



MEMORANDUM

EUGENE WATER & ELECTRIC BOARD

Rely on us.

TO: Commissioners Simpson, Brown, Helgeson, Manning and Mital
FROM: Cathy Bloom, Finance Manager; Sue Fahey, Fiscal Services Supervisor;
Harvey Hall, Senior Financial Analyst
DATE: August 28, 2013
SUBJECT: Power Cost Recovery Policies SD10 Revised
OBJECTIVE: Board Approval of Revised Board Policy SD10

Issue

Board Policy SD 10 needs revisions to reflect the changes the Board approved at the July 16, 2013 meeting regarding the Bonneville Power Administration (BPA) Pass-Through Resolution No 1315.

Discussion

Resolution No. 1315 approved by the Board on July 16, 2013 allows for the automatic pass-through of BPA rate changes which occur in October of odd-numbered years. In Fitch's August 2013 electric bond rating review, the automatic pass-through was specifically noted as a positive impact towards the Electric Utility's stable financial outlook. Customers will be notified of the 1.75% rate change via a bill message.

Recommendation

Management recommends approval of the attached SD10 Strategic Direction Power Cost Recovery Policy revisions.

Requested Board Action

Approval of Board Strategic Direction Policy SD10 on Consent Calendar.

Attachment1: Policy SD10

Policy Number: SD10
Policy Type: Strategic Direction
Policy Title: Power Cost Recovery Policies
Effective Date: May 17, 2005: Revised September 17, 2013

The following Power Cost Recovery Policies are contained in the rate schedules that cover Residential Service (R-6), Residential Windpower Service (Schedule RW-6), Small General Service (Schedule G-1), Small General Windpower Service (Schedule GW-1), Medium General Service (Schedule G-2), Medium General Windpower Service (GW-2), Large General Service (Schedule G-3), Very Large General Service (Schedule G-4), Customer-Owned Street Lighting Service (Schedule J-3), Customer-Owned Street Lighting (Schedule J-4) and Private Lighting Service (Schedule L-3).

Power Cost Recovery Adjustment

At the discretion of the Board, the rates 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 rate accordingly.

BPA Power Cost Adjustment

Electric rates 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 rates. 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 rate accordingly.

Source: Approved initially with rate tariff adopted on September 18, 2001 and with each subsequent rate tariff, Board Approved 05/17/2005. Revised September 17, 2013.