uses the net-metered approach shall be responsible to pay the monthly basic charge, demand charge, energy charge, distribution charge and reactive charge applicable to its rate class.
- c. At the end of each monthly meter reading cycle, excess energy generated by the CG System as measured by EWEB’s billing meter shall be credited at the



excess generation rate listed below. The resulting amount shall be credited to the Customer's EWEB bill in that same billing cycle.

d. Renewable Net-Metered Rate

Excess generation for CG Systems will be credited based on the following rate:

All kWh of excess generation. \$0.~~0710~~¹⁰⁴⁵ per kWh
(Resolution No. 2324 – See Revision History)

2. Direct Generation Rate Schedule (DG)
(For Generation Less than 200 kW)

a. Applicability

Rate schedule applies to residential, commercial, industrial and public agency Customers with EWEB approved Renewable Energy generation systems that are connected directly to the EWEB electric distribution system, that have an installed output capacity less than 200 kW, and that use solar power, wind power, hydroelectric power, landfill gas, digester gas, waste, dedicated energy crops available on a renewable basis, or low-emission, non-toxic biomass based on solid organic fuels from wood, forest, or field residues.

Rate schedule applies to the purchase of electrical energy generated by Customer's Renewable Energy generation system. Purchase power rate shall be applied to short-term Standard Offer contracts for renewable electric generation systems connected to EWEB.

b. Direct Generation Rate
(Resolution No. 2324 – See Revision History)

Purchased Power and RECs \$0.~~0768~~¹¹⁰² per kWh
Purchased Power Only \$0.~~0710~~¹⁰⁴⁵ per kWh

c. Energy delivered to the EWEB system will be credited to Owner's generation account monthly according to the Rate Schedule above. Payments for renewable electric generation credits will be issued once per year in December in the form of a check.

3. Behind the Meter Direct Generation Rate Schedule (BTM-DG)
(For Customer Generation Between 25 kW and 200 kW*)

a. Applicability



This schedule is applicable to Large Primary Metered Customer with installed generating equipment on the Customer's side of the consumption meter, using solar power; wind power; fuel cells; hydroelectric power; landfill gas; digester gas; waste; dedicated energy crops available on a renewable basis; low-emission; non-toxic biomass based on solid organic fuels from wood, forest, or field residues; geothermal energy; or renewable marine energy, including, wave energy, wave-wind hybrid energy and tidal energy.

Public Agencies: This policy applies to public agencies such as government entities, educational institutions, and other similar public organizations.

EWEB shall limit applicability of this schedule to customers where design feasibility concerns exist as determined by EWEB.

b. Definition of Behind the Meter Direct Generation

BTM-DG measures Customer's Load through the Point of Delivery of its General Service Schedule (G-3), or through the Point of Delivery identified in its Retail Power Supply Agreement, where applicable.

The BTM-DG within the Customer's Point of Delivery will be measured at the BTM-DG facility by an EWEB owned meter. The measured generation at the BTM-DG will offset the respective General Service Tariff Schedule or Retail Power Supply Agreement contracted power rate.

c. Monthly Billing

A Customer who uses the BTM-DG approach shall be responsible to pay rates and charge for its applicable rate class for consumption at the EWEB retail meter.

The kilowatt hour generation registered at the BTM-DG will be charged at the rates below.

d. Annual Renewable Generation Rate

(Resolution No. 2411 – See Revision History)

Customer Charge

The Customer pays the Company per month for each separately metered Renewable Generating Facility.

Customer Charge	\$35.25
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Energy

Primary Behind the Meter Generation -\$0.0098474**
(based on Primary Service \$0.0612571 per kilowatt hour less \$0.07101045
Generation Rate)

*Projects over 200 kw of installed capacity are subject to EWEB and BPA approval and will be evaluated on a case-by-case basis.

** The Customer will be charged for kilowatt hour generation when the Direct Generation Rate is higher than the Large Primary Rate and will receive a credit when the Generation Rate is lower than the Large Primary Rate.



APPENDIX C - WATER SERVICE CHARGES AND PRICES

E. Residential Water Service Inside the City Limits of Eugene

SCHEDULE R-1

1. Applicable

Within the city limits of Eugene to all separately metered single-family residences, mobile homes, duplexes, triplexes, “quads,” townhouses, and multifamily structures with less than four Living Units.

Boarding, lodging, rooming houses or group care facilities shall also qualify for Residential Service if not more than five private sleeping rooms are used by other than members of the Customer's immediate family. When the majority of a dwelling is regularly used for the conduct of business, the entire dwelling shall be billed on the applicable General Service schedule.

2. Monthly Price (Resolution No. 2325 – See Revision History)

The monthly price is composed of three charges: basic charge, volume charge and the pumping and delivery above the base charge, if applicable. The basic customer charge shall be according to the size of Meter provided.

Basic Charge

< 1"	\$ 25.00 ^{4.09}	per month
1"	\$ 36.39 ^{2.52}	per month
1-1/2"	\$ 61.37 ^{49.75}	per month
2"	\$ 106.04 ^{89.14}	per month
3"	\$ 225.30 ^{194.96}	per month

Volume Charge

First 8,000 gallons.....	\$ 1.82 ^{0.673}	per 1,000 gallons
The next 22,000 gallons.....	\$ 3.25 ^{0.828}	per 1,000 gallons
All over 30,000 gallons.....	\$ 5.26 ^{4.578}	per 1,000 gallons

Pumping and Delivery Charge Above the Base

Pumping and delivery charges, if applicable, on all gallons used per month, per 1,000 gallons.



Services at Base Level	None	
Services at Level 1 (800 to 850 feet)	\$0. 368 ²⁹⁴	per 1,000 gallons
Services at Level 2 (975 feet)	\$0. 846 ⁶⁵⁹	per 1,000 gallons
Services at Level 3 (1,150 to 1,325 feet)	\$1. 555 ²⁵²	per 1,000 gallons

Fixed Pumping and Delivery Above the Base

Level 1	\$ 4.43 ^{3.54}
Level 2	\$ 7.69 ^{6.60}
Level 3	\$ 14.14 ^{1.88}

3. Minimum Charge
Applicable monthly basic customer charge according to size of Meter provided.
4. General Terms and Conditions
Service under this schedule is subject to the policies and procedures of EWEB.

Residential Water Service Outside the City Limits of Eugene

SCHEDULE R-2

- A. Applicable
Outside the city limits of Eugene to all separately metered single-family residences, mobile homes, duplexes, triplexes, “quads,” townhouses, and multifamily structures with less than four Living Units.

Boarding, lodging, rooming houses or group care facilities shall also qualify for Residential Service if not more than five private sleeping rooms are used by other than members of the Customer's immediate family. When the majority of a dwelling is regularly used for the conduct of business, the entire dwelling shall be billed on the applicable General Service schedule.

- B. Monthly Price (Resolution No. 2325 – See Revision History)

The monthly price is composed of three charges: basic charge, volume charge and the pumping and delivery above the base charge, if applicable. The basic customer charge shall be according to the size of Meter provided.

Basic Charge

< 1"	\$ 32.50 ^{1.34}	per month
1"	\$ 47.30 ^{2.27}	per month



1-1/2"	\$ 79.78 ^{64.68}	per month
2"	\$ 137.85 ^{15.88}	per month
3"	\$ 92.89 ^{53.45}	per month

Volume Charge

First 8,000 gallons.....	\$ 2.366 ¹⁷⁷	per 1,000 gallons
The next 22,000 gallons.....	\$ 4.225 ^{3.675}	per 1,000 gallons
All over 30,000 gallons.....	\$ 6.845 ^{5.952}	per 1,000 gallons

Pumping and Delivery Charge Above the Base

Additional pumping and delivery charges, as applicable, on all gallons used per month, per 1,000 gallons.

Services at Base Level	None	
Services at Level 1 (800 to 850 feet)	\$ 0.368 ²⁹⁴	per 1,000 gallons
Services at Level 2 (975 feet)	\$ 0.846 ⁶⁵⁹	per 1,000 gallons
Services at Level 3 (1,150 to 1,325 feet)	\$ 1.555 ²⁵²	per 1,000 gallons

Fixed Pumping and Delivery Above the Base

Level 1	\$ 4.43 ^{3.54}
Level 2	\$ 7.69 ^{6.60}
Level 3	\$ 14.14 ^{1.88}

F. General Service Inside the City Limits of Eugene

Closed to new Customers with consumption in excess of 500,000 gallons per day or 10 million gallons per month.

SCHEDULE G-1

1. Applicable

Within the city limits of Eugene to all Commercial, industrial, and Commercial irrigation uses, public buildings, churches, public and private schools, public and private hospitals, multifamily structures with four or more Living Units served through one Meter, and their Common Use Facilities.

This General Service schedule also applies to boarding, lodging, rooming houses or group care facilities where more than five private sleeping rooms are used by other than



members of the Customer's immediate family, and in instances where the majority of a dwelling is regularly used for the conduct of business.

2. Monthly Price (Resolution No. 2325 – See Revision History)

The monthly price is composed of three charges: basic charge, volume charge and the pumping and delivery above the base charge, if applicable. The basic charge shall be according to the size of Meter provided.

Basic Charge

< 1"	\$ 30.28 ^{28.00}	per month
1"	\$ 43.67 ^{37.81}	per month
1-1/2"	\$ 73.63 ^{57.81}	per month
2"	\$ 127.23 ^{93.59}	per month
3"	\$ 275.93 ^{33.39}	per month
4"	\$ 457.78 ^{398.48}	per month
6"	\$ 763.12 ^{597.91}	per month
8"	\$ 1,143.43 ^{865.50}	per month
10"	\$ 1,648.33 ^{222.40}	per month

Volume Charge

All gallons	\$ 3.549 ⁴⁰⁹	per 1,000 gallons
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Pumping and Delivery Charge Above the Base

Additional pumping and delivery charges, as applicable, on all gallons used per month, per 1,000 gallons.

Services at Base Level	None	
Services at Level 1 (800 to 850 feet)	\$ 0.368 ²⁹⁴	per 1,000 gallons
Services at Level 2 (975 feet)	\$ 0.846 ⁶⁵⁹	per 1,000 gallons
Services at Level 3 (1,150 to 1,325 feet)	\$ 1.555 ²⁵²	per 1,000 gallons

Fixed Pumping and Delivery Above the Base

Level 1	\$ 4.43 ^{3.54}
Level 2	\$ 7.69 ^{6.60}
Level 3	\$ 14.14 ^{1.88}

3. Minimum Charge



Applicable monthly basic customer charge according to size of Meter provided.

- 4. Flat Price for Fire Protection (Resolution No. 2325)

See Water Service Conditions, Flat Price Fire Protection Service, for identification.

Price per month per inch diameter of pipe\$12.99
 No charge per month shall be less than\$~~6.11~~^{4.96}

- 5. General Terms and Conditions

Service under this schedule is subject to the policies and procedures of EWEB.

G. General Service Outside the City Limits of Eugene

Closed to new Customers with consumption in excess of 500,000 gallons per day or 10 million gallons per month.

SCHEDULE G-2

- 1. Applicable

This schedule is applicable to Residential, Commercial, industrial, and other General Service use outside the city limits of Eugene according to whatever contract provisions may be required by EWEB.

Extension of service to new Customers, outside the city limits, Mahlon Sweet Airport, Lane Community College and within dissolved water districts may be subject to city council approval on extension of Water Service.

- 2. Monthly Rate (Resolution No. 2325 – See Revision History)

The monthly price is composed of three charges: basic charge, volume charge and the pumping and delivery above the base charge, if applicable. The basic customer charge shall be according to the size of Meter provided.

Basic Charge

< 1"	\$ 39.00 ^{6.40}	per month
1"	\$ 56.78 ^{49.12}	per month
1-1/2"	\$ 95.72 ^{75.16}	per month
2"	\$ 165.40 ^{34.65}	per month
3"	\$ 58.71 ^{93.40}	per month



4"	\$ 595.12 ^{18.01}	per month
6"	\$ 992.05 ^{777.29}	per month
8"	\$ 1,486.45 ^{125.16}	per month

Volume Charge

Plus all gallons used per month	\$4. 61 ⁴³⁴	per 1,000 gallons
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Pumping and Delivery Charge Above the Base

Additional pumping and delivery charges, as applicable, on all gallons used per month, per 1,000 gallons.

Services at Base Level	None	
Services at Level 1 (800 to 850 feet)	\$0. 368 ²⁹⁴	per 1,000 gallons
Services at Level 2 (975 feet)	\$0. 846 ⁶⁵⁹	per 1,000 gallons
Services at Level 3 (1,150 to 1,325 feet)	\$1. 555 ²⁵²	per 1,000 gallons

Fixed Pumping and Delivery Above the Base

Level 1	\$ 4.43 ^{3.54}
Level 2	\$ 7.69 ^{6.60}
Level 3	\$ 14.14 ^{1.88}

3. Minimum Charge

Applicable monthly basic customer charge according to size of Meter provided.

4. Flat Price for Fire Protection (Resolution No. 2325)

See Water Utility, Section W-I-13, paragraph N, for identification.

Price per month per inch diameter of pipe.....	\$16.56
No charge per month shall be less than	\$ 71.52 ^{66.22}

5. General Terms and Conditions

Service under this schedule is subject to the policies and procedures of EWEB.



J. Surplus and Wholesale Water Sales

EWEB sells or disposes of surplus or wholesale water under agreements and with entities decided by EWEB. Such entities shall not resell water to another water Utility or entity without EWEB’s written consent.

Schedule 4

- 1. Applicable

To the River Road Water District and Santa Clara Water District

- 2. Monthly Rate (Resolution No. 2229 – See Revision History)

Basic Charge.....\$~~4,455.65~~^{3,898.21} per month

Volume Charge

All gallons.....\$~~3.82~~^{3.42} per 1,000 gallons

- 3. Minimum Charge

Applicable monthly basic charge.

- 4. General Terms and Conditions

Water sales under this schedule are subject to the policies and procedures of EWEB and provisions of the applicable surplus water sales contract.

Schedule 5

- 1. Applicable

To the Willamette Water Company.

- 2. Monthly Rate (Resolution No. 2229 – See Revision History)

Basic customer charge shall be according to the size of Meter provided.

Basic Charge

< 1”\$~~31.71~~^{29.09} per month



1".....	\$ 42.79 <u>39.26</u>	per month
1 – ½".....	\$ 65.40 <u>0.00</u>	per month
2".....	\$ 117.24 <u>07.56</u>	per month
3".....	\$ 264.15 <u>42.34</u>	per month
4".....	\$ 450.98 <u>13.74</u>	per month
6".....	\$ 676.68 <u>20.81</u>	per month
8".....	\$ 979.54 <u>898.66</u>	per month

Volume Charge

Plus all gallons.....	\$ 4.04 <u>3.704</u>	per 1,000 gallons
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3. Minimum Charge

Applicable monthly basic customer charge according to size of Meter provided.

4. General Terms and Conditions

Water sales under this schedule are subject to the policies and procedures of EWEB and provisions of the applicable surplus water sales contract.

Schedule 6

1. Applicable

To the City of Veneta.

2. Monthly Rate (Resolution No. 2325 – See Revision History)

Basic Charge	\$ 1,371.82 <u>270.20</u>	per month
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Volume Charge

All gallons.....	\$ 1.734 <u>606</u>	per 1,000 gallons
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3. Minimum Charge

Applicable monthly basic charge provided.

4. General Terms and Conditions

Water sales under this schedule are subject to the policies and procedures of EWEB and provisions of the applicable surplus water sales contract.



APPENDIX G - ENVIRONMENTAL PRODUCT LINE PRICES

B. Cleanpower Schedule

1. Purpose

Provide an affordable and voluntary pricing option for the procurement and retirement of Renewable Energy Certificates (RECs), representing the legal property rights to the environmental attributes of renewable electricity generation on behalf of participating customers.

2. Applicable

This service is available to both Residential and General Service customers that either meet the minimum consumption criteria required for variable pricing under this service or participate under the block option.

The customer account must be current and in good standing to enroll in Cleanpower. Customers that have experienced service disconnection due to non-payment may be prohibited from participating in this service for up to 12 months, or as reasonably determined by EWEB.

3. Administration

Funds received from customers under this schedule will cover program costs and match Renewable Energy Certificate procurement and retirement with customer subscriptions.

4. Renewable Energy Certificates

EWEB will procure and retire an amount of RECs equivalent to the aggregate subscription volume for all Cleanpower participants. A REC is a tradeable, market-based instrument that represents the legal property rights to the non-power, environmental attributes of renewable electricity generation. A REC is created for every megawatt hour (MWh) of electricity generated and delivered to the grid from a renewable energy resource.

In accordance with [Environmental Protection Agency guidance](#), purchasers of RECs own the exclusive rights to characterize the quantity of their purchased electricity associated with the RECs as low or zero-emissions electricity.

All RECs retired under this schedule are generated by zero-emissions generating resources for the purposes of [Greenhouse Gas Emissions Reporting](#) to the Department of Environmental Quality (DEQ). These resources may include:



- Wind;
- Solar;
- Certified low impact hydroelectric;
- Geothermal;
- Biomass;
- And any other resource that meets the EPA guidance and DEQ reporting requirements set forth in this schedule.

The certification and retirement of RECs purchased under this schedule shall be performed by and executed within the Western Renewable Energy Generation Information System, or any equivalent successor thereto.

5. Quantity

Customers purchasing RECs under this schedule will have two subscription options:

1. Full Requirements – A variable quantity of RECs which are equivalent to 100% of kWh consumption billed under Energy Charges on the customer bill.
2. Block purchases – Fixed amounts in increments of 5,000 kWh or 20,000 kWh

Under either option, subscriptions may not exceed 2X average monthly consumption for any individual customer. Customers must have a minimum average consumption of 5,000 kWh per month to participate in the full requirements option. Notwithstanding the foregoing, all customers are eligible to purchase a single small block of 5,000 kWh.

6. Monthly Price

(Resolution No. 2324)

The price of service under this schedule is additive to all other services, charges and/or fees. Prices are calculated annually, based upon transacted purchase price and/or a 12-month rolling average of comparable market prices for qualifying RECs, plus an additional 28% for transactional and administrative expenses.

Variable Rate: \$0.00~~376475~~ per kWh (\$~~43.7675~~ per MWh)

Block Rates: Small Block of 5,000 kWh \$~~18.8023.75~~ or Large Block of 20,000 kWh \$~~75.2095~~

7. Participation

Only EWEB electric services customers are eligible to participate under this service schedule. Eligible customers may sign up at any time of the year. Charges and accounting for associated RECs will begin upon the next meter date following sign up.



Participating customers may remove service under this schedule at any time. Future charges for service will not be incurred following cancellation.

8. General Terms and Conditions

Service under this schedule is subject to the policies and procedures of EWEB.