



**Courses, presentations and webinars  
offered by Utility Financial Solutions**

## **Line Extension Policies (Contributions in Aid of Construction)**

A utilities line extension policy determines the amount the utility would pay to extend services to new customers. A properly designed policy helps ensure growth is good for all ratepayers and the utility contributes appropriate amounts to extend services. Often line extension policies are determined through review of line extension policies of nearby utilities and not on the actual costs of extending new services. Policies may result in growth that increases rates for existing ratepayers or may unfairly burden new customers thereby limiting the utilities ability to grow. This session discusses alternative line extension polices and methods to identify the maximum contribution a utility should incur for a new service.

1. Review of alternative line extension methodologies
2. Assessing the risks to the utility of extending service to different types of customers
3. How line extensions for subdivisions and developers and differ from a extensions to a residential home
4. How to determine the value a customer will provide the utility
5. How an upgrade of service can be considered under line extension contributions