MEMORANDUM

EUGENE WATER & ELECTRIC BOARD

Rely on us.

TO:	Commissioners Barofsky, Schlossberg, Brown, Carlson, and Morris
FROM:	Deborah Hart, AGM/CFO; TiaMarie Harwood, Financial Services Manager; Adam Rue, Rates Manager; Alicia Voorhees, Financial Planning & Analysis Supervisor; Daniel Davidson, Lead Financial Analyst
DATE:	November 26, 2025
SUBJECT:	2026 Proposed Budgets and Prices
OBJECTIVE:	Approval of 2026 Budget and Price Proposals

Issue

The annual budget process is an iterative cycle with opportunities for Board direction and customer feedback. The Board is required by statute to approve the Utility budgets prior to January 1st, and staff will seek Board approval following the second public hearing on December 2nd.

Background

Current budgets include increased revenue requirements for both utilities, and the 10-year financial plan includes additional increases in subsequent years as both utilities are in the midst of a period of significant infrastructure investment. Like utilities across the country, most of our community's electric grid was built in the 1960s and 1970s and is reaching the end of its useful life. Water storage reservoirs and pipes built by previous generations are also aging and do not meet modern seismic standards.

The cost of delivering essential water and electric services continues to rise due to inflation, new regulatory requirements, and the need to replace or modernize aging infrastructure. These investments are vital to protecting public health, ensuring community safety, and supporting a resilient local economy. In recent years, persistently high inflation in the electric and water sectors has further challenged cost management, and rate increases proposed for 2026 are intended to help offset escalating expenses for capital projects and operational programs. These adjustments are benchmarked against anticipated inflation, with increases expected to outpace headline inflation for the Electric Utility to fund substation and transmission improvements, and for the Water Utility to invest in storage facilities and transmission mains that renew aging systems and strengthen resiliency. Through careful financial planning, EWEB strives to make these investments in a measured, responsible way that balances near-term affordability with long-term sustainability, while also seeking savings to control immediate costs.

A Cost of Service Analysis (COSA) has been completed using the budget and financial plan assumptions for 2026. EWEB prepares organizational budgets annually and uses this information for each utility's COSA. The updated COSA provides an opportunity to review and validate assumptions and ensure the models align with industry standards and best practices.

This year's COSA has two key recommendations and several minor changes. First, separate customer classes for McKenzie Valley customers are being proposed. Second, based on the recommendation of the 5-year rate plan, the rate proposal will rely on the results of the COSA to better align customer rates and prices with cost-of-service. This results in an increase in fixed charge recovery for residential electric customers.

Discussion

Materials presented are consistent with the November Board presentation. Proposed budgets and prices remain unchanged, except where noted below:

- Accelerated capital investment in 2025 reduced forecast project spending in 2026. The Water Utility Capital budget was reduced accordingly (for additional information, please see the 'Water Utility 2025 Capital Budget Amendment' memo)
- Minor grammatical edits for clarity and consistency
- Update to reserve balances and forecast ratios on Attachments 4 and 5 of the 2026 Proposed Budget Document

<u>Budgets</u>

Proposed 2026 budgets were developed in alignment with EWEB's strategic priorities and total $487.3 million for the Water and Electric Utilities combined. The total proposed budgets represent a $2.3 million decrease from the 2025 approved budget.

The primary assumptions for creating the proposed 2026 Budgets are outlined in Attachment 1. These are the same assumptions presented in November, and Management believes they balance financial responsibility, operational resiliency, and affordability.

<u>Pricing Changes</u>

The overall increases in the revenue requirement correspond to varying impacts among customer classes and rate elements within each customer class. Staff perform annual analysis to derive price proposals for each customer class using a COSA framework. The recommended changes result in different impacts for each customer class for both water and electric utilities.

Below are several notable changes:

- The proposal aligns fixed cost recovery with COSA results for residential electric customers
- The cost of new installations for lighting customers has been included and updated
- The market-based rates for distributed generation have been updated to better align with the EWEB avoided cost rates.

Recommendation and Requested Board Action

After the public hearing on the 2026 Budgets and Price Proposals, Management recommends approval of Resolutions 2520, 2521, 2522, and 2525 adopting the 2026 Budgets and the Water and Electric Price proposals.

Attachments

Attachment 1 – 2026 Key Budget Assumptions
Attachment 2 – Median Household Income (MHI) %
Attachment 3 – Average Bill Comparison
Attachment 4 – 2026 Proposed Budget Document
Attachment 5 – 2026 Electric Price Proposal
Attachment 6 – 2026 Water Price Proposal
Attachment 7 – Redlined Customer Service Policy

Attachment 1

2026 Key Budget Assumptions

Both Utilities

- Labor Cost Escalation – fully loaded costs are indexed to a combination of inflation factors expected labor market comparators, and benefit cost escalations
- Non-Labor Operations and Maintenance Escalation – modeled at 2.0%
- Capital Escalation – modeled at 5.0%
- Customer Care funding of approximately $2.1 million, an increase of $500 thousand from 2025 budget levels based on EWEB's Utility-Burden Assistance Calculation and to mitigate the funding uncertainty of the Low-Income Home Energy Assistance Program (LIHEAP)

Electric

- Retail load approximately 2.4 million MWh's, roughly the same as 2025 budget. Forecast includes electrification load of approximately 26,000 MWh's
- Contribution margin risk tolerance of $9 million
- $55/MWh melded mid-market price curve
- Environmental Commodities represent roughly $9 million of wholesale revenue
- Use of $4.2 million of Rate Stabilization Reserve funds for capital projects
- Following the use of reserves in 2025 to offset power market impacts from the January 2024 ice storm, the Power Operating Reserve is forecasted to be replenished to $24 million in 2026
- Emergent Regulatory Mitigation Fund is funded at $6 million

Water

- Consumption of approximately 7.8 million kgal
- Contribution margin risk tolerance of $1.4 million
- System Development Charge reserve draw of $500 thousand for debt service payments
- Use of $2.5 million of Rate Stabilization Reserve funds for capital projects
- Second Source Willamette Treatment Plant full design & construction not included

Background

The source of each comparator's Median Household Income (MHI) is from the United States Census Bureau website. The methodology uses the following data:

1. Monthly water and electric bill at average residential consumption
2. Annual bill at same level of use
3. Median household income (in 2023 dollars)

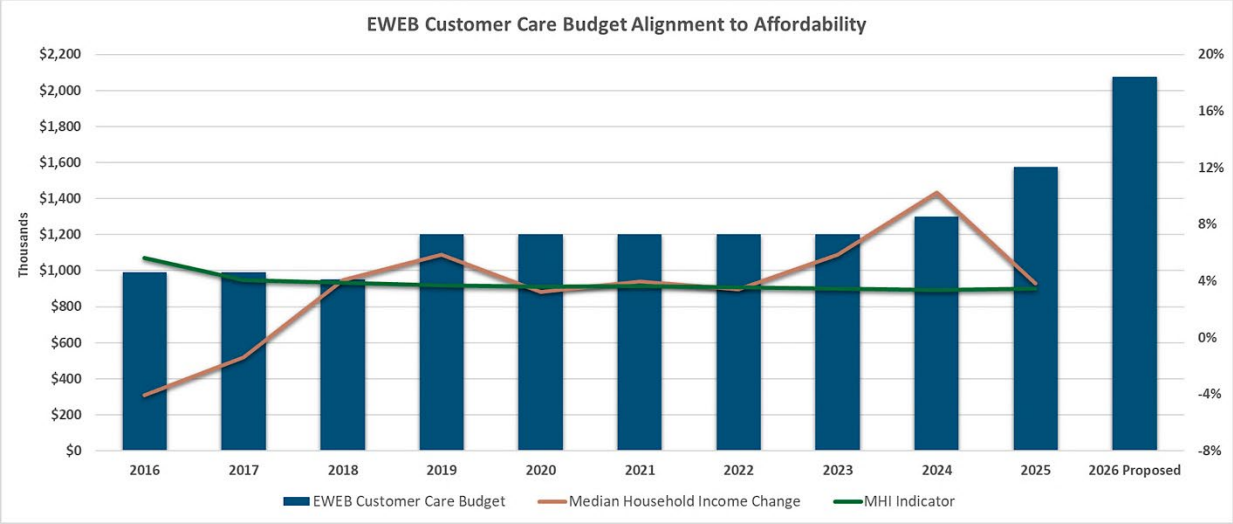
Consideration must be given to financial sustainability of the utility, in addition to affordability of price. Setting artificially lower prices may produce financial constraints to reinvesting in the system and eventually harm public health through poor product quality and service.

To address the limited income customer-owner bill impact, EWEB has maintained a Customer Care program for many years that provides assistance for bill payment and weatherization programs.

Historical funding for the Customer Care program is shown in the bar chart below. As a basic measure of affordability, many industry organizations consider the average residential bill as a % of Median Household Income (MHI).

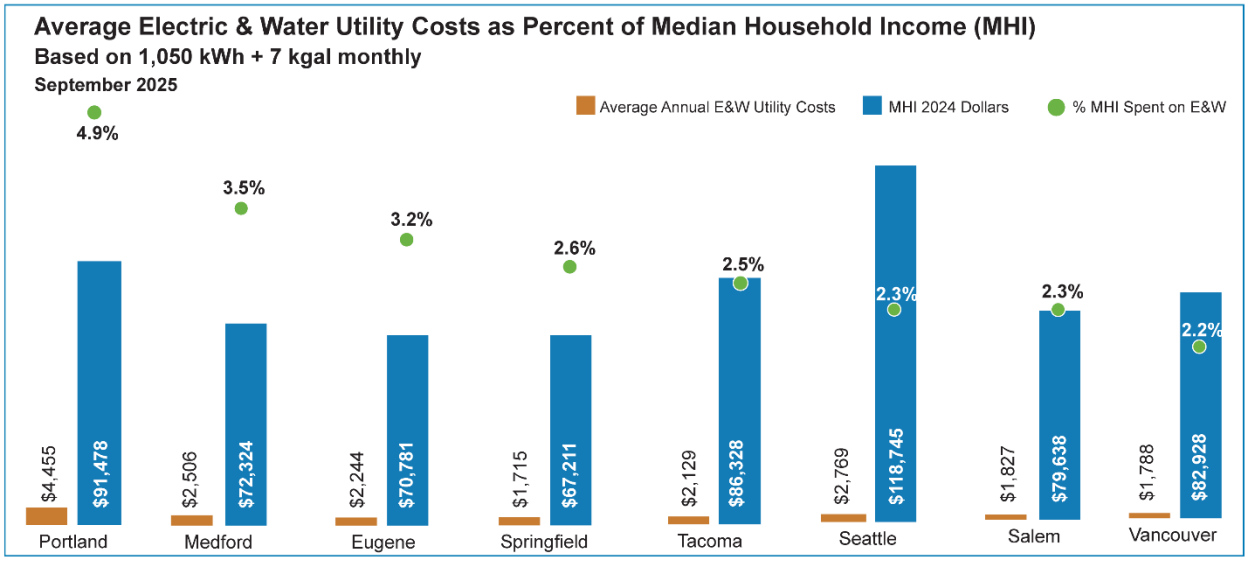
$$\frac{\text{Average Residential Monthly Bill x 12}}{\text{Median Household Income}}$$

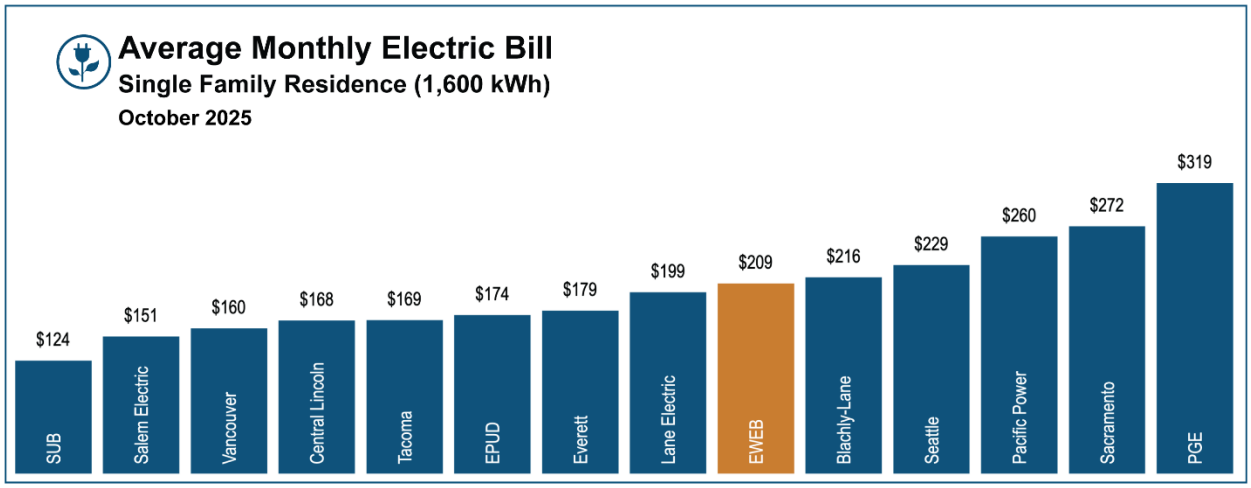
The Oregon Department of Energy (ODOE) uses this measure in defining Energy Burden. Historically, EWEB customers at median income levels spend an average of 3.5% of household income on EWEB services, as noted by the green line in the chart below.



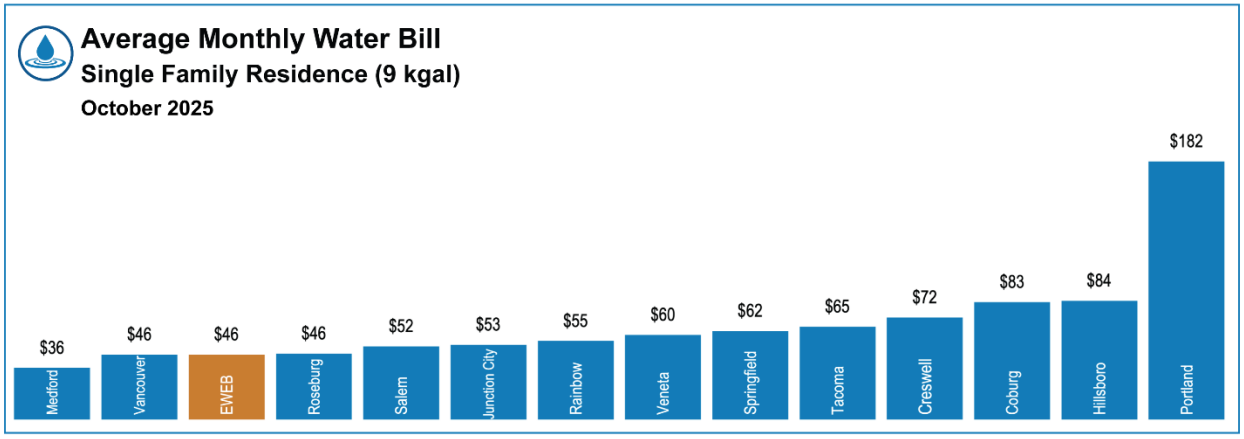
Included below are the combined average water and electric bills for residential customers in Eugene, Springfield, Portland, Medford, Tacoma, Seattle, Salem, and Vancouver. Average

consumption is based on 7 kgal of water and 1,050 kWh of electricity. The average is annualized and compared as a percentage of MHI.





- Clark PUD serves the Vancouver, WA area
- Pacific Power serves areas of Corvallis, Junction City, Coburg, Creswell, Cottage Grove, Medford, and Portland metro
- For an average single-family residence, the proposed increase in February would result in an average monthly bill increase of $3.06



- For an average single-family residence, the proposed in February would result in an average monthly bill increase of $2.50

2026 Proposed Budget

EWEB


Rely on us.

Board of Commissioners

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LETTER TO THE BOARD OF COMMISSIONERS

Board of Commissioners,

The 2026 Eugene Water & Electric Board Operations & Maintenance (O&M) and Capital & Debt Service budgets are submitted for your consideration and approval. The combined total for both Utilities is $487.3 million, representing a decrease of 0.5% compared to the 2025 budget. Individual utility budgets are $400.7 million for the Electric Utility and $86.6 million for the Water Utility. Both Utilities' have increases in the overall revenue requirement and, accordingly, price increases are proposed among customer classes.

The cost of delivering essential water and electric services continues to rise due to inflation, new regulatory requirements, and the need to replace or modernize aging infrastructure. These investments are not optional; they are essential to protecting public health, ensuring community safety, and supporting a resilient local economy. Financial planning helps us make these investments in a measured, responsible way, balancing near-term affordability with long-term sustainability.

The 2026 budget focuses on three strategic priorities: *Fostering Customer Confidence, Positioning for Flexibility,* and *Actualizing Resilient Delivery.* Organizational values are also modeled through the allocation of resources in the proposed budgets for 2026.

Safe — We invest in clean, healthy water, a safe workplace, and emergency preparedness to protect our community.

Reliable — We maintain and strengthen our electric and water systems to perform under both normal operating conditions and disruptive events.

Affordable — We manage costs carefully, operate efficiently, and plan necessary rate adjustments in a way that minimizes impacts on customers.

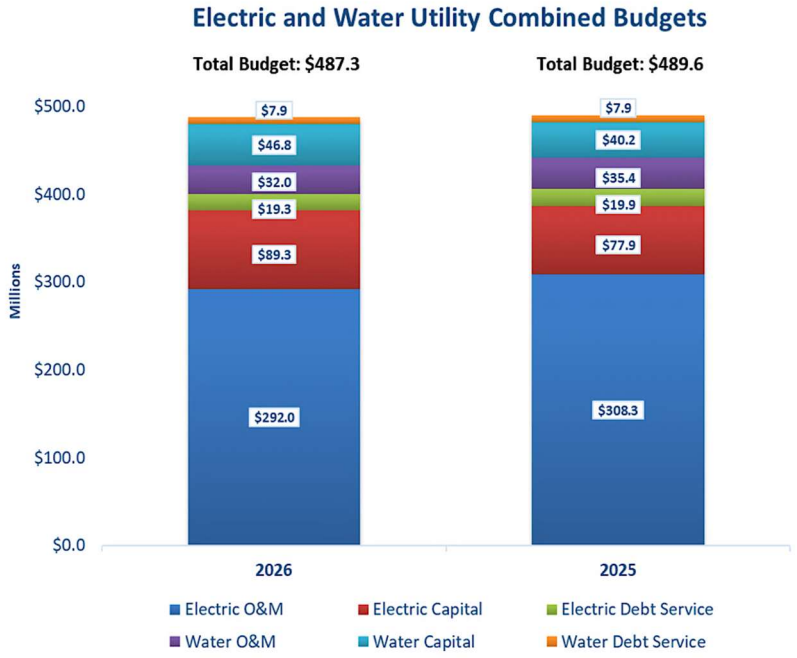
Environmental — We continue to lead in sustainability by providing clean electricity, protecting local watersheds, and offering programs that support energy and water efficiency and greenhouse gas reductions.

Community — We contribute to local schools, programs to support limited-income customers, and the Cities of Eugene and Springfield General Funds to help pay for services such as police, fire, and parks.

The coming year will bring continued investments in critical capital projects. We will advance substation and electric infrastructure upgrades, progress toward implementing the Carmen-Smith Hydroelectric Project license and decommissioning the Leaburg facility, replace the College Hill Reservoir with seismically resilient tanks, upgrade targeted water pipelines, and plan for a second source of drinking water.

At the same time, we are actively seeking savings to control near-term costs. While some projects have been deferred to ease financial pressure, we recognize that these decisions carry trade-offs, including increased risks of service disruption and higher long-term costs. We will continue to evaluate these impacts carefully as we plan for the future.

The following chart depicts the combined Electric and Water budgets for 2026 and 2025.



ELECTRIC UTILITY

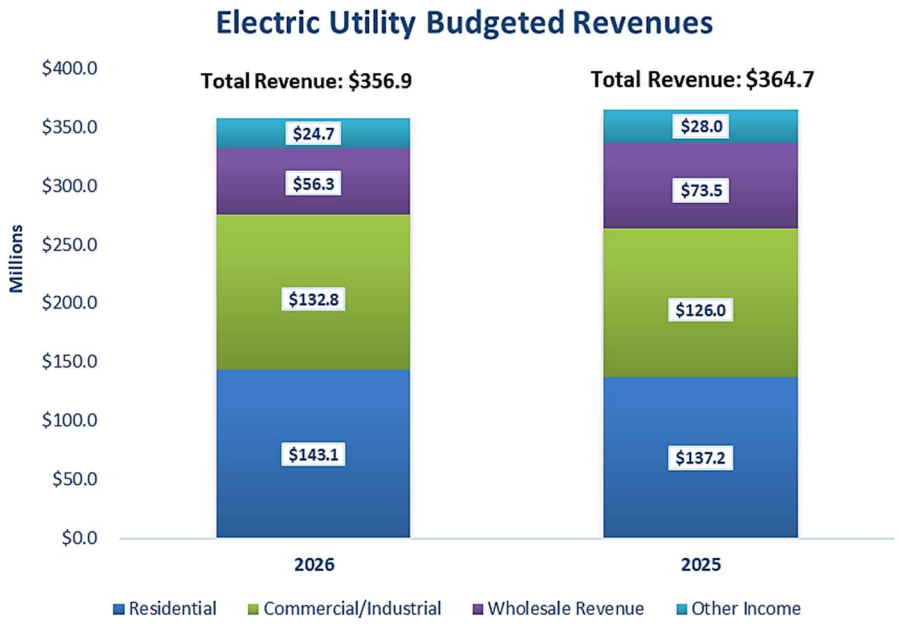
Overview and Revenue

The Electric Utility faces challenges related to evolving retail demand patterns, infrastructure investment and replacement needs, and volatile power markets in which it buys and sells energy. To navigate these challenges EWEB has invested in energy efficiency and electrification incentive programs, employed conservative demand and hydro assumptions, increased capital budgets for aging infrastructure replacement, and continued an active hedging and risk management program to mitigate market risk.

For the 2026 Budget, electric retail load decreased 2.6% relative to 2025. The 2026 Budget also assumes a contribution margin risk tolerance of $9.0 million, which mitigates risk the Utility will experience if revenue declines beyond its control. Given its surplus power position, EWEB has a strong hedging program designed to protect the Utility from falling wholesale prices and budget impacts. In recent years, extreme weather events have led to fluctuations in demand for electricity. Summer temperatures have consistently exceeded historical conditions, and cooling loads from air conditioning have approached winter peaks. These weather patterns also affect hydroelectric generation. Wholesale sales revenue decreased by $17.2 million between 2025 and 2026. The decrease is due to lower wholesale market price and volume assumptions year-over-year. Other income decreased by $3.3 million between 2025 and 2026 primarily due to lower Renewable Energy Credit sales.

In the future, as EWEB continues to assist customers with achieving their greenhouse gas (GHG) emission reduction goals as directed by EWEB's Climate Change Policy, there will likely be impacts on retail demand for electricity. Long-term conservation, energy efficiency, and demand-response goals are established as part of the Utility's Energy Resource Plan process, and EWEB will continue to monitor the impacts on peak demand and energy sales.

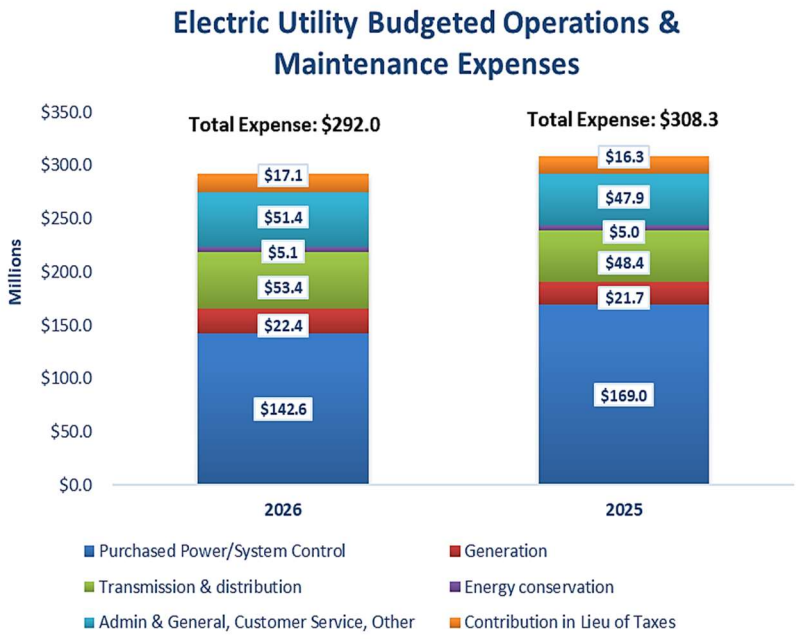
The following chart presents the Electric 2026 and 2025 revenue budgets.



Operations & Maintenance Budget

The 2026 Electric O&M budget is $292.0 million compared to the 2025 O&M budget of $308.3 million. The budget for purchased power expense represents the majority of costs and decreased by $26.4 million year-over-year, reflecting lower wholesale electricity prices and expected reduced power purchases. Increases in other operational areas are driven by inflationary pressures and the need to support transmission and distribution services. The O&M budget projects a $8.4 million deposit to reserves.

The following chart presents the Electric 2026 and 2025 O&M expense budgets.



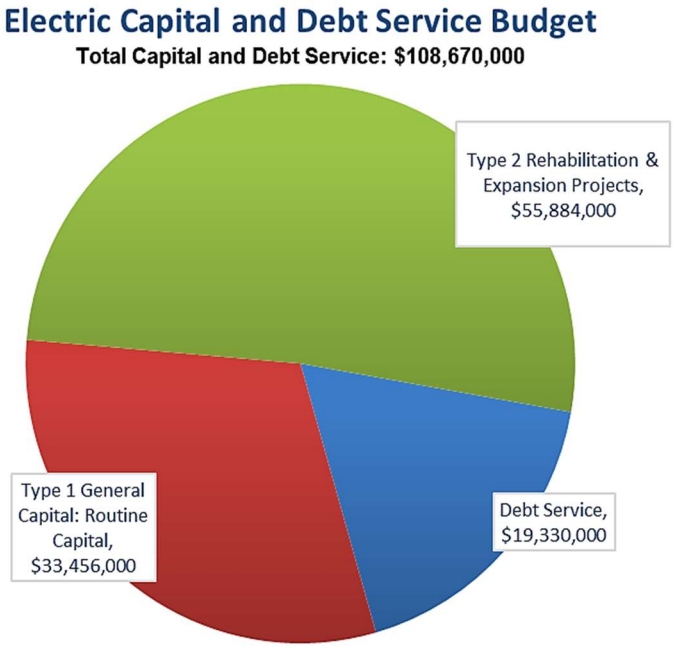
Capital and Debt Service Budget

The Electric Utility installed significant distribution infrastructure in the 1960s and 1970s. The service life of these assets is ending, and therefore, EWEB needs to manage the replacement of these aging assets while maintaining reliability and increasing resiliency during disruptive events. The electric system investments will be prioritized by managing high customer-impact assets and systems that increase resiliency to critical locations. The Capital budget anticipates a $49.2 million draw on reserves including use of bond proceeds.

The 2026 Electric Capital and Debt Service budget of $108.7 million is $10.9 million higher than the 2025 budget, aimed at addressing near-term regulatory requirements and risk mitigation efforts. $37.3 million of the 2026 capital work is funded with electric retail revenue, which is a $3.7 million increase year-over-year. Additional detail on the capital budget is included in Attachment 1.

The 2026 budget includes $19.3 million to service existing debt and a bond issuance of $113 million. The total debt amount will be approximately $334 million in principal at the end of 2026.

The following chart presents the Electric Capital and Debt Service budget by type of cost.

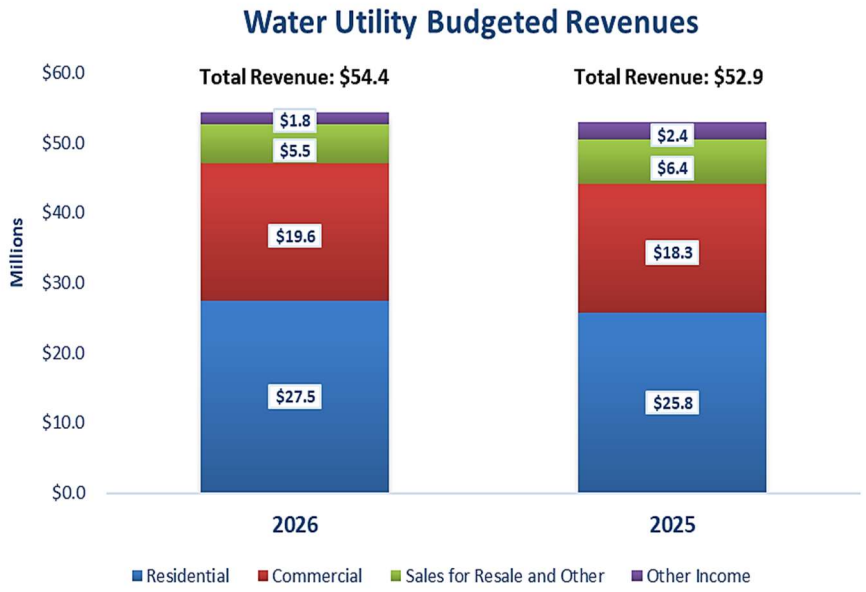


WATER UTILITY

Overview and Revenue

The Water Utility faces challenges such as replacement of aging infrastructure, water source protection, and developing a second source water treatment facility.

The budgeted sales for 2026 are 7.8 billion gallons, remaining flat to sales budgeted in 2025. The long-term financial plan sales forecast assumes 95% of historical 5-year average water consumption for the first five years, resulting in a contribution margin risk tolerance of approximately $1.4 million. Residential revenue makes up 52% of the Water Utility's total revenues, while 48% is from commercial, sales for resale and other operating revenue.

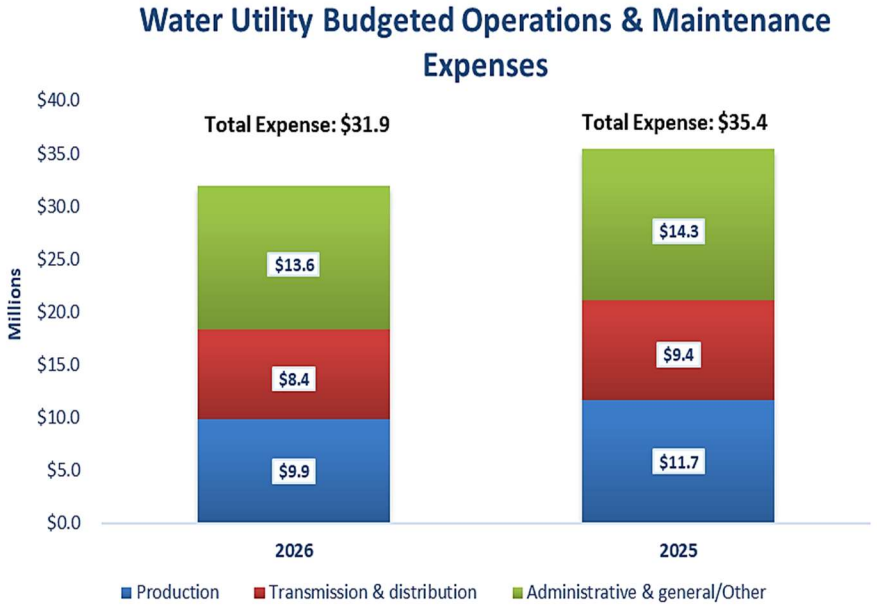


Operations & Maintenance Budget

The 2026 Water Utility O&M budget is $31.9 million compared to $35.4 million in 2025. The budget assumes $1.2 million for Watershed Recovery work, to be funded by Watershed Restoration Fee revenues that will conclude in 2026 as the fee sunsets mid-year.

The O&M budget projects a $1.2 million deposit to reserves. The 2026 budget does not include potential funding from grants not yet awarded to support watershed restoration projects. Year-over-year decreases are driven by less Watershed recovery and restoration work as the program concludes as well as refinement of shared service clearing allocations.

The following chart compares the 2026 and 2025 Water Utility Operations & Maintenance budgets.

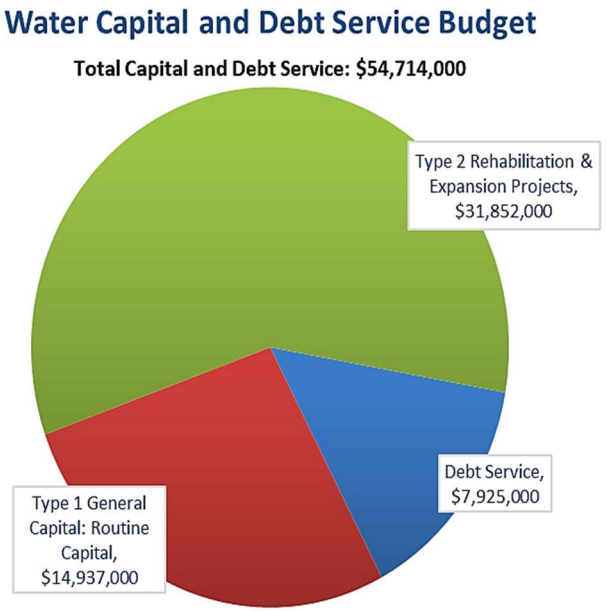


Capital and Debt Service Budget

The Water Utility prioritizes investments in base-level storage and in-town transmission infrastructure. Tank and pipeline construction of College Hill Reservoir as well as construction of 23rd (Willamette to College Hill) and Riverfront transmission main replacement/improvements are planned in 2026. In addition, 2026 budgets incorporate plans for EWEB to continue design and permitting efforts for construction of a treatment plant on the Willamette River. The Capital budget projects a draw of $31.1 million on reserves including the use of bond proceeds.

The Water Capital and Debt Service budget of $54.7 million reflects a $6.5 million increase from the 2025 budget. Depending on the type of project, funding is through water retail prices, customer contributions, or bonds. The 2026 budget includes $7.9 million to service existing debt and a bond issuance of $56.8 million. The total debt amount will be approximately $148 million in principal at the end of 2026.

The following chart presents the Water Capital and Debt Service budget by type of cost.



The 2026 budgets position the Electric and Water Utilities to maintain financial resilience and flexibility to meet the community's changing needs. We continue to face challenging conditions, from inflationary pressures and changing markets to evolving regulations and increasing risks from natural disasters. These realities require us to make difficult choices about how and when to invest. We have more work ahead than our customers can afford to take on all at once, so we must prioritize carefully and weigh the trade-offs including the risks of potential higher service disruption and long-term costs from deferred projects. Through responsible management of our power resources, strategic capital planning, cost-control measures, and programs that help customers lower their bills, we continue to keep rates as stable and affordable as possible. I'm proud of how our employees, management team, and Commissioners have embraced this disciplined approach, demonstrating their commitment to fiscal responsibility and transparent management of public funds.

Respectfully submitted,

Frank Lawson, General Manager

ATTACHMENT 1

2026 PROPOSED BUDGET

DID YOU KNOW?

Headwaters Trail Electric Reliability Upgrade

EWEB is replacing old wooden poles with stronger metal ones and burying nearly 1,000 feet of power lines underground near Frank Kinney Park. The South Eugene area is particularly prone to power outages due to its steep terrain and dense tree cover. EWEB officials said these factors make emergency repairs challenging, especially during the winter months.

EUGENE WATER & ELECTRIC BOARD
ELECTRIC UTILITY OPERATIONS & MAINTENANCE BUDGET AND REVENUE REQUIREMENTS
2026 PROPOSED BUDGET COMPARED WITH PRIOR YEARS

	2026 Proposed Budget		2025 Adopted Budget		2024 Actual	
	MWH	Revenue and Expense	MWH	Revenue and Expense	MWH	Revenue and Expense
Residential	936,000	$ 143,053,000	981,000	$ 137,209,000	947,000	$ 123,746,000
Commercial	849,000	103,449,000	868,000	99,334,000	843,000	88,724,000
Industrial	498,000	29,379,000	494,000	26,685,000	483,000	24,363,000
Retail sales	2,283,000	275,881,000	2,343,000	263,228,000	2,273,000	236,833,000
Wholesale sales	1,059,000	56,338,000	1,165,000	73,468,000	922,000	54,279,000
Other Operating Revenues		16,055,000		19,094,000		15,573,000
Operating revenues	3,342,000	348,274,000	3,508,000	355,790,000	3,195,000	306,685,000
Other revenue		2,051,000		1,935,000		3,778,000
Interest earnings		6,608,000		7,010,000		7,100,000
Non-operating revenues		8,659,000		8,945,000		10,878,000
Total revenues		**356,933,000**		**364,735,000**		**317,563,000**
Purchased Power		135,963,000		162,768,000		135,820,000
System control		6,634,000		6,224,000		5,408,000
Generation		22,404,000		21,675,000		17,525,000
Wheeling		16,606,000		15,062,000		15,491,000
Transmission & distribution		36,793,000		33,331,000		38,062,000
Customer accounting		11,239,000		10,756,000		10,659,000
Energy conservation		7,143,000		6,821,000		6,230,000
Administrative & general		41,022,000		38,109,000		29,823,000
Operating expenses		277,804,000		294,746,000		259,018,000
Contributions in lieu of taxes		17,123,000		16,315,000		14,383,000
Change in balance sheet accounts/ other expenses		(2,944,000)		(2,816,000)		38,578,000 [1]
Non-operating expenses		14,179,000		13,499,000		52,961,000
Total operations and maintenance expenses		**291,983,000**		**308,245,000**		**311,979,000**
Rate funded capital		37,255,000		33,529,000		
Rate funded debt service		19,330,000		19,870,000		
Total rate funded capital related expenses		56,585,000		53,399,000		
Total rate funded expenses		**348,568,000**		**361,644,000**		
Revenues over/(under) expenses		**$ 8,365,000**		**$ 3,091,000**		
Deposit to Leaburg Reserve		979,000		2,160,000		
Deposit to / (Draw from) Unrestricted Reserves		7,386,000 [3]		931,000		
Net change in reserves from operations		**$ 8,365,000**		**$ 3,091,000**		
Change in Net Position						**$ 5,584,000** [2]

[1] Includes depreciation, other revenue deductions, interest and amortization expense, contribution in aid, and contributed plant assets

[2] Actual results are not directly comparable to budget due to a difference in accounting treatment

[3] Board will allocate working cash above target to specific designated funds after annual audit providing the opportunity to replenish the Power Operating Reserve to target

Dollars rounded to nearest thousand.

EUGENE WATER & ELECTRIC BOARD
ELECTRIC UTILITY CAPITAL AND DEBT SERVICE BUDGET
2026 PROPOSED BUDGET COMPARED WITH 2025 ADOPTED BUDGET

	2026 Proposed Budget	2025 Adopted Budget
Funding Source by Type		
Source of Funds		
Retail Revenue	$ 37,255,000	$ 33,529,000
Draw on Rate Stabilization Reserves	4,167,000	7,166,000
Bond Proceeds	44,988,000	33,854,000
Customer Contributions in Aid	2,930,000	2,276,000
Grant Funding	-	1,040,000
Total Source of Funds	**89,340,000**	**77,865,000**
Expenditures by Type		
Type 1- General Capital [1]		
Electric Infrastructure - Generation	2,867,000	1,307,000
Electric Infrastructure - Substations	6,888,000	4,016,000
Electric Infrastructure - Transmission & Distribution	14,678,000	9,641,000
Downtown Network	1,045,000	1,092,000
Telecommunications	569,000	1,106,000
General Plant - Information Technology	4,228,000	6,632,000
General Plant - Buildings & Land	978,000	430,000
General Plant - Fleet	2,203,000	3,127,000
Total Type 1	**33,456,000**	**27,351,000**
Type 2- Rehabilitation & Expansion Projects [2]		
Carmen-Smith License Implementation	20,470,000	22,617,000
Electric Infrastructure - Generation	10,111,000	10,490,000
Electric Infrastructure - Resiliency & Reliability Projects	19,162,000	2,205,000
Electric Meters	-	2,471,000
General Plant - Information Technology	6,141,000	8,187,000
General Plant - Buildings & Land	-	4,544,000
Total Type 2	**55,884,000**	**50,514,000**
Total Electric Capital Budget	**89,340,000**	**77,865,000**
Rate Funded Debt Service	**19,330,000**	**19,870,000**
Total Electric Capital and Debt Service Budget	**$ 108,670,000**	**$ 97,735,000**

[1] Type 1 projects include discrete projects to maintain or improve system reliability, or are customer driven, that generally cost less than $3 million per year.

[2] Type 2 capital projects include multi-year strategic projects that are projected to cost over $3 million for the life of the project. Depending on the project, this work may be funded with rates, customer contributions, or bond funds.

Dollars rounded to the nearest thousand

EUGENE WATER & ELECTRIC BOARD
WATER UTILITY OPERATIONS & MAINTENANCE BUDGET AND REVENUE REQUIREMENTS
2026 PROPOSED BUDGET COMPARED WITH PRIOR YEARS

	2026 Proposed Budget		2025 Adopted Budget		2024 Actual		
	Gal (000)	Revenue and Expense	Gal (000)	Revenue and Expense	Gal (000)	Revenue and Expense	
Residential	3,840,000	$ 27,546,000	3,830,000	$ 25,778,000	3,926,000	$ 24,238,000	
Commercial	3,331,000	19,640,000	3,304,000	18,331,000	3,642,000	18,572,000	
Sales for Resale and Other	639,000	5,505,000	642,000	6,370,000	652,000	6,779,000	
Operating revenues	7,810,000	52,691,000	7,776,000	50,479,000	8,220,000	49,589,000	
Other revenue		350,000		515,000		3,116,000	
Interest earnings		1,444,000		1,914,000		2,658,000	
Non-operating revenues		1,794,000		2,429,000		5,774,000	
Total revenues		**54,485,000**		**52,908,000**		**55,363,000**	
Production		9,924,000		11,677,000		12,604,000	
Transmission & distribution		8,415,000		9,402,000		10,106,000	
Customer accounting		3,276,000		2,934,000		2,939,000	
Conservation		996,000		1,075,000		853,000	
Administrative & general		9,797,000		10,688,000		8,817,000	
Operating expenses		32,408,000		35,776,000		35,319,000	
Change in balance sheet accounts/ other expenses		(490,000)		(419,000)		11,584,000	[1]
Non-operating expenses		(490,000)		(419,000)		11,584,000	
Total operations and maintenance expenses		**31,918,000**		**35,357,000**		**46,903,000**	
Rate funded capital		13,955,000		15,991,000			
Rate funded debt service		7,425,000		7,329,000			
Total rate funded capital related expenses		21,380,000		23,320,000			
Total rate funded expenses		**53,298,000**		**58,677,000**			
Revenues over expenses		**$ 1,187,000**		**$ (5,769,000)**			
Deposit to / (Draw from) Unrestricted Reserves		1,187,000		(5,669,000)			
Deposit to / (Draw from) Rate Stabilization Fund		-		(100,000)			
Net change in reserves from operations		**$ 1,187,000**		**$ (5,769,000)**			
Change in Net Position						**$ 8,460,000**	[2]

[1] Includes depreciation, other revenue deductions, interest and amortization expense, contribution in aid, and contributed plant assets

[2] Actual results are not directly comparable to budget due to a difference in accounting treatment

Dollars rounded to nearest thousand.

EUGENE WATER & ELECTRIC BOARD
WATER UTILITY CAPITAL AND DEBT SERVICE BUDGET
2026 PROPOSED BUDGET COMPARED WITH 2025 ADOPTED BUDGET

	2026 Proposed Budget	2025 Adopted Budget
Funding Source by Type		
Source of Funds		
Retail Revenue	$ 13,955,000	$ 15,991,000
Alternative Water Supply Reserves	340,000	1,752,000
Capital Reserve	-	380,000
Rate Stabilization Reserves	2,480,000	-
Bond Proceeds	28,309,000	20,541,000
Customer Contributions in Aid	1,285,000	1,166,000
System Development Charges, Improvements	420,000	416,000
Total Source of Funds	**46,789,000**	**40,246,000**
Expenditures by Type		
Type 1 - General Capital [1]		
Source - Water Intakes & Filtration Plant	2,135,000	1,443,000
Water Infrastructure - Distribution & Pipe Services	7,932,000	7,855,000
Water Infrastructure - Distribution Facilities	2,462,000	1,197,000
General Plant - Information Technology	1,093,000	1,562,000
General Plant - Buildings, Land & Fleet	1,315,000	841,000
Total Type 1	**14,937,000**	**12,898,000**
Type 2- Rehabilitation & Expansion Projects [2]		
Willamette Water Treatment Plant	4,848,000	5,250,000
Water Infrastructure - Distribution	21,532,000	15,750,000
Water Meters	3,533,000	2,327,000
General Plant - Information Technology	1,939,000	2,586,000
General Plant - Buildings, Land & Fleet	-	1,435,000
Total Type 2	**31,852,000**	**27,348,000**
Total Water Capital Budget	**46,789,000**	**40,246,000**
Rate Funded Debt Service	**7,425,000**	**7,329,000**
SDC Reimbursement Funded Debt Service	**500,000**	**600,000**
Total Water Capital and Debt Service Budget	**$ 54,714,000**	**$ 48,175,000**

[1] Type 1 projects include discrete projects to maintain or improve system reliability, or are customer driven, that generally cost less than $3 million per year.

[2] Type 2 capital projects include multi-year strategic projects that are projected to cost over $3 million for the life of the project. Depending on the project, this work may be funded with rates, customer contributions, or bond funds.

Dollars rounded to the nearest thousand

ATTACHMENT 2

DIVISION OPERATIONS & MAINTENANCE BUDGETS

DID YOU KNOW?

Carmen-Smith Salmon Habitat

EWEB Generation successfully completed another major habitat improvement project on the upper McKenzie River at the Carmen-Smith Hydroelectric Project. Working below Blue Pool in a portion of the McKenzie River designated as a National Wild and Scenic River 2,000 tons of gravel and 20 brushy bundles of treetops were put in place with the help from heavy-lift helicopters.

Eugene Water & Electric Board – Division Operations & Maintenance Budget Summary

	2026 Proposed Budget Dollars	2025 Adopted Budget Dollars	2024 Actual Dollars
Business Continuity	$9,575,000	$8,609,000	$7,613,000
Customer Service	23,130,000	22,373,000	20,197,000
Electric	33,560,000	31,316,000	36,652,000
Energy	180,868,000	204,920,000	173,110,000
Finance	8,235,000	7,490,000	6,657,000
General Manager	1,597,000	1,827,000	1,842,000
Human Resources	3,931,000	3,506,000	2,840,000
Information Services	26,215,000	24,335,000	15,797,000
Support Services	20,745,000	19,034,000	18,684,000
Water	18,979,000	20,510,000	22,978,000
Total Operations and Maintenance Budget	$326,835,000	$343,920,000	$306,370,000

Note: Due to re-organization, prior year numbers have been restated for comparability.

Business Continuity
Operations & Maintenance Budget

	2026 Proposed Budget Dollars	2025 Adopted Budget Dollars	2024 Actual Dollars
Wages / Benefits	$4,981,000	$4,865,000	$4,231,000
Purchases			
Stores Materials and Supplies	2,000	2,000	1,000
EWEB Equipment	138,000	110,000	94,000
Materials and Supplies	107,000	113,000	87,000
Technology / Office Equipment	101,000	93,000	73,000
Total Purchases	**$348,000**	**$318,000**	**$255,000**
Services			
Contract Labor	10,000	5,000	8,000
Miscellaneous Services	175,000	178,000	78,000
Professional and Technical Services	825,000[1]	428,000	280,000
Software/Hardware Maintenance and Services	19,000	19,000	13,000
Legal Services	120,000	120,000	103,000
Insurance	2,987,000[2]	2,561,000	2,575,000
Training and Travel	110,000	115,000	70,000
Total Services	**$4,246,000**	**$3,426,000**	**$3,127,000**
Total	$9,575,000	$8,609,000	$7,613,000

[1] North American Electric Reliability Corporation (NERC), Critical Infrastructure Protection gap analysis and program development included for 2026

[2] Insurance premium for property, liability, and cyber security coverages

Customer Service
Operations & Maintenance Budget

	2026 Proposed Budget Dollars	2025 Adopted Budget Dollars	2024 Actual Dollars
Wages / Benefits	$12,638,000	$12,248,000	$10,334,000
Purchases			
EWEB Equipment	24,000	22,000	16,000
Materials and Supplies	20,000	16,000	84,000
Technology / Office Equipment	37,000	37,000	2,000
Total Purchases	**$81,000**	**$75,000**	**$102,000**
Services			
Contract Labor	12,000	12,000	3,000
Conservation Measures and Incentives [1]	3,650,000	3,650,000	3,363,000
Electrification Incentive [2]	1,285,000	1,110,000	818,000
Miscellaneous Services	48,000	44,000	28,000
Professional and Technical Services	1,790,000[3]	2,095,000	2,070,000
Property Rent	16,000	10,000	-
Printing and Postage	47,000	47,000	14,000
Training and Travel	130,000	129,000	76,000
Grants, Contributions, & Sponsorships	958,000	978,000	1,521,000[4]
Uncollectable Accounts	400,000	400,000	406,000
Limited Income Services	2,075,000[5]	1,575,000	1,462,000
Total Services	**$10,411,000**	**$10,050,000**	**$9,761,000**
Total	$23,130,000	$22,373,000	$20,197,000

[1] Conservation measures eligible for reimbursement from Bonneville Power Administration (BPA)

[2] Load Growth Incentives for Transportation and Building Electrification programs are supplemented by Clean Fuel Credit revenue

[3] Merchant processing and collection services fees and lower consultation services for IRP initiative, Demand-Side Potential Assessment (DSPA)

[4] Includes Holiday Farm Fire recovery work, reimbursable by grants from Lane County and the Department of Environmental Quality (DEQ)

[5] Increased Customer Care payments, supplemented by customer donations

Electric
Operations & Maintenance Budget

	2026 Proposed Budget Dollars	2025 Adopted Budget Dollars	2024 Actual Dollars
Wages / Benefits	$23,470,000	$21,962,000	$22,380,000
Purchases			
Stores Materials and Supplies	770,000	741,000	1,443,000[1]
EWEB Equipment	2,048,000	2,024,000	2,100,000
Maintenance and Repairs	26,000	25,000	36,000
Equipment	9,000	10,000	5,000
Materials and Supplies	615,000	547,000	775,000
Technology / Office Equipment	40,000	43,000	7,000
Total Purchases	**$3,508,000**	**$3,390,000**	**$4,366,000**
Services			
Contract Labor	-	-	177,000[1]
Construction Agreements	4,925,000[2]	4,380,000	7,851,000[1]
Miscellaneous Services	178,000	178,000	194,000
Professional and Technical Services	793,000	767,000	662,000
Property Rent	24,000	16,000	19,000
Legal Services	2,000	2,000	483,000[3]
Fees and Licenses	237,000	255,000	256,000
Training and Travel	423,000	366,000	264,000
Total Services	**$6,582,000**	**$5,964,000**	**$9,906,000**
Total	$33,560,000	$31,316,000	$36,652,000

[1] Unanticipated cost related to January ice storm event

[2] Increase in scale of services to address vegetation management work

[3] Legal service expenses related to the Holiday Farm Fire now covered by insurance

Energy
Operations & Maintenance Budget

	2026 Proposed Budget Dollars	2025 Adopted Budget Dollars	2024 Actual Dollars
Wages / Benefits	$14,153,000	$13,046,000	$11,805,000
Purchases			
Stores Materials and Supplies	5,000	5,000	4,000
EWEB Equipment	767,000	765,000	690,000
Maintenance and Repairs	85,000	85,000	37,000
Equipment	29,000	34,000	1,000
Energy	136,184,000[1]	162,989,000	135,962,000
Fuels [2]	2,130,000	2,272,000	1,431,000
Materials and Supplies	262,000	265,000	235,000
Total Purchases	**$139,462,000**	**$166,415,000**	**$138,360,000**
Services			
Contract Labor	170,000	170,000	189,000
Wheeling	16,606,000[3]	15,062,000	15,491,000
Construction Agreements	3,399,000[4]	3,347,000	2,895,000
Miscellaneous Services	125,000	104,000	127,000
Professional and Technical Services	3,364,000[5]	3,609,000	1,925,000
Software/Hardware Maintenance and Services	813,000	779,000	587,000
Memberships and Dues	664,000	752,000	570,000
Legal Services	1,216,000[6]	895,000	294,000
Fees and Licenses	571,000	446,000	659,000
Training and Travel	325,000	295,000	208,000
Total Services	**$27,253,000**	**$25,459,000**	**22,945,000**
Total	$180,868,000	$204,920,000	$173,110,000

[1] Lower wholesale market prices and volumes

[2] Fuel cost for shared co-generation facility; year-over-year changes driven by fluctuations in fuel prices and generation schedules

[3] Increased transmission costs due to BPA rate increases

[4] Contracted costs for wind and co-generation facilities and Trail Bridge sinkhole remediation

[5] BPA product implementation, organized market readiness, and Leaburg decommissioning engineering

[6] Increased Leaburg decommissioning and Carmen-Smith license implementation support

Finance
Operations & Maintenance Budget

	2026 Proposed Budget Dollars	2025 Adopted Budget Dollars	2024 Actual Dollars
Wages / Benefits	$7,413,000	$6,628,000	$6,024,000
Purchases			
Stores Materials and Supplies	4,000	4,000	4,000
EWEB Equipment	38,000	40,000	27,000
Materials and Supplies	27,000	31,000	10,000
Technology / Office Equipment	28,000	28,000	122,000
Total Purchases	**$97,000**	**$103,000**	**$163,000**
Services			
Contract Labor	25,000	75,000	27,000
Miscellaneous Services	26,000	26,000	14,000
Professional and Technical Services	403,000	387,000	343,000
Software/Hardware Maintenance and Services	10,000	10,000	7,000
Legal Services	35,000	35,000	5,000
Fees and Licenses	75,000	75,000	35,000
Training and Travel	151,000	151,000	39,000
Total Services	**$725,000**	**$759,000**	**$470,000**
Total	$8,235,000	$7,490,000	$6,657,000

Note: Budgets may not be comparable to prior budget documents due to re-organization and reallocation of budgets from General Manager Division

General Manager
Operations & Maintenance Budget

	2026 Proposed Budget Dollars	2025 Adopted Budget Dollars	2024 Actual Dollars
Wages / Benefits	$1,483,000	$1,702,000	$1,716,000
Purchases			
Materials and Supplies	12,000	14,000	7,000
Technology / Office Equipment	6,000	6,000	1,000
Total Purchases	**$18,000**	**$20,000**	**$8,000**
Services			
Miscellaneous Services	42,000	47,000	50,000
Professional and Technical Services	8,000	8,000	6,000
Training and Travel	46,000	40,000	61,000
Grants, Contributions, & Sponsorships	-	10,000	1,000
Total Services	**$96,000**	**$105,000**	**$118,000**
Total	$1,597,000	$1,827,000	$1,842,000

Note: Budgets may not be comparable to prior budget documents due to re-organization and reallocation of budgets to Finance Division

Human Resources
Operations & Maintenance Budget

	2026 Proposed Budget Dollars	2025 Adopted Budget Dollars	2024 Actual Dollars
Wages / Benefits	$2,936,000	$2,907,000	$2,423,000
Purchases			
Materials and Supplies	38,000	37,000	8,000
Technology / Office Equipment	2,000	3,000	-
Total Purchases	**$40,000**	**$40,000**	**$8,000**
Services			
Contract Labor	10,000	10,000	-
Miscellaneous Services	68,000	64,000	58,000
Professional and Technical Services	516,000[1]	259,000	258,000
Software/Hardware Maintenance and Services	9,000	9,000	1,000
Legal Services	195,000	130,000	49,000
Training and Travel	157,000	87,000	43,000
Total Services	**$955,000**	**559,000**	**$409,000**
Total	$3,931,000	$3,506,000	$2,840,000

Note: Budgets may not be comparable to prior budget documents due to re-organization and reallocation of budgets to Information Services Division

[1] Increase due to Diversity, Equity & Inclusion (DEI) Consulting work and Specialty Consulting Services

Information Services
Operations & Maintenance Budget

	2026 Proposed Budget Dollars	2025 Adopted Budget Dollars	2024 Actual Dollars
Wages / Benefits	$13,269,000	$14,023,000[1]	$9,639,000
Purchases			
Stores Materials and Supplies	405,000	405,000	352,000
Technology / Office Equipment	163,000	186,000	85,000
Total Purchases	**$568,000**	**$591,000**	**$437,000**
Services			
Contract Labor	25,000	25,000	3,000
Miscellaneous Services	490,000	464,000	330,000
Professional and Technical Services	1,788,000[2]	1,108,000	1,027,000
Software/Hardware Maintenance and Services	1,975,000	2,200,000	1,903,000
SBITA Services	7,343,000[2]	5,243,000	1,872,000
Printing and Postage	480,000	414,000	483,000
Fees and Licenses	13,000	11,000	10,000
Training and Travel	264,000	256,000	93,000
Total Services	**$12,378,000**	**$9,721,000**	**$5,721,000**
Total	$26,215,000	$24,335,000	$15,797,000

Note: Budgets may not be comparable to prior budget documents due to re-organization and reallocation of budgets from Human Resources Division

[1] Transfers from other divisions and increases in staffing with specialized technical expertise to provide ongoing infrastructure support for modernizing technology

[2] Includes reclassification of Software as a Service (SaaS) contracts previously budgeted to capital, and a new service maintenance contract

Support Services
Operations & Maintenance Budget

	2026 Proposed Budget Dollars	2025 Adopted Budget Dollars	2024 Actual Dollars
Wages / Benefits	$14,130,000	$11,843,000	$13,039,000
Purchases			
Stores Materials and Supplies	57,000	59,000	6,000
EWEB Equipment	1,896,000	1,733,000	1,825,000
Maintenance and Repairs	18,000	18,000	17,000
Energy	392,000	392,000	280,000
Water	164,000	164,000	122,000
Fuels	100,000	100,000	45,000
Vehicle Fuel and Oil	684,000	732,000	566,000
Materials and Supplies	499,000	521,000	587,000
Technology / Office Equipment	58,000	70,000	1,000
Total Purchases	**$3,868,000**	**$3,789,000**	**$3,449,000**
Services			
Construction Agreements	1,168,000[1]	1,848,000	1,020,000
Miscellaneous Services	226,000	216,000	171,000
Professional and Technical Services	497,000	525,000	554,000
Software/Hardware Maintenance and Services	138,000	111,000	85,000
Property Rent	150,000	146,000	59,000
Legal Services	90,000	90,000	25,000
Printing and Postage	20,000	20,000	13,000
Fees and Licenses	214,000	214,000	201,000
Training and Travel	244,000	232,000	68,000
Total Services	**$2,747,000**	**$3,402,000**	**$2,196,000**
Total	$20,745,000	$19,034,000	$18,684,000

[1] Reduced budget due to deferral of maintenance projects

Water
Operations & Maintenance Budget

	2026 Proposed Budget Dollars	2025 Adopted Budget Dollars	2024 Actual Dollars
Wages / Benefits	$10,877,000	$11,360,000	$12,802,000
Purchases			
Stores Materials and Supplies	326,000	326,000	493,000
EWEB Equipment	1,295,000	1,161,000	1,151,000
Maintenance and Repairs	71,000	71,000	56,000
Equipment	19,000	19,000	31,000
Energy	1,321,000	1,321,000	1,305,000
Water	31,000	31,000	31,000
Materials and Supplies	1,019,000	976,000	970,000
Technology / Office Equipment	29,000	29,000	22,000
Total Purchases	**$4,111,000**	**$3,934,000**	**4,059,000**
Services			
Contract Labor	62,000	47,000	79,000
Conservation Measures and Incentives	55,000	35,000	278,000
Construction Agreements	1,556,000[1]	2,291,000	1,830,000
Miscellaneous Services	158,000	158,000	200,000
Professional and Technical Services	1,711,000[1]	2,253,000	2,807,000
Software/Hardware Maintenance and Services	155,000	152,000	69,000
Printing and Postage	24,000	22,000	19,000
Fees and Licenses	121,000	116,000	120,000
Training and Travel	131,000	124,000	60,000
Grants, Contributions & Sponsorships	18,000	18,000	655,000[2]
Total Services	**$3,991,000**	**$5,216,000**	**$6,117,000**
Total	$18,979,000	$20,510,000	$22,978,000

[1] Watershed Restoration projects related to the Holiday Farm Fire winding down. Fee revenue sunsets mid-year 2026

[2] Acquisition of Finn Rock Reach Conservation area

ATTACHMENT 3

LABOR AND EMPLOYEE BENEFIT COSTS

DID YOU KNOW?

Emergency Water Stations

Completed in 2025, EWEB celebrated the seventh and final emergency water station at Kennedy Middle School. The stations are designed to provide emergency water to residents if a disaster such as a major Cascadia earthquake takes the water distribution system offline. Together, these stations have the capacity to provide immediate and reliable access to two gallons of water per person per day to everyone in Eugene.

EUGENE WATER & ELECTRIC BOARD
LABOR AND EMPLOYEE BENEFIT COSTS
2026 PROPOSED BUDGET COMPARED WITH PRIOR YEARS

	2026 Proposed Budget		2025 Adopted Budget		2024 Actual	
	Budget	% of Total wages	Budget	% of Total wages	Actual	% of Total wages
Wages & benefits						
Regular wages	$ 73,778,000	98.1%	$ 71,321,000	98.0%	$ 66,525,000	88.7%
Premium wages	1,427,000	1.9%	1,420,000	2.0%	8,434,000 [3]	11.3%
Total wages	**75,205,000**	**100.0%**	**72,741,000**	**100.0%**	**74,959,000**	**100.0%**
Public employees retirement fund	20,848,000	27.7%	18,434,000	25.3%	15,729,000	21.0%
Other benefits – employer contribution [1]	7,295,000	9.7%	6,963,000	9.6%	5,529,000	7.4%
Health insurance [2]	17,434,000	23.2%	16,258,000	22.4%	14,240,000	19.0%
Post-retirement medical	154,000	0.2%	154,000	0.2%	279,000	0.4%
Long-term disability	388,000	0.5%	383,000	0.5%	375,000	0.5%
Life insurance	357,000	0.5%	547,000	0.8%	529,000	0.7%
Total benefits	**46,476,000**	**61.8%**	**42,739,000**	**58.8%**	**36,681,000**	**49.0%**
Total wages & benefits	**$ 121,681,000**		**$ 115,480,000**		**$ 111,640,000**	

[1] Includes Social Security/Medicare tax, Unemployment Insurance, Workers' Compensation Insurance
[2] Includes Voluntary Employees' Beneficiary Association (VEBA) expense
[3] Overtime costs surged significantly as a result of January 2024 ice storm

ATTACHMENT 4

PROJECTED RESERVES

DID YOU KNOW?

Hayden Bridge Preparation and Resilience

EWEB's water system was put to the test in January 2024 when a severe ice storm knocked out power to its sole water filtration plant and stressed pump stations and other equipment. Recent resiliency upgrades – like a new generator at the plant – and quick thinking by staff made it possible for EWEB to keep water flowing.

EUGENE WATER & ELECTRIC BOARD
PROJECTED RESTRICTED, DESIGNATED, AND UNRESTRICTED RESERVES
($000s omitted)

	Electric Utility			Water Utility		
	Target	12/31/25 Projected [1]	12/31/26 Projected [1]	*Target*	12/31/25 Projected [1]	12/31/26 Projected [1]
Legally Restricted						
Bond Funds – Capital [2]		$ 11,900	$ 79,900		$ -	$ 27,200
Reserves for Debt Service		5,500	5,500		1,100	1,100
Customer Care/Customer Deposit		2,400	2,400			
Harvest Wind Reserve		500	400			
System Development Charge Reserves [3]					200	200
Total Restricted Funds		**$ 20,300**	**$ 88,200**		**$ 1,300**	**$ 28,500**
Board Designated Reserves						
Capital Improvement	*$ 27,000*	$ 21,500	$ 27,000	*$ 9,000*	$ 9,000	$ 9,000
Rate Stabilization Fund	*6,000*	10,200	6,000	*1,000*	3,500	1,000
Operating and Self-Insurance	*5,720*	5,720	5,720	*1,280*	1,280	1,280
Pension and Medical Funds		1,600	1,600		1,000	1,000
Power Operating [4]	*24,000*	20,900	24,000			
Leaburg Decommissioning		10,500	11,500			
Emergent Regulatory Mitigation Fund		5,000	6,000			
Alternative Water Supply					300	-
Water Stewardship Fund – Septic Repairs					100	100
Total Designated Funds	***62,720***	**75,420**	**81,820**	***11,280***	**15,180**	**12,380**
Working Cash [5,6]	*45,000*	53,520	51,320	*3,400*	7,900	10,400
Total Unrestricted Funds	***$ 107,720***	**$ 128,940**	**$ 133,140**	***$ 14,680***	**$ 23,080**	**$ 22,780**

[*] After completion of the annual audit, the Board of Commissioners review cash balances and may make transfers between funds

[1] Projections as of November 2025

[2] Bond issuances of $113 million for the Electric Utility and $56.8 million for the Water Utility expected in 2026

[3] SDC Reimbursement Reserve is funding $500 thousand of debt service payments in 2026

[4] Power Operating reserves projection for 2025 includes partial replenishment, and it is anticipated that Power Operating reserves will be replenished in 2026

[5] 2025 changes to unrestricted reserves are included in working cash. The Board will officially transfer funds in the second quarter of 2026

[6] FEMA reimbursements from the 2024 ice storm are included in the 2025 working cash projection

ATTACHMENT 5

PROJECTED FINANCIAL RATIOS & STATISTICS

DID YOU KNOW?

Fleet Enhancements: Matte Black Hood

EWEB has added matte black hoods to some of the fleet vehicles to reduce glare from both sunlight and snow that can reflect off light-colored paint. This non-reflective surface also enhances safety at job sites by preventing distracting reflections that could affect workers or other drivers.

EUGENE WATER & ELECTRIC BOARD
PROJECTED FINANCIAL RATIOS
December 31, 2026

	Electric Utility	Water Utility
Financial Ratios		
Debt Service Coverage Ratio[1]	3.42	2.98
Days Cash[2]	177	246
Target		
Debt Service Coverage Ratio	1.75 to 2.00	2.00 to 2.50
Days Cash	> 150 days	> 150 days

NOTE: A higher number for Debt Service Coverage Ratio and Days Cash reflects a stronger financial position.

[1] Ratio of net revenues available for debt service to total long-term debt service costs for the year. This ratio measures the utility's ability to meet its annual long-term debt obligation.

[2] Ratio of total available cash to adjusted average daily cash requirements for operating and other non-capital expenses. This measures the length of time the utility can carry projected non-capital related operations with readily available cash. Calculations include rate stabilization funds. Management will recommend options for the Board to consider for reserves above Board target in the second quarter of 2026.

EWEB

Eugene Water & Electric Board
4200 Roosevelt Blvd
Eugene, Oregon 97402-6520
541-685-7000

February 2026 Electric Price Proposal

Finance Department
December 2025

EUGENE WATER & ELECTRIC BOARD
FEBRUARY 2026 ELECTRIC PRICE PROPOSAL

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EXECUTIVE SUMMARY

The 2026 Electric Price Proposal was developed in accordance with the proposed 2026 budget. The Cost of Service analysis, revenue requirements, and proposed price schedules by customer class are included in this document.

Overall average price change: An overall average price increase of 3.5% is required to recover revenue largely due to increases in operating expenses and capital investment needs. This price will be additive to the Bonneville Power Administration (BPA) rate change that went into effect on November 1, 2025.

The BPA increase was implemented at the time of the increase through the *BPA Power Cost Recovery Adjustment* and is included in the base rates with the February 2026 Electric Price Proposal.

Cost of Service Analysis: EWEB annually prepares a Cost of Service Analysis (COSA). The current COSA includes a separate customer class for **McKenzie Valley** (or "Upriver") customers.

Feedback from August 2025 Board Meeting
In August 2025, the Board provided input on fixed and variable cost recovery. This feedback is incorporated into items including, cost of service / rate design, quantitative and qualitative impacts of solar and limited income customer and alignment with the 5-year rate design plan.

Price Design and Other Price Schedules: The following price/rate design proposal is recommended to meet the Board rate making principles of Sufficiency, Affordability, Efficiency, Cost Basis, Equity, and Gradualism. The proposal reflects alignment with the COSA and rate design principles. Additional items/discussion provided below.

- Standard Retail Rates
  - Residential
  - Small General Service
  - Medium General Service
  - Large General Service
  - Very Large General Service – align large customer class with no existing customers to current COSA model
  - Special Very Large General Service – align large customer class with no existing customers to current COSA model
  - Street Lighting – modified language and inclusion of price sheet for new services

- Market Based Rates
  - Customer Generation Rates – alignment of customer generation rates with EWEB avoided cost

- Environmental Product Lines – shift of this annual update from year end price proposal to spring fee update timing

I. INTRODUCTION

Purpose of Study

The purpose of this study is to provide background information and technical analysis in support of EWEB staff recommendations for electric prices. The study summarizes electric system revenue requirements, projected system loads and sales, and allocation of ongoing utility costs to customer classes for the 12-month period beginning January 2026.

The most recently approved electric price revision was in February 2025, with an overall average revenue requirement increase of 7.0%. In November 2025, the BPA Power Cost Adjustment was implemented and had an average 3.4% impact on EWEB customers retail electric rates; the new BPA rates are incorporated in the base rates as a part of the Electric Price Proposal.

Establishment of Prices

EWEB is a locally regulated municipal utility operating under the authority of the Eugene City Charter and pertinent provisions of Oregon law. The responsibilities delegated to the Board pursuant to the City Charter are carried out by five elected Commissioners who serve without pay. As an independent municipal agency, the EWEB Commissioners have exclusive jurisdiction to approve annual budgets and establish prices for electric service.

Although EWEB's electric prices are not subject to regulatory review by any federal or state utility commission or similar agency, the Board must comply with the requirements of applicable state and federal statutes as they pertain to the development of prices and the general conduct of utility business. Current statutes and related case law provide two general standards concerning the establishment of retail electric prices.

The first of these price making standards allows EWEB to set prices at a level sufficient to recover the ongoing costs of utility operation. These costs include annual operating expense, capital additions, interest and amortization of outstanding debt, applicable tax obligations, and the need to maintain adequate reserves. This standard is intended to ensure the financial integrity of the utility, while defining the costs of operation which can be lawfully recovered through prices.

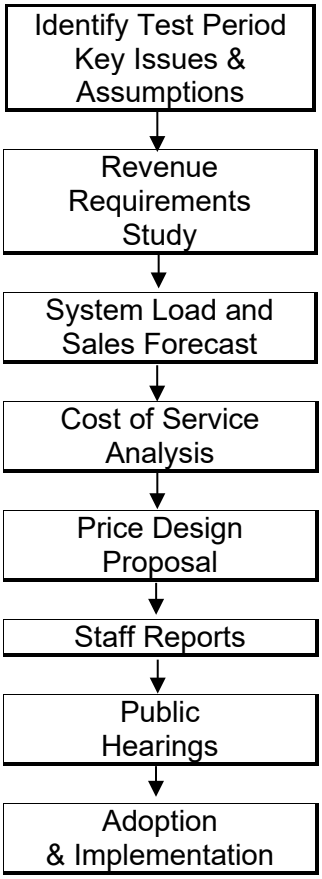
The second standard requires prices and charges for utility service be fair and non-discriminatory. Prices are considered non-discriminatory when customers receiving like and contemporaneous service under similar circumstances are treated equally in the development and application of specific prices. This second standard protects the equity concerns of individual utility customers, based on established utility policies and practices for allocating costs among customers and customer classes.

The above standards, together with established Board policies concerning cost allocation and price design, allow EWEB to maintain prices at the lowest possible level consistent with sound financial principles and traditional utility price making practices. They also give EWEB's elected Board of Commissioners complete authority to approve prices which are cost-based, non-discriminatory and in concert with the needs of EWEB customers.

Price Review Process

EWEB's electric prices are reviewed with each annual budget cycle to ensure that they remain adequate to cover the cost of utility operations over the budget period. When budget projections or other forecasted operating conditions indicate the need for a price adjustment, EWEB staff are directed to prepare studies to determine appropriate price levels for each customer class. This formal review process involves several steps, all of which are coordinated with the EWEB Commissioners, General Manager, and management of the utility's operating departments. The process also affords an opportunity for review and comment by EWEB customers and other interested parties (see *Figure 1*).

Figure 1
Price Review Process



The first step in the price review process is a detailed examination of the projected operating expenses, capital costs, and anticipated revenues at current prices. The purpose of this effort is to confirm the overall revenue requirements which serve as a basis for development of proposed prices, the timing of the proposed price adjustment, and the period of time (or "test period") over which the new prices are expected to remain in place.

The next step is an assessment of the electric system load and resource forecasts. These projections are prepared by EWEB's Financial Planning & Analysis (FP&A) Department,

consistent with historical and future growth trends in the EWEB service area. The forecasts are then used to estimate system sales by price class, as well as purchased power costs for the next several years. Test period load and sales forecasts are of major importance, since wholesale purchased power costs comprise more than half of EWEB's total annual operating expenses.

Once EWEB's projected operating costs, revenue requirements, and sales forecasts have been determined, the Finance staff typically perform a detailed Cost of Service Analysis (COSA). The purpose is to allocate test period costs to customer classes and update price schedules according to where individual cost items are incurred. EWEB's COSA procedures employ standard utility industry methods, consistent with the policy guidelines established by the Board.

Public Notice and Hearings Schedule

EWEB's price review process is a formal, sequential procedure. The underlying objective is to ensure EWEB customers and the general public receive adequate notice and explanation of price change proposals. It also allows the Board to hear and consider public comment prior to approval and implementation of revised prices. Accordingly, EWEB Commissioners have adopted specific guidelines for public notice and hearings to run concurrent with the budget approval process.

The name of the newspaper and publication date for the legal notice is as follows:

Publication Name	Date
Register Guard	October 6, 2025
Register Guard	November 3, 2025

Exhibit 1 contains the text used in the published legal notices.

EXHIBIT 1

BEFORE THE EUGENE WATER & ELECTRIC BOARD

In the Matter of Consideration and Adoption of Budgets, Revised Prices for EWEB Electric and Water Service

NOTICE OF PUBLIC HEARINGS AND INVITATION TO COMMENT

1. Three dates are scheduled for public hearings to seek comment regarding proposed 2026 budget approval and adjustments to EWEB water and electric prices. If approved, the proposed changes for residential, general service and other customers of the Eugene Water & Electric Board would become effective with utility billings rendered, on or after February 1, 2026.

2. Public hearings will be held in person and virtually (details to be posted on eweb.org). Meeting dates and times:

   October 7, 2025 - 5:30 p.m.
   November 4, 2025 - 5:45 p.m.
   December 2, 2025 - 5:30 p.m.

   Background information concerning the budget and price proposals will be presented at the meeting, followed by the public hearing which will provide opportunity for public testimony and comment.

3. Specific price recommendations for each customer class may be obtained on EWEB's website: https://www.eweb.org/your-public-utility/board-of-commissioners/public-meetings or by calling EWEB's Financial Planning & Analysis Department at (541) 685-7000 or emailing budget@eweb.org. Copies of the budget document and price proposals will also be made available upon request.

4. To provide public comments by phone, sign up at: https://www.eweb.org/x2936.

   Written comments may be emailed to commissioners at: https://www.eweb.org/your-public-utility/board-of-commissioners/contact-eweb-commissioners.

   Written comments may also be mailed to:
   EWEB, Attn: Board of Commissioners
   4200 Roosevelt Blvd
   Eugene, Oregon 97402

   To ensure timely consideration, requests to speak or written comments must be received by 2:00 p.m. on December 2, 2025. Please indicate "public hearing" in your written comments or request to speak.

II. BACKGROUND INFORMATION

A. Organizational Structure

EWEB is responsible for providing electric and water service within the City of Eugene and certain outlying areas. The specific duties delegated to the Board pursuant to the Eugene City Charter are carried out by five elected Commissioners who serve without pay. The Commissioners and their respective terms of office are as follows:

	Area	Term Expires
John Barofsky, President	Wards 2 & 3	First meeting after 2028
Mindy Schlossberg, Vice President	At-Large	First meeting after 2026
John Brown	Wards 4 & 5	First meeting after 2026
Sonya Carlson	Wards 6 & 7	First meeting after 2028
Tim Morris	Wards 1 & 8	First meeting after 2028

As EWEB's primary policy and decision-making body, the individual Board members represent a broad range of professional experience and community perspectives on matters concerning local utility service. The Board meets regularly on the first Tuesday of each month. All meetings are open to the public and provide opportunities for public participation.

The executive management team, responsible for each of the major operating areas, is as follows:

Executive	Department
Frank Lawson	General Manager
Deborah Hart	Assistant General Manager, Chief Financial Officer
Julie McGaughey	Chief Customer Officer
Karen Kelley	Chief Operations Officer
Travis Knabe	Chief Information Officer
Brian Booth	Chief Energy Resource Officer
Anne Kah	Chief Administrative Officer
Diedre Williams	Chief People Officer

The utility's business priorities are reviewed annually by the Board, General Manager, and a planning group made up of the executive management team and other key personnel. Major organizational goals, strategic issues, opportunities, and planning contingencies for the coming year are then documented in the annual EWEB Strategic Plan. The General Manager meets regularly with the executive team members, who then hold meetings with their department staff to maintain employee productivity and efficient operations.

Table 1 shows the percentage change in customers and electric sales over the past ten years. Electric customer counts have increased consistently over the past ten years. Megawatt hour sales are weather dependent but have generally been flat or slightly declining over the past ten years.

Table 1
Customer & Megawatt-Hour Sales Statistics
For the Period 2015-2024

Year	Customer Count	% Change	MWh Sales	% Change
2015	92,300	1.3%	2,377,381	-1.4%
2016	93,000	0.8%	2,288,056	-3.8%
2017	93,800	0.9%	2,454,901	7.3%
2018	94,200	0.4%	2,342,636	-4.6%
2019	95,300	1.2%	2,367,667	1.1%
2020	96,100	0.8%	2,261,295	-4.5%
2021	96,800	0.7%	2,301,228	1.8%
2022	98,100	1.3%	2,350,341	2.1%
2023	98,700	0.6%	2,311,488	-1.7%
2024	100,000	1.3%	2,272,902	-1.7%

NOTE: The above figures are as of the end of each year.

EWEB places a high value on quality service and responsiveness to the needs of its customers. Because of its standards for reliability and design, electric service interruptions are infrequent and limited to short duration unless operation of electrical lines or equipment present a safety risk to our customers and community. EWEB also offers a variety of customer programs to provide information about utility services, promote efficient use of energy resources, and assist customers.

B. Electric System Highlights

EWEB is the largest publicly owned utility in the state of Oregon, the principal generating public utility in Oregon, and the sixth largest public agency customer of the Bonneville Power Administration. Founded by the citizens of Eugene in 1911, EWEB has remained a successful provider of essential utility services to the local community for over 100 years.

The 236-square-mile area served by EWEB includes most of the City of Eugene and adjacent areas, referred to the Eugene Service Area, and a non-contiguous area near EWEB-owned power projects at Walterville and Leaburg referred to as the **McKenzie Valley** Service Area.

EWEB's Eugene Service Area adjoins the City of Springfield municipal electric system on the east, the Emerald People's Utility District on the north, the Blachly-Lane Electric Cooperative on the west, and the Lane Electric Cooperative system on the south. The **McKenzie Valley** Service Area adjoins Lane Electric on the south and east, PacifiCorp and Emerald PUD on the north, and City of Springfield on the west.

Current customers range in size from smaller residential and commercial customers to moderately sized processing and manufacturing facilities, to large institutional and industrial accounts. System load characteristics therefore vary throughout the year, with peak loads occurring in the winter months consistent with local weather patterns and building heating demands. In recent years summer temperatures have consistently exceeded historical conditions and cooling loads have approached winter peaks. Staff continue to monitor this trend as it will impact COSA results if EWEB shifts from a winter to summer peaking utility.

EWEB's local electric system consists principally of three hydroelectric projects, an industrial cogeneration facility, and the necessary transmission and distribution (T&D) facilities for provision of service to the end use consumers. EWEB currently maintains 38 substations which are networked together through 134 circuit miles of transmission lines and 1,150 circuit miles of overhead and underground distribution lines. The book value of the EWEB electric utility plant-in-service is approximately $868 million.

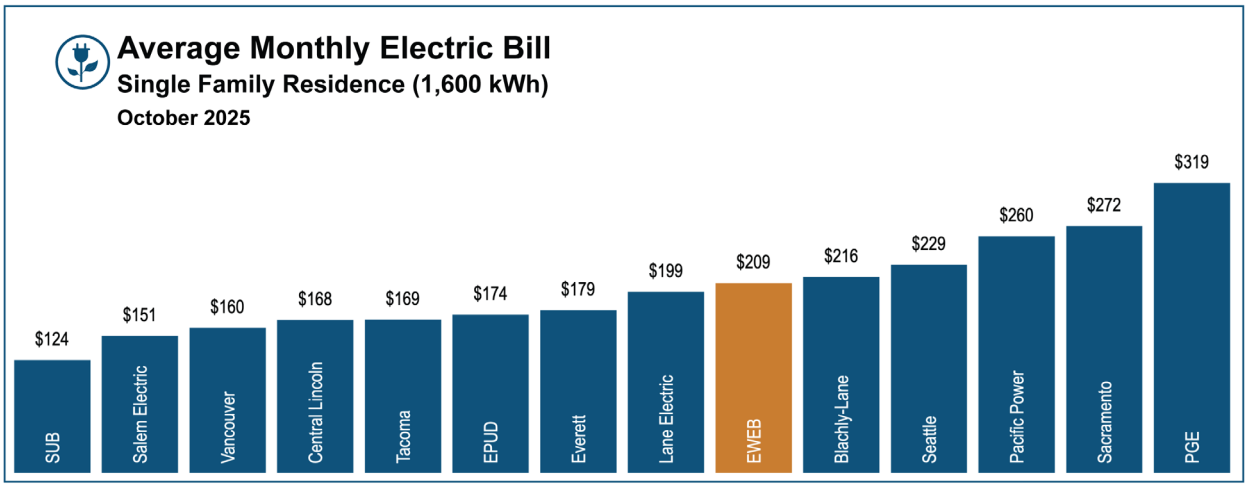
As Oregon's largest generating public utility, EWEB customers are served by EWEB-owned generation facilities as well as through contracts with public and private utilities and energy suppliers. The largest portion of EWEB's power portfolio is obtained through long-term contracts with the Bonneville Power Administration (BPA), a federal power marketing agency.

EWEB's power supply costs are largely comprised of BPA power and EWEB completed a resource study in 2025 to recommend a product choice for the new 2028 BPA contract.

C. Residential Bill Comparisons

A comparison of current monthly residential bills for selected Northwest electric utilities is shown in *Figure 2*. Sample bills are calculated using EWEB's average monthly single family residence consumption of 1,600 kWh. The current bill is $209 which includes the BPA Power Cost Adjustment effective November 1, 2025. The resulting monthly average electric bill based on this proposal is $212, an increase of $3 over current prices.

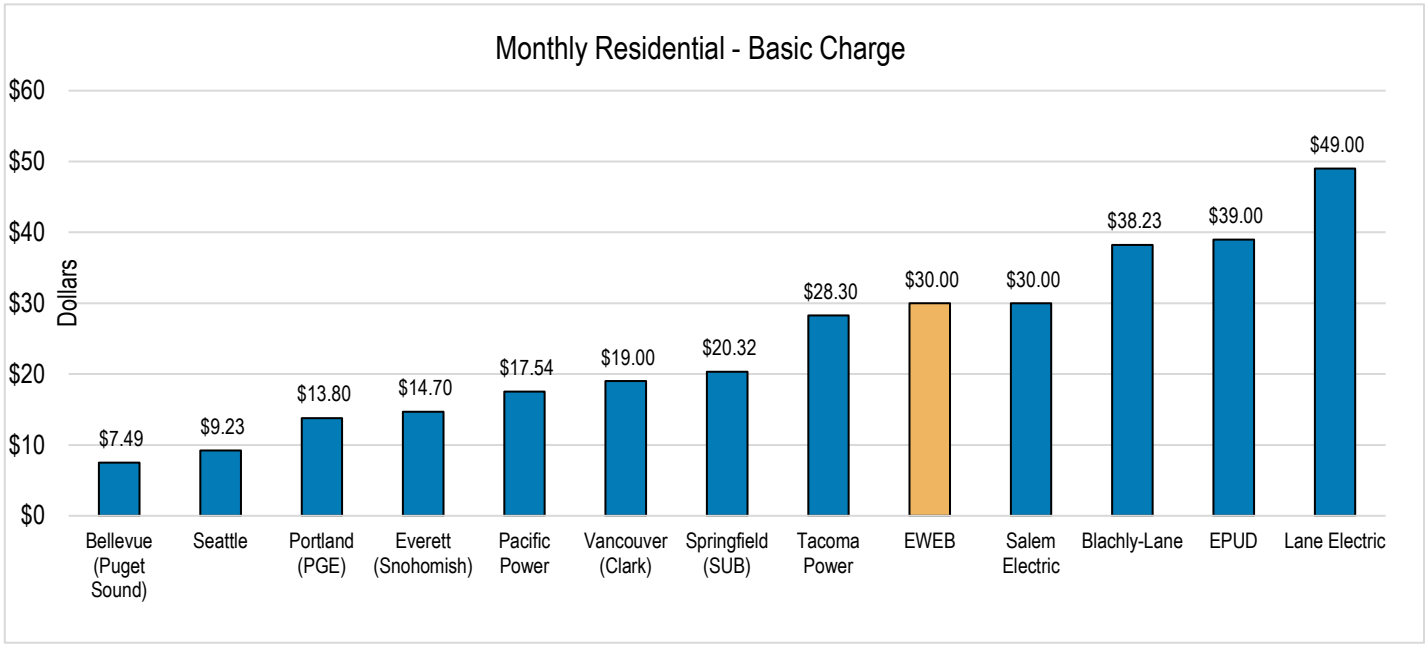
Figure 2



D. Residential Basic Charge

A comparison of current monthly residential fixed charge component for selected Northwest electric utilities is shown in *Figure 3*. This chart indicates the fixed, monthly charge for the electric utility comparison group.

Figure 3



III. REVENUE REQUIREMENTS STUDY

This section contains a general description of EWEB's annual budgeting process. It also includes documentation of EWEB's 2026 proposed budget for operating and capital expenses and revenue requirements which has been designated as the test period for the current price proposal. In addition to determining the overall revenue requirement needed to sustain operation of the electric utility, test period revenue requirements are a primary input to the COSA.

A. Preparation of Annual Budgets

At the beginning of each annual budget cycle the utility's strategic priorities are identified by the Board and the General Manager. Major organizational goals, strategic issues, opportunities, and planning contingencies are then documented in the EWEB Strategic Plan. The Strategic Plan drives specific performance targets to address management priorities through ongoing work assignments and schedules.

Management and supervisory levels of EWEB are involved in preparation of the annual Electric Utility Budget in order to place responsibility for cost control on the managers who forecast and incur the costs. If a budget deficit cannot be corrected through cost reductions or deferrals, the amount of the deficit becomes an additional revenue requirement recommended for recovery through an electric price adjustment.

A draft budget with explanations on variances from prior years is discussed with the EWEB Commissioners. The Board reviews the draft budget and may suggest program adjustments and revisions. Public hearings are held to ensure customers have the opportunity to provide feedback. The Board approves a final budget in December, which then becomes the operating plan for the next year.

All supervisors are required to expend funds in a manner consistent with approved budget estimates. On a monthly basis, year-to-date balances are reviewed and compared to budgets to ensure that costs continue to track as expected. Quarterly financial reports and any significant deviations are brought to the attention of the Board for review in accordance with Board Policy EL-1, Financial Controls. Year-end results are routinely checked against budgets, with differences noted for potential input to the next year's budget cycle.

B. Revenue Requirements

EWEB has designated calendar year 2026 as the "test period" for development of electric system costs and revenues in this current price proposal. This corresponds with the expenditures included in the 2026 Proposed Electric Budget and any known or anticipated impacts in subsequent years.

For the February 2026 price study, staff were able to incorporate the projected sales, revenues, and expenditure data from the proposed 2026 budget directly as a basis for this revenue requirement proposal.

The electric system costs are forecasted to be met with forecasted revenue including the current price proposal, as outlined in *Table 2*.

Table 2

Revenues	**Current Prices**	**Revenue at Proposed Prices**	**% of Total**
Operating Revenues	$265,778,000	$275,881,000	77%
Wholesale Revenue, Interest, and Other Income	80,700,000	81,052,000	23%
Subtotal	**346,478,000**	**356,933,000**	**100%**
Expenditures			
Operating & Maintenance			
Purchased Power	135,963,000	135,963,000	38%
System Control	6,634,000	6,634,000	2%
Generation	22,404,000	22,404,000	6%
Wheeling	16,606,000	16,606,000	5%
Transmission & Distribution	36,793,000	36,793,000	11%
Customer Accounting	11,239,000	11,239,000	3%
Conservation	7,858,000	7,858,000	2%
Administration & General	40,307,000	40,307,000	11%
Subtotal	**277,804,000**	**277,804,000**	**78%**
Other Expenditures			
Contribution in Lieu of Tax	17,123,000	17,123,000	5%
Construction & Capital	37,255,000	37,255,000	11%
Debt Service, Interest, and Amortization	19,330,000	19,330,000	5%
Balance Sheet Changes	-2,944,000	-2,944,000	-1%
Subtotal	**70,764,000**	**70,764,000**	**20%**
To (From) Reserves	**8,365,000**	**8,365,000**	**2%**
Revenue Requirement	**356,933,000**	**356,933,000**	**100%**
Surplus / (Deficit)	**-10,445,000**	**0**	
As a % of Rate Revenue	**-3.9%**	**0.00%**	

*Figures may not sum due to rounding

IV. SYSTEM LOAD AND SALES FORECAST

A. Overview of the Forecasting Process

EWEB routinely prepares both short and long-range electric system load forecasts as part of its ongoing planning activities. Annual projections of total system electric loads are prepared by the Energy Division in conjunction with the FP&A Department. These annual forecasts employ both historical load data from EWEB records and projected economic, demographic, and climate trends for the Eugene area. Other regional forecasts are also reviewed for consistency and applicability to EWEB.

Basic growth projections for EWEB's system are developed through application of various forecasting methods, which include statistical trending, econometric analysis, and end-use models. Annual system forecasts are examined regularly and adjusted for changing local economic conditions and customer characteristics. The resulting base forecasts become a key input to energy resource planning, power scheduling, facilities design, and preparation of annual budgets. They also become an integral part of the price development process as a basis for allocation of operating costs and design of proposed prices for each customer class. Most recent forecasts reflect an anticipated increased electrification demand caused by electric vehicle usage. Overall actual growth may vary considerably from year-to-year due to changes in local weather patterns and commercial activity.

EWEB's annual electric load forecast was adopted directly as the basis for estimating total system sales for the current price study. Specifically, the 12-month period from January through December 2026 was selected for analysis, corresponding with the test period budget and revenue requirements. The remainder of this section describes how the system load and sales forecasts are applied to the development of retail prices and describes the results obtained for the 2026 test period.

B. Methodology and Procedures

In order to develop appropriate retail electric prices, EWEB's annual system forecast must be translated into a detailed projection of monthly energy sales and customer use characteristics for the upcoming price period. This is done in a manner consistent with original forecast assumptions to arrive at a monthly estimate of customer counts, kWh, and consumption patterns for each of EWEB's major customer classes.

Monthly historical sales statistics are obtained from EWEB financial statements and accounting records. Other local agencies are consulted as necessary for additional data pertinent to the forecasting of utility sales. Customer-specific data is also sought for major commercial/industrial users, since the short-run requirements of these customers are often related to their unique business cycles rather than long-term trends.

Once the basic forecasting data is assembled, it is reviewed for consistency with recent historical trends, budget assumptions, and conditions expected to prevail over the price test period. Such review ensures the sales forecast used in the price design process remains consistent with projections used to prepare purchased power budgets and the EWEB revenue requirements discussed in Section III, Revenue Requirements Study.

The next step in the forecasting process is to divide the total system forecast into component parts by month and price class grouping. Customer sales statistics for the past three to ten years were used to calculate current class contribution to annual system sales and typical monthly distribution of consumption for each class.

Monthly projections for some classes, such as Street and Private Lighting, were calculated directly based on known load characteristics and seasonal traits. Customer-supplied estimates for larger commercial/industrial accounts were substituted for historical averages when it was reasonable to do so. The final projections were then correlated with available load research and engineering data for the EWEB system. The key end use load analysis is related to electrification. The results were used to determine projected customer class contribution to system peaks, non-coincident peak loads, and demand billing units.

C. 2026 Forecast Results

The results of EWEB's forecast of sales for the 2026 price test period are summarized below in *Table 3*:

Table 3
Test Period Forecast of Electric Utility
Customers & Sales by Price Class
For 2026 Price Test Period

Customer Class	Customer Counts	Energy Sales in MWH	% of Sales
Eugene Area Residential	88,472	886,599	38.5%
McKenzie Valley Service Area Residential	2,443	49,616	2.2%
Small General Service	8,624	177,608	7.7%
McKenzie Valley Small General Service	120	3,154	0.1%
Medium General Service	1,672	486,653	21.2%
McKenzie Valley Medium General Service	31	3,017	0.1%
Large General Service	55	202,486	8.8%
Contract A	1	408,427	17.7%
Contract C	1	80,232	3.5%
Street Lighting	N/A	5,159	0.2%
Private Lighting	N/A	373	0.0%
Total	**101,419**	**2,303,324**	**100.0%**

NOTE: Energy Sales does not include line loss

The above information represents an increase in EWEB customers by the end of 2026, which is a trend over the last several years and projected new service connections. Total electric sales for the period are forecast at 2.3 billion kWh.

The 2026 Load and Sales Forecast are used as a basis for cost allocation, price design and revenue projections at current and proposed prices.

V. COST OF SERVICE ANALYSIS

This section documents the procedures used in development of a Cost of Service Analysis (COSA) study.

A. Cost of Service Methods and Procedures

EWEB's Cost of Service methodology uses standard electric utility costing procedures to allocate the test period revenue requirements to each customer class. The allocated costs reflect the contribution of each price class to total system costs during the period for which prices are being developed. Study results also measure the equity of prices charged to individual customer classes by testing the adequacy of revenues received relative to allocated costs of service.

Through this process, the COSA study apportions the test period revenue difference as a basis for determining appropriate price levels and percentage adjustments for each customer class. The study also derives unit costs used to assist in development of the actual energy, demand, and basic charge components recommended for each electric price schedule.

EWEB's Cost of Service study begins with a detailed assessment of utility proposed operating budget and revenue requirements for the upcoming price period. The analysis relies on anticipated electric system expenditures, retail sales, and projected revenues contained in the Proposed Electric Utility Budget.

Once the total utility revenue requirement has been determined, individual line item costs are grouped according to major utility functions, such as power production, transmission, distribution, or customer accounting. Each line item expense is then classified as varying with contribution to monthly system peak demands, total energy consumption or number of customers for each price class. Specific items are also identified for direct assignment when they are clearly associated with service to a price class.

To assign costs more accurately to individual price classes, EWEB's COSA model also breaks down the various demand and customer costs into sub-classifications. Demand-related costs are segregated into transmission, and primary and secondary distribution components according to voltage level. Basic customer costs are sub-classified as either facilities or customer service related.

After classification and sub-classification, each cost category is distributed to one or more price classes through a detailed allocation procedure. Several related analyses are conducted to develop the many allocation factors applied in this step. For example, calculating the class contribution to monthly system peaks and seasonal energy requirements involves a full examination of all customer loads during the test period. Accordingly, the allocation step relies on

sales projections and available load research data described in Section IV, System Load and Sales Forecast.

When all of the allocation factors have been developed, they are then applied to yield a segregation of total system costs assigned to the different price classes. The final step is to combine the calculations in a summary table showing total allocated costs and recommended percentage adjustments for each customer class. These results can then be represented as unit costs, which form the basis for actual price design.

B. Class Definitions

The rate making principles of fairness apply to the equity in rates and allocating costs and charging customers fairly. Hypothetically, the exact cost of serving each customer could be determined and each customer would be allocated the exact cost of service on an individual customer basis. However, both calculating and administering the exact rates and costs for each individual customer would be very challenging and burdensome.

Alternatively, a uniform tariff would charge each customer the same regardless of the rate class. This approach would be easier to administer but may not fully capture the nuance and differences in the cost of providing service to different customer types.

The balanced approach used by EWEB and many other customer classes is to develop clearly defined customer classes. Customer classes allow different categories of customers with shared characteristics to be grouped together and charged the same for their electricity use. The characteristics used to determine customer class include *Delivery Voltage*, *Peak Monthly Demand*, *Energy Consumed*, *Load and End-Use Characteristics*, *Conditions of Service*, *Geography*, and *Conditions* and *Type of Metering*.

Basic structure of customer classes typically includes the following:

- Residential customers
- Commercial customers
- Industrial customers
- Street Lighting customers

EWEB currently has numerous customer classes and rate codes. The addition of three rate classes to distinguish between Eugene Vicinity and **McKenzie Valley** service areas. EWEB completed analysis of the **McKenzie Valley** service area in 2020 and presented results and a report to the Board. The 2020 analysis found, and EWEB continues to assert, that there is a reasonable and defensible justification for cost differentiation between the Eugene area and **McKenzie Valley** service area.

The Board has broad discretion in setting rates and establishing rate classes. The rate proposal recommends establishing the three new rate classes for the **McKenzie Valley** service area described in blue. These classes will be established with this rate action. However, the transition of the respective customers to the new rate classes is deferred until later in 2026. The rationale

for the deferred transition allows for either the service territory transfer to be executed or allows for internal rate implementation.

The existing and proposed major cost of service rate schedules are described below:

Schedule (R-6) Residential Service, which includes Basic Charge, volumetric Delivery Charge for transmission and distribution costs, and a volumetric Energy Charge. These charges apply to Residential separately metered single-family residences, duplexes, triplexes, quads, townhouses, multi-family structures with less than four living units and mobile homes. Approximately 90,000 residential customers in EWEB's current service area are served under this schedule.

Schedule (R-7) McKenzie Valley Residential Service, which includes Basic Charge, volumetric Delivery Charge for transmission and distribution costs and a volumetric Energy Charge.

These charges apply to Residential in the **McKenzie Valley** service area separately metered single-family residences, duplexes, triplexes, quads, townhouses, multi-family structures with less than four living units and mobile homes. There are approximately 2,400 accounts that will transition from Schedule R-6 to be served under this schedule effective later in 2026.

Schedule (G-1) Small General Service, which includes monthly Basic Charge, volumetric two block Delivery Charge, two block Demand Charge for highest 15-minute period during the month, and volumetric Energy Charge.

These charges apply to commercial, industrial, irrigation, public buildings, churches, public and private schools, hospitals, multi-family with four or more living units served through one meter and their common use facilities. Service under this schedule is applicable to Customers with monthly billing Demands that do not exceed 30 kilowatts. There are approximately over 5,300 Single Phase and 3,900 three-phase Customers served under this schedule.

Schedule (G-6) McKenzie Valley Small General Service, which includes monthly Basic Charge, volumetric two block Delivery Charge, two block Demand Charge for highest 15-minute period during the month, and volumetric Energy Charge.

These charges apply to commercial, industrial, irrigation, public buildings, churches, public and private schools, hospitals, multi-family in the **McKenzie Valley** service area with four or more living units served through one meter and their common use facilities. Service under this schedule is applicable to Customers with monthly billing Demands that do not exceed 30 kilowatts. There are approximately 120 accounts that will transition from Schedule G-1 to be served under this schedule effective later in 2026.

Schedule (G-2) Medium General Service, which includes monthly Basic Charge, two block Demand Charge for highest 15-minute period during the month, and volumetric Energy Charge.

These charges apply to commercial, industrial, irrigation, public buildings, churches, public and private schools, hospitals, multi-family with four or more living units served through one meter and their common use facilities. Service under this schedule is applicable to Customers with

monthly billing Demands that fall between 31 and 500 kilowatts. There are approximately 190 Single Phase, and 1,600 three-phase customers served under this schedule.

Schedule (G-7) McKenzie Valley Medium General Service, which includes monthly Basic Charge, two block Demand Charge for highest 15-minute period during the month, and volumetric Energy Charge.

These charges apply to commercial, industrial, irrigation, public buildings, churches, public and private schools, hospitals, multi-family with four or more living units served through one meter and their common use facilities within the **McKenzie Valley** service area. Service under this schedule is applicable to Customers with monthly billing Demands that fall between 31 and 500 kilowatts. There are approximately 30 customers that will transition from Schedule G-2 to be served under this schedule effective later in 2026.

Schedule (G-3) Large General Service, which includes monthly Basic Charge, volumetric two block Delivery Charge, two block Demand Charge for highest 15-minute period during the month, and volumetric Energy Charge.

These charges apply to commercial, industrial, irrigation, public buildings, churches, public and private schools, hospitals, multi-family with four or more living units served through one meter and their common use facilities. Service under this schedule is applicable to Customers with monthly billing Demands between 501 and 10,000 kilowatts. There are currently 13 Primary and 42 Secondary customers billed on this tariff.

Schedule (G-4) Very Large General Service, which currently includes monthly Basic Charge, two block Demand Charge for highest 15-minute period during the month, and volumetric Energy Charge.

Service under this schedule is applicable to Customers with monthly billing Demands that exceed 10,000 kilowatts or are classified as New Large Single Load (“NLSL”) by the Bonneville Power Administration (“BPA”). This schedule includes provisions to protect other customer classes from impacts of power supply and Renewable Portfolio Standard compliance.

There are currently no customers billed on this tariff, but there is one large industrial site that has the NLSL designation by the BPA.

Schedules J-3, J-4, J-5, L-3, L-4, and L-5 Customer-Owned Street Lighting and Private Lighting Service are billed on a monthly basis. The rates charged each month are differentiated based on bulb wattage.

A. Cost of Service Results

EWEB prepares organizational budgets annually and uses this information to update the COSA. The overall rate increase of 3.9% impacts on the respective customer classes differently. Revenue requirements are allocated to each customer class and can be evaluated relative to the revenue of current rates for revenue requirement increases for each customer class. The projected shortfall at present rates to the allocated revenue requirement is provided in *Table 4*.

Table 4
2026 Test Period Forecast of Electric Utility
Current and Proposed Revenue

Customer Class	Revenue at Current Rates	2026 Rev Req	Difference	% Change
Residential	130,794,000	136,543,000	5,749,000	4.4%
Small General Service	27,383,000	27,772,000	389,000	1.4%
Medium General Service	54,175,000	55,924,000	1,749,000	3.2%
Large General Service	19,200,000	19,644,000	444,000	2.3%
McKenzie Valley Residential	6,417,000	7,753,000	1,336,000	20.8%
McKenzie Valley Small General Service	466,000	533,000	67,000	14.4%
McKenzie Valley Medium General Service	367,000	400,000	33,000	9.0%
Street Lighting	1,089,000	1,151,000	62,000	5.7%
Private Lighting	112,000	103,000	-9,000	-8.0%

The cost allocation reflects the impact of higher allocation of costs to the **McKenzie Valley** service area for vegetation management and other expenses related to serving the non-urban, dispersed area not adjacent to the urban core service area.

The impact of the November BPA Power Cost Adjustment was applied to Energy Costs for all customer classes. The combined effects of both the BPA Power Cost Adjustment and the 2026 General Rate Adjustment affected each customer class in different ways. The combined effect of both rate changes tends to mitigate some of these variations. For example, the November BPA Power Cost Adjustment affected residential less than the average overall impact (as power costs are a relatively lower portion of overall bill) and the 2026 General Rate Change affected residential higher than the overall average. But the combined effect is generally at the overall average cost.

Table 5
2026 Test Period Forecast of Electric Utility
BPA Power Cost and 2026 General Rate Change Effects

Customer Class	BPA Power Cost Adjustment	2026 Rate Adjustment	Combined
Residential	2.7%	4.4%	7.1%
Small General Service	2.5%	1.4%	3.9%
Medium General Service	3.5%	3.2%	6.7%
Large General Service	4.1%	2.3%	6.4%
Street Lighting	1.9%	5.7%	7.6%
Private Lighting	1.5%	-8.0%	-6.5%
Overall	**3.4%**	**3.9%**	**7.3%**

VI. PRICE RECOMMENDATIONS

Current price proposals have been evaluated based on changes in the 2026 proposed budgets. Proposed revenue requirements for each of EWEB's major customer classes are shown in *Table 6.*

Table 6
Forecast of Electric Utility
Recommended Rate Adjustments
for 2026 Test Period

Customer Class	Price Schedule(s)	2026
Residential	R-6	4.4%
Residential – **McKenzie Valley**	R-7	20.8%
Small General Service	G-1	1.4%
Small General Service – **McKenzie Valley**	G-6	14.4%
Medium General Service	G-2	3.2%
Medium General Service – **McKenzie Valley**	G-7	9.0%
Large General Service	G-3	2.3%
Street Lighting	J-3, J-4, J-5	5.7%
Private Lighting	L-3, L-4, L-5	0.0%

Prices were developed in accordance with EWEB's price design objectives, to balance recovery based on the costs allocated to each customer class in the COSA with the principles of Gradualism.

In addition, these proposals reflect other legitimate price making objectives, such as stability of prices, equity to customers within a class and proper price signals in keeping with EWEB's costs.

The following subsections briefly describe pertinent issues for the design of charges in each published price schedule. Tables showing projected billing units, current and proposed prices, and projected revenues follow each subsection, with a summary of anticipated customer impacts.

APPENDIX B - ELECTRIC SERVICE CHARGES AND PRICES

A. Residential Service (Schedule R-6) Rate Design

Residential customers are served under EWEB's Schedule R-6, which applies to single family and smaller multi-family dwellings. This price schedule consists of a fixed monthly customer charge with delivery and energy price applied to all monthly metered consumption. Currently, roughly 88,000 residential customers are served under this schedule.

EWEB is recommending increasing the Residential Basic Charge from $30 to $38.50 per month to align with COSA. *Table 7* presents the COSA results for Residential customers for unit costs by category.

Table 7
Cost of Service Analysis Results
Residential – Schedule R-6 by Category

COSA Category	Associated Rate Element	2026 COSA
Basic Charge (fixed monthly)	**Fixed Monthly**	**$38.54**
Distribution Facilities (kwh)	**Delivery Charge**	**$0.0187**
Transmission & Reliability (kwh)	**Delivery Charge**	**$0.0212**
Energy Services (kwh)	**Energy Charge**	**$0.0063**
Energy Commodity (kwh)	**Energy Charge**	**$0.0615**

The proposed increase would change the rates as provided below. The current Basic Charge is below the COSA allocation, and the Energy Charge is higher than the COSA allocation to meet the revenue requirement. Therefore, the COSA results would align by increasing the fixed monthly charge and providing a decrease in the volumetric rates.

Table 8
Current and Proposed Prices
Residential – Schedule R-6 Proposed Prices

COSA Category	Current	Proposed
Basic Charge	**$30.00 per month**	**$38.50 per month**
Delivery Charge	**$0.0338 per kwh**	**$0.0399 per kwh**
Energy Charge	**$0.0778 per kwh**	**$0.0683 per kwh**

The recommended increase in Basic Charge is proportionally higher than the overall increase and increases fixed cost recovery from 24% to 30% of customer class revenue on a projected basis. The Basic Charge reflects costs to serve customers at any level of consumption, and

includes Customer Service-related items such as meter services, billing, customer service and collections. It also includes Distribution-related costs to connect to system, such as meters, service drop, transformers and a portion of poles, towers, fixtures, conductors, and conduit.

The Delivery Charge is directly aligned with the Transmission and Distribution ("Grid Services") cost categories. These costs and revenue are between 20 – 25% of total customer bills.

The Energy Charge is aligned with the power production cost, energy efficiency and contributions in lieu of tax, and purchased power costs. These costs represent roughly 44% of costs for the class.

The proposal represents an increase in the fixed cost recovery. The increase in the Basic Charge results in higher percentage increases for the lower usage customers. However, as usage goes up, bills go up due to the volumetric rate for consumption.

The usage ranges in *Table 9* each represents a segment of annual bills. The highlighted column reflects the relative *percentage of limited income bills* in each consumption range. The current customer care of $280 corresponds to a $23 per month decrease in customer bills.

Table 9
Eugene Water & Electric Board
Rate Design Study
Residential Service (R-6)
Bill Impact by 10 Percentile Usage Segments

% of Bills	Limited Income % of Bills	Percentile Usage Range	Current Prices	Proposed Prices	Current vs. Proposed	% Difference
20%	18%	0 - 400	$ 57.17	$ 64.85	$ 7.68	13%
30%	29%	401 - 750	92.68	99.27	6.59	7%
20%	22%	751 - 1100	131.67	137.07	5.40	4%
20%	21%	1101 - 1800	184.45	188.25	3.80	2%
10%	11%	1801 - over	314.69	314.52	(0.17)	0%

Qualitative Assessment

At the September board meeting information was requested regarding qualitative impacts of various rate design actions. *Table 10* indicates impacts to various customer segments based on distinct qualitative factors.

Table 10
Qualitative Assessment of Price Change Impacts
For Fixed, Volumetric, Demand and Time of Use Rates

	Basic Charge	Volumetric Charge	Residential Demand	Time of Use Rates
Solar PV Customers	Longer payback / reduced ROI for solar	Higher ROI / shorter payback	Longer payback / reduced ROI for solar	TBD
Low Usage	Higher rate impact	Less rate impact	Depends on usage profile; lower usage likely less load to shift.	Depends on usage profile; lower usage likely less load to shift.
Limited Income	Depends on usage	Depends on usage	Depends on usage and ability to shift peak demand.	Depends on usage and ability to shift usage
High Usage	Lower % rate impact	Higher rate impact	Depends on usage profile and ability to shift.	Depends on usage profile and ability to shift.
Average Usage	Similar to overall	Similar to overall	Similar to overall	Similar to overall
EV Owner	Lower fuel cost	Higher fuel cost	Prime example of shiftable load targeted by RDC.	Prime example of shiftable load targeted by TOU.
Electric Heating	Lower energy cost	Higher heating costs	Depends on usage profile and ability to shift.	Depends on usage profile and ability to shift.
Gas Heating (lower usage)	Higher rate impact	Less rate impact	Depends on usage profile; lower usage likely less load to shift.	Depends on usage profile; lower usage likely less load to shift.
Student Housing Rental (typically higher usage)	Better fixed cost recovery for vacancies	Higher rate impact	Depends on usage profile and ability to shift.	Depends on usage profile and ability to shift.
Apartment Rental (lower usage)	Higher rate impact	Less rate impact	Depends on usage profile; lower usage likely less load to shift.	Depends on usage profile; lower usage likely less load to shift.
Energy Savvy	Limited ability to control bills	Able to control bills through conservation; incentive for solar or natural gas; less incentive for electric vehicles.	Able to mitigate demand charges by managing and technology; reduced incentive for solar and potentially EVs.	Able to manage/mitigate consumption, facilitates EV adoption.

Recommendation based on Qualitative Assessment: The various rate design proposals impact various customer segments differently. Aligning rates/pricing with a combination of marginal (behavioral) and embedded costs meets ratemaking objectives and aligns with the 5-year rate plan and the organizational plan.

B. Residential Service McKenzie Valley Service Area (Schedule R-7) Rate Design

Residential customers located in the **McKenzie Valley** service area, which applies to single family and smaller multi-family dwellings. This price schedule consists of a fixed monthly customer charge with delivery and energy price applied to all monthly metered consumption. Currently, roughly 2,400 residential customers are served under this schedule.

EWEB is recommending an increase to the Residential Basic Charge from $30 to $39.30 per customer month. The embedded customer cost of the Basic Charge is $39.30 per customer-month.

Table 11 below summarizes the proposed **McKenzie Valley** Residential prices.

Table 11
Cost of Service Analysis Results
Residential – Schedule R-7 by Category

COSA Category	Associated Rate Element	2026 COSA
Basic Charge (fixed monthly)	**Fixed Monthly**	**$39.30**
Distribution Facilities (kwh)	**Delivery Charge**	**$0.0440**
Transmission & Reliability (kwh)	**Delivery Charge**	**$0.0226**
Energy Services (kwh)	**Energy Charge**	**$0.0055**
Energy Commodity (kwh)	**Energy Charge**	**$0.0618**

The proposed increase would change the rates, as provided in *Table 12*. The current Basic Charge is below the COSA allocation, and the Energy Charge is higher than the COSA allocation to meet the revenue requirement. Therefore, the COSA aligning proposal would increase the fixed monthly charge and provide a decrease in the volumetric rates.

Table 12
Current and Proposed Prices
Residential – Schedule R-7 Proposed Prices

COSA Category	Current	Proposed
Basic Charge	**$30.00 per month**	**$39.30 per month**
Delivery Charge	**$0.0338 per kwh**	**$0.0666 per kwh**
Energy Charge	**$0.0778 per kwh**	**$0.0658 per kwh**

The recommended Basic Charge improves fixed cost recovery includes meter services, billing, customer service and other customer specific costs.

The Delivery Charge is directly aligned with the Transmission and Distribution ("Grid Services") cost categories. These costs and revenue are between 40 – 45% of total customer bills. This reflects the higher cost for vegetation management and other costs of serving a rural service area.

The Energy Charge is aligned with the power production cost, energy efficiency, contributions in lieu of tax, and purchased power costs. These costs represent roughly 42% of costs for the class.

The proposal represents an increase in the fixed cost recovery. The usage ranges in *Table 13* each represent 10% of annual bills. The increase in the Basic Charge impacts results in higher increases for the lower usage customers. The reduced energy charges would result in a modest decrease for the average bill in the highest percentile.

Table 13
Eugene Water & Electric Board
Rate Design Study
McKenzie Valley Residential Service (R-7)
Bill Impact by 10 Percentile Usage Segments

Usage Range	kWh	Current Prices	Proposed Prices	Difference	% Difference
0 – 540	340	67.89	84.22	16.33	24%
541 – 770	662	103.92	126.97	23.05	22%
771 – 955	865	126.50	153.76	27.26	22%
956 -1125	1,040	146.11	177.03	30.92	21%
1126 – 1305	1,211	165.20	199.68	34.48	21%
1306 – 1510	1,407	187.00	225.54	38.54	21%
1511 – 1760	1,629	211.77	254.93	43.16	20%
1761 – 2105	1,919	244.19	293.40	49.21	20%
2106 – 2700	2,365	293.94	352.44	58.49	20%
2701 – over	3,825	456.89	545.78	88.88	19%

Bill impacts for the **McKenzie Valley** service area are 21% on average and range from 19 – 24% for the average impact within each quartile.

C. Small General Service (Schedule G-1)

The Small General Service schedule consists of accounts with monthly billing demands from 0 to 30 kW. Customers are assigned to this class based on an average of the three highest demands in the prior 12 months falling below 30 kW.

There are about 8,600 commercial customers presently served in the demand range for Small General Service (Schedule G-1). This price typically applies to non-residential accounts for service at secondary distribution voltages of 480 volts or less. Under the General Service schedule, EWEB provides all distribution and service facilities necessary to meet the power requirements of the customer.

Table 14 below summarizes the COSA results for Small General Service customers for unit costs by COSA category. The COSA categories are summarized and generally translate to elements of retail rate design.

Table 14
Cost of Service Analysis Results
Small General Service – Schedule G-1 by Category

COSA Category	Associated Rate Element	2026 COSA
Basic Charge (fixed monthly)	**Fixed Monthly**	**$79.44**
Distribution Facilities (kw-month)	**Demand Charge**	**$3.79**
Transmission & Reliability (kw-month)	**Demand Charge**	**$4.85**
Energy Services (kwh)	**Energy Charge**	**$0.0066**
Energy Commodity (kwh)	**Energy Charge**	**$0.0638**

The proposed increase would change the rates as provided below. The current Basic Charge is below the COSA allocation, and the Energy Charge is higher than the COSA allocation to meet the revenue requirement. Therefore, the COSA aligning proposal would increase the fixed monthly charge and provide a decrease in the volumetric rates.

The structure of the Small General Service price is similar to the Residential schedule in that both contain a basic charge and an energy charge. It varies from the Residential price structure, in that it includes a demand charge (based on the customer's peak load during the month), a flat energy charge, and a two-step delivery charge. Under the General Service price, these costs are separate price components and are additive in computing the bill.

There is an overall class increase of 1.5% for the Small General Service Schedule G-1. *Table 15* provides the current prices versus proposed prices. Slight weighting in proposed rates was placed on the basic charge as the COSA indicated a higher basic charge necessary to recover the fixed costs of the Electric System.

Table 15
Small General Service G-1
Current Prices vs Proposed Prices
(0 - 30 Monthly kW)

	Current Prices	Proposed 2026 Prices	
Basic Charge			
Single-Phase	**$45.00**	**$50.00**	**per month**
Three-Phase	**$60.00**	**$65.00**	**per month**
Demand Charge			
First 10 kW	**No Charge**	**No Charge**	**per kW**
Over 10 kW	**$8.206**	**$8.200**	**per kW**
Delivery Charge			
First 1,750 kWh	**$0.0412**	**$0.0410**	**per kWh**
Additional kWh	**$0.0015**	**$0.0015**	**per kWh**
Energy Charge			
All kWh	**$0.0838**	**$0.0836**	**per kWh**

D. Small General Service McKenzie Valley Service Area (Schedule G-6) Rate Design

The Small General Service schedule consists of accounts located in the **McKenzie Valley** service area with monthly billing demands from 0 to 30 kW. Customers are assigned to this class based on an average of the three highest demands in the prior 12 months falling below 30 kW.

There are about 120 commercial customers presently served in the demand range for Small General Service **McKenzie Valley** Service Area (Schedule G-6). This price typically applies to non-residential accounts for service at secondary distribution voltages of 480 volts or less. Under the General Service schedule, EWEB provides all distribution and service facilities necessary to meet the power requirements of the customer.

Table 16 below summarizes the COSA results for Small General Service **McKenzie Valley** service area customers for unit costs by COSA category. The COSA categories are summarized and generally translate to elements of retail rate design.

Table 16
Cost of Service Analysis Results
McKenzie Valley Service Area
Small General Service – Schedule G-6 by Category

COSA Category	Associated Rate Element	2026 COSA
Basic Charge (fixed monthly)	**Fixed Monthly**	**$86.90**
Distribution Facilities (kw-month)	**Demand Charge**	**$4.36**
Transmission & Reliability (kw-month)	**Demand Charge**	**$4.77**
Energy Services (kwh)	**Energy Charge**	**$0.055**
Energy Commodity (kwh)	**Energy Charge**	**$0.0618**

The proposed increase would change the rates as provided below. The current Basic Charge is below the COSA allocation, and the Energy Charge is higher than the COSA allocation to meet the revenue requirement. Therefore, the COSA aligning proposal would increase the fixed monthly charge and provide a decrease in the volumetric rates.

The structure of the Small General Service price is similar to the Residential schedule in that both contain a basic charge and an energy charge. It varies from the Residential price structure, in that it includes a demand charge (based on the customer's peak load during the month), a flat energy charge, and a two-step delivery charge. Under the General Service price, these costs are separate price components and are additive in computing the bill.

There is an overall class increase of 14.5% for the Small General Service **McKenzie Valley** Service Area Schedule (G-6). *Table 17* provides the current prices versus proposed prices. Slight weighting in proposed rates was placed on the basic charge as the COSA indicated a higher basic charge necessary to recover the fixed costs of the Electric System.

Table 17

Small General Service (G-6) – McKenzie Valley Service Area
Current Prices vs Proposed Prices
(0 - 30 Monthly kW)

	Current Prices	Proposed 2026 Prices	
Basic Charge			
Single-Phase	**$45.00**	**$65.00**	**per month**
Three-Phase	**$60.00**	**$80.00**	**per month**
Demand Charge			
First 10 kW	**No Charge**	**No Charge**	**per kW**
Over 10 kW	**$8.206**	**$10.00**	**per kW**
Delivery Charge			
First 1,750 kWh	**$0.0412**	**$0.0550**	**per kWh**
Additional kWh	**$0.0015**	**$0.0020**	**per kWh**
Energy Charge			
All kWh	**$0.0838**	**$0.0836**	**per kWh**

E. Medium General Service (Schedule G-2)

The Medium General Service Schedule consists of accounts with monthly billing demands between 31 and 500 kW. Customers are assigned to the class based on an average of the three highest demands in the last 12 months falling between 31 and 500 kWh.
There are approximately 1,700 commercial customers presently served in the demand range for Medium General Service (Schedule G-2). This price typically applies to non-residential accounts for service at secondary distribution voltages of 480 volts and primary voltages of up to 12.47 kilovolts. Under the General Service schedule, EWEB provides all distribution and service facilities necessary to meet the power requirements of the customer at the delivered voltage.

Similar to the Small General Service price, the proposed form of the Medium General Service price also includes a basic charge, a demand charge (based on the customer's peak load during the month), and an energy charge.

In addition to the standard or “secondary” Medium General Service price, EWEB offers an alternative price to larger qualifying customers. The Primary Service Power price is available to any commercial or industrial customer located outside the underground secondary network who:

1) receives single-point delivery at primary distribution voltages of 12.47 kV or greater,

2) is willing to contract for and pay for a minimum of 300 kilowatts of demand per month, and

3) is willing to provide, own, install and maintain all necessary transformers, cutouts, protection equipment, primary metering enclosures, and all distribution facilities beyond the point of delivery.

Table 18 below summarizes the COSA results for Medium General Service customers for unit costs by COSA category. The COSA categories are summarized and generally translate to elements of retail rate design.

Table 18
Cost of Service Analysis Results
Medium General Service – Schedule G-2 by Category

COSA Category	Associated Rate Element	2026 COSA
Basic Charge (fixed monthly)	**Fixed Monthly**	**$164.51**
Distribution Facilities (kw-month)	**Demand Charge**	**$5.79**
Transmission & Reliability (kw-month)	**Demand Charge**	**$6.69**
Energy Services (kwh)	**Energy Charge**	**$0.0055**
Energy Commodity (kwh)	**Energy Charge**	**$0.0618**

There is an overall rate increase of 3.2% to all price components for Medium General Service Schedule G-2. *Table 19* provides information on current versus proposed prices. Slight weighting in proposed rates was placed on the basic charge as the COSA indicated a higher basic charge necessary to recover the fixed costs of the Electric System.

Table 19
Medium General Service G-2
Current Prices vs Proposed Prices
(31 - 500 Monthly kW)

	Current Prices		Proposed 2026 Prices		
	Secondary	Primary	Secondary	Primary	
Basic Charge					
Single-Phase	$105.00	---	$125.00	---	per month
Three-Phase	$145.00	$2,706.10	$165.00	$2,940	per month
Demand Charge					
First 300 kW	$8.587	---	$9.50	---	per kW
Over 300 kW	$8.587	$8.372	$9.50	$9.25	per kW
Energy Charge					
All kWh	$0.0792	$0.0773	$0.0783	$0.0763	per kWh

F. Medium General Service – McKenzie Valley Service Area (Schedule G-7)

The Medium General Service Schedule consists of accounts with monthly billing demands between 31 and 500 kW. Customers are assigned to the class based on an average of the three highest demands in the last 12 months falling between 31 and 500 kW.

There are approximately 30 commercial customers presently served in the demand range for Medium General Service – **McKenzie Valley** Service Area (G-7). This price typically applies to non-residential accounts for service at secondary distribution voltages of 480 volts and primary voltages of up to 12.47 kilovolts. Under the General Service schedule, EWEB provides all distribution and service facilities necessary to meet the power requirements of the customer at the delivered voltage.

Similar to the Small General Service price, the proposed form of the Medium General Service price also includes a basic charge, a demand charge (based on the customer's peak load during the month), and an energy charge.

In addition to the standard or “secondary” Medium General Service price, EWEB offers an alternative price to larger qualifying customers. The Primary Service Power price is available to any commercial or industrial customer located outside the underground secondary network who:

1) receives single-point delivery at primary distribution voltages of 12.47 kV or greater,

2) is willing to contract for and pay for a minimum of 300 kilowatts of demand per month, and

3) is willing to provide, own, install and maintain all necessary transformers, cutouts, protection equipment, primary metering enclosures, and all distribution facilities beyond the point of delivery.

Table 20 below summarizes the COSA results for Medium General Service **McKenzie Valley** service area customers for unit costs by COSA category. The COSA categories are summarized and generally translate to elements of retail rate design.

Table 20
Cost of Service Analysis Results
Medium General Service McKenzie Valley Service Area
Schedule (G-7) by Category

COSA Category	Associated Rate Element	2026 COSA
Basic Charge (fixed monthly)	**Fixed Monthly**	**$165.25**
Distribution Facilities (kw-month)	**Demand Charge**	**$6.54**
Transmission & Reliability (kw-month)	**Demand Charge**	**$6.91**
Energy Services (kwh)	**Energy Charge**	**$0.0052**
Energy Commodity (kwh)	**Energy Charge**	**$0.0654**

There is an overall rate increase of 9.0% to all price components for Medium General Service **McKenzie Valley** Service Area Schedule (G-7). *Table 21* provides information on current versus proposed prices. Slight weighting in proposed rates was placed on the basic charge as the COSA indicated a higher basic charge necessary to recover the fixed costs of the Electric System.

Table 21
Medium General Service (G-7) McKenzie Valley Service Area
Current Prices vs Proposed Prices
(31 - 500 Monthly kW)

	Current Prices		Proposed 2026 Prices		
	Secondary	Primary	Secondary	Primary	
Basic Charge					
Single-Phase	$105.00	---	$125.00	---	per month
Three-Phase	$145.00	$2,725	$165.00	$3,540	per month
Demand Charge					
First 300 kW	$8.587	---	$11.50	---	per kW
Over 300 kW	$8.587	$8.372	$11.50	$11.25	per kW
Energy Charge					
All kWh	$0.0772	$0.0773	$0.0783	$0.0763	per kWh

G. Large General Service (Schedule G-3)

The Large General Service class consists of accounts with monthly billed demands greater than 501 kW up to 10,000 kW. Customers are assigned to the class based on an average of the three highest demands in the last 12 months falling between 501 - 10,000 kW.

There are 55 commercial, industrial, and public agency customers presently served in the demand range for Large General Service price (Schedule G-3). This price typically applies to non-residential accounts for service at secondary distribution voltages of 480 volts and primary voltages of up to 12.47 kilovolts. Under the General Service schedule, EWEB provides all distribution and service facilities necessary to meet the power requirements of the customer at the delivered voltage.

In addition to the “secondary” Large General Service price, EWEB offers an alternative commercial price to larger qualifying customers. The Primary Service Power price is available to any commercial or industrial customer located outside the underground secondary network who:

1) receives single-point delivery at primary distribution voltages of 12.47 kV or greater,

2) is willing to contract for and pay for a minimum of 300 kilowatts of demand per month, and

3) is willing to provide, own, install and maintain all necessary transformers, cutouts, protection equipment, primary metering enclosures, and all distribution facilities beyond the point of delivery.

Table 22 below summarizes the COSA results for Large General Service customers for unit costs by COSA category. The COSA categories are summarized and generally translate to elements of retail rate design.

Table 22
Cost of Service Analysis Results
Large General Service Schedule (G-3) by Category

COSA Category	Associated Rate Element	2026 COSA
Basic Charge (fixed monthly)	**Fixed Monthly**	**$491.16**
Distribution Facilities (kw-month)	**Demand Charge**	**$5.14**
Transmission & Reliability (kw-month)	**Demand Charge**	**$6.81**
Energy Services (kwh)	**Energy Charge**	**$0.0040**
Energy Commodity (kwh)	**Energy Charge**	**$0.0583**

There is an overall class increase of 2.3% to all price components for the Large General Service Schedule G-3. *Table 23* provides information on current versus proposed prices for Large General Service customers.

Table 23
Large General Service G-3
Current Prices vs Proposed Prices
(501 - 10,000 Monthly kW)

	Current Prices			Proposed 2026 Prices		
	Secondary	Primary		Secondary	Primary	
Basic Charge	**$3,423**	**$3,337**		**$4,075**	**$3,990**	**per month**
Demand Charge						
First 300 kW	**---**	**---**		**---**	**---**	**per kW**
Over 300 kW	**$10.15**	**$9.90**		**$10.25**	**$10.00**	**per kW**
Energy Charge						
All kWh	**$0.0666**	**$0.0650**		**$0.0666**	**$0.0650**	**per kWh**

H. Very Large General Service (Schedule G-4)

The Very Large General Service class consists of accounts with monthly billed demands greater than 10,000 kW, or Customers classified as New Large Single Load (NLSL) by the Bonneville Power Administration. Customers are assigned to the class based on an average of the three highest demands in the last 12 months falling over 10,000 kW.

There are no commercial, industrial, and public agency customers presently served in the demand range for Very Large General Service price (Schedule G-4). This price typically applies to non-residential accounts for service at secondary distribution voltages of 480 volts and primary voltages of up to 12.47 kilovolts. Under the General Service schedule, EWEB provides all distribution and service facilities necessary to meet the power requirements of the customer at the delivered voltage.

In addition to the “secondary” Large General Service price, EWEB offers an alternative commercial price to larger qualifying customers. The Primary Service Power price is available to any commercial or industrial customer located outside the underground secondary network who:

1) receives single-point delivery at primary distribution voltages of 12.47 kV or greater,

2) is willing to contract for and pay for a minimum of 300 kilowatts of demand per month, and
3) is willing to provide, own, install and maintain all necessary transformers, cutouts, protection equipment, primary metering enclosures, and all distribution facilities beyond the point of delivery.

The proposed rates align with cost of service for EWEB's largest customer class and include additional tariff provisions specific to large loads.

Table 24
Very Large General Service G-4
Current Prices vs Proposed Prices
(over 10,000 Monthly kW)

	Current Prices			Proposed 2026 Prices		
	Secondary	Primary		Secondary	Primary	
Basic Charge	**$2,785**	**$2,711**		**$4,075**	**$3,990**	**per month**
Demand Charge						
First 300 kW	**---**	**---**		**---**	**---**	**per kW**
Over 300 kW	**$7.35**	**$7.14**		**$10.25**	**$10.00**	**per kW**
Energy Charge						
All kWh	**$0.0672**	**$0.0672**		**$0.0666**	**$0.0650**	**per kWh**

I. Special Very Large General Service (Schedule G-5)

The Special Very Large General Service class consists of accounts with monthly billed demands greater than 10,000 kW, or Customers classified as New Large Single Load (NLSL) by the Bonneville Power Administration. Customers are assigned to the class based on an average of the three highest demands in the last 12 months falling over 10,000 kW.

There are no customers presently served in the demand range for Special Very Large General Service price (Schedule G-5). This price typically applies to non-residential accounts for service at secondary distribution voltages of 480 volts and primary voltages of up to 12.47 kilovolts. Under the General Service schedule, EWEB provides all distribution and service facilities necessary to meet the power requirements of the customer at the delivered voltage.

In addition to the "secondary" Large General Service price, EWEB offers an alternative commercial price to larger qualifying customers. The Primary Service Power price is available to any commercial or industrial customer located outside the underground secondary network who:

1) receives single-point delivery at primary distribution voltages of 12.47 kV or greater,

2) is willing to contract for and pay for a minimum of 300 kilowatts of demand per month, and

3) is willing to provide, own, install and maintain all necessary transformers, cutouts, protection equipment, primary metering enclosures, and all distribution facilities beyond the point of delivery.

The proposed rates align with cost of service for EWEB's largest customer class and include additional tariff provisions specific to large loads.

Table 25
Special Very Large General Service G-5
Current Prices vs Proposed Prices
(over 10,000 Monthly kW)

	Current Prices	Proposed 2026 Prices	
Basic Charge	**$9,576**	**$8,736.55**	**per month**
Demand Charge All kW	**$5.22**	**$5.96**	**per kW**
Energy Charge All kWh	**$0.0494**	**$0.0588**	**per kWh**

J. Customer-Owned Street Lighting (Schedule J-3, J-4, J-5)

Customer-owned street lighting service is available to government agencies, lighting districts, and water districts. Proposed street lighting prices do not include any direct costs for installation or maintenance of customer-owned fixtures. The proposed price schedules recover only costs for energy and associated costs necessary to operate the customer's lighting equipment which meets the Board's specifications. This practice is appropriate because ongoing maintenance tasks are now the responsibility of the other agencies.

There are approximately 13,000 streetlights served on the EWEB system. It is estimated that agency streetlights will consume 5.2 million kilowatt hours during 2026. This estimate is based on the wattage rating of each individual lighting fixture and the total number of night-time hours per year. The proposed agency lighting prices reflect allocated customer, demand, and energy costs by fixture type, consistent with available engineering data.

There is an overall class increase of 5.9% to all price components for the Customer-Owned Street Lighting customers schedules J-3, J-4, and J-5. *Table 26* provides information on current versus proposed prices for Customer-Owned Street Lighting.

Table 26
Street Lighting J-3, J-4, J-5
Existing Prices vs Proposed Prices

Rate Schedule	Fixture	Bulb	Current Rates	Proposed Rates
Schedule J-3	175 Watt MV	175 Watt Bulb (Mercury Vapor)	$9.05	$9.38
Schedule J-3	250 Watt MV	250 Watt Bulb (Mercury Vapor)	$11.86	$11.67
Schedule J-3	400 Watt MV	400 Watt Bulb (Mercury Vapor)	$17.13	$16.25
Schedule J-3	700 Watt MV	700 Watt Bulb (Mercury Vapor)	$27.78	$25.41
Schedule J-4	35 Watt HPS	35 Watt Bulb (High Pressure Sodium)	$4.19	$5.11
Schedule J-4	50 Watt HPS	50 Watt Bulb (High Pressure Sodium)	$4.71	$5.57
Schedule J-4	70 Watt HPS	70 Watt Bulb (High Pressure Sodium)	$5.73	$6.18
Schedule J-4	100 Watt HPS	100 Watt Bulb (High Pressure Sodium)	$6.47	$7.09
Schedule J-4	150 Watt HPS	150 Watt Bulb (High Pressure Sodium)	$8.28	$8.62
Schedule J-4	200 Watt HPS	200 Watt Bulb (High Pressure Sodium)	$10.42	$10.15
Schedule J-4	250 Watt HPS	250 Watt Bulb (High Pressure Sodium)	$12.41	$11.67
Schedule J-4	310 Watt HPS	310 Watt Bulb (High Pressure Sodium)	$14.54	$13.51
Schedule J-4	400 Watt HPS	400 Watt Bulb (High Pressure Sodium)	$17.73	$16.25
Schedule J-4	1000 Watt HPS	1000 Watt Bulb (High Pressure Sodium)	$37.55	$34.57
Schedule J-4	1000 Watt MH	1000 Watt Bulb (Metal Halide)	$37.24	$34.57
Schedule J-5	0 to 40 Watt LED	0 to 40 Watt Bulb (Light Emitting Diode)	$3.56	$4.65
Schedule J-5	41 to 80 Watt LED	41 to 80 Watt Bulb (Light Emitting Diode)	$4.19	$5.87
Schedule J-5	81 to 120 Watt LED	81 to 120 Watt Bulb (Light Emitting Diode)	$6.11	$7.09
Schedule J-5	121 to 200 Watt LED	121 to 200 Watt Bulb (Light Emitting Diode)	$7.55	$8.93
Schedule J-5	201 to 280 Watt LED	201 to 280 Watt Bulb (Light Emitting Diode)	$10.74	$11.67
Schedule J-5	281 to 360 Watt LED	281 to 360 Watt Bulb (Light Emitting Diode)	$12.82	$13.66
Schedule J-5	361+ Watt LED	361+ Watt Bulb (Light Emitting Diode)	$20.32	$16.25

APPENDIX B - ELECTRIC SERVICE CHARGES AND PRICES

K. Private Property Lighting Service (Schedule L-3, L-4, L-5)

EWEB also offers lighting service to individuals and businesses to provide overhead outdoor lighting for private property from dusk to dawn each day throughout the year. All equipment used to furnish service under this schedule is installed, owned, operated, and maintained by EWEB.

There are presently about 1,400 private security lights comprised of various lamp sizes on the EWEB system. It is estimated that these lights will consume about 373,000 kWh during the 12-month test period. In addition to collecting energy revenue, the prices presently in effect for private security lighting are designed to amortize capital costs and to provide for depreciation, funds for fixture replacement, maintenance, regular lamp washing, and lamp replacement.

Recommended charges for Private Property Lighting Service are based on the wattage rating and cost characteristics of each lamp size. Where there is a EWEB pole dedicated for private lighting, there is a $1.00 per month pole rental charge.

There is no overall class price adjustment for Private Lighting schedules L-3, L-4, and L-5 recommended.

L. Private Property Lighting Connection Charge

Street lighting services are available to government agencies, lighting districts, and water districts, as well as private customers. Currently, private customers are not charged for installation. This rate action will extend the connection pricing sheet to all Street Lighting customers. The streetlight rate schedules recover energy costs and other associated costs necessary to operate the customer's lighting equipment, which meets the Board's specifications. These connection charges are specific to each individual lighting installation.

M. Electric Customer Generation Rates

The most recent Avoided Cost update established an Avoided Cost for Eugene Solar. The 2025 Electric Price Proposal approved with Resolution No. 2423, the Renewable Net Metered Rate and the Annual Renewable Generation Rate were both updated based on the legacy methodology. However, the 2026 updated approach reflects the avoided cost.

The transition to the Avoided Cost better aligns two processes for valuing generation within the EWEB system. This creates synergy and efficiency for internal processes and better aligns retail price signals for customer owned generation with EWEB resource planning processes and metrics.

The **Renewable Net Metered Rate** is designed for customers with installed capacity less than or equal to 25kW who generate surplus renewable electricity. At the end of each monthly meter reading cycle, excess energy generated shall be credited at the Renewable Net Metered Rate. The customer retains the right to Renewable Energy Credits (RECs) if applicable.

The **Annual Renewable Generation Purchase Rate** is designed for customers with generation systems less than 200 kW, who elect to sell available energy and RECs from their system to EWEB. The rate is available to customers with new or existing distributed generation. This rate includes the same one-year energy value and scaling for transmission and distribution losses as the Renewable Net Metered, and the one-year value of RECs retained by EWEB.

Effected Schedules in the Customer Service Policy, Appendix B are **Renewable Net-Metered Rate** and **Annual Renewable Generation Purchase Rate**. The two rates are both based on Avoided Cost and the differences in the rates reflect the value of REC ownership rights. Proposed rate changes are included in the table below (*Table 27*).

The 5-year rate plan provides an opportunity to review and evaluate EWEB's existing approach to customer-owned generation. There is a current legal requirement to provide net metering up to a specific percentage of revenue. EWEB has exceeded the threshold and therefore the requirement does not apply. Additionally, there are different structures to the net metering program/rate implementation to be evaluated. Some of the considerations to be reviewed are provided below.

- Allow net metering beyond legal requirements (cap of 25 kW systems, up to % of revenue)
- Time period of netting of demand and consumption, as opposed to annual of 15 minute (NV energy just modified from monthly to 15-minute)
- Increase cap on net metering beyond 25 kW

Table 27
Distributed Generation Rates
Current Prices vs Proposed Prices

	Current Rates		Proposed 2026 Rates	
Renewable Net-Metered *(for generation less than or equal to 25kW)*				
Excess generation for CG Systems will be credited based on the following rate.				
All kWh of excess generation	**$0.0710**		**$0.0399**	**per kWh**
Annual Renewable Generation Purchase *(for generation less than 200 kW)*				
Purchased Power and RECs	**$0.0768**		**$0.0634**	**per kWh**
Purchased Power Only	**$0.0710**		**$0.0399**	**per kWh**
Behind the Meter Direction Generation Rate (for customer generation between 25 kW and 200 kW)				
Customer Charge	**35.25**		**38.50**	**Per month**
Energy Charge (*)	**-$0.0098**		**$0.0251**	**Per kWh**

(*) based on Primary Service Energy Charge of $0.0650 per kilowatt hour less $0.0399 Generation Rate.

N. Environmental Product Line Rates

EWEB provides voluntary pricing options in support of various environmental programs. This annual rate update is being transitioned from the year end rate proposal to the Spring Fee Update to better align with the historical cost approach used to calculate the rates. These rates will be presented to the Board in May and June Board meetings in the future.

Eugene Water & Electric Board
4200 Roosevelt Blvd
Eugene, Oregon 97402-6520
541-685-7000

February 2026 Water Price Proposal

Finance Department
December 2025

EUGENE WATER & ELECTRIC BOARD
2026 Water Price Proposal

Table of Contents

EXECUTIVE SUMMARY

The 2026 Water Price Proposal was developed in accordance with the proposed 2026 budget. The Cost of Service analysis, revenue requirements, and proposed price schedules by customer class are included in this document.

Overall average price change: An overall average price increase of 6.0% to generate required revenues in support of operating expenses and capital investment needs.

Cost of Service Analysis: EWEB conducts a comprehensive Cost of Service Analysis (COSA) periodically or when a major shift occurs in COSA variables. The 2026 COSA provides analysis to support the 2026 pricing for retail water service and wholesale contracts.

Price Design and Other Price Schedules: The following price design proposal is recommended to meet the Board rate making principles of Sufficiency, Affordability, Efficiency, Cost Basis, Equity, and Gradualism.

- Residential Customer Class
- General Service Customer Class
- Elevation Charges
- Wholesale Customer Class
- City of Veneta Wholesale Contract

I. INTRODUCTION

Purpose of Study

The purpose of this study is to provide background information and technical analysis in support of the Eugene Water & Electric Board (EWEB) management proposal for revised water prices. The study includes documentation of water system revenue requirements, projected system loads and sales, and unit costs for serving water customers during the 12-month period beginning January 2026. The most recent changes to water prices occurred in February 2025, with an overall average increase of 8.0%.

Establishment of Prices

EWEB is a locally regulated municipal utility operating under the authority of the Eugene City Charter and pertinent provisions of Oregon law. The responsibilities delegated to the Board pursuant to the City Charter are carried out by five elected Commissioners who serve without pay. As an independent municipal agency, the EWEB Commissioners have exclusive jurisdiction to approve annual budgets and establish prices for electric service.

Although EWEB's water prices are not subject to regulatory review by any federal or state utility commission or similar agency, the Board must comply with the requirements of applicable state and federal statutes as they pertain to the development of prices and the general conduct of utility business. Current statutes and related case law provide two general standards concerning the establishment of water prices.

The first of these rate-making standards allows EWEB to set prices at a level sufficient to recover the ongoing costs of utility operations. These costs include annual operating expenses, requirements for capital additions, interest and amortization of outstanding debts, and additions to reserves. This standard is intended to ensure the financial integrity of the utility, while defining the costs of operation that can be lawfully recovered through prices.

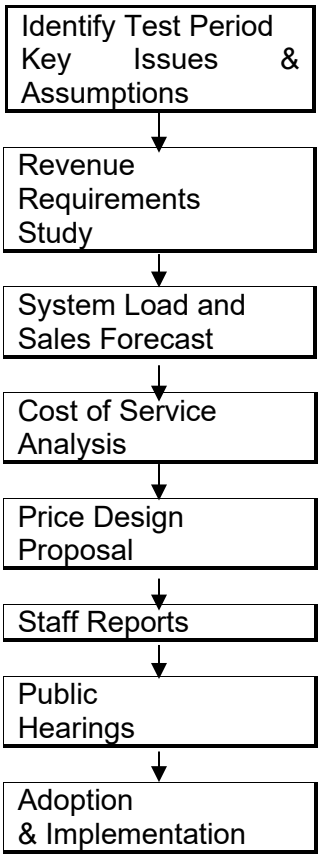
The second standard requires that prices and charges for utility service be fair and non-discriminatory. Prices are considered non-discriminatory when customers who receive similar and synchronous services under comparable circumstances are treated equally in the development and application of specific prices. This second standard protects the equity concerns of individual utility customers, based on established utility policies and practice for allocating costs among customers and customer classes.

The above standards, together with the established Board policies concerning cost allocation and price design, allow EWEB to maintain prices at the lowest possible level consistent with sound financial principles and traditional utility price making practice. They also give EWEB's elected Board of Commissioners complete authority to approve prices that are cost-based, non-discriminatory, and in concert with the needs of EWEB customers.

Price Review Process

EWEB's water prices are reviewed with each annual budget cycle to ensure they remain adequate to cover the cost of utility operations over the budget period. When budget projections or other forecasted operating conditions indicate the need for a price adjustment, EWEB staff are directed to prepare studies which determine appropriate price levels for each customer class. This formal review process involves several steps, all of which are coordinated with the EWEB Commissioners, General Manager, and management of the utility's operating departments. The process also affords an opportunity for review and comment by EWEB customers and other interested parties (see *Figure 1*).

Figure 1
Price Review Process



The first step in the price review process is a detailed examination of the projected operating expenses, capital costs, and anticipated revenues at current prices. The purpose of this effort is to confirm the overall revenue requirements that serve as a basis for development of proposed prices, the timing of the proposed price adjustment, and the period of time (or "test period") over which the new prices are expected to remain in place.

The next step is an assessment of the water system sales forecasts. These projections, consistent with historical and future growth trends in the EWEB service area, are then used to estimate system sales by price class.

Once EWEB's projected operating costs, revenue requirements, and sales forecasts have been determined, a cost-of-service study is performed. This study allocates test period costs to each of EWEB's customer classes and price schedules in accordance with the manner in which individual cost items are incurred. EWEB's COSA procedures employ standard utility industry costing methods, consistent with the policy guidelines established by the Board. The resulting unit costs are then used to inform and recommend specific revisions for EWEB's published water service schedules.

Public Notice and Hearings Schedule

EWEB's price review process is a formal, sequential procedure. The underlying objective is to ensure EWEB customers and the general public receive adequate notice and explanation of price change proposals. It also allows the Board to hear and consider public comment prior to approval and implementation of revised prices. Accordingly, EWEB Commissioners have adopted specific guidelines for public notice and hearings to run concurrent with the budget approval process. A legal notice of the public hearing is published as follows:

Publication Name	Date
Register Guard	October 6, 2025
Register Guard	November 3, 2025

Exhibit 1 contains the text used in the published legal notice.

EXHIBIT 1

BEFORE THE EUGENE WATER & ELECTRIC BOARD

In the Matter of Consideration and Adoption of Budgets, Revised Prices for EWEB Electric and Water Service

NOTICE OF PUBLIC HEARINGS AND INVITATION TO COMMENT

1. Three dates are scheduled for public hearings to seek comment regarding proposed 2026 budget approval and adjustments to EWEB water and electric prices. If approved, the proposed changes for residential, general service, and other customers of the Eugene Water & Electric Board would become effective with utility billings rendered on or after, February 1, 2026.

2. Public hearings will be held in person and virtually (details to be posted on eweb.org). Meeting dates and times:

   October 7, 2025 - 5:30 p.m.
   November 4, 2025 - 5:45 p.m.
   December 2, 2025 - 5:30 p.m.

   Background information concerning the budget and price proposals will be presented at the meeting, followed by the public hearing which will provide opportunity for public testimony and comment.

3. Specific price recommendations for each customer class may be obtained on EWEB's website: https://www.eweb.org/your-public-utility/board-of-commissioners/public-meetings or by calling EWEB's Financial Planning and Analysis Department at (541) 685-7000 or emailing budget@eweb.org. Copies of the budget document and price proposals will also be made available upon request.

4. To provide public comments by in-person or via telephone, sign up at: https://www.eweb.org/x2936.

   Written comments may be emailed to commissioners at: https://www.eweb.org/your-public-utility/board-of-commissioners/contact-eweb-commissioners.

   Written comments may also be mailed to:
   EWEB, Attn: Board of Commissioners
   4200 Roosevelt Blvd
   Eugene OR 97402.

   To ensure timely consideration, requests to speak or written comments must be received by 2:00 p.m. on December 2, 2025. Please indicate "public hearing" in your written comments or request to speak.

II. BACKGROUND INFORMATION

A. Organizational Structure

EWEB is responsible for providing electric and water service within the City of Eugene and certain outlying areas. The specific duties delegated to the Board pursuant to the Eugene City Charter are carried out by five elected Commissioners who serve without pay. The Commissioners and their respective terms of office are as follows:

	Area	Term Expires
John Barofsky, President	Wards 2 & 3	First meeting after 2028
Mindy Schlossberg, Vice President	At-Large	First Meeting After 2026
John Brown	Wards 4 & 5	First Meeting After 2026
Sonya Carlson	Wards 6 & 7	First Meeting After 2028
Tim Morris	Wards 1 & 8	First Meeting After 2028

As EWEB's primary policy and decision-making body, the individual Board members represent a broad range of professional experience and community perspectives on matters concerning local utility service. The Board meets regularly on the first Tuesday of each month. All meetings are open to the public and provide opportunities for public participation.

The executive and leadership staff, responsible for each of the major operating areas, is as follows:

Executive	Department
Frank Lawson	General Manager
Deborah Hart	Assistant General Manager, Chief Financial Officer
Julie McGaughey	Chief Customer Officer
Karen Kelley	Chief Operations Officer
Travis Knabe	Chief Information Officer
Brian Booth	Chief Energy Resource Officer
Anne Kah	Chief Administrative Officer
Diedre Williams	Chief People Officer

The utility's business priorities are reviewed annually by the Board, General Manager, and a planning group made up of the leadership staff and other key personnel. Major organizational goals, strategic issues, opportunities, and planning contingencies for the coming year are then documented in the annual EWEB Strategic Plan. The General Manager meets regularly with the executive team members, who then hold regular meetings with their department staff to ensure employee productivity and efficient operations.

B. Water System Highlights

EWEB is the largest publicly owned utility in the state of Oregon. Founded by the citizens of Eugene in 1911, EWEB has been a successful provider of essential utility services to the local community for over 100 years.

The Water System provides water to all areas within the city, two water districts, Willamette Water Company, and the City of Veneta. Water is supplied from the McKenzie River and is treated at the Hayden Bridge Filtration Plant, one of the largest treatment plants in Oregon. Water is pumped from the Hayden Bridge Filtration Plant into the distribution system through two large transmission mains. The water distribution system consists of 25 reservoirs with a combined storage capacity of 89 million gallons, 27 pump stations, and approximately 800 miles of distribution mains.

Historical customer and consumption information is presented in *Table 1*. Annual consumption varies, particularly for the residential class, based on climatological conditions. These conditions are most clearly identified and correlated with summer temperatures and rainfall.

Table 1
Customer & Thousands of Gallons Sales Statistics[1]
For the Period 2020-2024

Year	Customer Count [2]	% Change	KGAL Sales	% Change
2020	53,741	0.6%	7,261,000	-0.4%
2021	54,057	0.6%	7,956,000	9.6%
2022	54,154	0.2%	7,168,000	-9.9%
2023	54,247	0.2%	7,614,000	6.2%
2024	54,564	0.6%	7,568,000	-0.6%

[1] *Excludes Water District customers*
[2] *Historical adjusted to remove detector meters from customer count.*
NOTE: The above figures are as of the end of each year.

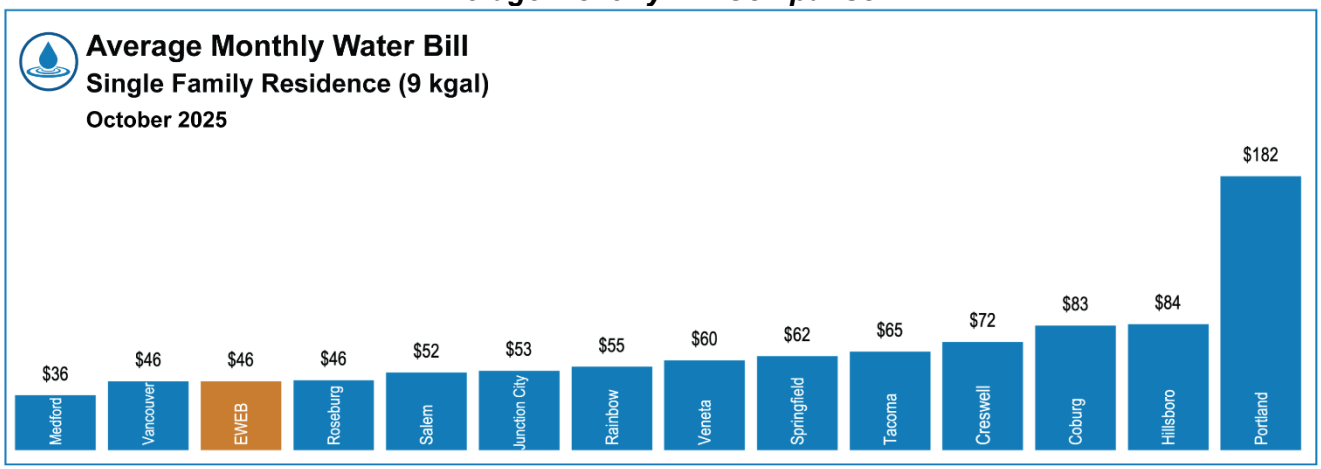
EWEB places a high value on quality service and responsiveness to the needs of customers. Because of its standards for reliability and design, water service interruptions are infrequent and limited to short duration.

C. Retail Price Comparison

A comparison of current monthly residential bills for selected Northwest water utilities is shown in *Figure 2*. Sample bills are calculated using EWEB's monthly average single family residence consumption of 9 thousand gallons.

A bill of $45.81 for EWEB in figure 2 is calculated using the current residential price. The resulting monthly average water bill based on this proposal is $48.31, an increase of $2.50 over current prices. Sample bills for the residential price proposal are shown in *Table 7*.

Figure 2
Average Monthly Bill Comparison



NOTE: Portland Water Bureau fixed monthly charge is for water, sewer and wastewater.
NOTE: does not include impact of Watershed Protection Fee

III. REVENUE REQUIREMENTS STUDY

This section contains a general description of EWEB's annual budgeting process. It includes the documentation of EWEB's 2026 proposed budget for operating and capital expenses and revenue requirements which has been designated as the test period for the current price proposal. In addition to determining the overall revenue requirement needed to sustain operation of the water utility, test period revenue requirements are a primary input to the Cost of Service analysis.

A. Preparation of Annual Budgets

At the beginning of each annual budget cycle, the utility's strategic priorities are identified by the Board and the General Manager. Major organizational goals, strategic issues, opportunities, and planning contingencies are then documented in the EWEB Strategic Plan. The Strategic Plan drives specific performance targets to address management priorities through ongoing work assignments and schedules.

Management and supervisory levels of EWEB are involved in preparation of the annual Water Utility Budget in order to place responsibility for cost control on the managers who forecast and incur the costs. If a budget deficit cannot be corrected through cost reductions or deferrals, the amount of the deficit becomes an additional revenue requirement recommended for recovery through a water price adjustment.

A draft budget with explanations on variances from prior years is discussed with the EWEB Commissioners. The Board reviews the draft budget and may suggest program adjustments and revisions. Public hearings are held to ensure customers have the opportunity to provide feedback. The Board approves a final budget in December, which then becomes the operating plan for the next budget year.

All supervisors are required to expend funds in a manner consistent with approved budget estimates. On a monthly basis, year-to-date balances are reviewed and compared to budgets to ensure that costs continue to track as expected. Quarterly financial reports and any significant deviations are brought to the attention of the Board for review in accordance with Board Policy EL-1, Financial Controls. Year-end results are routinely checked against budgets, with differences noted for potential input to the next year's budget cycle.

B. Revenue Requirements

EWEB has designated calendar year 2026 as the “test period” for the development of water system costs and revenues in this current price proposal. This corresponds with the expenditures included in the 2026 Proposed Water Budget and any known or anticipated impacts in subsequent years.

For the February 2026 price study, staff were able to incorporate the projected sales, revenues, and expenditure data from the proposed 2026 budget directly as a basis for this revenue requirement proposal. The water system costs are forecasted to be met with forecasted revenue including the current price proposal as outlined in *Table 2*.

Table 2
Water System Revenue Requirement
For 2026 Test Year

Revenues	**Current Prices**	**Revenue at Proposed Prices**	**% of Total**
Operating Revenues	$45,871,000	$48,407,000	89%
Interest and Other Income[1]	6,025,000	6,078,000	11%
Subtotal	**51,896,000**	**54,485,000**	**100%**
Expenditures			
Operating & Maintenance			
Source of Supply[2]	2,922,000	2,922,000	9%
Pumping	1,457,000	1,457,000	4%
Power for Pumping	1,349,000	1,349,000	4%
Purification	4,171,000	4,171,000	13%
Transmission & Distribution	8,524,000	8,524,000	26%
Customer Accounting	3,257,000	3,257,000	10%
Conservation	996,000	996,000	3%
Administration & General	9,732,000	9,732,000	30%
Subtotal	**32,408,000**	**32,408,000**	**60%**
Other Expenditures			
Construction & Capital	13,955,000	13,955,000	26%
Debt Service, Interest, and Amortization	7,425,000	7,425,000	14%
Balance Sheet Changes	(490,000)	(490,000)	-1%
Subtotal	**20,890,000**	**20,890,000**	**38%**
To (From) Reserves	**1,187,000**	**1,187,000**	**2%**
Impact of Delayed Implementation [3]	**150,000**		
Revenue Requirement	**54,635,000**	**54,485,000**	**100%**
Surplus / (Deficit)	**($2,739,000)**	**0**	
As a % of Rate Revenue	**-6.0%**	**0.0%**	

[1] Includes Watershed Recovery Fee Revenue, System Development Charge Revenue
[2] Includes Watershed Recovery Expenditure
[3] Reflects impact of rate implementation timing

IV. SYSTEM SALES AND REVENUE FORECAST

A. Overview of EWEB's Forecasting Process

EWEB routinely prepares both short and long-range water system sales forecasts as part of its ongoing planning activities. Annual projections of the total system water sales are prepared by the Financial Planning & Analysis (FP&A) Department. The annual forecasts employ historical sales data from EWEB records. The annual sales forecast forms the basis for revenue projections in the water cost of service analysis.

Basic growth projections for EWEB's system are developed through application of various forecasting methods, which include trending and econometric analysis. System forecasts are examined regularly and adjusted for changing local economic conditions and customer characteristics. The resulting base forecasts become a key input to water resource planning, facilities design, and preparation of annual budgets. They also become an integral part of the price development process as a basis for allocation of operating costs and design of proposed prices for each customer class. Actual consumption may vary considerably from year to year due to changes in local weather patterns, the economy and commercial activities.

EWEB's annual water sales forecast was adopted directly as the basis for estimating total system sales for the current price study. Specifically, the twelve-month period from January through December 2026 was selected for analysis, corresponding with the test period budget and revenue requirements. The remainder of this section describes how the system sales and revenue forecasts are applied to the development of retail prices and describes the results obtained for the 2026 test period.

B. Methodology and Procedures

In order to establish appropriate water prices, EWEB's annual system forecast of 95% of the last five years was used to generate a detailed projection of water sales and customer use characteristics for the upcoming price period.

Projection of budgeted customer sales relies on historical data collected by EWEB's FP&A department. Historical sales statistics are obtained from EWEB financial statements and accounting records. In addition, the FP&A department maintains a detailed record of customer billing statistics for each price classification.

Once the basic forecasting data is assembled, it is reviewed for consistency with recent historical trends, budget assumptions and conditions expected to prevail over the price test period. Such review ensures that the sales forecast used in the price design process remains consistent with projections used to prepare the EWEB revenue requirements discussed in Section III, Revenue Requirements Study.

The next step in the forecasting process is to divide the total system forecast into component parts by month and price class groupings. Historical customer sales statistics were used to calculate current class contributions to annual system sales and typical distribution of consumption for each class. These historical ratios are then applied to the initial aggregate utility forecast to produce a projection of consumption by price class.

C. 2026 Forecast Results

The results of EWEB's forecast of sales for the 2026 budget are summarized in *Table 3*.

Table 3
Water System Consumption
Customers & Sales by Price Class
2026 Price Proposal

Customer Class	Customer Counts	Water Sales in KGAL	% of Sales
Residential – Inside City[1]	48,780	3,793,900	48.6%
Residential – Outside City[1]	467	46,100	0.6%
General Service – Inside City[1]	5,188	3,150,700	40.3%
General Service – Outside City[1]	239	179,900	2.3%
Water Districts	2	526,400	6.7%
Willamette Water Company	7	30,100	0.4%
City of Veneta	1	82,900	1.1%
Private Fire Lines	N/A	N/A	0.0%
Total	**54,684**	**7,810,000**	**100.0%**

[1] Elevation number of customers and consumption are included in the above customer classes.

The above information represents an increase in EWEB customers by the end of 2026, which is a trend over the last several years and projected new service connections. Total water sales for the period are forecast at 7.8 billion gallons.

The 2026 Sales and Revenue Forecast are used as a basis for cost allocation, price design and revenue projections at current and proposed prices.

V. COST OF SERVICE ANALYSIS

This section documents the procedures used in development of a Cost of Service study.

A. Costing Methods and Procedures

EWEB's Cost of Service methodology uses standard water utility costing procedures to allocate the test period revenue requirements to each customer class. The allocated costs reflect the contribution of each price class to total system costs during the period for which prices are being developed. Study results also measure the degree of equity in prices charged to individual customer classes by testing the adequacy of revenues received relative to allocated costs of service. Through this process, the Cost of Service study apportions the test period revenue deficiency as a basis for determining appropriate price levels and percentage adjustments for each customer class.

EWEB's Cost of Service study begins with a detailed assessment of the utility's proposed operating budget and revenue requirements for the upcoming price period. The analysis relies on anticipated water system expenditures, retail sales, and projected revenues contained in the Proposed Water Utility Budget.

Once the total utility revenue requirement has been determined, individual line-item costs are grouped according to major utility functions, such as power for pumping, transmission, distribution, or customer accounting. Each line-item expense is then classified according to its contribution to system peak demands, total water consumption, or number of customers for each price class. Specific items are also identified for direct assignment when they are clearly associated with service to particular price classes.

The Cost of Service model breaks down the various demand and customer costs into sub-components to assign costs to individual price classes. Demand related costs are segregated into max day demand for each month, while basic customer costs are sub-classified as relating to either "meters and services" or "billing and collecting."

After classification and sub-classification, each cost category is distributed to one or more price classes through a detailed allocation procedure. Several related analyses are conducted to develop the many allocation factors applied in this step. For example, calculating the class contribution to peak-day demand involves full examination of all customer sales during the test period. Accordingly, the allocation step relies on the revenue projections and available sales data described in Section IV, System Sales and Revenue Forecast.

When all of the allocation factors have been developed, they are then applied to yield a segregation of total system costs assigned to different price classes. The final step is to combine the calculations in a summary table showing the total allocated costs and recommended percentage adjustments for each customer class. These results can then be represented as unit costs, which form the basis for actual price design.

B. Cost of Service Summary

The differential for Inside and Outside City for both Residential and General Service is thirty percent based on historical practice. The differential is not derived from the COSA and therefore the combined customer classes are allocated and then the differential is applied.

Revenue requirements are allocated to each customer class and can be evaluated relative to the revenue of current rates for revenue requirement increases for each customer class. *Table 4* displays the expected deficit for 2026 Test Period at present rates to the allocated revenue requirement.

Table 4
Cost of Service Results
for 2026 Test Period

Customer Class	Price Schedule(s)	2026
Residential[1]	R-1, R-2	5.1%
General Service[1]	G-1, G-2	6.7%
Water Districts	4	8.2%
Willamette Water District	5	-6.6%
City of Veneta	6	4.5%
Elevation[2]	N/A	11.3%

[1] *Includes both Inside and Outside City*
[2] *Average of Levels 1, 2, and 3*

VI. PRICE RECOMMENDATIONS

Updates to economic assumptions and the capital plan required a refresh to 2026 results. Staff recommend the revenue requirement be allocated in accordance with *Table 5, which is based on the COSA results.*

Table 5
Recommended Adjustments for 2026 Test Period

Customer Class	Price Schedule(s)	2026
Residential[1]	R-1, R-2	5.1%
General Service[1]	G-1, G-2	6.7%
Water Districts	4	8.2%
Willamette Water District	5	0.0%
City of Veneta	6	4.5%
Elevation[2]	N/A	11.3%

[1] *Includes both Inside and Outside City*
[2] *Average of Levels 1, 2, and 3*

Prices were developed in accordance with EWEB's rate design strategies and principles and set to balance recovery (sufficiency) for each class based on its cost of service. In addition, these proposals reflect other rate making objectives such as price stability and equity to customers within each class. EWEB water rates include both fixed and variable cost components:

- Fixed water rates differ by capacity needed to serve the respective customers. The meter sizes range from smaller than 1-inch to 10-inches for some General Service customers. American Water Works Association (AWWA) provides standards on meter weighting that are incorporated into the COSA for cost allocation and in rate design
- Variable water rates include block tiers for residential customers. The inclining block tiers represent a conservation price signal by charging higher unit costs for higher levels of consumption. This provides conservation price signals and allows lower cost for basic usage for essential needs

The recommendation maintains the thirty percent inside and outside city price differential and continues the ratio of fifty percent fixed and fifty percent variable cost recovery for the combined Residential and General Service customer classes.

A. Residential Service – Schedules R-1 and R-2

Residential customers are served under Schedule R-1, which applies to single family and smaller multi-family dwellings inside the City of Eugene. The price schedule consists of a fixed monthly basic charge depending on meter size and a 3-tiered usage price applied to all monthly metered consumption. Residential customers outside the City of Eugene are served under Schedule R-2, which includes a 30% price differential from R-1.

The price increase for residential customers is illustrated in *Table 6.*

Table 6
Residential Service Within City Limits, SCHEDULE R-1
Existing vs. Proposed Prices

	Existing Price	Proposed Price	
Basic Charge			
< 1"	$25.00	$26.00	per month
1"	$36.39	$39.67	per month
1 - 1/2"	$61.37	$71.06	per month
2"	$106.04	$119.75	per month
3"	$225.30	$249.45	per month
Volume Charge			
First 8 kgal	$1.820	$1.985	per kgal
Next 22 kgal	$3.250	$3.425	per kgal
Over 30 kgal	$5.265	$5.549	per kgal

Table 7

EUGENE WATER & ELECTRIC BOARD

Price and Monthly Bill Comparison[1]

Residential Water Service Inside City Limits
SCHEDULE R-1

< 1" Service

Monthly Usage Level (KGAL)	Monthly Bill at Present Prices	Monthly Bill at Proposed Prices	Percent Difference
0	$28.00	$29.00	3.6%
1	$29.82	$30.99	3.9%
2	$31.64	$32.97	4.2%
3	$33.46	$34.96	4.5%
4	$35.28	$36.94	4.7%
5	$37.10	$38.93	4.9%
6	$38.92	$40.91	5.1%
7	$40.74	$42.90	5.3%
8	$42.56	$44.88	5.5%
9	$45.81	$48.31	5.4%
10	$49.06	$51.73	5.4%
15	$65.31	$68.86	5.4%
20	$81.56	$85.98	5.4%
25	$97.81	$103.11	5.4%
30	$114.06	$120.23	5.4%
35	$140.39	$147.97	5.4%
40	$166.71	$175.72	5.4%
45	$193.04	$203.46	5.4%
50	$219.36	$231.20	5.4%

[1] Includes Watershed Recovery Fee

Residential customers outside the City of Eugene are served under Schedule R-2, which includes a thirty percent price differential from R-1. *Table 8* provides information on price and monthly bill comparison using current and proposed prices for a residential customer within the City of Eugene. *Table 9* provides information on the calculation of revenues at current and proposed prices for residential customers outside City limits.

Table 8
Residential Service Outside City Limits, SCHEDULE R-2
Existing vs. Proposed Prices

	Existing Price	Proposed Price	
Basic Charge			
< 1"	$32.50	$33.80	per month
1"	$47.30	$51.58	per month
1 - 1/2"	$79.78	$92.37	per month
2"	$137.85	$155.67	per month
3"	$292.89	$324.28	per month
Volume Charge			
First 8 kgal	$2.366	$2.581	per kgal
Next 22 kgal	$4.225	$4.453	per kgal
Over 30 kgal	$6.845	$7.213	per kgal

Table 9

Price and Monthly Bill Comparison[1]
Residential Water Service Outside City Limits
SCHEDULE R-2

< 1" Service			
Monthly Usage Level (KGAL)	Monthly Bill at Present Prices	Monthly Bill at Proposed Prices	Percent Difference
0	$35.50	$36.80	3.7%
1	$37.87	$39.38	4.0%
2	$40.23	$41.96	4.3%
3	$42.60	$44.54	4.6%
4	$44.96	$47.12	4.8%
5	$47.33	$49.70	5.0%
6	$49.70	$52.28	5.2%
7	$52.06	$54.86	5.4%
8	$51.43	$54.44	5.9%
9	$55.65	$58.90	5.8%
10	$59.88	$63.35	5.8%
15	$81.00	$85.61	5.7%
20	$102.13	$107.87	5.6%
25	$123.25	$130.14	5.6%
30	$144.38	$152.40	5.6%
35	$178.60	$188.46	5.5%
40	$212.83	$224.53	5.5%
45	$247.05	$260.59	5.5%
50	$281.28	$296.66	5.5%

[1] Includes Watershed Recovery Fee

B. General Service Inside City Limits (Schedule G-1)

EWEB's commercial and industrial customers inside the City of Eugene are presently served at the General Service price Schedule G-1. This price also applies to larger multi-family residential accounts. Under the General Service schedule, EWEB provides all distribution and service facilities necessary to meet the water requirements of the customer.

Table 10 provides information on existing and proposed prices.
Table 11 provides information on monthly bill comparisons at existing and proposed prices.

Table 10

General Service Water Service Inside City Limits, SCHEDULE G-1
Existing vs. Proposed Prices

	Existing Price	**Proposed Price**	
BASIC CHARGE			
< 1"	$30.00	$31.00	per month
1"	$43.67	$47.31	per month
1 - 1/2"	$73.63	$84.71	per month
2"	$127.23	$142.76	per month
3"	$275.93	$301.59	per month
4"	$457.78	$490.64	per month
6"	$763.12	$872.37	per month
8"	$1,143.43	$1,336.68	per month
10"	$1,648.33	$1,952.94	per month
VOLUME CHARGE			
All KGAL (1,000 gallons)	$3.549	$3.770	per kgal

Table 11
EUGENE WATER & ELECTRIC BOARD
Price and Monthly Bill Comparison[1]
GENERAL SERVICE INSIDE CITY LIMITS
SCHEDULE G-1

Monthly Usage Level (KGAL)	< 1" SERVICE			1" SERVICE			2" SERVICE			4" SERVICE			6" SERVICE		
	Monthly Bill at Present Prices	Monthly Bill at Proposed Prices	Percent Difference	Monthly Bill at Present Prices	Monthly Bill at Proposed Prices	Percent Difference	Monthly Bill at Present Prices	Monthly Bill at Proposed Prices	Percent Difference	Monthly Bill at Present Prices	Monthly Bill at Proposed Prices	Percent Difference	Monthly Bill at Present Prices	Monthly Bill at Proposed Prices	Percent Difference
0	$33.00	$34.00	3.0%												
5	$50.75	$52.85	4.1%												
10	$68.49	$71.70	4.7%	$82.16	$88.01	7.1%									
15	$86.24	$90.55	5.0%	$99.91	$106.86	7.0%									
20	$103.98	$109.40	5.2%	$117.65	$125.71	6.8%	$202.71	$222.66	9.8%						
25	$121.73	$128.25	5.4%	$135.40	$144.56	6.8%	$220.46	$241.51	9.6%						
30	$139.47	$147.10	5.5%	$153.14	$163.41	6.7%	$238.20	$260.36	9.3%						
40	$174.96	$184.80	5.6%	$188.63	$201.11	6.6%	$273.69	$298.06	8.9%						
50	$210.45	$222.50	5.7%	$224.12	$238.81	6.6%	$309.18	$335.76	8.6%	$647.23	$691.14	6.8%			
75				$312.85	$333.06	6.5%	$397.91	$430.01	8.1%	$735.96	$785.39	6.7%			
100				$401.57	$427.31	6.4%	$486.63	$524.26	7.7%	$824.68	$879.64	6.7%	$1,136.02	$1,267.37	11.6%
200				$756.47	$804.31	6.3%	$841.53	$901.26	7.1%	$1,179.58	$1,256.64	6.5%	$1,490.92	$1,644.37	10.3%
250				$933.92	$992.81	6.3%	$1,018.98	$1,089.76	6.9%	$1,357.03	$1,445.14	6.5%	$1,668.37	$1,832.87	9.9%
500							$1,906.23	$2,032.26	6.6%	$2,244.28	$2,387.64	6.4%	$2,555.62	$2,775.37	8.6%
750										$3,131.53	$3,330.14	6.3%	$3,442.87	$3,717.87	8.0%
1,000										$4,018.78	$4,272.64	6.3%	$4,330.12	$4,660.37	7.6%
1,500													$6,104.62	$6,545.37	7.2%
2,000													$7,879.12	$8,430.37	7.0%
2,500													$9,653.62	$10,315.37	6.9%

[1] Includes Watershed Recovery Fee

C. General Service Outside City Limits (Schedule G-2)

EWEB also offers a General Service water price for customers located outside the Eugene city limits. The schedule applies to commercial and industrial customers alike, as their total number is comparatively few.

The price structure of this schedule is identical to General Service (Schedule G-1). The only distinction is a differential in the prices themselves. EWEB and other water utilities typically charge a higher price to retail customers outside the city boundary in recognition of cost differences for serving non-municipal customers. Price schedule G-2 includes a 30% price differential from price schedule G-1.

Table 12 provides information on existing and proposed prices.
Table 13 provides information on monthly bill comparisons at existing and proposed prices.

Table 12
General Service Water Service Outside City Limits, SCHEDULE G-2
Existing vs. Proposed Prices

	Existing Price	Proposed Price	
BASIC CHARGE			
< 1"	$39.00	$40.30	per month
1"	$56.78	$61.50	per month
1 - 1/2"	$95.72	$110.12	per month
2"	$165.40	$185.59	per month
3"	$358.71	$392.07	per month
4"	$595.12	$637.84	per month
6"	$992.05	$1,134.08	per month
8"	$1,486.45	$1,737.68	per month
VOLUME CHARGE			
All KGAL (1,000 gallons)	$4.610	$4.90	per kgal

Table 13

EUGENE WATER & ELECTRIC BOARD
Price and Monthly Bill Comparison[1]
GENERAL SERVICE OUTSIDE CITY LIMITS

SCHEDULE G-2

	< 1" SERVICE			**1" SERVICE**			**2" SERVICE**			**4" SERVICE**			**6" SERVICE**		
Monthly Usage Level (KGAL)	Monthly Bill at Present Prices	Monthly Bill at Proposed Prices	Percent Diff.	Monthly Bill at Present Prices	Monthly Bill at Proposed Prices	Percent Diff.	Monthly Bill at Present Prices	Monthly Bill at Proposed Prices	Percent Diff.	Monthly Bill at Present Prices	Monthly Bill at Proposed Prices	Percent Diff.	Monthly Bill at Present Prices	Monthly Bill at Proposed Prices	Percent Diff.
0	$42.00	$43.30	3.1%												
5	$65.07	$67.81	4.2%												
10	$88.14	$92.31	4.7%	$105.92	$113.51	7.2%									
15	$111.21	$116.82	5.0%	$128.99	$138.01	7.0%									
20	$134.28	$141.32	5.2%	$152.06	$162.52	6.9%	$263.68	$289.61	9.8%						
25	$157.35	$165.83	5.4%	$175.13	$187.02	6.8%	$286.75	$314.12	9.5%						
30	$180.42	$190.33	5.5%	$198.20	$211.53	6.7%	$309.82	$338.62	9.3%						
40	$226.56	$239.34	5.6%	$244.34	$260.54	6.6%	$355.96	$387.63	8.9%						
50	$272.70	$288.35	5.7%	$290.48	$309.55	6.6%	$402.10	$436.64	8.6%	$837.82	$894.89	6.8%			
75				$405.83	$432.07	6.5%	$517.45	$559.17	8.1%	$953.17	$1,017.41	6.7%			
100				$521.18	$554.60	6.4%	$632.80	$681.69	7.7%	$1,068.52	$1,139.94	6.7%	$1,471.45	$1,642.18	11.6%
200				$982.58	$1,044.70	6.3%	$1,094.20	$1,171.79	7.1%	$1,529.92	$1,630.04	6.5%	$1,932.85	$2,132.28	10.3%
250				$1,213.28	$1,289.75	6.3%	$1,324.90	$1,416.84	6.9%	$1,760.62	$1,875.09	6.5%	$2,163.55	$2,377.33	9.9%
500							$2,478.40	$2,642.09	6.6%	$2,914.12	$3,100.34	6.4%	$3,317.05	$3,602.58	8.6%
750										$4,067.62	$4,325.59	6.3%	$4,470.55	$4,827.83	8.0%
1,000										$5,221.12	$5,550.84	6.3%	$5,624.05	$6,053.08	7.6%
1,500													$7,931.05	$8,503.58	7.2%
2,000													$10,238.05	$10,954.08	7.0%
2,500													$12,545.05	$13,404.58	6.9%

[1] Includes Watershed Recovery Fee

D. Elevation Charges

The elevation charges have been updated to reflect cost of serving at the respective elevation levels. This increase affects all customers equally whether residential, general service, inside or outside City limits. *Table 14 and Table 15* reflect the fixed monthly charges and the volumetric charges associated with service the respective elevation levels.

Table 14
Elevation Meter Charges
Existing and Proposed Charges

Pumping level	Existing Charge	Proposed Charge
Level 1	$4.43	$4.93
Level 2	$7.69	$8.56
Level 3	$14.14	$15.74

Table 15
Elevation Consumption Charges
Existing and Proposed Charges

Pumping level	Existing Charge	Proposed Charge
Level 1	$0.368	$0.410
Level 2	$0.846	$0.942
Level 3	$1.555	$1.731

E. Sale of Surplus Water (Schedule 6)

EWEB provides firm surplus wholesale water to Santa Clara and River Road Water Districts and Willamette Water Company and surplus wholesale water to the City of Veneta. Each district has two contractual agreements with EWEB, one is for the service to be provided by EWEB and a second is for the supply of firm surplus water. Prices include a basic and a volume charge.

Price changes for Santa Clara and River Road Water Districts recommended per the results of the COSA.

Table 16
Service to Santa Clara and River Road Water Districts, Schedule 4
Existing vs. Proposed Prices

		Existing Price	Proposed Price
BASIC CHARGE		$4,455.65	$4,821.01
VOLUME CHARGE			
Jan-June	All KGAL	$3.820	$3.820
July - Dec	All KGAL[1]	$3.820	$4.133

[1] July 1, 2026 effective date

The proposed increase for Veneta is driven by increased overall costs, particularly customer allocated costs, such as meters and meter reading. *Table 17* provides information on existing and proposed prices for the City of Veneta.

Table 17
City of Veneta, SCHEDULE 6
Existing vs. Proposed Prices

	Existing Price	Proposed Price
BASIC CHARGE	$1,371.82	$1,440.41
VOLUME CHARGE		
All KGAL (1,000 gallons)	$1.734	$1.821

F. Private Fire Lines

Private fire lines are separate attachments or services to the system for the provision of sufficient water capacity to meet fire requirements. The services are typically larger than the customer's normal domestic line but conduct water for emergency use only. Fire protection lines are usually a requirement of the municipal fire chief and/or insurance companies. Since there is no routine water consumption for a private fire line, the only charge for the service is a flat price per month, based on the per-inch diameter of the pipe.

In this proposal, management recommends a 6% change to fire line prices. Prices for fire lines are contained within the Customer Service Policy & Procedures for General Service Inside (Schedule G-1) and Outside City (Schedule G-2). *Table 18* provides information on existing and proposed prices.

Table 18
Private Fire Lines
Existing vs. Proposed Charges

Line Size	Existing Inside City	Proposed Inside City	Existing Outside City	Proposed Outside City
1"	$56.11	$59.48	$71.52	$75.81
1 - 1/2"	$56.11	$59.48	$71.52	$75.81
2"	$56.11	$59.48	$71.52	$75.81
3"	$56.11	$59.48	$71.52	$75.81
4"	$56.11	$59.48	$71.52	$75.81
6"	$84.17	$89.22	$107.27	$113.71
8"	$112.23	$118.96	$143.03	$151.61
10"	$140.29	$148.70	$178.79	$189.52
12"	$168.34	$178.44	$214.55	$227.42
16"	$224.46	$237.92	$286.06	$303.23

APPENDIX B - ELECTRIC SERVICE CHARGES AND PRICES

A. Residential Service - Schedule R-6

1. Applicable

To underground or overhead Electric Service for separately metered single-family residences, duplexes, triplexes, quads, townhouses, multifamily structures with less than four Living Units, and mobile homes, except as may be otherwise specified by prior contract. Boarding, lodging, rooming houses or group care facilities shall also be considered Residential Services if not more than five private sleeping rooms are used by other than members of the Customer's family.

When a major portion of a dwelling is regularly used for the conduct of business, the Customer may separate the wiring so that the residential portion may be metered separately and billed on the Residential Schedule, otherwise the entire dwelling shall be billed on a General Service Schedule.

Price Schedules apply to the sale of electrical energy for the sole and exclusive use of the Customer. The Customer shall not resell electrical energy supplied by EWEB.

2. Character of Service

Single-phase, 60-cycle, nominal 120, 208Y/120 or 240/120 volts, subject to voltage classification available and compatibility with geographic area.

3. Monthly Price
(Resolution No. 2423 – See Revision History)

Basic Charge .....$38.500.00 per month

Delivery Charge (all usage):..... $0.039938 per kWh

Energy Charge:
All Kilowatt-Hours .....$0.0683778 per kWh

4. Minimum Charge

The minimum charge per month shall be the applicable basic charge

5. Power Cost Recovery Adjustment

At the discretion of the Board, the prices may be adjusted for 12 months to reflect the variance between budgeted and actual power cost for the previous calendar year. The adjustment is determined by dividing the amount to be rebated or recovered by the

projected annual Kilowatt-Hour sales in that calendar year, and then decreasing or increasing the energy or power component of the price accordingly.

6. BPA Power Cost Adjustment

Electric prices may be automatically adjusted for up to 12 months to reflect a future variance in projected power costs due to changes in Bonneville Power Administration (BPA) wholesale prices. The adjustment is determined by dividing the amount to be rebated or recovered by the projected Kilowatt-Hour sales for the appropriate period and then decreasing or increasing the energy or power component of the price accordingly.

7. Special Provisions

Individual single-phase motors larger than 7.5 horsepower may be connected only with the written permission of EWEB.

8. General Terms and Conditions

Service under this schedule is subject to the policies and procedures of EWEB.

B. Small General Service - Schedule G-1
(For Service up to 30 kW)

1. Applicable

To commercial, industrial, commercial irrigation uses, public buildings, churches, public and private schools, public and private hospitals, multifamily structures with four or more Living Units served through one Meter, and their Common Use Facilities. This General Service schedule also applies to rooming, lodging, boarding houses, or group care facilities where more than five private sleeping rooms are used for persons not members of the Customer's immediate family. Service under this schedule is available to Customers with monthly billing Demands that do not exceed 30 Kilowatts. Service is applicable to Customers with the average of the three highest monthly kW Demands in the prior 12-month period not exceeding 30 Kilowatts.

When a major portion of a dwelling is regularly used for the conduct of business, the Customer may separate the wiring so that the residential portion may be metered separately and billed on the Residential schedule, otherwise the entire dwelling shall be billed on the General Service schedule.

All of the Customer's lighting, heating and power requirements shall be served through a single Meter at one Point of Delivery and one Secondary Voltage classification.

Service shall be supplied only at the phases and voltages as EWEB may have available. The Customer's Load characteristics must be acceptable to EWEB.

Price Schedules apply to the sale of electrical energy for the sole and exclusive use of the Customer. The Customer shall not resell electrical energy supplied by EWEB.

2. Monthly Price
(Resolution No. 2423 – See Revision History)

Basic Charge:

Single-phase Service	$450.00	per month
Three-phase Service	$650.00	per month

Demand Charge:

First 10 kW		No Charge
All Additional kW	$8.2006	per kW

Delivery Charge:

First 1,750 kWh	$0.04102	per kWh
All Additional kWh	$0.0015	per kWh

Energy Charge:

All Kilowatt-Hours	$0.08368	per kWh

3. Minimum Charge

The minimum charge per month shall be the applicable basic charge.

4. Power Cost Recovery Adjustment

At the discretion of the Board, the prices may be adjusted for 12 months to reflect the variance between budgeted and actual power cost for the previous calendar year. The adjustment is determined by dividing the amount to be rebated or recovered by the projected annual Kilowatt-Hour sales in that calendar year, and then decreasing or increasing the energy or power component of the price accordingly.

5. BPA Power Cost Recovery Adjustment

Electric prices may be automatically adjusted for up to 12 months to reflect a future variance in projected power costs due to changes in Bonneville Power Administration (BPA) wholesale prices. The adjustment is determined by dividing the amount to be rebated or recovered by the projected Kilowatt-Hour sales for the appropriate period and then decreasing or increasing the energy or power component of the price accordingly.

6. Demand

The Demand shall be the maximum active energy used by the Customer for any 15-minute period during the month, which is calculated as an average Kilowatt by a suitable Demand Meter.

7. General Terms and Conditions

Service under this schedule is subject to the policies and procedures of EWEB.

C. Medium General Service - Schedule G-2 (For Service from 31 kW to 500 kW)

1. Applicable

To Electric Service for commercial, industrial, and public agency Customers with monthly billing Demands from 31 to 500 Kilowatts. Service is applicable to Customers with the average of the three highest monthly kW Demands in the prior 12-month period falling between 31 and 500 Kilowatts.

All Customer's Load shall be served through a single Meter at one Point of Delivery and one Voltage classification. Service shall be supplied only at the phases and voltages as EWEB may have available. The Customer's Load characteristics must be acceptable to EWEB.

Primary Service may be available for Customers who contract for 300 Kilowatts or more at one Point of Delivery at approximately 12,470 volts. It is not available to Customers inside the underground Secondary Network. All Primary Service shall be three-phase, 60-cycle, at 12,470 volts or higher at the option of EWEB. Secondary Service applies to Customers served below 600 volts.

Price Schedules apply to the sale of electrical energy for the sole and exclusive use of the Customer. The Customer shall not resell electrical energy supplied by EWEB.

2. Monthly Price
(Resolution No. 2423 – See Revision History)

	Secondary Service	Primary Service	
Basic Charge:			
Single-phase Service	$10~~0~~25.00	No charge	per month
Three-phase Service	$14~~6~~65.00	$2,940~~706~~	per month

Demand Charge:

First 300 kW of Demand..... $~~8.587~~9.50 No charge per kW
Over 300 kW of Demand..... $~~8.587~~9.50 $~~8.372~~9.25 per kW

Energy Charge:

All Kilowatt-Hours .....$0.07~~83~~92 $0.07~~6~~7~~3~~ per kWh

3. Minimum Charge

The minimum charge shall be the applicable basic charge.

4. Power Cost Recovery Adjustment

At the discretion of the Board, the prices may be adjusted for 12 months to reflect the variance between budgeted and actual power cost for the previous calendar year. The adjustment is determined by dividing the amount to be rebated or recovered by the projected annual Kilowatt-Hour sales in that calendar year, and then decreasing or increasing the energy or power component of the price accordingly.

5. BPA Power Cost Recovery Adjustment

Electric prices may be automatically adjusted for up to 12 months to reflect a future variance in projected power costs due to changes in Bonneville Power Administration (BPA) wholesale prices. The adjustment is determined by dividing the amount to be rebated or recovered by the projected Kilowatt-Hour sales for the appropriate period and then decreasing or increasing the energy or power component of the price accordingly.

6. Demand

The Demand shall be the maximum active energy used by the Customer for any 15-minute period during the month, which is calculated as an average Kilowatt by a suitable Demand Meter.

7. Special Provisions – Primary Service

The Customer shall provide, own, install and maintain all necessary transformers, cutouts, protection equipment, concrete slab or vault, primary metering enclosure, and all distribution equipment beyond the Point of Delivery. EWEB will furnish and install all distribution Facilities to the Point of Delivery and the primary potential and current transformers.

For Primary Service under this Price Schedule, transformer losses will be borne by the Customer and will be measured or calculated at the option of EWEB.

8. General Terms and Conditions

Service under this schedule is subject to the policies and procedures of EWEB.

D. Large General Service - Schedule G-3
(For Service from 501 kW to 10,000 kW)

1. Applicable

To Electric Service for large commercial, industrial, and public agency Customers with monthly billing Demands from 501 to 10,000 Kilowatts. Service is applicable to Customers with the average of the three highest monthly kW Demands in the prior 12-month period falling between 501 and 10,000 Kilowatts.

All Customer's Load shall be served through a single Meter at one Point of Delivery and one Voltage classification. Service shall be supplied only at the phases and voltages as EWEB may have available. The Customer's Load characteristics must be acceptable to EWEB.

Primary Service is available for Customers who contract for 300 Kilowatts or more at one Point of Delivery at approximately 12,470 volts. It is not available to Customers inside the underground Secondary Network. All Primary Service shall be three-phase, 60-cycle, at 12,470 volts or higher at the option of EWEB. Secondary Service applies to Customers served below 600 volts.

Price Schedules apply to the sale of electrical energy for the sole and exclusive use of the Customer. The Customer shall not resell electrical energy supplied by EWEB.

2. Monthly Price
(Resolution No. 2423 – See Revision History)

	Secondary Service	Primary Service	
Basic Charge:	$~~3,423~~4,075	$3,990~~337~~	per month
Demand Charge:			
First 300 kW of Demand	No charge	No charge	
Over 300 kW of Demand	$10.~~12~~5	$~~9.90~~10.00	per kW
Energy Charge:			

All Kilowatt-Hours .....$0.0666 $0.0650 per kWh

3. Minimum Charge

The minimum charge shall be the applicable basic charge.

4. Power Cost Recovery Adjustment

At the discretion of the Board, the prices may be adjusted for 12 months to reflect the variance between budgeted and actual power cost for the previous calendar year. The adjustment is determined by dividing the amount to be rebated or recovered by the projected annual Kilowatt-Hour sales in that calendar year, and then decreasing or increasing the energy or power component of the price accordingly.

5. BPA Power Cost Recovery Adjustment

Electric prices may be automatically adjusted for up to 12 months to reflect a future variance in projected power costs due to changes in Bonneville Power Administration (BPA) wholesale prices. The adjustment is determined by dividing the amount to be rebated or recovered by the projected Kilowatt-Hour sales for the appropriate period and then decreasing or increasing the energy or power component of the price accordingly.

6. Demand

The Demand shall be the maximum active energy used by the Customer for any 15-minute period during the month, which is calculated as an average Kilowatt by a suitable Demand Meter.

7. Special Provisions – Primary Service

a. The Customer shall provide, own, install and maintain all necessary transformers, cutouts, protection equipment, concrete slab or vault, primary metering enclosure, and all distribution equipment beyond the Point of Delivery. EWEB will furnish and install all distribution Facilities to the Point of Delivery and the primary potential and current transformers.

b. For Primary Service under this Price Schedule, transformer losses will be borne by the Customer and will be measured or calculated at the option of EWEB.

c. Service to eligible Loads will be provided under the Large General Service Price Schedule G-3 or by separate power service contracts at the discretion of the General Manager.

8. General Terms and Conditions

Service under this schedule is subject to the policies and procedures of EWEB.

E. Very Large General Service – Schedule G-4 (For Service over 10,000 kW)

1. Applicable

To Electric Service for large commercial, industrial, and public agency Customers with monthly billing Demands over 10,000 Kilowatts, or Customers classified as New Large Single Load ("NLSL") by the Bonneville Power Administration ("BPA"). Service is applicable to NLSL Customers or Customers with the average of the three highest monthly kW Demands in the prior 12-month period exceeding 10,000 Kilowatts.

All Customer's Load shall be served through a single Meter at one Point of Delivery and one Voltage classification. Service shall be supplied only at the phases and voltages as EWEB may have available. The Customer's Load characteristics must be acceptable to EWEB.

Primary Service is available for Customers who contract for 300 Kilowatts or more at one Point of Delivery at approximately 12,470 volts. It is not available to Customers inside the underground Secondary Network. All Primary Service shall be three-phase, 60-cycle, at 12,470 volts or higher at the option of EWEB. Secondary Service applies to Customers served below 600 volts.

Price Schedules apply to the sale of electrical energy for the sole and exclusive use of the Customer. The Customer shall not resell electrical energy supplied by EWEB.

2. Provisions

a. Service to new Loads will be provided under the Very Large General Service Price Schedule G-4 or by separate power service contracts.

b. EWEB will, to the extent necessary, secure wholesale power and transmission service to serve the Loads.

c. Loads defined as NLSL are not eligible to receive preference power for service to such NLSL. Prior to entering into a contract for service EWEB will discuss power supply options with the NLSL. All other fees and the minimum charge detailed below are applicable to NLSL's.

d. Based on their size, NLSL may incur non-traditional costs of service, such as Renewable Portfolio Standard ("RPS") compliance. The NLSL will bear the cost of compliance with the applicable RPS resulting from the addition of the NLSL.

e. For NLSL Customers, the Energy and Demand price will be calculated as necessary and is dependent on the forecast monthly energy and peak Demand forecast for the Customer and EWEB's cost of service including the power and Demand to meet the NLSL Load.

f. For NLSL Customers, an Energy and/or Demand Power Cost Adjustment ("PCA") may apply. An Energy or Demand PCA may be calculated at any time. A PCA will be calculated if the power purchased to serve the NLSL differs materially, or if the actual Load differs materially from forecast.

g. A Facilities charge will be applicable to NLSL Customers and will be calculated as necessary.

h. All fees imposed by any governmental agency will be passed through to the NLSL Customer.

3. Monthly Price
(Resolution No. 2119 – See Revision History)

	Secondary Service	Primary Service	
Basic Charge:	~~$2,785~~4,075	~~$2,711~~3,990	per month
Demand Charge:			
First 300 kW of Demand	No charge	No charge	
Over 300 kW of Demand	$~~7~~10.~~3~~25	$~~7.14~~10.00	per kW
Energy Charge:			
All Kilowatt-Hours.....	$0.06~~72~~66	$0.065~~072~~	per kWh

4. Minimum Charge

The minimum charge shall be the applicable basic charge.

5. Demand

The Demand shall be the maximum active energy used by the Customer for any 15-minute period during the month, which is calculated as an average Kilowatt by a suitable Demand Meter.

6. Special Provisions – Primary Service

The Customer shall provide, own, install and maintain all necessary transformers, cutouts, protection equipment, concrete slab or vault, primary metering enclosure, and all distribution equipment beyond the Point of Delivery. EWEB will furnish and install all distribution Facilities to the Point of Delivery and the primary potential and current transformers.

For Primary Service under this Price Schedule, transformer losses will be borne by the Customer and will be measured or calculated at the option of EWEB.

7. Power Cost Recovery Adjustment

At the discretion of the Board, the prices may be adjusted for 12 months to reflect the variance between budgeted and actual power cost for the previous calendar year. The adjustment is determined by dividing the amount to be rebated or recovered by the projected annual Kilowatt-Hour sales in that calendar year, and then decreasing or increasing the energy or power component of the price accordingly.

8. General Terms and Conditions

Service under this schedule is subject to the policies and procedures of EWEB.

F. Special Very Large General Service – Schedule G-5 (For Service over 10,000 kW)

1. Applicable

To Electric Service for large commercial and industrial Customers with monthly billing Demands over 10,000 Kilowatts where EWEB served the location prior to 1980 and the location is outside the urban growth boundary of the City of Eugene. Service is applicable to Customers with the average of the three highest monthly kW Demands in the prior 12-month period exceeding 10,000 Kilowatts. Service will be at the primary service level (approximately 12,470 volts).

All Customer's Load shall be served through a single Meter at one Point of Delivery and one Voltage classification. Service shall be supplied only at the phases and voltages as EWEB may have available. The Customer's Load characteristics must be acceptable to EWEB.

Price Schedules apply to the sale of electrical energy for the sole and exclusive use of the Customer. The Customer shall not resell electrical energy supplied by EWEB.

2. Monthly Price
(Resolution No. 2029 – See Revision History)

Basic Charge: .....$~~9,576~~8,736.55 per month

Demand Charge: ..... $5.96~~22~~ per kW

Energy Charge: .....$0.0588~~494~~ per kWh

3. Minimum Charge

The minimum charge shall be the applicable basic charge.

4. Demand

The Demand shall be the maximum active energy used by the Customer for any 15-minute period during the month, which is calculated as an average Kilowatt by a suitable Demand Meter.

5. Special Provisions – Primary Service

The Customer shall provide, own, install and maintain all necessary transformers, cutouts, protection equipment, concrete slab or vault, primary metering enclosure, and all distribution equipment beyond the Point of Delivery. EWEB will furnish and install all distribution Facilities to the Point of Delivery and the primary potential and current transformers.

For Primary Service under this Price Schedule, transformer losses will be borne by the Customer and will be measured or calculated at the option of EWEB.

6. Power Cost Recovery Adjustment

At the discretion of the Board, the prices may be adjusted for 12 months to reflect the variance between budgeted and actual power cost for the previous calendar year. The adjustment is determined by dividing the amount to be rebated or recovered by the projected annual Kilowatt-Hour sales in that calendar year, and then decreasing or increasing the energy or power component of the price accordingly.

7. General Terms and Conditions

Service under this schedule is subject to the Policies and Procedures of EWEB.

G. Customer-Owned Street Lighting Service - Schedule J-3 (Closed to New Services)

1. Applicable

To governmental agency, lighting district, and water district-owned daily, dusk-to-dawn lighting systems which illuminate streets, alleys, and thoroughfares used primarily for motorized vehicular traffic and which meet EWEB's specifications.

2. Specifications

System type and design must be approved by EWEB.

3. Monthly Price
(Resolution No. 2324 – See Revision History)

Description	Lamp Type	Net per Lamp
175 Watt MV	Mercury Vapor	$ 9.3805
250 Watt MV	Mercury Vapor	$11.6786
400 Watt MV	Mercury Vapor	$167.2513
700 Watt MV	Mercury Vapor	$257.7841

4. Power Cost Recovery Adjustment

At the discretion of the Board, the prices may be adjusted for 12 months to reflect the variance between budgeted and actual power cost for the previous calendar year. The adjustment is determined by dividing the amount to be rebated or recovered by the projected annual Kilowatt-Hour sales in that calendar year, and then decreasing or increasing the energy or power component of the price accordingly.

5. BPA Power Cost Recovery Adjustment

Electric prices may be automatically adjusted for up to 12 months to reflect a future variance in projected power costs due to changes in Bonneville Power Administration (BPA) wholesale prices. The adjustment is determined by dividing the amount to be rebated or recovered by the projected Kilowatt-Hour sales for the appropriate period and then decreasing or increasing the energy or power component of the price accordingly.

6. Special Provisions

a. Prices

Monthly prices provide only for delivery of energy and associated Utility costs.

b. Ownership

Customers served under this schedule are responsible for all operation and maintenance of their lighting facilities.

c. Additional EWEB Services

Customers may apply for a contractual agreement between the Customer and EWEB to provide for operation and maintenance services. Charges to the Customer for such services shall be based on Actual Cost of materials, labor, and equipment, plus appropriate Overhead and administrative costs.

d. Restrictions

(1) Customer-owned lighting systems shall not be installed or modified by the Customer when located on EWEB-owned Facilities.
(2) No new lighting fixtures or systems shall be served under this schedule.

7. General Terms and Conditions

Service under this schedule is subject to the policies and procedures of EWEB.

H. Customer-Owned Street Lighting Service - Schedule J-4

1. Applicable

To governmental agency, lighting district, and water district-owned daily, dusk-to-dawn lighting systems which illuminate streets, alleys, and thoroughfares used primarily for motorized vehicular traffic and which meet EWEB's specifications.

2. Specifications

System type and design must be approved by EWEB.

3. Monthly Price
(Resolution No. 2324 – See Revision History)

Description	Lamp Type	Net per Lamp
35 Watt HPS	High Pressure Sodium	~~$4.19~~ $5.11
50 Watt HPS	High Pressure Sodium	~~$4.71~~ $5.57

70 Watt HPS	High Pressure Sodium	$~~5.73~~6.18
100 Watt HPS	High Pressure Sodium	$~~6.47~~7.09
150 Watt HPS	High Pressure Sodium	$~~8.28~~8.62
200 Watt HPS	High Pressure Sodium	$10.15~~42~~
250 Watt HPS	High Pressure Sodium	$11.67~~2.41~~
310 Watt HPS	High Pressure Sodium	$13.51~~4.5 4~~
400 Watt HPS	High Pressure Sodium	$16.25~~7.7 3~~
1000 Watt HPS	High Pressure Sodium	$34.57~~7.55~~
1000 Watt MH	Metal Halide	$34.57~~7.24~~

4. Power Cost Recovery Adjustment

At the discretion of the Board, the prices may be adjusted for 12 months to reflect the variance between budgeted and actual power cost for the previous calendar year. The adjustment is determined by dividing the amount to be rebated or recovered by the projected annual Kilowatt-Hour sales in that calendar year, and then decreasing or increasing the energy or power component of the price accordingly.

5. BPA Power Cost Recovery Adjustment

Electric prices may be automatically adjusted for up to 12 months to reflect a future variance in projected power costs due to changes in Bonneville Power Administration (BPA) wholesale prices. The adjustment is determined by dividing the amount to be rebated or recovered by the projected Kilowatt-Hour sales for the appropriate period and then decreasing or increasing the energy or power component of the price accordingly.

6. Special Provisions

a. Prices

Monthly prices provide only for delivery of energy and associated Utility costs.

b. Ownership

Customers served under this schedule are responsible for initial design, purchase and installation costs, and for all operation and maintenance of their lighting facilities.

c. Additional EWEB Services

Customers may apply for a contractual agreement between the Customer and EWEB to provide for design, installation, and operation and maintenance services. Charges to the Customer for such services shall be based on Actual Cost of materials, labor, and equipment, plus appropriate Overhead and administrative costs.

d. Restrictions

Customer-owned lighting systems shall not be installed or modified by the Customer when located on EWEB-owned Facilities.

7. General Terms and Conditions

Service under this schedule is subject to the policies and procedures of EWEB.

I. Customer-Owned Street Lighting Service (LED) - Schedule J-5

1. Applicable

To governmental agency, lighting district, and water district-owned daily, dusk-to-dawn lighting systems which illuminate streets, alleys, and thoroughfares used primarily for motorized vehicular traffic and which meet EWEB's specifications.

2. Specifications

System type and design must be approved by EWEB.

3. Monthly Price
(Resolution No. 2324 – See Revision History)

Description	Lamp Type	Net per Lamp
0 to 40 Watt	Light Emitting Diode	$~~3.56~~4.65
41 to 80 Watt	Light Emitting Diode	$~~4.19~~5.87
81 to 120 Watt	Light Emitting Diode	$~~6.11~~7.09
121 to 200 Watt	Light Emitting Diode	$~~7.55~~8.93
201 to 280 Watt	Light Emitting Diode	$11.67~~0.74~~
281 to 360 Watt	Light Emitting Diode	$13.66~~2.82~~
361+ Watt	Light Emitting Diode	$~~20.32~~16.25

4. Power Cost Recovery Adjustment

At the discretion of the Board, the prices may be adjusted for 12 months to reflect the variance between budgeted and actual power cost for the previous calendar year. The adjustment is determined by dividing the amount to be rebated or recovered by the projected annual Kilowatt-Hour sales in that calendar year, and then decreasing or increasing the energy or power component of the price accordingly.

5. BPA Power Cost Recovery Adjustment

Electric prices may be automatically adjusted for up to 12 months to reflect a future variance in projected power costs due to changes in Bonneville Power Administration (BPA) wholesale prices. The adjustment is determined by dividing the amount to be rebated or recovered by the projected Kilowatt-Hour sales for the appropriate period and then decreasing or increasing the energy or power component of the price accordingly.

6. Special Provisions

a. Prices

Monthly prices provide only for delivery of energy and associated Utility costs.

b. Ownership

Customers served under this schedule are responsible for initial design, purchase and installation costs, and for all operation and maintenance of their lighting facilities.

c. Additional EWEB Services

Customers may apply for a contractual agreement between the Customer and EWEB to provide for design, installation, and operation and maintenance services. Charges to the Customer for such services shall be based on Actual Cost of materials, labor, and equipment, plus appropriate Overhead and administrative costs.

d. Restrictions

Customer-owned lighting systems shall not be installed or modified by the Customer when located on EWEB-owned Facilities.

7. General Terms and Conditions

Service under this schedule is subject to the policies and procedures of EWEB.

J. Renewable Power Purchase Rate Schedules (Customer Generation Systems Less than 200kW)

The following Renewable Power Purchase Rate Schedules are available to EWEB Customers with CG Systems as applicable:

- Net-Metered Generation Rate Schedule ("NMG")
- Direct Generation Rate Schedule ("DG")
- Behind-the-Meter Direct Generation Rate Schedule ("BTM-DG")

These Rate Schedules are subject to annual review and may be adjusted or amended at the discretion of the EWEB Board. Service under all Schedules is subject to EWEB Customer Services Policies and Procedures.

1. Net-Metered Generation Rate Schedule (NMG)
(For Generation Less than or Equal to 25 kW)

a. Applicability

Renewable Net-metered Rates shall apply to a CG System interconnected in parallel to EWEB on the Customer's side of the meter and sized such that it primarily offsets the Customer's Load at the site.

Renewable Net-metered Rates are available only to a CG System with an installed output capacity less than or equal to 25 kW, that use solar power, wind power, fuel cells, hydroelectric power, landfill gas, digester gas, waste, dedicated energy crops available on a renewable basis, or low-emission, non-toxic biomass based on solid organic fuels from wood, forest, or field residues.

b. A Customer who uses the net-metered approach shall be responsible to pay the monthly basic charge, demand charge, energy charge, distribution charge and reactive charge applicable to its rate class.

c. At the end of each monthly meter reading cycle, excess energy generated by the CG System as measured by EWEB's billing meter shall be credited at the excess generation rate listed below. The resulting amount shall be credited to the Customer's EWEB bill in that same billing cycle.

d. Renewable Net-Metered Rate

Excess generation for CG Systems will be credited based on the following rate:

All kWh of excess generation. (Resolution No. 2423 – See Revision History)	$0.0~~710~~399	per kWh

2. Direct Generation Rate Schedule (DG)
(For Generation Less than 200 kW)

a. Applicability

Rate schedule applies to residential, commercial, industrial and public agency Customers with EWEB approved Renewable Energy generation systems that are connected directly to the EWEB electric distribution system, that have an installed output capacity less than 200 kW, and that use solar power, wind power, hydroelectric power, landfill gas, digester gas, waste, dedicated energy crops available on a renewable basis, or low-emission, non-toxic biomass based on solid organic fuels from wood, forest, or field residues.

Rate schedule applies to the purchase of electrical energy generated by Customer's Renewable Energy generation system. Purchase power rate shall be applied to short-term Standard Offer contracts for renewable electric generation systems connected to EWEB.

b. Direct Generation Rate
(Resolution No. 2423 – See Revision History)

Purchased Power and RECs	$0.0634~~768~~	per kWh
Purchased Power Only	$0.0399~~710~~	per kWh

c. Energy delivered to the EWEB system will be credited to Owner's generation account monthly according to the Rate Schedule above. Payments for renewable electric generation credits will be issued once per year in December in the form of a check.

3. Behind the Meter Direct Generation Rate Schedule (BTM-DG)
(For Customer Generation Between 25 kW and 200 kW*)

a. Applicability

This schedule is applicable to Large Primary Metered Customer with installed generating equipment on the Customer's side of the consumption meter, using solar power; wind power; fuel cells; hydroelectric power; landfill gas; digester gas; waste; dedicated energy crops available on a renewable basis;

low-emission; non-toxic biomass based on solid organic fuels from wood, forest, or field residues; geothermal energy; or renewable marine energy, including, wave energy, wave-wind hybrid energy and tidal energy.

Public Agencies: This policy applies to public agencies such as government entities, educational institutions, and other similar public organizations.

EWEB shall limit applicability of this schedule to customers where design feasibility concerns exist as determined by EWEB.

b. Definition of Behind the Meter Direct Generation

BTM-DG measures Customer's Load through the Point of Delivery of its General Service Schedule (G-3), or through the Point of Delivery identified in its Retail Power Supply Agreement, where applicable.

The BTM-DG within the Customer's Point of Delivery will be measured at the BTM-DG facility by an EWEB owned meter. The measured generation at the BTM-DG will offset the respective General Service Tariff Schedule or Retail Power Supply Agreement contracted power rate.

c. Monthly Billing

A Customer who uses the BTM-DG approach shall be responsible to pay rates and charge for its applicable rate class for consumption at the EWEB retail meter.

The kilowatt hour generation registered at the BTM-DG will be charged at the rates below.

d. Annual Renewable Generation Rate
(Resolution No. 2423 – See Revision History)

Customer Charge

The Customer pays the Company per month for each separately metered Renewable Generating Facility.

Customer Charge	$38.505~~.25~~
Energy	
Primary Behind the Meter Generation	-$0.0251~~098~~**

(based on Primary Service $0.06505~~12~~ per kilowatt hour less $0.0~~710~~399 Generation Rate)

*Projects over 200 kw of installed capacity are subject to EWEB and BPA approval and will be evaluated on a case-by-case basis.
** The Customer will be charged for kilowatt hour generation when the Direct Generation Rate is higher than the Large Primary Rate and will receive a credit when the Generation Rate is lower than the Large Primary Rate.

APPENDIX C - WATER SERVICE CHARGES AND PRICES

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. Pumping and Delivery Charges Above the Base

A charge shall apply to all water consumed by Customers served at pumping levels as identified below. This charge is designed to recover the added cost to deliver water to systems above the base. Charges are assessed at increasing amounts at one of three Pumping Levels defined as:

Level 1 - Customers served by 800 to 850 feet pumping systems.
Level 2 - Customers served by 975 feet pumping systems.
Level 3 - Customers served by 1,150 to 1,325 feet pumping systems.

Pumping and delivery charges above the base, if applicable, apply to all consumption and are in addition to regular flat or tiered volume prices in the Residential and General Service classes (Price Schedules 1, 2 and 3). Customers served at Base Level (served from base reservoirs) will incur no pumping and delivery charges above the base.

E. Residential Water Service Inside the City Limits of Eugene

SCHEDULE R-1

1. Applicable

Within the city limits of Eugene to all separately metered single-family residences, mobile homes, duplexes, triplexes, “quads,” townhouses, and multifamily structures with less than four Living Units.

Boarding, lodging, rooming houses or group care facilities shall also qualify for Residential Service if not more than five private sleeping rooms are used by other than members of the Customer's immediate family. When the majority of a dwelling is regularly used for the conduct of business, the entire dwelling shall be billed on the applicable General Service schedule.

2. Monthly Price (Resolution No. 2424 – See Revision History)

The monthly price is composed of three charges: basic charge, volume charge and the pumping and delivery above the base charge, if applicable. The basic customer charge shall be according to the size of Meter provided.

Basic Charge

< 1"	$256.00	per month
1"	$39.676.39	per month
1-1/2"	$71.0661.37	per month
2"	$119.7506.04	per month
3"	$249.4525.30	per month

Volume Charge

First 8,000 gallons	$1.985820	per 1,000 gallons
The next 22,000 gallons	$3.425250	per 1,000 gallons
All over 30,000 gallons	$5.549265	per 1,000 gallons

Pumping and Delivery Charge Above the Base

Pumping and delivery charges, if applicable, on all gallons used per month, per 1,000 gallons.

Services at Base Level	None	
Services at Level 1 (800 to 850 feet)	$0.410368	per 1,000 gallons
Services at Level 2 (975 feet)	$0.942846	per 1,000 gallons
Services at Level 3 (1,150 to 1,325 feet)	$1.731555	per 1,000 gallons

Fixed Pumping and Delivery Above the Base

Level 1	$4.9343
Level 2	$8.567.69
Level 3	$15.744.14

3. Minimum Charge
   Applicable monthly basic customer charge according to size of Meter provided.

4. General Terms and Conditions
   Service under this schedule is subject to the policies and procedures of EWEB.

Residential Water Service Outside the City Limits of Eugene

SCHEDULE R-2

A. Applicable

Outside the city limits of Eugene to all separately metered single-family residences, mobile homes, duplexes, triplexes, "quads," townhouses, and multifamily structures with less than four Living Units.

Boarding, lodging, rooming houses or group care facilities shall also qualify for Residential Service if not more than five private sleeping rooms are used by other than members of the Customer's immediate family. When the majority of a dwelling is regularly used for the conduct of business, the entire dwelling shall be billed on the applicable General Service schedule.

B. Monthly Price (Resolution No. 2424– See Revision History)

The monthly price is composed of three charges: basic charge, volume charge and the pumping and delivery above the base charge, if applicable. The basic customer charge shall be according to the size of Meter provided.

Basic Charge

< 1"	$33.80~~2.50~~	per month
1"	$51.58~~47.30~~	per month
1-1/2"	$92.37~~79.78~~	per month
2"	$155.67~~37.85~~	per month
3"	$324.28~~292.89~~	per month

Volume Charge

First 8,000 gallons	$2.581~~366~~	per 1,000 gallons
The next 22,000 gallons	$4.~~225~~453	per 1,000 gallons
All over 30,000 gallons	$7.213~~6.845~~	per 1,000 gallons

Pumping and Delivery Charge Above the Base

Additional pumping and delivery charges, as applicable, on all gallons used per month, per 1,000 gallons.

Services at Base Level	None	
Services at Level 1 (800 to 850 feet)	$0.410~~368~~	per 1,000 gallons
Services at Level 2 (975 feet)	$0.942~~846~~	per 1,000 gallons
Services at Level 3 (1,150 to 1,325 feet)	$1.731~~555~~	per 1,000 gallons

Fixed Pumping and Delivery Above the Base

Level 1	$4.9343
Level 2	$8.5677.69
Level 3	$15.7444.14

F. General Service Inside the City Limits of Eugene

Closed to new Customers with consumption in excess of 500,000 gallons per day or 10 million gallons per month.

SCHEDULE G-1

1. Applicable

Within the city limits of Eugene to all Commercial, industrial, and Commercial irrigation uses, public buildings, churches, public and private schools, public and private hospitals, multifamily structures with four or more Living Units served through one Meter, and their Common Use Facilities.

This General Service schedule also applies to boarding, lodging, rooming houses or group care facilities where more than five private sleeping rooms are used by other than members of the Customer's immediate family, and in instances where the majority of a dwelling is regularly used for the conduct of business.

2. Monthly Price (Resolution No. 2325 – See Revision History)

The monthly price is composed of three charges: basic charge, volume charge and the pumping and delivery above the base charge, if applicable. The basic charge shall be according to the size of Meter provided.

Basic Charge

< 1"	$301.00	per month
1"	$47.3133.67	per month
1-1/2"	$84.7173.63	per month
2"	$127.2342.76	per month
3"	$275.93301.59	per month
4"	$457.7890.64	per month
6”	$872.37763.12	per month
8"	$1,143.43336.68	per month
10"	$1,952.94648.33	per month

Volume Charge

All gallons	$3.~~549~~770	per 1,000 gallons

Pumping and Delivery Charge Above the Base

Additional pumping and delivery charges, as applicable, on all gallons used per month, per 1,000 gallons.

Services at Base Level	None	
Services at Level 1 (800 to 850 feet)	$0.~~368~~410	per 1,000 gallons
Services at Level 2 (975 feet)	$0.~~846~~942	per 1,000 gallons
Services at Level 3 (1,150 to 1,325 feet)	$1.731~~555~~	per 1,000 gallons

Fixed Pumping and Delivery Above the Base

Level 1	$4.~~43~~93
Level 2	$8.56~~7.69~~
Level 3	$15.74~~4.14~~

3. Minimum Charge

Applicable monthly basic customer charge according to size of Meter provided.

4. Flat Price for Fire Protection (Resolution No. 2424)

See Water Service Conditions, Flat Price Fire Protection Service, for identification.

Price per month per inch diameter of pipe	$12.99
No charge per month shall be less than	$~~56.11~~59.48

5. General Terms and Conditions

Service under this schedule is subject to the policies and procedures of EWEB.

G. General Service Outside the City Limits of Eugene

Closed to new Customers with consumption in excess of 500,000 gallons per day or 10 million gallons per month.

SCHEDULE G-2

1. Applicable

This schedule is applicable to Residential, Commercial, industrial, and other General Service use outside the city limits of Eugene according to whatever contract provisions may be required by EWEB.

Extension of service to new Customers, outside the city limits, Mahlon Sweet Airport, Lane Community College and within dissolved water districts may be subject to city council approval on extension of Water Service.

2. Monthly Rate (Resolution No. 2424 – See Revision History)

The monthly price is composed of three charges: basic charge, volume charge and the pumping and delivery above the base charge, if applicable. The basic customer charge shall be according to the size of Meter provided.

Basic Charge

< 1"	$~~39.00~~40.30	per month
1"	$61.50~~56.78~~	per month
1-1/2"	$110.12~~95.72~~	per month
2"	$185.59~~65.40~~	per month
3"	$392.07~~58.71~~	per month
4"	$637.84~~595.12~~	per month
6"	$1,134.08~~992.05~~	per month
8"	$1,737.68~~486.45~~	per month

Volume Charge

Plus all gallons used per month	$4.~~61~~90	per 1,000 gallons

Pumping and Delivery Charge Above the Base

Additional pumping and delivery charges, as applicable, on all gallons used per month, per 1,000 gallons.

Services at Base Level	None	
Services at Level 1 (800 to 850 feet)	$0.~~368~~410	per 1,000 gallons
Services at Level 2 (975 feet)	$0.942~~846~~	per 1,000 gallons
Services at Level 3 (1,150 to 1,325 feet)	$1.731~~555~~	per 1,000 gallons

Fixed Pumping and Delivery Above the Base

Level 1 .....$4.493
Level 2 .....$8.567.69
Level 3 .....$15.744.14

3. Minimum Charge

Applicable monthly basic customer charge according to size of Meter provided.

4. Flat Price for Fire Protection (Resolution No. 2325)

See Water Utility, Section W-I-13, paragraph N, for identification.

Price per month per inch diameter of pipe.....$16.56
No charge per month shall be less than $715.81.52

5. General Terms and Conditions

Service under this schedule is subject to the policies and procedures of EWEB.

H. Flow Tests

Water Control Not Required: Charged at one-hour labor of a Senior Engineer plus appropriate Overhead and administrative costs.

Water Control Required: Charged at two hours labor for a Utility Lead and Utility Mechanic, equipment, plus appropriate overhead and administrative costs.

I. Unauthorized Use of Water during Curtailment

Second Violation: Levied fine of $300.00 and termination of service.

J. Surplus and Wholesale Water Sales

EWEB sells or disposes of surplus or wholesale water under agreements and with entities decided by EWEB. Such entities shall not resell water to another water Utility or entity without EWEB's written consent.

Schedule 4

1. Applicable

To the River Road Water and Fire Protection District and Santa Clara Water District

2. Monthly Rate (Resolution No. 2424 – See Revision History)

Basic Charge……$4,8~~455.65~~21.01 per month

Volume Charge

All gallons..... $~~3.820~~4.133 per 1,000 gallons

3. Minimum Charge

Applicable monthly basic charge.

4. General Terms and Conditions

Water sales under this schedule are subject to the policies and procedures of EWEB and provisions of the applicable surplus water sales contract.

Schedule 5

1. Applicable

To the Willamette Water Company.

2. Monthly Rate (Resolution No. 2424 – See Revision History)

Basic customer charge shall be according to the size of Meter provided.

Basic Charge

< 1”	$31.71	per month
1”.....	$42.79	per month
1 – ½”.....	$65.40	per month
2”.....	$117.24	per month
3”.....	$264.15	per month
4".....	$450.98	per month
6".....	$676.68	per month
8".....	$979.54	per month

Volume Charge

Plus all gallons	$ 4.04	per 1,000 gallons

3. Minimum Charge

Applicable monthly basic customer charge according to size of Meter provided.

4. General Terms and Conditions

Water sales under this schedule are subject to the policies and procedures of EWEB and provisions of the applicable surplus water sales contract.

Schedule 6

1. Applicable

To the City of Veneta.

2. Monthly Rate (Resolution No. 2325 – See Revision History)

Basic Charge..... $1,440.41~~371.82~~ per month

Volume Charge

All gallons.....$1.821~~734~~ per 1,000 gallons

3. Minimum Charge

Applicable monthly basic charge provided.

4. General Terms and Conditions

Water sales under this schedule are subject to the policies and procedures of EWEB and provisions of the applicable surplus water sales contract.