



# MEMORANDUM

EUGENE WATER & ELECTRIC BOARD

*Rely on us.*

TO: Commissioners Barofsky, Schlossberg, Brown, Carlson, and Morris

FROM: Frank Lawson, CEO & General Manager; Deborah Hart, Assistant General Manager & CFO; Julie McGaughey, Chief Customer Officer; Karen Kelley, Chief Operations Officer

DATE: April 30, 2025 (May 6, 2025, Board Meeting)

SUBJECT: Future Adoption of AMI Manual Meter Reading Fees

OBJECTIVE: Direction on AMI Manual Meter Reading Fees

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## Issue

In 2018, the Board approved the replacement of all legacy water and electric meters with advanced smart meters. At the time, the Board also approved a policy allowing certain customers to request that the smart meter communications be disabled and the meters read manually. This was approved with the understanding that related policies and fees would be reviewed post-deployment.

## Background

By default, smart meters transmit energy and water usage to EWEB without the need for technicians to access the customer's property monthly to read meter data. EWEB policy allows residential account holders to request to have smart meter communications disabled and instead have the meters read manually. However, the following conditions apply:

- Account holders do not have the option to refuse a smart meter. Meters are solely owned and operated by EWEB as a condition of service.
- The Manual Meter Reading preference applies to all services on a customer's account (both water and electric).
- Commercial and industrial customers are not eligible for manual meter reading due to meter technology differences.
- Manual Meter Reading is not a permitted option if any of the following apply:
  - The customer is enrolled in a program that requires a communicating meter.
  - The account is billed under a General Service Price Schedule.
  - Evidence of tampering or service diversion exists.
  - The customer or account holder has failed to provide safe and necessary access to meters.
  - A condition on the property, or conduct of the Customer, or anyone under the customer's reasonable control, significantly affects an employee's safety or work

functions based on a protected status.

At present, 91% of all EWEB meters are smart meters (96,223 electric meters and 54,019 water meters). This represents about 98% of Eugene electric customers and 85% of Eugene water customers. Approximately 2% percent of EWEB customers have requested manual meter reading. Based on current trends, full deployment will result in approximately 2,000 electric meters and 1,300 water meters with communications disabled.

*Implications of Disabling Smart Meter Communications:*

- Monthly manual meter reading requires site visits and associated operational costs.
- Efficient meter reading routes are no longer possible, resulting in longer, less efficient routes.
- Without smart meter features, service changes that require a site visit, such as remote service stop and start, will result in additional truck rolls and customer fees.
- Weather conditions and resource constraints may result in meter reads and customer bills based on estimates rather than actual usage.
- Non-communicating smart meters affect our ability to monitor and respond to outages, voltage issues, or other grid events, making response to customer outages or energy related inquiries less efficient and more time-consuming.
- Water leaks may go undetected leading to wasted resources and increased risk of property damage.

**Discussion**

The adoption of advanced metering technology shifts costs away from manual meter reading towards investments in IT and technology-driven processes. These costs are reflected in EWEB's Cost of Service Analysis (COSA), which informs both budgeting and rate setting. Manual Meter Reading is now considered an additional cost beyond our new standard operating model.

In the second half of 2025, EWEB aims to begin installing smart meters for customers who reside in the McKenzie River Valley and all remaining water meters. As this will mark the completion of mass deployment, the utility is proposing to implement fees for customers who request manual meter reading.

*Proposed Fees:*

Based on current deployment, EWEB has sufficient data to reasonably estimate the costs associated with non-communicating meters. The proposed fees are designed to recover the cost of the two truck rolls required to set up a non-communicating meter and to revert it to communicating status for the next customer to occupy the premises, as well as the monthly cost of manual meter reading, including personnel, travel, vehicle and equipment usage, and administrative overhead.

- **Estimated Manual Meter Reading Enrollment Fee:** \$150 per premises, applied each time a customer requests disabling of meter communications.
- **Estimated Manual Meter Reading Routine Service Fee:** \$20, per month, per account.

Fee levels will be reevaluated in early 2026 and formally included in the Customer Service Policy when submitted to the Board for consideration in 2026. If adopted, these expenses will be reviewed yearly, and the fees will be updated as needed. As the number of manual meter reading customers decline, the fees are expected to rise as certain fixed costs associated with manual meter reading will be borne by fewer customers.

These fees are charged per account, regardless of whether the customer receives both water and electric services. Customers who do not want to pay for MMR can elect Automatic Meter Reading at any time. Customers who refuse to pay the MMR fee will be transitioned to Automatic Meter Reading.

*When the Enrollment Fee Applies:*

1. Initial enrollment in Manual Meter Reading after the policy takes effect.
2. Re-enrollment in Manual Meter Reading at a new residence.
3. When a customer requests manual meter reading, later returns to automatic remote reading, and then requests manual meter reading again at the same residence. In this case, the Enrollment Fee will be charged each time, as the utility incurs costs each time remote communication is disabled.

*When the Routine Service Fee Applies:*

1. To customers who have a smart meter installed and have an active request for manual meter reading.
2. To customers who submit a request for manual meter reading after the effective date, once remote communication is disabled.

**Note:** Fees apply only when manual meter reading is requested by the customer and remote communication is intentionally disabled. They do not apply in cases where remote communication is unavailable due to technical or structural issues beyond the customer's control.

*Customer Communication:*

Public outreach and communications about future fees began in early 2024 with the following message appearing on deployment notifications and posted on our website:

***Customer Options***

*Automatic Meter Reading: EWEB will install a smart meter with communications enabled. Communicating meters provide outage detection and other advanced services. This is the default option, does not require any action by the customer, and incurs no additional costs.*

*Manual Meter Reading: EWEB will install a smart meter. After establishing system connection, the meter's communication functionality, including the radio transmission capability, will be turned off so that the meter does not transmit usage data to EWEB. **This option requires a manual meter read and will include a monthly fee to be determined at a***

*future date.*

In advance of the May 2025 Board meeting, EWEB delivered postcards to all customers who have submitted a documented MMR request, informing them of the upcoming Board meeting and sharing current fee estimates. EWEB is committed to transparency and public engagement throughout the implementation of Manual Meter Reading fees. All affected customers will receive additional communication, and the public will have opportunities to comment before decisions are finalized.

*Benefits of Manual Meter Reading Fees:*

- **Promotes Smart Meter Adoption:** Encourages continued use of advanced metering technology, which improves operational efficiency, enhances billing accuracy, streamlines move-in/move-out service, and supports faster, more precise outage detection and response.
- **Fair Cost Allocation:** Ensures that the additional costs associated with manual meter reading costs are paid by those who opt for this service, rather than being subsidized by the broader customer base.
- **Supports Grid Modernization Goals:** Reinforces EWEB's transition to a modern, data-driven grid by prioritizing smart technology over reliance on legacy manual processes.

**Recommendation**

Management requests the Board's direction to continue planning for the future implementation of Manual Meter Reading Fees.

**Requested Board Action**

No action is requested at this time. This memorandum is for informational purposes, and to provide transparency and advance notice to customers who may be affected by the proposed fees in the future. We anticipate the proposed fees will be brought to the Board for consideration in 2026. Information will be provided in our public meeting materials and be discussed openly in public meetings with additional opportunities for public comment.