



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: November 21, 2018
SUBJECT: Customer Service Policy, Cost-Based Fees
OBJECTIVE: Board Approval

Issue

The Board approved an updated Customer Service Policy in June 2018. At that time, Management indicated that 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 were analyzed, the Board provided their feedback, and now Management is requesting Board approval 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 an updated table of current fees, the associated cost, proposed changes, the revenue received from the fee in 2017, and comparisons with other regional utilities.

At the November Board meeting, Management proposed seven changes to fees and charges. Staff has reviewed the late fee calculation based on discussions during the meeting. While the majority of late fees are assessed at the \$5 minimum amount, the 1.5% fee is compounded monthly and represents a 20% annual rate. Based on this, Management is no longer recommending a change to the late fee.

The proposed changes to the remaining fees are the same as those recommended at the November meeting:

- Reduce the Account Collection fee due to process improvements such as the 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 from \$180 to \$125

Customer Service Policy Appendix B.A - 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.A – 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.

Both redline and clean versions of Customer Service Policy Appendix A, Appendix B.A and Appendix C.A are included for your reference.

Recommendation and Requested Board Action

Management is requesting approval of Resolution No. 1828.

Attachment 1 – Customer Service Policy Appendix A Price Information

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	\$ -	no change	\$ 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, Move In, Move Out - 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 above	Don't offer, require 24+ hour notice
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	



UTILITY SERVICE CHARGES AND PRICES

Late Fee

Late Fees of 1.5% or \$5.00 (whichever is greater) will apply to past due balances of \$30.00 or greater. (Resolution No. 1218)

Account Collection Charge (Resolution No. 1828).....—\$105.00

Move In/Move Out/Transfer

Next business day or with deployed smart meter No Charge
Same business day, per trip (Resolution No. 1828)..... \$675.00

Suspension and Restoration of Service (per trip)

Suspension of service with deployed smart meter No charge
Suspension during business hours (Resolution No. 1828~~221~~)..... ~~\$4035.00~~
Suspension of service at source due to lack of access* \$200.00

Restoration request with deployed smart meter No charge
Restoration request ~~prior to 3:00 PM of during~~ business hours day.....
~~\$25.00 No charge~~ (Resolution No. 1828)
Restoration request after ~~3:00 PM of business~~ hours day, per trip (Resolution No. 1828)
.....\$16075.00

*For services which are suspended at the source, restoration is offered until 3:00 PM, Monday through Friday, excluding EWEB-observed holidays.

Return Payment (NSF) Charge.....\$25.00

Tampering Charge \$500.00

Account Processing Charge \$20.00
(Resolution No. 1221)

Lack of Access Charge \$50.00

Overhead Charges

Computed at the rate of 28% of Actual Costs (See definitions, Appendix G-Glossary)
(Resolution No. 1221)

Meter Test at Customer Request (Resolution No. 1828)~~**~~ \$12580.00
Cost for Customer Requested Meter Test (per Meter, per request) (Resolution No. 1221)

~~**~~Only charged if meter is found to be functioning correctly



Property Management Activity Fee Schedule

(Resolution No. 1532)

Revocable Permit (One-Time) Administrative costs for setup & recording with County	\$400.00
Revocable Permit (As Needed) Operational costs for inspections and/or standby	\$225.00
Revocable Entry Permit (One-Time) Administrative costs for setup and tracking	\$345.00
Revocable Entry Permit (As Needed) Operational costs for inspections and/or standby	\$225.00
Revocable Encroachment Permit (One-Time) Admin costs for setup, survey/mapping encroachment, and recording with County	\$940.00
Revocable Encroachment Permit (Annual) Permit renewal fee including encroachment inspection.....	\$335.00
Revocable Encroachment Permit (One-Time) Administrative costs associated with termination for permit (vacation process)	\$390.00



UTILITY SERVICE CHARGES AND PRICES

Late Fee

Late Fees of 1.5% or \$5.00 (whichever is greater) will apply to past due balances of \$30.00 or greater. (Resolution No. 1218)

Account Collection Charge (Resolution No. 1828).....\$10.00

Move In/Move Out/Transfer

Next business day or with deployed smart meterNo charge
Same business day, per trip (Resolution No. 1828)..... \$65.00

Suspension and Restoration of Service (per trip)

Suspension of service with deployed smart meter No charge
Suspension of service during business hours (Resolution No. 1828) \$40.00
Suspension of service at source due to lack of access* \$200.00

Restoration request with deployed smart meter No charge
Restoration request during business hours (Resolution No. 1828) \$25.00
Restoration request after business hours, per trip (Resolution No. 1828)\$160.00

*For services which are suspended at the source, restoration is offered until 3:00 PM, Monday through Friday, excluding EWEB-observed holidays.

Return Payment (NSF) Charge.....\$25.00

Tampering Charge \$500.00

Account Processing Charge \$20.00
(Resolution No. 1221)

Lack of Access Charge \$50.00

Overhead Charges

Computed at the rate of 28% of Actual Costs (See definitions, Appendix G-Glossary)
(Resolution No. 1221)

Meter Test at Customer Request (Resolution No. 1828)..... \$125.00

Cost for Customer Requested Meter Test (per Meter, per request)
Only charged if meter is found to be functioning correctly



Property Management Activity Fee Schedule

(Resolution No. 1532)

Revocable Permit (One-Time) Administrative costs for setup & recording with County	\$400.00
Revocable Permit (As Needed) Operational costs for inspections and/or standby	\$225.00
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Revocable Encroachment Permit (One-Time) Admin costs for setup, survey/mapping encroachment, and recording with County	\$940.00
Revocable Encroachment Permit (Annual) Permit renewal fee including encroachment inspection.....	\$335.00
Revocable Encroachment Permit (One-Time) Administrative costs associated with termination for permit (vacation process)	\$390.00



**A. Connect/Disconnect of Electric Service at Customers Request for Electrical ~~R~~repairs
(per trip) (Resolution No. ~~1828444~~)**

During regular business hours..... No Charge
After regular business hours.....\$~~165~~0.00



Eugene Water & Electric Board

Customer Service Policy
Appendix B - Electric Service Charges and Prices

**A. Connect/Disconnect of Electric Service at Customers Request for Electrical Repairs
(per trip) (Resolution No. 1828)**

During regular business hours..... .No Charge
After regular business hours.....\$160.00



Eugene Water & Electric Board

Customer Service Policy
Appendix C – Water Service Charges and Prices

**A. Connect/Disconnect of Water Service at Customer’s Request for Plumbing Repairs
(per trip)**

During regular business hours	No charge
After regular business hours (Resolution 1 828 ²²⁴).....	<u>\$14075.00</u>



- A. **Connect/Disconnect of Water Service at Customer’s Request for Plumbing Repairs (per trip)**
 - During regular business hours No charge
 - After regular business hours (Resolution 1828).....\$140.00

**RESOLUTION NO. 1828
DECEMBER 2018**

**EUGENE WATER & ELECTRIC BOARD
RESOLUTION APPROVING REVISIONS TO CUSTOMER SERVICE POLICY
APPENDIX A, B, C**

WHEREAS, the Eugene Water & Electric Board (EWEB) is a customer-owned municipal utility chartered to operate and maintain the Water and Electric Utility systems;

WHEREAS, EWEB sets its prices based in part on the cost of service;

WHEREAS, certain prices in Customer Service Policy Appendix A, B and C require updates to more accurately reflect the cost to perform services;

WHEREAS, modifications to Customer Service Policy Appendix A – Utility Service Charges and Prices; Appendix B.A, Electric Service Charges and Prices - Connect/Disconnect Electric Service for Electrical Repairs; and Appendix C.A, Water Service Charges and Prices – Connect/Disconnect Water Service for Plumbing Repairs were discussed at the November 6, 2018 Board Meeting;

NOW, THEREFORE, BE IT RESOLVED that the Board hereby authorizes the General Manager to adjust prices in the Customer Service Policy Appendix A, Appendix B.A, and Appendix C.A as of February 1, 2019 and reflect those prices in updated Policies and Procedures as approved at the December 4, 2018 EWEB Board meeting.

DATED this 4th day of December 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 December 4, 2018 Board Meeting.

Assistant Secretary