



MEMORANDUM

EUGENE WATER & ELECTRIC BOARD

Rely on us.

TO: Commissioners Barofsky, Schlossberg, Brown, Carlson, and Morris
FROM: Frank Lawson, General Manager/CEO
DATE: March 26, 2025 (April 1, 2025 Board Meeting)
SUBJECT: Addressing Customer Concerns Re: Higher Bills
OBJECTIVE: Information

Issue

A confluence of factors is driving customer bills to reach unusually high levels, more extreme for a small percentage of customers in EWEB's McKenzie Valley territory.

Discussion

A planned rate increase took effect in February, adding \$5 per month to the Residential Electric Basic Charge and a small – 1 cent per kilowatt hour – to the usage rate. EWEB's Board of Commissioners [approved the rate increase \(LINK\)](#) to pay for critical investments in electric infrastructure and to begin to catch up with the rising costs of providing electricity that [have far surpassed EWEB's rate adjustments \(LINK\)](#).

As jointly and proactively communicated by EWEB and the City of Eugene, effective February 1, 2025, the City of Eugene implemented a 5% increase in stormwater fees and expanded the stormwater service fee eligibility to help fund some Parks and Open Space services, in addition to regular stormwater system maintenance and operations. This means EWEB customers will see two City of Eugene fee increases on their bills in 2025—the February increase described herein, and the annual adjustment typically implemented in July

Estimated Bills

Occasionally, EWEB needs to estimate usage because an accurate reading of non-transmitting meters (smart meters) is not possible or practical. This is a standard practice for utilities. **Once the meter is read, EWEB only charges customers for the energy that is actually used.**

When a bill is estimated or includes a true-up calculation, customers are notified in the following ways:

- On page 1 of the bill, the following notice is displayed in the Message Center:
"This bill includes an estimated meter reading. Barring unforeseen circumstances, your next bill will correct any difference between your actual and estimated readings. More at eweb.org/EstimateBill.

- On page 2 of the bill, a message appears above the usage graph stating, *"Based on an estimated read."* Depending on the circumstance, this message may appear for the current read, the previous read, or both (examples below)

For approximately one-fifth of customers upriver, the most significant contributing factor might have been that EWEB could not read those customers' meters in either December or January. In December, EWEB estimated the energy usage of 22% of upriver customers due to a windstorm that caused outages and blocked access to certain meters. In January, EWEB estimated the energy usage of 18% of upriver customers due to resource constraints. Usage for approximately 6.5% of upriver customers was estimated in both December and January. This is not common, and EWEB is committed to avoiding multi-month estimated billings whenever possible.

When EWEB is unable to read a customer's meter, the utility estimates usage based on the same month one year prior. In 2024, the winter months saw significantly milder weather conditions and much lower consumption, including some outage days of non-consumption during the ice storm. This algorithm, based on 2024 data, drove bills estimated in 2025 to be significantly low for the non-meter-reading periods.

When EWEB read the meters of those customers in February, the actual usage came in higher than estimated. In February, customers then needed to pay the difference between the estimated bill amounts and the actual amount due for the prior months that were estimated. **In under-estimated situations, the "true up" is not an increase in actual consumption for the single month, but accounts for differences for potentially several months.**

Flexible Customer Payments / Re-Reads & Meter Testing

EWEB understands that it can be challenging for customers to budget when a bill is higher than the previous one. That is why EWEB has payment plans and other options for customers who need it. Customers can take advantage of EWEB's payment plan system if they need to spread the payments out over a longer period. Customers should call EWEB at 541-685-7000 and speak to a customer service representative to discuss their options.

EWEB is working with customers on a case-by-case basis to find solutions to manage the higher bills, including by spacing out payments. We encourage customers who need tailored solutions to reach out to Customer Service. Despite all of the communications and flexibility provided, some customers don't believe that they have used the energy recorded by the meter. In these cases, EWEB offers to re-read the meter, or in extreme cases test the meter for accuracy (charges may apply if the meter is accurate). It is extremely rare that a meter is not recording consumption accurately.

Weather

Cold weather drove energy usage to record levels in January and February. Bills were higher than expected (or estimated) because of cold weather that drove community-wide energy usage to record-setting levels. In late January, demand for electricity in EWEB's service territory reached the highest levels of the winter to that point, with [demand peaking at 475 megawatts on Jan. 28 \(LINK\)](#).

Just two weeks later, demand for electricity surpassed that level, [topping out at 493 megawatts on Feb. 12 \(LINK\)](#). That level of demand was the highest that EWEB has seen in nearly a decade.

During both the January and February cold snaps, overnight low temperatures dipped into the low 20s. When that happens, electric heating systems work overtime to keep homes warm, resulting in higher energy usage, even if customers leave thermostats untouched. Independent of the heat source, colder weather drives people indoors, fans for furnaces, water heaters, and other usages goes up.

[As temperatures drop, customers' bills rise \(LINK\)](#). For instance, when the average temperature falls from 65 degrees in October to 48 degrees in January, a typical home with electric resistance heat that sets the thermostat at 68 degrees will see a corresponding rise in electricity usage from 830 kilowatt hours to 2,400 kilowatt hours. This would result in a bill increase from \$111 to \$272. For customers with larger homes or poorly insulated homes, or who set the thermostat higher, that energy usage would rise even higher when the mercury falls.

Smart Meters

Smart meters will reduce the need for estimations. For the last several years, EWEB has been installing smart meters for customers in Eugene, eliminating the need for meter readers to drive to each house – and greatly reducing the need for estimations. EWEB did not need to estimate bills of customers in Eugene in either December or January.

The rural nature of EWEB's upriver service territory has posed extra obstacles to installing smart meters upriver, but smart meter installation will begin upriver later this year. This will allow EWEB to gather accurate information about energy usage every month, except under rare circumstances. Smart meters won't completely eliminate the need for estimations, but they will dramatically reduce their frequency.

Recommendation/Requested Board Action

None. This memorandum is for informational purposes only.