



DEPARTMENT OF THE AIR FORCE
WASHINGTON DC

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OFFICE OF THE ASSISTANT SECRETARY

MEMORANDUM FOR SEE DISTRIBUTION

FROM: SAF/IEI
1665 Air Force Pentagon
Washington, DC 20330-1665

SUBJECT: Revised Policy for Utility Allowance (UA) in Privatized Housing

In accordance with the Department of Defense policy regarding payment of utilities in privatized housing, we completed a comprehensive review of the Air Force UA policy. As a result, we have determined the Air Force needs to adjust UA calculation methodology to more accurately capture utility costs and usage.

Currently, UAs are calculated based on an annual five-year rolling average of utility consumption in like-type housing groupings, plus a 10-percent buffer. The revised UA policy allows privatized housing project owners (PO) to calculate the allowance for the majority of housing units based on average monthly meter readings of electricity, gas, and/or heating fuel in like-type housing groupings without a 10-percent buffer. For groupings of fewer than 10 homes, the allowance will be calculated on either a per-square-foot or a rolling five-year average basis, with no buffer. For projects where residents receive a bill from the local utility provider and pay the provider directly, the allowance will continue to be calculated on the five-year rolling average, with no buffer. The UA policy change will take effect immediately; however, residents in privatized housing at those installations in live billing prior to the policy effective date will continue receiving the 10% buffer for up to one year after the policy effective date, or until they move out of their current privatized housing unit, whichever is earlier. The PO will continue to pay for water, wastewater and trash as part of the rent.

The revised UA policy continues to encourage energy conservation by offering rebates to tenants with below average utility usage and providing a bill to tenants with above average utility usage. It more accurately calculates utility use and supports the Secretary of the Air Force's top priority of taking care of people through ensuring long term privatized housing project viability and quality homes for Airmen and their families. Attached supporting documents are provided to clarify the new policy and guide implementation.

AFCEC/CI will work with POs to amend project documents and AF/A4C will incorporate this change into AFI 32-6007. Refer questions to Mr. Ron Marlin, AFCEC/CIM, DSN 969-8305, ronald.marlin@us.af.mil.

A handwritten signature in blue ink that reads "Jennifer L. Miller".

JENNIFER L. MILLER, SES
Deputy Assistant Secretary of the Air Force
(Installations)

Attachments:

1. UA Policy Change Talking Points
2. UA Policy Resident Questions & Answers
3. UA Policy Change Implementation Plan
4. Town Hall Briefing Template
5. Public Affairs Guidance

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