




MEMORANDUM

TO: Members of the Electric Utility Commission

FROM: Cheryl Mele, Chief Operating Officer 

DATE: July 12, 2013

SUBJECT: Comparison of line extension and disconnect/reconnect fees

Austin Energy engaged Lloyd, Gosselink, Rochelle, and Townsend, P.C. to compile information on the line extension policies and disconnect/reconnect fees of utilities contiguous with Austin Energy or operating in nearby territories. The attached memo from Lloyd, Gosselink provides that summary. The survey reviewed nine utilities: (1) CPS Energy, (2) Pedernales Electric Co-op, (3) Georgetown Utility Systems, (4) San Marcos, (5) New Braunfels Utilities, (6) Bluebonnet Electric Co-op, (7) Oncor Electric Delivery Company, LLC (“Oncor”) (8) CenterPoint Energy Houston Electric, LLC (“CenterPoint”), and (9) Austin Energy (“AE”). Three of the utilities share service boundaries with Austin Energy: Pedernales Electric Co-op; Oncor; and Bluebonnet Electric Co-op. CPS Energy of San Antonio was chosen because of its similar size, geographic proximity, and the fact that it is a municipally owned utility. Georgetown, San Marcos, and New Braunfels are all municipally owned utilities operating near AE’s service territory. CenterPoint is a large transmission and distribution provider with a highly urbanized service territory (Houston area). The data were drawn primarily from published tariffs, supplemented by direct contacts with staff of the various utilities.

Line Extension

As we discussed in our presentation before the Electric Utility Commission in June, Austin Energy currently provides standard overhead services to most new customers without charge. Those desiring underground services, dual feed, or other excess facilities make contributions for the costs above the standard overhead service. Austin Energy’s Line Extension Policy is consistent with the other utilities in the comparison group. In particular, the utilities typically provide interconnection at no cost for overhead service below a standard distance, with charges assessed for the length of service beyond the standard. Note that many of the municipal and cooperative utilities’ policies recognize the importance of economic development, as their policies provide for discretion in the assessment of charges for construction of line extensions for large commercial customers with positive economic development impact.

Disconnect/Reconnect Fees

In regards to Austin Energy's disconnect and reconnect fees, a review and comparison of these fees with the other utilities in Texas is also included in the attached summary. The review found Austin Energy's fees to be similar and in some cases much lower than the fees of the utilities in the comparison group. Like Austin Energy, most utilities assess an additional charge for same day reconnection. In the situation where a utility has implemented AMR/AMI and is utilizing the remote connect/disconnect features—namely Oncor and Centerpoint, which adopted advanced metering programs under rules of the Public Utility Commission—the associated fees are lower than Austin Energy's current fees. Austin Energy will assess the costs and operational impacts of implementing the remote connect/disconnect features as a part of the continuing implementation of our advance metering capability.

MEMORANDUM

TO: Mark Dreyfus
FROM: Thomas Brocato and Melissa Long
DATE: July 9, 2013
RE: Line Extension Policies

The purpose of this memorandum is to provide a review of various line extension policies and reconnection service fees of nine electric providers in Texas.

I. BACKGROUND

A contribution in aid of construction (“CIAC”) is typically a nonrefundable contribution in either cash or property to fund new plant additions or new expanded service. Generally, the plant funded as CIAC does not become part of the utility’s rate base on which the utility is permitted to earn a return.

A review of the seven most recent transmission and distribution utility (“TDU”) cases at the Public Utility Commission (“PUC” or “Commission”) (i.e., Docket Nos. 35717, 38929, 38480, 36025, 38339, 33309, and 33310) did not reveal an annual revenue number for line extensions received by those utilities. Because there is not a separate FERC account for these costs, these funds could be recorded in a few different “other revenues” miscellaneous accounts. While FERC Account A541 includes connections and disconnections, any line extension funds in that account are probably smaller compared to the large amount of move-in and move-out fees recorded in that account. It is likely that the funds received from line extensions are relatively small, particularly as they pertain to residential customers. Line extension fees are part of the discretionary charges in the tariff and considered “construction services” for non-standard service.

Many of the municipal and cooperative utilities allow for at least some amount of discretion in the determination of what costs should be paid by the customer as part of their line extension policies. It appears that these utilities recognize the importance of economic development, as they provide for discretion in the construction of line extensions for large commercial customers. While it may be costly for a utility to build the infrastructure necessary to serve a new large commercial customer or residential development, those costs may be much smaller than the increases in annual revenue that those new customers will provide the utility for years to come. For example, the City of San Marcos and Pedernales Electric Cooperative (“PEC”) allow for a determination as to whether the new customer will bring annual revenues sufficient to cover the cost of the new construction. The City of Georgetown specifically considers whether the construction will contribute to economic development. These policy considerations have long been considered by utilities and the PUC.

Historically, the Commission has approved economic development measures in both the form of economic development rates as well as through contributions to economic development

programs. In doing, so, the Commission has specifically noted “it is good public policy to encourage economic development in Texas.”¹ Further, the Commission has concluded that “[e]conomic development programs benefit all customers, either directly or indirectly”² because economic development benefits customers by spreading system costs over an increased number of customers.³ For example, in a 1990 Houston Lighting & Power (“HL&P”) rate case, the Commission concluded that the economic development of the Houston area was a desirable goal and that HL&P had a “legitimate role to play in encouraging that development.”⁴

II. SUMMARY

In drafting this memo, nine utilities’ policies were reviewed: (1) CPS Energy, (2) Pedernales Electric Co-op, (3) Georgetown Utility Systems, (4) San Marcos, (5) New Braunfels Utilities, (6) Bluebonnet Electric Co-op, (7) Oncor Electric Delivery Company, LLC (“Oncor”) (8) CenterPoint Energy Houston Electric, LLC (“CenterPoint”), and (9) Austin Energy (“AE”). Three of the utilities share service boundaries with Austin Energy, Pedernales Electric Co-op, Oncor, and Bluebonnet Electric Co-op. CPS Energy of San Antonio was chosen because of its similar size, geographical proximity, and the fact that it is a municipally owned utility. Georgetown, San Marcos, and New Braunfels were also chosen because they are municipally owned utilities. Below is a brief summary of the findings from the review:

(1) Temporary Needs

It appears that all of the utilities reviewed, including Austin Energy, require the customer to pay for the costs associated with temporary service.

(2) Undergrounding

Most of the utilities, including Austin Energy, require the customer to bear the cost of undergrounding facilities that are not in a portion of the utility’s service area where undergrounding is considered to be “standard” service.

¹ *Application of Entergy Texas for Approval of its Transition to Competition Plan and the Tariffs Implementing the Plan, and for the Authority to Reconcile Fuel Costs, to Set Revised Fuel Factors, and to Recover a Surcharge for Under-recovered Fuel Costs*, Docket No. 16705, Second Order on Rehearing at 41 (Oct. 14, 1998).

² *Application of TXU Electric Company for Approval of Unbundled Cost of Service Rate Pursuant to PURA § 39.201 and Public Utility Commission Substantive Rule § 25.344*, Docket No. 22350, Order at 165, FoF 161 (Oct. 4, 2001).

³ *Application of Reliant Energy, Incorporated for Approval of Unbundled Cost of Service Rate Pursuant to PURA § 39.201 and Public Utility Commission Substantive Rule § 25.344*, Docket No. 22355, Proposal for Decision at 166-167 (Mar. 28, 2001).

⁴ *Application of Houston Lighting and Power Company for Authority to Change Rates; Application of Houston Lighting and Power Company for a Final Reconciliation of Fuel Costs Through September 30, 1988*, Docket Nos. 8425 and 8431, 16 P.U.C. BULL. 2582, 2730 at FoF 160 (June 20, 1990).

(3) CIAC

The utilities all have very different CIAC policies in their service rules. While some utilities appear to use a set formula in determining CIAC (Pedernales and Oncor) others merely state that the customers must pay for the incremental cost of extending service to their facility. Additionally, while some utilities have a set allowance either in feet or a monetary amount, others do not address whether the utility includes an allowance in their CIAC calculation. The two regulated entities, Oncor and CenterPoint, appear to have more defined CIAC policies than the municipally owned utilities and cooperatives. A table summarizing each utility's policies is included as Attachment A.

(4) Reconnect Fees and Same Day Service

Excluding Oncor and CenterPoint, the reconnect fees range from \$20 (San Marcos) to \$100 (PEC). The fees for same-day service generally range from \$30 (CPS Energy) to \$250 (PEC). Therefore, AE's fees appear to be comparable to the rates of similar utilities. In order to compare the fees from Oncor and CenterPoint, one must also account for the fees charged by the customer's retail electric provider. A table summarizing each utility's policies is included as Attachment B.

III. ANALYSIS

The following sections summarize the findings for (1) CPS Energy, (2) Pedernales Electric Co-op, (3) Georgetown Utility System, (4) San Marcos, (5) New Braunfels Utilities, (6) Bluebonnet Electric Co-op, (7) Oncor, (8) CenterPoint, and (9) Austin Energy.

1. CPS Energy

a. Temporary Needs and Underground Construction

CPS Energy will provide electric service on a temporary basis with CPS Energy owning, operating, and maintaining the necessary facilities for standard temporary service. Non-refundable Temporary Service Charges for the installation and removal of temporary service are assessed in the amount of \$150.00 for regular work hour service and \$225.00 for premium pay work hours for overhead service or underground service. However, for non-standard temporary electric service, the customer will pay a non-refundable charge to CPS Energy equal to the estimated installation and removal costs (labor, equipment, and materials).

b. CIAC and Other Fees

In places where CPS Energy does not maintain an electric distribution system, CPS Energy may, at its discretion, extend its distribution system in accordance with the CPS Energy Policy for Electric Line Extension. Additional information on the CPS Energy Policy for Electric Line Extension is still being developed.

c. Reconnect and Same-Day Service

CPS charges the following fees for reconnection if service was disconnected (1) at the customer's request, (2) for nonpayment, or (3) for service diversion.

Reconnection at the Meter:

Regular work hours: \$24.00

Premium pay work hours: \$30.00

Reconnection at Pole or Underground Transformer:

Regular work hours: \$60.00

Premium pay work hours: \$120.00⁵

2. Pedernales Electric Co-op

a. Load Forms and Customer Site Requirements

It appears that the requirements for customer load information are requested after the customer begins communications with the utility. However, the website contains documents that provide general information related to site requirements for development. At the customer's expense, PEC requires the customer to provide: right-of-way easements and covenants on customer's property; site plans for any proposed development; and survey points for locations reasonably necessary for installation of the electric system.⁶

If a line extension is required to provide service, PEC may require the applicant to sign an agreement for service for a term up to five years. However, if the applicant has a load greater than 1,000 kW, a special contract greater than five years as well as other arrangements or conditions may be applied.

b. Temporary Needs

The PEC Tariff Section 300.8 provides that for any temporary service, 100% of the estimated cost of construction will be paid by the applicant.

c. Underground Construction

PEC provides for the extension of underground service through special agreement with PEC. The customer must bear the cost of installing the underground service, including all trench and associated backfill, concrete work associated with padmounted gear, and all conduit and its installation.⁷

d. CIAC and Other Fees

PEC will estimate the cost of the infrastructure, which includes the total cost of all construction. This is defined as not only the labor and materials used in constructing the

⁵ CPS Energy Policy for Miscellaneous Customer Charges at 2.

⁶ PEC Tariff Section 300.6(A)(3).

⁷ *Id.* at Section 300.7.

extension, but also engineering right-of-way acquisition and clearing, overhead, and all other costs attributable to the extension.⁸ The customer is required to pay 100% of this estimated cost in advance. However PEC, at its sole discretion, may accept other guarantee or contractual arrangement in lieu of cash payment.⁹ Additionally, PEC's tariff specifically states that the payments necessary for the construction of facilities are CIAC and not refundable.¹⁰

PEC estimates the cost for a line extension based on current unit material and labor costs for the same type of construction. CIAC is required if the estimated annual revenue from the customer (excluding purchased power cost) is less than the revenue requirement associated with PEC's system and direct investment costs of providing service to the customer. The amount of CIAC is calculated using a formula:

$$\begin{aligned} \text{CIAC} &= (\text{Direct Cost} + \text{System Cost}) - (\text{Annual Revenue/Return Factor}) \\ &\text{or} \\ \text{CIAC} &= \text{Total Project Cost} - \text{Cooperative's Allowable Investment}^{11} \end{aligned}$$

However, for customers with loads greater than 1,000 kW, PEC is supposed to exercise "prudent judgment" in determining the conditions under which a specific line extension will be made and "shall view each case individually."¹² A special contract will be made with this customer, which may include CIAC in advance or as a monthly facilities charge, special contract minimums, special service specifications, special contract terms greater than five years, or other arrangements or conditions deemed reasonable by PEC.

PEC also charges a "system impact fee," which is a non-refundable charge of \$200.00 for extending service to a new location. The tariff explains that the amount represents a CIAC toward PEC's system costs associated with substation and distribution backbone facilities and is in addition to any amount due for the line extension.¹³

e. Reconnections and Same-Day Service

PEC has a same-day service fee of \$250.00 that is nonrefundable.¹⁴ PEC assesses a \$100.00 fee for reconnection after non-payment.¹⁵ If the reconnection is performed after normal business hours on Monday through Friday or on Saturdays or Sundays, the \$250.00 same-day service fee must be paid prior to reconnection as well.¹⁶

⁸ *Id.* at Section 300.6(B)(1).

⁹ *Id.* at Section 300.6(B)(2).

¹⁰ *Id.* at Section 300.12.

¹¹ *Id.* at Section 300.4.

¹² *Id.*

¹³ *Id.* at Section 300.4(E).

¹⁴ *Id.* at Section 200.4.

¹⁵ *Id.* at Section 200.16.

¹⁶ *Id.*

3. Georgetown Utility Systems

a. CIAC and Other Fees

Georgetown City Code Section 13.10.040(B) provides that “[w]hen utility expansion is requested within a portion of the City’s utility service area, but the City is not otherwise required to provide service or planning to provide service as reflected in the City’s Capital Improvements Plan, the City may nonetheless, at the City’s sole option, facilitate the design and construction of the required utility extensions or upgrades by managing the project with the cost of such extensions to be shared and fully paid by the requesting landowners or subdividers prior to commencement of the project.”

Section 13.10.040(C) provides that when utility expansion is requested within a portion of the City’s utility service area, the City shall evaluate degree to which the project:

1. Facilitates contiguous growth;
2. Maximizes the provision of service to the service area;
3. Enhances economic development;
4. Improves system operations;
5. Contributes to conservation or other environmental concern; and
6. Facilitates the completion of the utility master plan.

Section 13.10.040(D) provides that at the City’s sole option, the City may also facilitate the installation of utility expansion requests through:

1. Financial cost contribution;
2. Financing of the improvement using individual contracts between the City and each landowner for a proportionate share of the project cost to be paid out over a specified period of time at a specified rate of interest;
3. Impact fee or connection fee reduction or waiver.

b. Reconnections and Same-Day Service

Georgetown charges a \$30.00 to connect or reconnect utilities. A reconnect can be completed for an additional \$50.00 charge outside of business hours (Monday - Friday 8:00 a.m. - 5:00 p.m.) including weekends and City holidays.¹⁷

4. San Marcos

a. Temporary Service

Temporary service will only be installed if the City is paid in advance the “standard cost of installing and removing all facilities expressly required for such temporary service.”¹⁸ When temporary service is required for construction purposes and the temporary line will result in a permanent meter upon completion, the City will extend the temporary service which contributes

¹⁷ <https://billing.georgetown.org/rates/>

¹⁸ City of San Marcos Electric Rules and Regulations at 20.

to a permanent electric service, at its option, under the appropriate rule for permanent extensions.¹⁹

b. Line Extension CIAC

Appendix A of the City of San Marcos Electric Rules and Regulations provides the line extension policy. The City will construct an overhead primary line extension to provide permanent service to a commercial facility if the extension is up to 1,200 feet for single phase service or 400 feet for three phase service. Any non-standard installations or extensions beyond those footages may be made if the customer pays the additional cost. In those situations where excess construction costs must be paid, the customer will be required to pay the City in advance of any construction. The required length of the extension is established by a field survey performed by the City. The number of feet of excess construction is multiplied by the City's Standard Construction Costs for the type of extension required.²⁰

However, large commercial facilities are evaluated to determine "if the anticipated annual revenues will provide the necessary margins to permit a longer extension."²¹ If it can be demonstrated that the expected annual revenues ("derived from base rates, exclusive of fuel") to be paid by the customer will generate the required margins to cover the total cost of constructing the extension (without accounting for any allowance), the City may, at its option, extend service to the customer without an excess construction cost payment from the customer.²²

Underground lines may be provided if the customer executes a special underground agreement and agrees to bear all additional expenses in excess of the cost of the standard overhead extension normally provided.²³

At all times, the City has complete ownership and control of the entire line constructed and has the right to serve others from the line or any extension thereof, without obligation to refund any part of the payment for excess construction costs.

c. Reconnection and Same-Day Service

The charge for reconnection during regular business hours is \$20.00. If the reconnection is made at a time outside of regular business hours at the customer's request, a "charge commensurate with the extra cost of the reconnection will be added to the regularly established reconnection charge."²⁴

¹⁹ *Id.*

²⁰ *Id.* at 18.

²¹ *Id.*

²² *Id.*

²³ *Id.* at 16.

²⁴ *Id.* at 6.

5. New Braunfels Utilities (“NBU”)

a. Temporary Needs

NBU defines temporary service as a “means of supplying electricity to a site with an active duration of no more than 180 days. Usually a temporary service is installed to provide power during the construction phase of a project while provisions are being made for permanent power.”²⁵ Any temporary service that requires the installation and removal of facilities that are not required for permanent electric service must be paid by the customer as CIAC.²⁶

b. Underground Construction

NBU will provide underground service to a customer with the customer paying the costs.²⁷ Where electrical service is only available from an underground system, underground is the standard method of service for that geographical area. Outside those designated areas, underground service is not standard and must be approved by NBU and the CIAC will be paid by the customer. The customer is responsible for furnishing and installing numerous facilities such as: trench and service conduit, caution signage, concrete encasements, and others. Additionally, NBU’s Electrical Connection Policy sets forth the following underground construction fees:

CONDUCTOR FEES

Single-Phase Primary	\$4.50 per linear foot
Single-Phase Secondary	\$2.25 per linear foot
Three-Phase Primary	\$12.75 per linear foot
Three-Phase Secondary	\$6.75 per linear foot

RISER FEES

Single-Phase Primary Riser	\$1,625.00 per unit
Three-Phase Primary Riser	\$2,250.00 per unit
Secondary Riser (2”-3”)	\$875.00 per unit
Secondary Riser (4”)	\$1,125.00 per unit ²⁸

c. CIAC and Other Fees

NBU’s policies define CIAC as a “fee to help recover the costs of extending electric facilities to those requesting the facilities.”²⁹ Payment is required in advance of construction and is nonrefundable. The CIAC and/or fees do not transfer ownership from NBU to the customer. NBU will review the fees for construction with the customer and provide a CIAC estimate based on the individual project requirements.

²⁵ NBU Electrical Connection Policy at Page CP-18.

²⁶ *Id.*

²⁷ *Id.* at Page CP-36.

²⁸ *Id.* at Page CP-39.

²⁹ *Id.* at Page CP-22.

Among numerous other specifications, NBU's Electrical Connection Policy details the following overhead service conductor fees and pole fees:

CONDUCTOR FEES

Single-Phase Primary.....	\$8.00 per linear foot
Single-Phase Secondary.....	\$4.00 per linear foot
Three-Phase Primary.....	\$17.50 per linear foot
Three-Phase Secondary.....	\$5.75 per linear foot

POLE FEES

Wood Service Pole (30 foot).....	\$475.00 per unit ³⁰
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d. Reconections and Same-Day Service

NBU does not charge a connect or reconnect fee. NBU charges \$75.00 to disconnect for nonpayment and will reconnect with no additional charge if the reconnect can be done during normal business hours. NBU's policy explains that customers may request a service connection for times other than normal working hours, subject to approval by NBU and personnel availability. For residential customers, a minimum fee of \$150.00 is assessed for work outside normal business hours. On overhead installations, the fee includes installation of service from a single point of attachment on a pole to the customer's point of attachment, making the final connections, and/or setting the meter. For underground installations, the fee includes the installation of service from an underground enclosure to the customer's equipment less than 80 feet in lateral length and 4/0 or smaller conductor size, making the final connections, and/or setting the meter. Anything exceeding these guidelines is billed to the customer at actual cost of labor in addition to the \$150.00 fee. For commercial customers, the customer pays for actual labor and equipment, with a \$150.00 minimum. NBU provides a cost estimate to the customer upon request.³¹

6. Bluebonnet Electric Co-op

a. Load Forms and Customer Site Requirements

Bluebonnet has a Commercial Developers Package for commercial developments. The policy requires the developer to have an engineering firm submit a preliminary place of development in digital format to Bluebonnet's engineering department. The developer is responsible for clearing all right-of-way and grubbing to Bluebonnet specifications. However, Bluebonnet will clear the right-of-way for a charge of \$5.00 per linear foot.³²

Bluebonnet must be granted (at no cost to Bluebonnet) all right-of-way and easements necessary to serve the customer, including overhead or underground for the erection, maintenance, repair, replacement, removal or use of all wires, poles, machinery, fixtures or

³⁰ *Id.* at Page CP-35.

³¹ *Id.* at Page CP-15.

³² Bluebonnet Commercial Developers Package at 6.

equipment needed.³³ Before construction can commence, Bluebonnet must be granted an easement for 15 feet on each side of the centerline (30 feet) for overhead facilities and 10 feet on each side of the centerline (20 feet) for underground facilities.

b. Temporary Needs

Bluebonnet's extension policy requires that applicants requesting temporary electrical service (defined as 24 months or less) must pay a non-refundable CIAC for all line extension and removal costs to serve the location.³⁴

c. Underground Construction

The customer must provide all materials necessary for the conduit system installed for the Bluebonnet underground system and those materials will be owned by Bluebonnet after proper installation is certified by a Bluebonnet inspector.³⁵ Bluebonnet requires an open ditch inspection.³⁶

d. CIAC and Other Fees

General Service/Non-Residential customers pay non-refundable CIAC for all estimated line extension costs greater than \$350.00 per service.³⁷ General Service/Residential and Single-Phase Commercial Service customers pay non-refundable CIAC for all estimated line extension costs greater than \$1,200 per service.³⁸ After Bluebonnet gives the customer a cost estimate, it is good for 90 days.

However, Bluebonnet does permit one-time refund of 30% of CIAC if three conditions are met: (1) the CIAC is for overhead residential service over \$7,000; (2) the line constructed with the CIAC is utilized within three years to serve another customer; and (3) the customer requests the refund on the proper form within 90 days of completion of the additional line. If the customer no longer owns the property, the refund is forfeited.³⁹

Bluebonnet charges a maintenance fee of \$1.00 per linear foot of trench to cover the cost of any necessary repairs in the first year following the completion of underground facilities installation.⁴⁰

³³ *Id.* at 8.

³⁴ Bluebonnet Electric Cooperative, Inc. Tariff for Electric Service at Section 311(A).

³⁵ Bluebonnet Commercial Developers Package at 6.

³⁶ *Id.* at 9.

³⁷ Bluebonnet Electric Cooperative, Inc. Tariff for Electric Service at Section 311(B).

³⁸ *Id.* at Section 311(C).

³⁹ *Id.*

⁴⁰ Bluebonnet Commercial Developers Package at 7.

Bluebonnet could also require a design/redesign fee of \$50/hour either prior to or following the design process.

e. Reconections and Same-Day Service

If a trip to the customer's location is required for activation, the customer is billed a \$50.00 activation charge per meter.⁴¹

If the customer's service was discontinued, a reconnection will not be made until the amount owed is paid in full plus the disconnect fee, reconnect fee, and a deposit (if applicable). Upon receipt of full payment prior to 5:30 p.m. in a Bluebonnet office, Bluebonnet will make "every effort" to reconnect that same day. Payments received after 5:30 p.m. will be scheduled for the following business day.⁴²

If it is necessary to dispatch a service employee for disconnection, Bluebonnet assesses a \$50.00 disconnection charge.⁴³

7. Oncor Electric Delivery Company, LLC

a. Load Forms and Customer Site Requirements

Oncor's website contains numerous forms to collect customer load information for residential, commercial and multifamily service.⁴⁴ Oncor's tariff contains standard agreements such as a Facilities Extension Agreement and a Transmission/Substation Facility Extension Agreement.⁴⁵

b. Temporary Needs

Oncor requires the customer to pay prior to Oncor constructing temporary delivery system facilities. The cost is the amount equal to the estimated cost of installing and removing the facilities, plus the estimated cost of materials to be used that are not salvageable after removal of the installation.⁴⁶

c. Underground Construction

The customer must provide at no cost to the utility, easements for the underground conductors, padmount transformers, and associated equipment.⁴⁷ The customer must complete

⁴¹ Bluebonnet Electric Cooperative, Inc. Tariff for Electric Service at Section 301.1(2) and (11).

⁴² *Id.* at Section 305(F).

⁴³ *Id.* at Section 305(A).

⁴⁴ <http://www.oncor.com/EN/Pages/Construction-Guidelines.aspx>.

⁴⁵ Oncor Tariff Section 6.3.1 and Section 6.3.2.

⁴⁶ *Id.* at Section 6.1.2.2.8.

⁴⁷ *Id.* at Section 6.1.2.2.3(b).

the rough site grading, establish final grade along the conductor route, and clear the area of obstructions.⁴⁸

d. CIAC and Other Fees

Standard Facility Extensions:

Oncor's tariff provides for extensions for small loads where the estimated cost to extend facilities does not exceed the standard allowance.⁴⁹ Oncor will extend overhead single phase electric service or underground single phase electric service without charge to a permanent customer with a demand of less than 20 kW for a distance up to 300 feet. The customer must make a one-time non-refundable CIAC for the cost of providing an extension in excess of that amount based upon an estimated cost per foot for the type of facility installed.⁵⁰

For all other extensions that are requiring three-phase service or have a demand greater than or equal to 20 kW, the customer pays CIAC based on a formula in Oncor's tariffs. If the formula produces a number that is zero or negative, there is no CIAC required. Oncor's formula is below:

CIAC = Direct Cost - Standard Allowance + Company's Tax Liability + Franchise Fees

- Direct cost is defined as the current average cost of each component of the facilities necessary to provide service, determined by a computer estimate of all necessary expenditures (including metering, services, transformers, and rearrangement of existing Delivery System facilities).
- Standard Allowance is the Standard Allowance Factor x Maximum kW Demand.
 - The Standard Allowance Factors are as follows:
 - Secondary Service Greater than 10 kW -- \$155/kW
 - Primary Service Greater than 10 kW - Distribution -- \$79/kW
 - Primary Service Greater than 10 kW - Substation -- \$2/kW
 - Transmission Service -- \$2/kW (this applies only to the cost of providing and installing metering and capacitors on the Delivery System).
 - The maximum kW demand is the 15-minute kW demand based on expected usage patterns and load or equipment supplied by the customer.⁵¹

All of the inputs to the formula are provided to the customer at the customer's request.

⁴⁸ *Id.* at Section 6.1.2.2.3(d).

⁴⁹ *Id.* at Section 6.1.2.2.5.

⁵⁰ *Id.* at Section 6.1.2.2.5.1 and Section 6.1.2.2.5.2.

⁵¹ *Id.* at Section 6.1.2.2.6.1.

Non-Standard Facility Extensions

Non-standard facilities include: two-way feed, automatic and manual transfer switches, service through more than one point of delivery, redundant facilities, facilities in excess of those normally required for service, poles other than wooden poles, facilities necessary to provide service at a nonstandard voltage, or underground facilities except for areas where the company has determined that underground facilities constitute standard facilities.⁵² If the customer is requesting non-standard facilities, the customer must pay the total estimated cost of all non-standard facilities less the cost of standard facilities.⁵³

e. Reconections and Same-Day Service

Disconnect fees

If a retailer requests that service be disconnected for failure to pay, the standard disconnect fee at the meter is \$2.70 and a premium location (pole, weatherhead, secondary box) disconnect fee is \$35.55.⁵⁴ For premises with an advanced meter with remote disconnect/reconnect, the disconnect fee is \$2.70 as well.

Reconnect fees

For premises with an advanced meter with remote disconnect/reconnect, there is a charge of \$3.10 for the reconnect after disconnection for failure to pay. For all other premises:

Reconnection fees at the meter:

Standard - \$3.10
Same Day - \$5.30
Weekend - \$25.00
Holiday - \$32.45

Reconnection fees at premium location:

Standard - \$40.40
Same Day - \$65.60
Weekend - \$116.10
Holiday - \$143.15⁵⁵

8. CenterPoint Energy Houston Electric, LLC

a. Load Forms and Customer Site Requirements

The cost of obtaining any easements or rights-of-way lies with the customer.⁵⁶ Additionally, the customer is required to clear the ground of any trees, stumps, brush or debris

⁵² *Id.* at Section 6.1.2.2.1.2.

⁵³ *Id.* at Section 6.1.2.2.7.

⁵⁴ *Id.* at Section 6.1.2.1.

⁵⁵ *Id.*

⁵⁶ CenterPoint Tariff Section 6.1.2.2 Subsection 2.1.

along the route of the extension to the width specified by CenterPoint. If the clearing is required on a third party's property, the company may require that the work be done by CenterPoint at the customer's expense. Additionally, CenterPoint performs the tree trimming. If that cost exceeds 25% of the free distance line cost (discussed below), the retail customer bears the remainder of the tree trimming costs. The transformers, meters, and service drops are not included in the line cost.⁵⁷

b. Temporary Needs

The customer must pay CenterPoint for the company's construction of delivery system facilities in accordance with Chapter 6 of its tariffs (Company Specific Items).⁵⁸ A permanent customer is one "whose installed electrical equipment is used in a manner which provides the Company a reasonable return on the capital investment required to serve the Retail Customer for a time period approximately equal to the life of the Company's installed service facilities."⁵⁹

CenterPoint also offers conditional refund agreements to customers when service is requested in advance of construction of a permanent facility to which service would be extended at CenterPoint's expense according to the line extension plan. The customer is required to pay the installation and removal costs, but provides for a refund if the customer constructs permanent facilities within 24 months of the date the electric facilities are made available. Any expenses to alter CenterPoint's facilities to provide permanent service are charged against the refund.⁶⁰

c. Underground Construction

CenterPoint's standard practice is to extend using overhead construction consisting of wood poles and overhead circuits. A customer requesting special non-standard underground service must reimburse CenterPoint for the difference in cost between standard construction and the requested special non-standard service arrangements. The customer is responsible for installing the concrete encased ducts, manholes, switchrooms, transformer vaults, and pads for transformers, switches, and protective devices. CenterPoint will install ducts or manholes in street rights-of-way at the customer's expense.⁶¹

However, CenterPoint's tariff notes that "[s]ubstantial investments in underground service facilities have been made in certain areas of the Company's distribution system, and overhead service extensions into these areas are impractical and will nullify the benefits of past investments."⁶² Because of this, underground service is provided in these areas with no additional cost to the customer.

⁵⁷ *Id.* at Section 6.1.2.2 Subsection 2.3.

⁵⁸ *Id.* at Section 5.7.7.

⁵⁹ *Id.* at Section 6.1.2.2 Subsection 2.1.

⁶⁰ *Id.* at Section 6.1.2.2 Subsection 4.

⁶¹ *Id.* at Section 6.1.2.2 Subsection 2.5.

⁶² *Id.* at Section 6.1.2.2 Subsection 2.5.

d. CIAC and Other Fees

Similar to Oncor, CenterPoint's tariff provides that the customer will receive an allowance for the installation of facilities, with CIAC required for any amounts in excess of the allowance.⁶³ CenterPoint's general policy is to utilize overhead construction consisting of wood poles and overhead circuits.⁶⁴ CenterPoint will extend overhead electric delivery service to a permanent customer without charge up to 1,000 feet for three phase service and 2,000 feet for single phase service.⁶⁵ The cost of placing the overhead line underground or the installation and purchase of FAA "ball markers" are at the customer's expense.⁶⁶ The costs for service extensions in excess of the "free distances" are also at the customer's expense. Additionally, the costs associated with increasing the capacity of existing lines along the route of extension are at the customer's expense.⁶⁷

CenterPoint's tariff describes a High Voltage Transmission Service Extension Plan for a customer whose load is "of such magnitude or of such unusual characteristics that it cannot otherwise be economically served from Company's distribution system" and must receive service from the high-voltage transmission system.⁶⁸ These customers are responsible for all extension costs and providing all substation equipment, both initially and whenever changes in the transmission system require such changes to the substation to maintain compatibility.⁶⁹

Any customer requesting special construction for reasons such as aesthetic considerations, clearance of obstructions, or service to non-standard point of delivery, must reimburse CenterPoint for the difference between the standard service and the special construction.⁷⁰

e. Reconstructions and Same-Day Service

Customers that request CenterPoint to perform work during hours other than normal working hours must reimburse CenterPoint for the appropriate charges.⁷¹

Generally, CenterPoint does not charge a connection fee to customers who have a provisioned advanced meter with remote disconnect/reconnect capabilities.⁷² Customers without an advanced meter that are disconnected for non-payment, are charged \$9.00 at a meter or

⁶³ *Id.* at Section 5.7.4.

⁶⁴ *Id.* at Section 6.1.2.2 Subsection 2.1.

⁶⁵ *Id.* at Section 6.1.2.2 Subsection 2.2.

⁶⁶ *Id.*

⁶⁷ *Id.* at Section 6.1.2.2 Subsection 2.3.

⁶⁸ *Id.* at Section 6.1.2.2 Subsection 2.4.

⁶⁹ *Id.*

⁷⁰ *Id.* at Section 6.1.2.2 Subsection 8.

⁷¹ *Id.*

⁷² *Id.* at Section 6.1.2.1.

\$61.00 at a premium location. If the customer requests to reconnect after disconnection for non-payment, a customer without an advanced meter will pay the following:

At Meter

Standard Reconnect - \$9.00

Same Day Reconnect - \$34.00

Weekend - \$34.00

Holiday - \$176.00

At Premium Location (i.e. pole, weatherhead, secondary box)

Standard Reconnect - \$61.00

Same Day Reconnect - \$187.00

Weekend - \$187.00

Holiday - \$246.00

Both CenterPoint and Oncor are Transmission and Distribution Service Providers ("TDSPs"). Their customers must also pay the fees charged by the particular Retail Electric Provider ("REP") from which they are receiving service. These REPs charge a range of fees for connection and disconnection services in addition to those charged by the TDU. Below are some examples of fees charged by REPs in Texas:

- Reliant Energy Retail Services charges \$25.00 for a disconnect recovery fee when a customer fails to pay the past due amount before the expiration date of any disconnection notice issued (regardless of whether the customer's electric service is actually disconnected).⁷³
- TXU Energy Retail Company charges a \$30 disconnect recovery charge as well as a \$10 disconnect notice fee each time TXU sends a disconnection notice to a customer.
- Gexa Energy charges a \$15 suspension/disconnection fee (regardless of whether electric service is actually disconnected) and a \$15 reconnection fee.⁷⁴
- Amigo Energy charges a \$22 disconnection notice fee for issuance of a disconnection notice (regardless of whether electric service is actually disconnected) and a \$20 reconnection fee.⁷⁵
- Bounce Energy charges a disconnect process fee of \$25.00 each time full payment is not made prior to the expiration date stated in any disconnection notice issued. Additionally, Bounce charges \$25.00 to reconnect the customer and \$20.00 for each disconnection notice sent to the customer.⁷⁶

⁷³ Reliant Terms of Service at 1.

⁷⁴ Gexa Energy, LP, Residential Term of Service at 4.

⁷⁵ Amigo Energy Terms of Service at 2.

⁷⁶ Bounce Energy Terms of Service Agreement at 2.

9. Austin Energy

a. Underground Service

Austin Energy requires the customer to install all of the civil work for the AE facilities installed on the customer's property "in lieu of part or all of the cash payment of the underground facilities as determined by AE Design."⁷⁷ However, there are some instances where AE is able to provide underground service at no cost to the customer when the lowest overhead cost is equivalent to the underground cost.

b. CIAC and Other Fees

Austin Energy's Design Criteria explains that AE "generally provides at no cost an extension (300 feet or less including the service) of basic standard single-phase 120/240V overhead electric service on wood poles. When the revenue requirements of the Line Extension Policy are not met (typically, only an issue for very small, intermittent, or seasonal loads), the Customer will be required to pay all of the "not met" costs for the extension of AE facilities to provide electric service requested by the Customer regardless of the length of the extension."⁷⁸

Austin Energy applies excess cost to anything requested by the customer that exceeds what AE would normally do to provide adequate and reliable standard electric service, such as: underground service, undergrounding facilities, excess transformer capacity, equipment/work to increase reliability, specific placement or routing of AE facilities, relocations/removals of AE facilities, additional points of service, and other similar services.⁷⁹ The customer is required to pay the full amount of any excess costs or facilities, including customer-requested and necessitated overtime, customer-required design/construction redo's, and ongoing operation costs.

c. Reconnection and Same-Day Service

Austin Energy has the following Service Fees —

Reconnect \$25

Same-day service, add \$55 (\$80 total)⁸⁰

⁷⁷ Austin Energy's Design Criteria Section 1.3.13.

⁷⁸ *Id.* at Section 1.3.12.

⁷⁹ *Id.* at Section 1.3.13.

⁸⁰ <http://www.austinenergy.com/customer%20Care/Electric%20Service/reconnect.htm>.

ATTACHMENT A

Comparison of CIAC Policies

Austin Energy	Austin Energy's Design Criteria explains that AE "generally provides at no cost an extension (300 feet or less including the service) of basic standard single-phase 120/240V overhead electric service on wood poles. When the revenue requirements of the Line Extension Policy are not met (typically, only an issue for very small, intermittent, or seasonal loads), the Customer will be required to pay all of the "not met" costs for the extension of AE facilities to provide electric service requested by the Customer regardless of the length of the extension."
CPS Energy	In places where CPS Energy does not maintain an electric distribution system, CPS Energy may, at its discretion, extend its distribution system in accordance with the CPS Energy Policy for Electric Line Extension.
Pedernales Electric Cooperative, Inc.	$\text{CIAC} = (\text{Direct Cost} + \text{System Cost}) - (\text{Annual Revenue/Return Factor})$ <p style="text-align: center;">or</p> $\text{CIAC} = \text{Total Project Cost} - \text{Cooperative's Allowable Investment}$
Georgetown Utility Systems	The City may, at the City's sole option, facilitate the design and construction of the required utility extensions or upgrades by managing the project with the cost of such extensions to be shared and fully paid by the requesting landowners or subdividers prior to commencement of the project (City Code Sec. 13.10.040(B)).
San Marcos	<p>The City will construct an overhead primary line extension to provide permanent service to a commercial facility if the extension is up to 1,200 feet for single phase service or 400 feet for three phase service. Any non-standard installations or extensions beyond those footages may be made if the customer pays the additional cost. The number of feet of excess construction is multiplied by the City's Standard Construction Costs for the type of extension required.</p> <p>However, large commercial facilities are evaluated to determine "if the anticipated annual revenues will provide the necessary margins to permit a longer extension." If it can be demonstrated that the expected annual revenues ("derived from base rates, exclusive of fuel") to be paid by the customer will generate the required margins to cover the total cost of constructing the extension (without accounting for any allowance), the City may, at its option, extend service to the customer without an excess construction cost payment from the customer.</p>

New Braunfels Utilities (“NBU”)	<p>Among numerous other specifications, NBU’s Electrical Connection Policy details the overhead service conductor fees and pole fees:</p> <p>CONDUCTOR FEES Single-Phase Primary.....\$8.00 per linear foot Single-Phase Secondary.....\$4.00 per linear foot Three-Phase Primary.....\$17.50 per linear foot Three-Phase Secondary.....\$5.75 per linear foot</p> <p>POLE FEES Wood Service Pole (30 foot).....\$475.00 per unit</p>
Bluebonnet Electric Co-op	<p>General Service/Non-Residential customers pay non-refundable CIAC for all estimated line extension costs greater than \$350.00 per service. General Service/Residential and Single-Phase Commercial Service customers pay non-refundable CIAC for all estimated line extension costs greater than \$1,200 per service.</p> <p>Bluebonnet permits a one-time refund of 30% of CIAC if three conditions are met: (1) the CIAC is for overhead residential service over \$7,000; (2) the line constructed with the CIAC is utilized within three years to serve another customer; and (3) the customer requests the refund on the proper form within 90 days of completion of the additional line. If the customer no longer owns the property, the refund is forfeited.</p>
Oncor Electric Delivery Company	<p>CIAC = Direct Cost - Standard Allowance + Company’s Tax Liability + Franchise Fees</p> <p>Standard Allowance Factors are as follows: Secondary Service Greater than 10 kW -- \$155/kW Primary Service Greater than 10 kW - Distribution -- \$79/kW Primary Service Greater than 10 kW - Substation -- \$2/kW Transmission Service -- \$2/kW (this applies only to the cost of providing and installing metering and capacitors on the Delivery System).</p>
CenterPoint Energy Houston Electric	<p>CenterPoint will extend overhead electric delivery service to a permanent customer without charge up to 1,000 feet for three phase service and 2,000 feet for single phase service. The cost of placing the overhead line underground or the installation and purchase of FAA “ball markers” are at the customer’s expense. The costs for service extensions in excess of the “free distances” are also at the customer’s expense. Additionally, the costs associated with increasing the capacity of existing lines along the route of extension are at the customer’s expense.</p>

ATTACHMENT B

Comparison of Reconnect and Same Day Service Fees

Austin Energy	Reconnect \$25.00 Same day service, add \$55.00 (\$80 total)
CPS Energy	<u>Reconnection at the Meter:</u> Regular work hours: \$24.00 Premium pay work hours: \$30.00 <u>Reconnection at Pole or Underground Transformer:</u> Regular work hours: \$60.00 Premium pay work hours: \$120.00
Pedernales Electric Cooperative, Inc.	\$100.00 fee for reconnection after nonpayment. Same day service fee of \$250.00 that is nonrefundable. If the reconnection is performed after normal business hours on Monday through Friday or on Saturdays or Sundays, the \$250.00 same-day service must be paid prior to reconnection as well.
Georgetown Utility Systems	Georgetown charges a \$30.00 to connect or reconnect utilities. A reconnect can be completed for an additional \$50.00 charge outside of business hours (Monday - Friday 8:00 a.m. - 5:00 p.m.) including weekends and City holidays
San Marcos	Reconnection during regular business hours: \$20.00 If the reconnection is made at a time outside of regular business hours at the customer's request, a "charge commensurate with the extra cost of the reconnection" will be added to the regularly established reconnection charge.
New Braunfels Utilities	NBU does not charge a connect or reconnect fee. NBU charges \$75 to disconnect for nonpayment and will reconnect with no additional charge if the reconnect can be done during normal business hours. NBU's policy explains that Customers may request a service connection for times other than normal working hours, subject to approval by NBU and personnel availability. <ul style="list-style-type: none"> • Residential customers - minimum fee of \$150.00 is assessed. Anything exceeding NBU's standard guidelines is billed to the customer at actual cost of labor in addition to the \$150.00 fee. • Commercial customers - customer pays for actual labor and equipment, with a \$150.00 minimum. NBU provides a cost estimate to the customer upon request.
Bluebonnet Electric Co-op	If a trip to the customer's location is required for activation, the customer is billed a \$50.00 activation charge per meter. If the customer's service was discontinued, the reconnection will not be made until the amount owed is paid in full plus the disconnect fee, reconnect fee, and a deposit (if applicable). Upon receipt of full payment prior to 5:30 p.m. in a Bluebonnet office, Bluebonnet will make "every effort" to reconnect that same day. Payments received after 5:30 p.m. will be scheduled for the following business day.
Oncor Electric Delivery Company	If a retailer requests that service be disconnected for failure to pay, the standard disconnect fee at the meter is \$2.70 and a premium location disconnect fee is \$35.55. For premises with an advanced meter with remote disconnect/reconnect, the disconnect fee is \$2.70 as well. For premises with an advanced meter with remote disconnect/reconnect, there is a charge of

	<p>\$3.10 for the reconnect after disconnection for failure to pay. For all other premises:</p> <p><u>Reconnection fees at the meter:</u> Standard - \$3.10 Same Day - \$5.30 Weekend - \$25.00 Holiday - \$32.45</p> <p><u>Reconnection fees at premium location (pole, weatherhead, secondary box):</u> Standard - \$40.40 Same Day - \$65.60 Weekend - \$116.10 Holiday - \$143.15</p>
CenterPoint Energy Houston Electric	<p>CenterPoint does not charge a connection fee to customers who have a provisioned advanced meter with remote disconnect/reconnect capabilities.</p> <p>Customers without an advanced meter that are disconnected for non-payment are charged \$9.00 at a meter or \$61.00 at a premium location. If the customer requests to reconnect after disconnection for non-payment, a customer without an advanced meter will pay the following:</p> <p><u>Reconnection fees at Meter</u> Standard Reconnect - \$9.00 Same Day Reconnect - \$34.00 Weekend - \$34.00 Holiday - \$176.00</p> <p><u>Reconnection fees at Premium Location (i.e. pole, weatherhead, secondary box)</u> Standard Reconnect - \$61.00 Same Day Reconnect - \$187.00 Weekend - \$187.00 Holiday - \$246.00</p>
REP Disconnect and Reconnect Fees	<ul style="list-style-type: none"> • Reliant Energy Retail Services charges \$25.00 for a disconnect recovery fee when a customer fails to pay the past due amount before the expiration date of any disconnection notice issued (regardless of whether the customer's electric service is actually disconnected). • TXU Energy Retail Company charges a \$30 disconnect recovery charge as well as a \$10 disconnect notice fee each time TXU sends a disconnection notice to a customer. • Gexa Energy charges a \$15 suspension/disconnection fee (regardless of whether electric service is actually disconnected) and a \$15 reconnection fee. • Amigo Energy charges a \$22 disconnection notice fee for issuance of a disconnection notice (regardless of whether electric service is actually disconnected) and a \$20 reconnection fee. • Bounce Energy charges a disconnect process fee of \$25.00 each time full payment is not made prior to the expiration date stated in any disconnection notice issued. Additionally, Bounce charges \$25.00 to reconnect the customer and \$20.00 for each disconnection notice sent to the customer.

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