

ERIC S. DEFREEST
Attorney at Law

August 17, 2021

[REDACTED]

Re: Smart Meter Installation

Dear Messrs. and Mmes.,

Our office serves as General Counsel for the Eugene Water & Electric Board (EWEB) and I am in receipt of your letter issued on or about August 11, 2021, relating to EWEB's planned installation of electric meters at your referenced customer service addresses in the City of Eugene.

The operations of EWEB as a municipal utility are an authorized utility service provided in accordance with the City of Eugene Charter, the Oregon Revised Statutes, Chapter 225, and the EWEB Customer Service Policies.

As you may be aware, since 2007, EWEB staff have evaluated smart meter technology with outreach to the State of Oregon and Lane County. Furthermore, the EWEB Board of Commissioners have actively encouraged public input on the opportunities for incorporating advanced metering infrastructure (AMI), including smart meters, in the EWEB distribution system since 2011.

EWEB's AMI program has been authorized and incrementally progressed to installation of smart meter capacity at each residential service address in the City of Eugene, with the ability for each Account Holder to Opt-Out of the smart meter benefits in the Account Holder's discretion. Customers who Opt-Out will still have a new AMI meter installed but the radio-transmission capacity will be disabled. When disabled, the AMI meter is unable to send messages to EWEB's network.

EWEB is a municipal utility which generates and purchases electricity for distribution to its rate-paying customers. The distribution of electricity requires the installation of infrastructure from substations to the point of delivery to the customer which is at the connection of meter and meter base. As you have observed, the AMI meter itself is the property of EWEB and the meter base is the responsibility of the residential Account Holder or property owner. EWEB is inherently permitted to select and install its operational utility equipment, including its choice of meter which is compatible with its distribution system, as a condition of providing electrical utility services. As part of meter installation work, utility personnel are authorized by law to inspect the customer's meter base for compliance with applicable codes. If a code violation is observed, it will be noted and the customer service address will not be returned to electrical service until the customer has had the condition corrected.

EWEB purchases electric meters through solicitation and selection in accordance with Oregon public contracting laws. It is commonly required during the solicitation process that the purchased equipment is certified or guaranteed by the manufacturer or supplier to meet certain objective engineering standards established by regulatory agencies. However, it is neither the role of General Counsel or EWEB itself to approve or disapprove of any engineering certification or representation of regulatory-compliance (such as ANSI or NFPA) provided by the manufacturer or supplier of the AMI meters. The municipal utility as a purchaser of new metering equipment is justified in accepting the manufacturers' and suppliers' representations and warranties of compliance with applicable technical and regulatory standards. EWEB as a municipal utility is not a guarantor of supplies purchased from a third party vendor, including as to their design, manufacture or performance.

The conclusion of your letter that "you are not authorized to install a digital, transmitting meter with and internal service switch, or a digital meter with an internal service switch and a transmitter that is turned off, on our properties," does not comply with the adopted EWEB conditions of residential service. The declaration that you will not allow EWEB to install their standard distribution equipment as necessary to provide service to the affected residence(s) is effectively your declaration to decline EWEB utility services.

Your further, proposal that "we would welcome keeping the existing meters on our homes," likewise does not comply with the AMI program as adopted by EWEB and does not satisfy EWEB's conditions of service. See, Sections 1.1 and 4.0 of the Customer Service Policy for reference.

If you do not permit EWEB to install currently utilized service meters and infrastructure as selected by EWEB as part of the AMI program at your referenced service addresses, then the affected Account Holders are explicitly not agreeing to the published conditions of EWEB service and are subject to disconnection for non-compliance. See, Section 1.1 of the Customer Service Policy which states, "EWEB reserves the right to deny

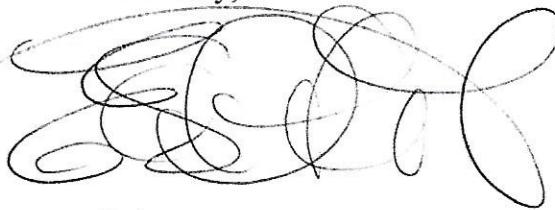
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Utility Service or refuse to extend Utility Service where reasonable grounds for refusal are determined to exist."

All EWEB residential customers and ratepayers in the City of Eugene are uniformly subject to the installation of AMI metering with the Account Holder having the option to Opt-Out of signal transmission only. Refusal to allow installation of EWEB's established choice of standard AMI metering equipment is a basis for refusal of service.

Sincerely,

A handwritten signature in black ink, appearing to read "Eric S. DeFreest", written in a cursive style.

Eric S. DeFreest

ESD:jko