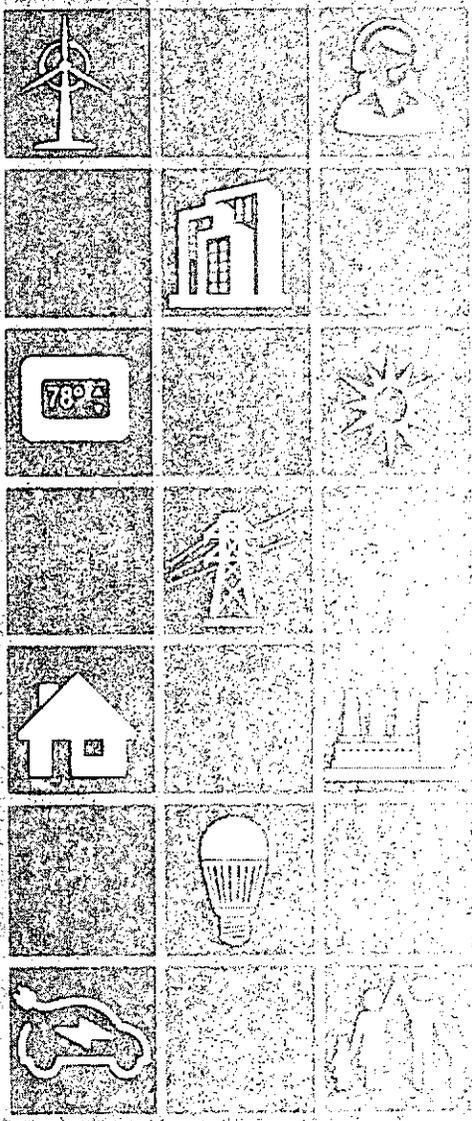
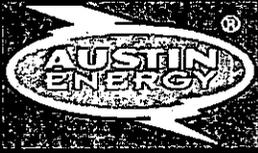


Item 41

# Line Extension Policy

Revenue & Cost Analysis as  
requested at 4/29 City Council  
Work Session





- Austin Energy assumed construction costs to establish service were the same across all utilities
- Two cost scenarios were used for residential and one for commercial but actual costs can vary greatly depending on
  - Proximity to existing facilities
  - Complexity of request
  - Conflicts with other utilities
  - Customer aesthetic requests
  - Specialty equipment requirements
- A utility's line extension policy generally will complement their rate structure, expected revenue, and customer mix and density



**Construction Cost - \$2,000 (Residential Customer)**

<b>Company</b>	<b>Austin Energy</b>	<b>Bluebonnet</b>	<b>PEC</b>	<b>Oncor</b>
% Cost to Utility	100	61	100	100

**Construction Cost - \$4,000 (Residential Customer)**

<b>Company</b>	<b>Austin Energy</b>	<b>Bluebonnet</b>	<b>PEC</b>	<b>Oncor</b>
% Cost to Utility	100	30	75	75

All estimates based upon AE calculations using other utilities' tariffs as published on their website



### Construction Cost - \$15,000 (Commercial Customer)

<b>Company</b>	<b>Austin Energy</b>	<b>Bluebonnet</b>	<b>PEC</b>	<b>Oncor</b>
% Cost to Utility	100	2	100	22

All estimates based upon AE calculations using other utilities' tariffs as published on their website



- Economic conditions and associated construction activity
- Number of new projects
- Project types and locations



### Current Austin Energy Proposal

<b>Percent Collected</b>	<b>2015 15%</b>	<b>2016 30%</b>	<b>2017 45%</b>	<b>2018 60%</b>	<b>2019 75%</b>
Revenue Anticipated	\$1.5-\$3M	\$3-\$6M	\$4.5-\$9M	\$6-\$12M	\$7.5-\$15M

### Council Proposal

<b>Percent Collected</b>	<b>2015 100%</b>
Revenue Anticipated	\$10-\$20M