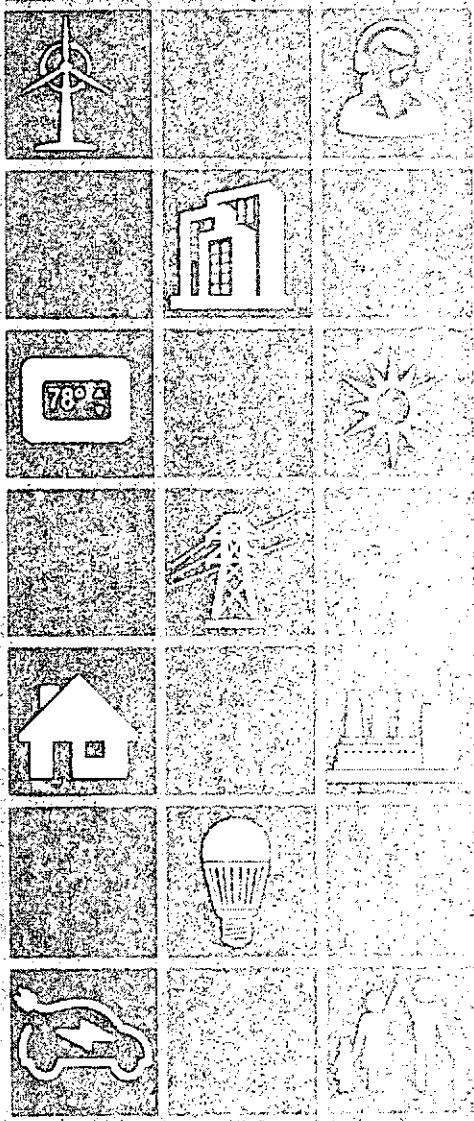


Item 41

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)

Company	Austin Energy	Bluebonnet	PEC	Oncor
% Cost to Utility	100	61	100	100

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

Company	Austin Energy	Bluebonnet	PEC	Oncor
% 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)

Company	Austin Energy	Bluebonnet	PEC	Oncor
% 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

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

Council Proposal

Percent Collected	2015 100%
Revenue Anticipated	\$10-\$20M