

Memorandum



To: Mayor and Town Council

From: Ryan Spitzer

Date: 11/3/2023

Re: Line Extension Policy

Overview:

Historically the Town has paid to put in the electric utility infrastructure for new subdivisions and commercial developments. Doing this is subsidizing the development by using current rate payer's payments. As costs for developments have risen over the last couple of years, staff is proposing a new policy that would require developers to pay for the majority share of the installation of electric utilities in new subdivisions and commercial developments.

The calculation of the cost the developer would have to pay the town is using the average revenue per house on a five-year recovery basis. The recovery basis could be either lower or higher than 5 years. If it is lower than five years, the payment from the developer would be higher. Likewise, if the recovery basis is higher than five years the payment from the developer would be lower than what is in the presented policy.

There is also an exception in the policy that the fee or CIAC can be waived for economic development projects if the Town deems it beneficial. This would be in addition to the policy set by Council for commercial developments where a discount can be given on their rates for economic development purposes.

Recommendation:

Approve the new Line Extension Policy

.