



MEMORANDUM

EUGENE WATER & ELECTRIC BOARD

Rely on us.

TO: Commissioners McRae, Barofsky, Schlossberg, Brown, and Carlson
FROM: Frank Lawson, CEO & General Manager
DATE: November 4, 2024 (November 12, 2024, Board Meeting)
SUBJECT: Resolution 2417 Customer Service Policy Update of Shared Transformer Capacity Costs
OBJECTIVE: Action (Consent Calendar with Discussion)

Issue

EWEB management requests approval of Resolution 2417, CUSTOMER SERVICE POLICY – FEE FOR SHARED TRANSFORMER CAPACITY COSTS, changing how shared distribution transformer costs are allocated, creates a Transformation Charge (new fee) of \$3.50 per Amp, specifically for single phase new or upgraded services in residential and small general service applications.

Background

Commissioner/Staff discussions occurred at the October 1, 2024, EWEB Board Meeting, which included information provided on a Correspondence Memo [\[Memo LINK\]](#) and indicating that changes to the Customer Service Policy, including the creation of a transformation fee, would follow in November.

Discussion

Through the customer service policy changes being proposed to the Board, EWEB will change from assessing the full net cost of shared transformer installations or upgrades solely to the Customer/Entity of Cause if transformer upgrades are needed to a cost-sharing model that assesses all Customer/Entities of Cause a proportional share of the increased transformation capacity based on levelized costs. Because EWEB sized infrastructure, including shared transformers, on the original maximum capacity of the premise, only when substantial load requires a meter upgrade, independent of reason (e.g. renovations/additions, amenities, electrification), will the transformation fee be assessed. Because EWEB has recently updated residential meters to support 200A services, only when a premise upgrades past 200A will the fee be assessed.

Revisions to the customer service policy are highlighted (redlined) in the attached document in Appendix B, Part C. The initial Transformation Charge will be \$3.50 per amp of main breaker upgrade. Given most meters support 200A service, if a customer upgrades their main breaker from 100A to 200A, no fee will be charged. A customer who adds significant enough load to require a main breaker/panel upgrade from a 200A to 320A main breaker, and associated meter, will pay only their share of increased transformation capacity, which is 120A or \$420 in this case. Increases in electricity load within the same meter size will not be charged to the individual/entity of cause, although EWEB may request voluntary notification.

It should be noted that load increases may still require upgrades to non-shared equipment and assets only associated with the premise of the Customer/Entity of Cause (e.g. service conductors), of which the Customer/Entity of Cause is solely responsible for upgrade costs. Infrastructure costs upstream of

shared distribution transformers (e.g. neighborhood feeders, substations, etc.) are operated, maintained, upgraded, and replaced by EWEB, with costs allocated and included in customer rates.

By dividing and distributing the costs of shared distribution transformer capacity, EWEB proposes to spread the costs fairly by and between customers, which has the following benefits.

Development – Only allocating the portion of the cost of shared distribution transformation costs required by the individual/entity will remove unfair barriers to inter-fill and/or expansion of development of residential and commercial facilities.

Electrification – As customers electrify, EWEB will divide and distribute “system” cost impacts in a way proportional to the utilization of the system.

Clarity/Transparency – By establishing and dividing the aggregated costs of transformer upgrades on a per-unit basis, the conditions and basis for costs incurred by decision makers (individuals/entities) are clarified.

Customer Communications – EWEB encourages the communication of substantive increases in customer consumption/load. Clarifying potential or perceived punitive costs eliminates a potential barrier for customers to communicate with EWEB.

Efficiency – EWEB efficiencies are realized by reducing individual administration of each potential service or upgrade.

Recommendation(s)

Staff recommends Board approval of Resolution 2417 CUSTOMER SERVICE POLICY – FEE FOR SHARED TRANSFORMER CAPACITY COSTS. Although the implementation of this resolution is a change from past practice, EWEB does not recommend or plan to apply this approach retroactively.

Board Action

Board Action is required to implement Resolution 2417, CUSTOMER SERVICE POLICY – FEE FOR SHARED TRANSFORMER CAPACITY COSTS. Per Board Policy SD3, Customer Service Policy, the “*Board periodically reviews this document (available at www.eweb.org) and approves all substantive changes.*” Management deems the creation of this new leveled proportional fee as substantive, which requires Board Action. Per Board Policy GP7, Board Parliamentary Procedures, formal resolutions are required with the adoption of new or revised Board policies and the creation of new Fees. Board

Attachment(s)

1. Resolution 2417 CUSTOMER SERVICE POLICY – FEE FOR SHARED TRANSFORMER CAPACITY COSTS
2. Proposed Customer Service Policy Language (Red Line) – Page 22

**RESOLUTION NO. 2417
NOVEMBER 2024**

**EUGENE WATER & ELECTRIC BOARD
CUSTOMER SERVICE POLICY – FEE FOR
SHARED TRANSFORMER CAPACITY COSTS**

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

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

WHEREAS, the Board desires an equitable price structure for shared transformer capacity costs for residential and small general service customers;

WHEREAS, the new Shared Transformer Capacity Fee structure is intended to equitably support development and electrification;

WHEREAS, a new methodology for shared transformation capacity fees was discussed with the Board at its October 1, 2024 Board Meeting;

WHEREAS, Shared Transformer Capacity Fees were presented to the Board at its November 12, 2024 Board Meeting.

NOW, THEREFORE, BE IT RESOLVED that the Eugene Water & Electric Board hereby authorizes the General Manager to establish Shared Transformer Capacity Fees as proposed at the November 12, 2024, Board Meeting and reflect said fees in EWEB’s Customer Service Policy as soon as practical.

Dated this 12th day of November 2024.

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 November 12, 2024 Board meeting.

Assistant Secretary



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

B. Temporary Electric Service Installation Charges (Resolution No. 1509)

1. Temporary Service (150 feet or less).....\$280.00
2. Temporary Service Conductor (over 150 feet)..... \$3.58/ft
3. Temporary Transformer (single).....At estimated cost
4. Three-Phase Temporary Service with Primary.....To be computed

C. Permanent Single-Phase Electric Service Installation Charges (Resolution No. xxxx)

Meter Installation Charge (New, Pulled or Size Decreased) At Estimated Cost

Service Drop or Service Lateral Installation or Upgrade:

New or Upgraded Service Drop or Service Lateral At Estimated Cost

Plus, for all new or upgraded services, a Transformation Charge, as measured by amps of incremental service capacity at the meter base, of:

For individual services\$3.50 per amp

For multi-unit developments..... At Estimated Cost

In addition to the above, whenever a new service installation requires an excavation or other action that damages a street under the City Street Cut Moratorium, an additional amount equal to the fine levied by the City will be added to the Service Installation Charge.

D. Other Permanent Electric Service Installation Charges

New or Upgraded Electric Service, including meter and transformation: At Estimated Cost

~~C.E.~~ **Customer-Damaged EWEB Facilities.....Actual Cost**

~~D.F.~~ **Service Lateral Substructure Re-Inspection Charge (per visit).....\$75.00 (Resolution No. 1802)**

First inspection is included with each request for service.