



MEMORANDUM

EUGENE WATER & ELECTRIC BOARD

Rely on us.

TO: Commissioners Brown, Carlson, Mital, Simpson and Helgeson
FROM: Sue Fahey, Chief Financial Officer; Julie McGaughey, Customer Operations Manager
DATE: October 26, 2018
SUBJECT: Customer Service Policy, Cost-Based Fees
OBJECTIVE: Board Direction

Issue

The Board approved an updated Customer Service Policy in June 2018. At that time, Management indicated that Appendix A - Utility Service Charges and Prices, had not been analyzed from a cost perspective and a recommendation would be brought to the Board this fall. The costs for each of the fees and charges have been analyzed, and Management is requesting Board feedback and direction on the proposed changes.

Background

When the Customer Service Policy was updated in June 2018, some of the field-based fees were eliminated for customers who no longer required a field visit due to a communicating smart meter. Outside of that change, most fees have not been evaluated from a cost-basis perspective since before 2013.

Discussion

Attachment 1 is a table of current fees, the associated cost, proposed changes, the revenue received from the fee in 2017, and comparisons with other regional utilities.

The cost calculation for each fee was determined by an updated study of the time it takes each participant to complete their step of the task associated with the fee, the average wage and benefits for the participant's position, plus any associated costs or lost revenue opportunity that EWEB incurs (e.g., truck cost, bank fees).

The notable changes to costs are:

- All wage and benefit costs were updated from 2013 to those included in the 2019 proposed budget.
- Some of the fees had reduced costs due to process improvement efficiencies.

The proposed changes to the current fees are:

- Change the late fee from '\$5 or 1.5%' to '\$5 or 2.25%' which is the September 2018 Local Government Investment Pool (LGIP) rate that EWEB would have earned and also the rate applied to customer deposits. Staff will review the rate each fall and determine whether an update should be recommended to the Board.

- Reduce the Account Collection fee due to the process improvements such as elimination of door hangers and the introduction of automated courtesy calls. The proposal is to lower the fee from \$15 to \$10.
- Increase the fee for Suspension of Service during business hours from \$35 to \$40
 - This fee is not charged when a communicating smart meter is installed.
- Add a \$25 fee to restore service if a truck roll is required
 - If approved by the customer, EWEB would install a communicating smart meter upon reconnect and waive the restoration charge.
- Increase the fee to restore service, move in, or move out after business hours from \$75 to \$160
- Reduce the fee to move in or move out a customer on the same day the request is taken, during business hours from \$75 to \$65 per trip
- Reduce the meter test fee to \$125 from \$180

Customer Service Policy Appendix B - Electric Service Charges and Prices includes a \$150 fee to connect/disconnect Electric Service for repairs at the customer's request after hours. Staff recommends aligning the fee with Appendix A after business hours fees. A similar Water Utility fee of \$75 is included in Appendix C – Water Service Charges and Prices. Staff has performed a cost based analysis on Water Service and proposes changing it to \$140 to more closely align with the \$139 calculated cost.

Recommendation and Requested Board Action

Management is requesting feedback and direction on the proposed fee changes. Based on that direction, Management will provide a proposed Customer Service Policy – Appendix A for approval on the December consent calendar.

Attachment 1

Customer Service Policy Appendix A - Utility Service Charges and Prices

Type	Description	Current Fee	Cost	Proposed	2017 Revenue	Regional Comparisons
Late Fee	Charged 13 days after due date on balances of \$30.00+	1.5% or \$5	\$ -	2.25% or \$5	\$ 1,064,000	SUB: \$10 EPUD: \$5 or 1%
Account Collection	Charged when disconnect order generated	\$ 15	\$ 9	\$ 10	\$ 297,000	SUB: \$15 EPUD: \$15
Suspension of Service during business hours	Waive with deployed smart meter	\$ 35	\$ 39	\$ 40	\$ 76,000	SUB: \$0 EPUD: \$25
Disconnect Service at source	Can use for danger or access issues	\$ 200	\$ 187	no change	\$ -	SUB: \$100 EPUD: \$0
Restoration during business hours	Waive with deployed smart meter	\$ -	\$ 24	\$ 25	\$ -	SUB: \$25 EPUD: \$25
Restoration after business hours	Waive with deployed smart meter	\$ 75	\$ 154	\$ 160	\$ 44,000	SUB: \$175 EPUD: Actual cost up to \$200
Tampering	Charged when a meter shows evidence of tamper; per meter per incident	\$ 500	Wide Range	no change	\$ 22,000	SUB: \$350-500 EPUD: \$125 - actual cost
Account Processing Charge	When service is established, transferred or reactivated; except w/ automatic hook up agreement	\$ 20	\$ 24	no change	\$ 456,000	SUB: \$15 EPUD: \$0
Move In/Move Out - Same Day, per trip during business hours	No charge if next business day or with deployed smart meter	\$ 75	\$ 63	\$ 65	Combined with the \$44,000 for After Hours Restoration	Don't offer, require 24+ hour notice
Move In/Move Out - per trip after business hours		\$ 75	\$ 154	\$ 160		
Return Payment (NSF)		\$ 25	\$ 24	no change	\$ 39,000	SUB: \$25 EPUD: \$20
Lack of Access Charge	May be assessed by field staff with prior warning. Waive charge if deployed smart meter installed	\$ 50	\$ 48	no change	\$ 3,000	SUB: \$15-20 EPUD: \$0
Meter Test at Customer Request	Fee charged after test done, only if meter is found to be accurate	\$ 180	\$ 107	\$ 125	\$ -	SUB: \$0 EPUD: \$0
TOTAL Customer Fees					\$ 2,001,000	