



2022 RATE PROJECTIONS

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Valued EWEB Customer,

After five years of stable prices, it is likely that rising costs of operations and the need to replace or upgrade aging infrastructure will require an increase in the price of water and electric services in 2022. This letter explains how your rates are being used to provide you with safe, reliable services, maintain utility infrastructure, and invest in system improvements that make your services better.

BUILDING ON A SOLID FOUNDATION

For more than a century, EWEB has planned, built, and maintained the systems that deliver safe, reliable, and environmentally responsible power and water to Eugene homes and businesses—approximately 8.5 billion gallons of drinking water and 2.4 billion kilowatt-hours of electricity every year.

Investments made with your rates and under the leadership of your elected Board of Commissioners have allowed EWEB to deliver positive results for our customers and community, including:



One of the cleanest power portfolios in the nation, with 90% of our power coming from carbon-free resources



A proactive drinking water source protection program that for decades has maintained exceptional water quality in the McKenzie River

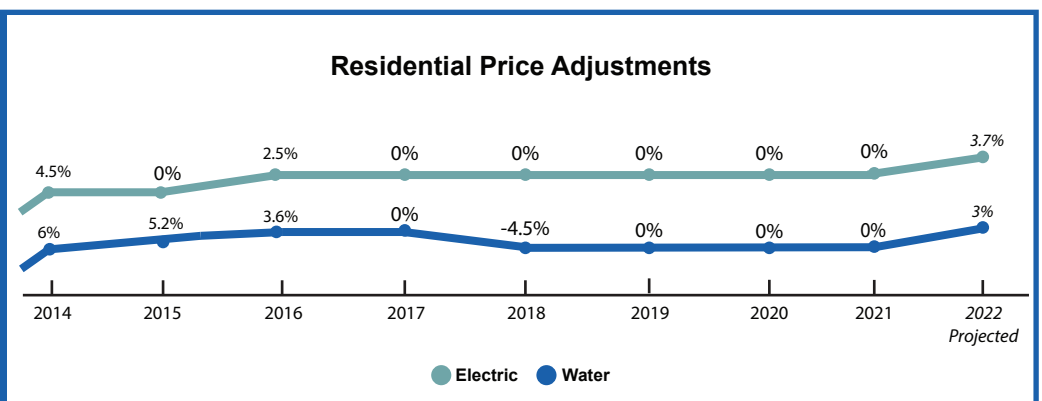


Development of emergency water stations and other infrastructure improvements to maintain high reliability, reduce storm-related outages, and prepare for emergencies



Energy-saving incentives, assistance programs for low-income customers, school grants and other programs to support quality of life in our community

We've accomplished these results while avoiding price increases for the past five years by managing costs and operating as efficiently as possible.



Electric and water prices have not increased since 2016.

MAJOR PROJECTS WE'RE PLANNING AND BUDGETING FOR IN 2022 AND BEYOND

Building a second water treatment plant on the Willamette River

Of the 20 largest cities in the Northwest, Eugene is the only one with a single source of drinking water. While the McKenzie River will continue to be Eugene's primary water source, EWEB is in the early stages of developing the Willamette River as an additional water supply. The future water treatment plant will be built to modern seismic standards and designed to deliver water quality that is as good or better than McKenzie River treated water.

Upgrading the Carmen-Smith Hydroelectric Project

For more than 50 years, Carmen-Smith has reliably served our customers with low-cost, local hydropower. Relicensing the project includes upgrading much of the equipment first installed in 1963 when the project opened, campground improvements, and more fish-friendly operations.

Wildfire safety and prevention

Wildfire prevention is increasingly important as climate, drought and a host of other issues increase the likelihood and severity of wildfires in our region. Investments in grid hardening include replacing power pole crossarms, replacing wood poles with metal poles in higher-risk areas, and undergrounding portions of power lines in forested areas of south Eugene and the McKenzie Valley.

Upgrading and diversifying water storage tanks

The three primary tanks that store drinking water for all of Eugene are nearing the end of their useful lives and do not meet modern seismic standards. In early 2020, EWEB began a multi-year project to replace the existing tanks with six smaller tanks. This distributed approach improves water quality and increases our resiliency to potentially disruptive events.

Rebuilding substations to increase capacity and improve reliability

EWEB substations connect a large number of customers and many built in the 1960s and 1970s are reaching end-of-life. Rebuilding old substations with modern, safer equipment will help maintain reliability, and ensure we can meet future electricity needs.

Meter technology investments

Smart meter technology investments will enable more renewables on the grid, provide customers with information to make energy decisions and save money, and allow EWEB to pinpoint outage locations for faster service restoration in emergency outages.

Repairing Leaburg Canal

The Leaburg Canal has served our community with clean and reliable hydropower for nearly 100 years, but due to its age, it has structural deficiencies that must be addressed. While we are still assessing options for the future of the canal, we know that significant investment is required to ensure long term safe and reliable operation.

WE'RE FOCUSED ON OUTCOMES THAT ARE IMPORTANT TO OUR CUSTOMERS AND COMMUNITY

- Providing you with better service
- Building a more resilient community
- Reducing outage frequency and response times
- Creating a cleaner energy future

2022 RESIDENTIAL RATE PROJECTIONS

Electric: + 3.7%
Water : + 3%

Average household water & electric bill:
+ \$7/month
(23 cents/day)

This is based on using 9 kgals of water and 1600 kWh of electricity; your bill change may be lower or higher depending on your actual usage.

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