



MEMORANDUM

EUGENE WATER & ELECTRIC BOARD

Rely on us.

TO: Commissioners Brown, Carlson, Mital, Simpson and Helgeson
FROM: Susan Ackerman, Chief Energy Officer
Adam Rue, Interim Fiscal Services Supervisor
DATE: October 2, 2018
SUBJECT: Residential Pricing Tiers
OBJECTIVE: Approval of Resolution 1821

Issue

Whether EWEB should modify the electric residential pricing design to include only a single consumption-based energy charge (tier).

Background

In 2017, EWEB embarked on a comprehensive review of electric residential pricing structures with the assistance of a Customer Pricing Committee. The committee, which included both Commissioner and staff appointed citizens, held a series of in-depth discussions on different pricing scenarios in order to provide thoughtful, independent advice to staff on values, preferences and reasonable tradeoffs among different options. The Board received its first update on this work in August 2017 and staff has provided several presentations at Board meetings in 2018.

- In May 2018, management provided a second update on the Customer Pricing Committee and recommended sharing more information on the committee advice and favored pricing scenarios and trajectory.
- In July 2018, EWEB management recommended approval of changes to pricing tiers and requested feedback on communications plan.
- In August 2018, EWEB management responded to commissioner requests for information to consider water tiered rates. The recommendation was to decouple the water residential tiers discussion from the electric tiers and discuss impacts with the community at a later date.
- In September 2018, EWEB management requested the Board reach consensus on and provide direction to develop a pricing proposal that collapses the residential tiered rate into a single rate.

Recommendation

Management recommends to collapse residential electric energy tiers into a single energy rate for all residential usage.

Requested Board Action

Approval of Resolution 1821

**RESOLUTION NO. 1821
OCTOBER 2018**

**EUGENE WATER & ELECTRIC BOARD
RESIDENTIAL ELECTRIC PRICING STRUCTURE**

WHEREAS, the Eugene Water & Electric Board (EWEB) is a customer-owned municipal utility chartered to operate and maintain an electric utility system and to provide electric service to customers in Eugene and surrounding areas;

WHEREAS, EWEB establishes prices for electric service based on Board-Adopted Pricing Principles, including Cost Basis and Equity;

WHEREAS, in 2017, EWEB undertook an examination of its residential electric pricing structure with the assistance of a Customer Pricing Committee;

WHEREAS, the Customer Pricing Committee concluded that EWEB should develop a residential electric pricing structure that eliminated the second, higher tiered rate for consumption over 800 kWh per month;

WHEREAS, three presentations on a residential electric pricing structure were made on May 1, 2018, July 17, 2018, and September 4, 2018;

NOW, THEREFORE, BE IT RESOLVED that the Board hereby authorizes the General Manager to develop a residential electric pricing structure with a single price governing all consumption levels and to bring the new pricing structure to the Board for approval along with EWEB's full annual price adjustment in November/December 2018.

Dated this 2nd day of October 2018.

THE CITY OF EUGENE, OREGON
Acting by and through the
Eugene Water & Electric Board

President

I, ANNE M. KAH, the duly appointed, qualified, and acting Assistant Secretary of the Eugene Water & Electric Board, do hereby certify that the above is a true and exact copy of the Resolution adopted by the Board at its October 2, 2018 Board meeting.

Assistant Secretary