



## • M E M O R A N D U M

EUGENE WATER & ELECTRIC BOARD  
EMPLOYEE, CUSTOMER and COMMUNITY SERVICES

*Rely on us.*

**TO: Commissioners Farmer, Brown, Cassidy, Cunningham & Ernst**  
**FROM: Sheila Crawford**  
**DATE: November 17, 2009**  
**SUBJECT: Third Quarter EWEB Performance Metric Report (Attached)**

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Attached are the third quarter organizational performance metrics. EWEB remains better than target in: Financial Flexibility – Credit Rating and Debt Service Ratio, Generation Availability, Wholesale Sales Margin, Conservation Acquired, Electric CAIDI, Water SAIFI, Water Quality (turbidity, chlorine residual, PH), and Safety Recordables and Lost Days.

Areas under target include: Financial Flexibility – C.M. Target, Power Unit Cost, Electric SAIFI and Water CAIDI, attributable to the following:

### **Financial Flexibility – Contribution Margin:**

The lower contribution margin metric is a result of lower power market prices, decrease of retail customer revenue, i.e. commercial and industrial and factoring out \$2.2M in customer care rebates.

### **Power Unit Cost:**

Outages at the Columbia Generating Station created a decrease in volume under EWEB's slice contract resulting in less power to sell in the wholesale markets.

### **Electric SAIFI:**

We have presently exceeded the year-end target of 0.5 in Electric SAIFI. Based on historical performance, the last quarter of the year's performance is estimated to be 0.65. This increase is caused by substation interruptions (as discussed in the second quarter EWEB performance report). This target would be met had it not been for these large scale events.

### **Water CAIDI:**

These events were affected by the Main Replacement on Elmira from June & July, 2009.

## Eugene Water & Electric Board Organizational Performance Metrics

Measure	2009 (Prorated if appropriate)	2009 Results As of 9-30-09	Comments
<b>CUSTOMER &amp; COMMUNITY RESPONSIVENESS</b>			
<b>Customer Satisfaction Surveys</b> Benchmark Survey (annual)		-	Survey will not be conducted in 2010 for Budget Reasons
<b>Increase Public Input &amp; Understanding</b> Apply IAP2 (APPA) Standard to complex or public issues Certify one staff member (annual)	As appropriate  1	Spring Blvd Seneca Project Riverfront M.Plan  -	Ongoing Practice  Will be met by 12-31-09
<b>Rule &amp; Regulatory Compliance</b>	Regular monitoring activity	-	Report on exception basis
<b>PRODUCT AFFORDABILITY</b>			
<b>Maintain Financial Flexibility</b> Above Average Credit Rating Debt Service Ratio (Electric) C.M. Target (> fixed costs)	3 Agencies > A1 2.4X or > \$84M (prorated)	Met 2.8X \$79M (prorated)	Better than target Better than target Worse than target
<b>PRODUCT SUFFICIENCY (Quality/Quantity)</b>			
<b>Maintain an Adequate Supply of Power</b> Power Unit Cost Wholesale Sales Margin Generation Availability Annual Conservation Acquired	\$25.86 \$4.135M/\$3.176M 93.8% 2.01 aMW/1.39aMW	\$26.30 \$3.752M 97.6% 1.51aMW	Worse than target Better than target Better than target Better than target
<b>Maintain Reliable Delivery of Product</b> Electric SAIFI Electric CAIDI Water SAIFI Water CAIDI Turbidity  Chlorine Residual  PH	0.5/.37 140 min. 0.051/.038 120 min.  95% of daily values fall at or below .036. 95% of daily values between .60 - .70 MG/l.  95% of daily values between 7.7 - 8.1 ph	0.51 87 min. 0.0162 158.17 min.  100%  99%  100%	Worse than target Better than target Better than target Worse than target  Better than target  Better than target  Better than target
<b>ORGANIZATIONAL/FOUNDATIONAL</b>			
<b>Maintain Safety Culture Awareness</b> # of OSHA Recordable Incidents # of Work Days Lost to Accidents	34/25 143/107	14 44	Better than target Better than target

Revised 7-27-09

Note: Measure descriptions on reverse side

# What the Measures Mean

## Customer Satisfaction Surveys

Measures overall satisfaction mean score out of a possible rating of 10.

## Increase Public Input & Understanding

Tracks the use of a process referred to as the International Association for Public Participation (IAP2) for evaluating internal utility issues that impact customers or community members.

The process sets forth a problem solving methodology that includes all aspects of communicating ideas, identifying problems, developing alternatives and making decisions to be used depending on the level and complexity of the issue.

## Rules & Regulatory Compliance

Tracks all regulatory compliance, and provides ongoing reporting mechanism to notify Board regarding noncompliance.

## Maintain Financial Flexibility

- Above Average Credit Rating: Evaluations of creditworthiness performed by the major credit rating agencies.
- Debt Service Ratio: Ratio of net revenues available for debt service for the year. This ratio measures the utility's ability to meet its annual long-term debt obligation.
- Contribution Margin Target: Variable revenues and operating expenses of the Electric Utility are managed to produce some contribution amount to fixed costs.

## Maintain an Adequate Supply of Power

- Power Unit Cost: Unit cost of contract resources plus wholesale purchases minus wholesale revenue
- Wholesale Sales Margin: Power purchases, sales and transmission costs
- Generation Availability:
- Annual Conservation Acquired: Represents the annual & monthly proration of planned resource acquisition targets in aMW.

## Maintain Reliable Delivery of Product

- Electric SAIFI: The SAIFI index is an industry standard measurement of electrical outages and stands for System Average Interruption Frequency Index. The index represents the average number of times that a customer experiences sustained electrical outages on the utility's system.
- Electric CAIDI: The CAIDI index is an industry standard measurement of the average length of time, in hours, that was required to restore service to customers, and stands for Customer Average Interruption Duration Index.
- Water SAIFI: The SAIFI index is an industry standard measurement of water interruptions and stands for System Average Interruption Frequency Index. The index represents the average number of times that a customer experiences sustained water interruptions on the utility's system.
- Water CAIDI: The CAIDI index is an industry standard measurement of the average length of time, in hours, that was required to restore service to customers, and stands for Customer Average Interruption Duration Index.
- Turbidity: Indicator of overall treatment success of filtration at the treatment plant as well as an indicator of clean piping/facilities in the distribution system.
- Chlorine Residual: Measurement to ensure disinfectant protection of water in the EWEB distribution system. Note: mg/l = milligrams per liter or one part per million, corresponds to one minute in two years or a single penny in \$10,000.
- PH: Measurement used as a proxy to indicate the corrosivity or corrosive stability of EWEB's water. Ensures lead or copper are not leaching into drinking water as well as monitoring the pipeline infrastructure for internal corrosion.

## Maintain Safety Culture Awareness

Self explanatory