

**Operating Fund Grant:  
Calculation of Utilities Expense Level**  
PHA-Owned Rental Housing  
Date/Time and Form - ID

**U.S. Department of Housing and  
Urban Development**  
Office of Public and Indian Housing

OMB Approval No. 2577-0029 (exp. 01/31/2024)

Public Reporting Burden for this collection of information is estimated to average .75 hours per response, including the time for reviewing instructions, searching existing data sources, gathering, and maintaining the data needed, and completing and reviewing the collection of information. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number. This information is required by Section 9(a) of the U.S. Housing Act of 1937, as amended, and by 24 CFR Part 990 HUD regulations. HUD makes payments for the operation and maintenance of low-income housing projects to PHAs/projects. The Operating Fund determines the amount of operating fund grant to be paid to PHAs/projects. PHAs/projects provide information on the Project Expense Level (PEL), Utilities Expense Level (UEL), Other Formula Expenses (Add-ons) and Formula Income – the major Operating Fund components. HUD reviews the information to determine each PHA's/project's Formula Amount and the funds to be obligated for the period to each PHA/project based on the appropriation by Congress. HUD also uses the information as the basis for requesting annual appropriations from Congress. Responses to the collection of information are required to obtain a benefit. The information requested does not lend itself to confidentiality.

**Section 1 – General Information**

**1. Name of Public Housing Agency:**    **2. Funding Period:** 1/1/ \_\_\_ to 12/31/ \_\_\_

**3. Type of Submission:**

<input type="checkbox"/>	Initial Submission	<input type="checkbox"/>	Resubmission
<input type="checkbox"/>	QC Submission	<input type="checkbox"/>	Revision

**4. ACC Number:**    **5. Operating Fund Project Number:**    **6. Fiscal Year End:**

12/31     3/31     6/30     9/30

**7. ROFO Code (HUD Use Only):**    **8. UEI:**

Line No.	Description	Utility (e.g., Water, Gas, Electricity)	Utility (e.g., Water, Gas, Electricity)	Utility (e.g., Water, Gas, Electricity)	Utility (e.g., Water, Gas, Electricity)	Utility (e.g., Water, Gas, Electricity)	Utility (e.g., Water, Gas, Electricity)	Total
<b>Rolling Base Incentive</b>		<input type="checkbox"/> Non Frozen <input type="checkbox"/> Frozen EPC <input type="checkbox"/> Frozen Other <input type="checkbox"/> Flat Rate	<input type="checkbox"/> Non Frozen <input type="checkbox"/> Frozen EPC <input type="checkbox"/> Frozen Other <input type="checkbox"/> Flat Rate	<input type="checkbox"/> Non Frozen <input type="checkbox"/> Frozen EPC <input type="checkbox"/> Frozen Other <input type="checkbox"/> Flat Rate	<input type="checkbox"/> Non Frozen <input type="checkbox"/> Frozen EPC <input type="checkbox"/> Frozen Other <input type="checkbox"/> Flat Rate	<input type="checkbox"/> Non Frozen <input type="checkbox"/> Frozen EPC <input type="checkbox"/> Frozen Other <input type="checkbox"/> Flat Rate	<input type="checkbox"/> Non Frozen <input type="checkbox"/> Frozen EPC <input type="checkbox"/> Frozen Other <input type="checkbox"/> Flat Rate	

**Section 2 – Current Consumption Level**

01	Actual consumption (12-month period 7/1/___ to 6/30/___)	
01a	Unit of consumption (e.g., gallons, kWh, therms)	

**Section 3 – Rolling Base Consumption Level**

02	Rolling base year 1- actual consumption (12-month period 7/1/___ to 6/30/___)	
03	Rolling base year 2 - actual consumption (12-month period 7/1/___ to 6/30/___)	
04	Rolling base year 3 - actual consumption (12-month period 7/1/___ to 6/30/___)	
05	Total consumption during 3-year rolling base period	

(Line 02 + Line 03 + Line 04)

Operating Fund Project Number:

Line No.	Description	Utility (e.g., Water, Gas, Electricity)	Utility (e.g., Water, Gas, Electricity)	Utility (e.g., Water, Gas, Electricity)	Utility (e.g., Water, Gas, Electricity)	Utility (e.g., Water, Gas, Electricity)	Utility (e.g., Water, Gas, Electricity)	Total
06	Average rolling base consumption (Line 05 ÷ 3)							
07	Actual consumption for new units							
08	Rolling Base Consumption (Line 06 + Line 07)							
<b>Section 4 – Base Consumption</b>								
09	Base Consumption (Lesser of Line 01 or Line 08)							
<b>Section 5 – Utility Consumption Incentive</b>								
10	Actual consumption > rolling base (If Line 01 is greater than Line 08, the difference is displayed as positive; if not, 0)							
11	Actual consumption < rolling base (If Line 01 is less than Line 08, the difference is displayed as positive; if not, 0)							
12	75%/25% Split (Line 10 x 0.25)							
13	75%/25% Split (Line 11 x 0.75)							
<b>Section 6 – Payable Consumption</b>								
14	Annualization of consumption for new units							
15	Payable consumption (Line 09 + Line 12 + Line 13 + Line 14)							
<b>Section 7 – Actual Utility Costs and Average Rate</b>								
16	Actual utility costs - whole dollars (12-month period 7/1/___ to 6/30/___)							
17	Actual average utility rate (Line 16 ÷ Line 01)							
<b>Section 8 – Base Utilities and Inflation/Deflation Factor</b>								
18	Base utilities expense level – whole dollars (Line 15 x Line 17)							



Line No.	Description							Total
19	Surcharges for excess consumption of PHA-supplied utilities - whole dollars (12-month period 7/1/___ to 6/30/___)							
20	Base utilities expense level minus surcharges (Line 18 - Line 19)							
21	Utilities inflation/deflation factor							

**Section 9 – Calculation of Utilities Expense Level**

22	Utilities expense level adjusted for inflation/deflation - whole dollars (Line 20 x Line 21)							
23	Rate reduction incentive (RRI) - whole dollars							
24	Utilities expense level – whole dollars (Line 22 + Line 23)							
25	Eligible unit months (from the original form HUD-52723, Column B, Line 15 + Line 17 - Line 04)							
26	Utilities Expense Level – PUM (Line 24 ÷ Line 25)							

**Section 10 – Comments**

# Instructions to form HUD-52722 – Calculation of Utilities Expense Level

## General

This form is used to calculate the utilities expense level component of eligibility for operating funds pursuant to 24 CFR Parts 990.170 – 990.185. It is used for PHA-owned rental housing projects and PHA units in mixed housing projects when operating funds are requested for such projects under the Operating Fund Program.

This form shall not be used for the Turnkey III and Mutual Help Homeownership Programs, Section 23 and 10(c) Leased Housing Programs, or the Housing Choice Voucher (Section 8) Program.

**Submission of form HUD-52722.** Submit form HUD-52722 to the HUD field office for approval together with form HUD-52723, Operating Fund Grant: Calculation of Total Project Expense Level. A separate form must be prepared and submitted for each project identified as such for the purpose of asset management under 24 CFR 990.265. A PHA that owns and operates fewer than 250 units and treats its entire portfolio as a single project under 24 CFR 990.260(b) shall prepare and submit one form. The PHA shall provide a form HUD-52722 for each funded project in the Public Housing Information Center (PIC/IMS) except for those projects that do not pay project level utilities or have special conditions in the PHA’s Moving to work agreement.

**Supporting documentation.** The PHA shall retain supporting documentation substantiating the data reported on this form for a period of five years after the year in which operating funds were received pursuant to 24 CFR 990.325.

**Timeline.** The Operating Fund Grant Program uses different time periods to calculate and distribute Operating Funds. HUD calculates UEL based on the Reporting Period and Rolling Base Years. HUD distributes Operating Funds during the Funding Period.

- **Funding Period:** Operating funds are distributed during the funding year which follows the calendar year, starting January 1<sup>st</sup> and ending on December 31<sup>st</sup>.
- **Reporting Period:** Utility cost and consumption are entered on the HUD-52722 by reporting period, starting July 1<sup>st</sup> and ending June 30<sup>th</sup>. The reporting period ends six months prior to the funding period.
- **Rolling Base Years:** Utility cost and consumption entered on the HUD-52722 for Rolling Base Year 1, 2, & 3, follow the same July 1<sup>st</sup> to June 30<sup>th</sup> calendar as the Reporting Period.

### Example: Funding Period, Reporting Period, and Rolling Base Years for Funding Year 2022

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2017							Rolling Base Year -3					
2018	Rolling Base Year -3						Rolling Base Year -2					
2019	Rolling Base Year -2						Rolling Base Year -1					
2020	Rolling Base Year -1						Reporting Period					
2021	Reporting Period											
2022	Funding Period											

## Section 1 – General Information

- 1. Name of Public Housing Agency.** The name of the Public Housing Authority (PHA).
- 2. Funding Period 1/1/ \_\_ to 12/31/ \_\_.** The funding period refers to the calendar year starting January 1<sup>st</sup> and ending on December 31<sup>st</sup>.
- 3. Type of Submission.** If this is the first submission to HUD for this funding period, the initial submission box is selected. If this is a submission to amend the original or subsequent HUD accepted submissions, the resubmission box is selected. If this is a submission to address quality control findings, the QC submission box is selected. If this is a request for revision to the last HUD accepted submission, the revision box is selected.
- 4. ACC Number.** The number of the Annual Contributions Contract (ACC) covering the projects for which this form is submitted.
- 5. Operating Fund Project Number.** The operating fund project number for which this form is being submitted.
- 6. Fiscal Year End.** The selection corresponds to the ending date of the PHA’s fiscal year.
- 7. ROFO Code.** The region and field office code for the HUD field office that has jurisdiction over the PHA (HUD use only).
- 8. UEI.** The PHA’s Unique Entity Identifier obtained from the System for Award Management (SAM.gov).

## Rolling Base Incentive

Select the appropriate Rolling Base Consumption Level Category for the specific utility:

- **Non Frozen:** The utility is charged based on consumption and does not have a HUD-approved frozen rolling base.
- **Frozen EPC:** The project has an Energy Performance Contract (EPC), and the utility has a HUD-approved frozen rolling base incentive pursuant to 24 CFR 990.185(a)(1).
- **Frozen Other:** The utility is eligible to freeze the rolling base at accepted or HUD-approved rolling base consumption levels. The PHA may not omit the utility from submission or submit rolling base consumptions levels or units of consumptions that modify the eligible or HUD-approved levels. The PHA may not add additional utilities with Frozen Other without HUD approval.
- **Flat Rate:** The utility is charged at a fixed fee regardless of usage.

Complete the following for each utility. Round all consumption data on Lines 01 through 15 to the nearest whole number. PHAs that permanently dispose or demolish units equal to or more than 10% of the total units within a building, follow the directions under demolition and disposition of units in special instructions.

### Section 2 – Current Consumption Level

	Non Frozen	Frozen EPC	Frozen Other	Flat Rate
<b>Line 01: Actual consumption.</b>	Enter the actual total consumption for the annual reporting period ending June 30th.  Note: The PHA should submit supporting documentation required by HUD to support the actual consumption.	Enter the actual total consumption for the annual reporting period ending June 30th.  Note: The PHA should submit supporting documentation required by HUD to support the actual consumption.	Enter the actual total consumption for the annual reporting period ending June 30th.  Note: The PHA should submit supporting documentation required by HUD to support the actual consumption.	Zero. The PHA cannot edit this field for Flat Rate.
<b>Line 01a: Unit of consumption.</b> (e.g., therms, kilowatt hours, gallons, cubic feet, etc.),	The unit of measurement for the consumption shown on Line 01. If a utility type/rolling base incentive pair includes more than one unit of consumption, units must be converted and merged into one entry.	The unit of measurement for the consumption shown on Line 01 as reflected in EPC approval letter.	The unit of measurement for the consumption shown on Line 01 as approved by HUD.	Zero. The PHA cannot edit this field for Flat Rate.

### Section 3 – Rolling Base Consumption Level

	Non Frozen	Frozen EPC	Frozen Other	Flat Rate
<b>Line 02: Rolling base year 1 - actual consumption.</b>	The actual consumption for rolling base year 1 is prepopulated with the previous funding year's actual consumption.  Note: The PHA should submit supporting documentation required by HUD to support the changes to the consumption for rolling base year 1.	The EPC frozen rolling base (FRB) incentive is prepopulated at the level calculated for the year the conservation measures are implemented.  Note: The PHA should submit supporting documentation required by HUD to support changes to the FRB incentive rolling base.	The eligible frozen rolling base for this utility based on the year the conservation measures are implemented. The PHA cannot edit this field for Frozen Other.	Flat Rate. The PHA cannot edit this field for Flat Rate.
<b>Line 03: Rolling base year 2 - actual consumption.</b>	The actual consumption for rolling base year 2 is prepopulated with the previous funding year's rolling base year 1.  Note: The PHA should submit supporting documentation required by HUD to support changes to the consumption for rolling base year 2.	The EPC frozen rolling base (FRB) incentive is prepopulated at the level calculated for the year the conservation measures are implemented.  Note: The PHA should submit supporting documentation required by HUD to support changes to the FRB incentive rolling base.	The eligible frozen rolling base for this utility based on the year the conservation measures are implemented. The PHA cannot edit this field for Frozen Other.	Flat Rate. The PHA cannot edit this field for Flat Rate.
<b>Line 04: Rolling base year 3 - actual consumption.</b>	The actual consumption for rolling base year 3 is prepopulated with the previous funding year's rolling base year 2.  Note: The PHA should submit supporting documentation required by HUD to support	The EPC frozen rolling base (FRB) incentive is prepopulated at the level calculated for the year the conservation measures are implemented.  Note: The PHA should submit supporting	The eligible frozen rolling base for this utility based on the year the conservation measures are implemented. The PHA cannot edit this field for Frozen Other.	Flat Rate. The PHA cannot edit this field for Flat Rate.

	changes to the consumption for rolling base year 3.	documentation required by HUD to support changes to the FRB incentive rolling base.		
<b>Line 05: Total consumption during the 3-year rolling base period.</b>	The sum of Lines 02, 03 and 04.	The sum of Lines 02, 03 and 04.	The sum of Lines 02, 03 and 04.	Zero.
<b>Line 06: Average rolling base consumption.</b>	Line 05 divided by the number 3.	Line 05 divided by the number 3.	Line 05 divided by the number 3.	Zero.
<b>Line 07: Actual consumption for new units.</b>	Enter the actual consumption for any new units included in Line 01 that have less than 12 months of actual consumption data. The consumption reported in this line should also be included in Line 01. The consumption entered on this line will be used to adjust the rolling base to include new units.	Blank field. The PHA cannot edit this field for Frozen EPC.	Blank field. The PHA cannot edit this field for Frozen Other.	Blank field. The PHA cannot edit this field for Flat Rate.
<b>Line 08: Rolling Base Consumption.</b>	The sum of Lines 06 and 07.	The value in Line 06.	The value in Line 06.	Zero.

#### Section 4 – Base Consumption

	Non Frozen	Frozen EPC	Frozen Other	Flat Rate
<b>Line 09: Base consumption.</b>	The lesser of Line 01 or Line 08.	The value in Line 08.	The value in Line 08.	Zero

#### Section 5 – Utility Consumption Incentive

	Non Frozen	Frozen EPC	Frozen Other	Flat Rate
<b>Line 10: Actual consumption greater than (&gt;) rolling base.</b>	If Line 01 is greater than Line 08, the difference is displayed in this field. Otherwise, zero is displayed in this field.	Zero.	Zero.	Zero.
<b>Line 11: Actual consumption less than (&lt;) rolling base.</b>	If Line 01 is less than Line 08, the difference is displayed in this field. Otherwise, zero is displayed in this field.	Zero.	Zero.	Zero.
<b>Line 12: 75%/25% Split.</b>	The amount in Line 10 multiplied by 0.25.	Zero.	Zero.	Zero.
<b>Line 13: 75%/25% Split.</b>	The amount in Line 11 multiplied by 0.75.	Zero.	Zero.	Zero.

#### Section 6 – Payable Consumption

	Non Frozen	Frozen EPC	Frozen Other	Flat Rate
<b>Line 14: Annualization of consumption for new units.</b>	Enter the estimated consumption for new units that are eligible for operating funds during the funding period but do not have a full 12 months of actual consumption data on Lines 01 and 07. The amount of consumption entered on this line item should reflect the estimated difference between a full year of consumption and the number of months reported on Lines 01 and 07. (For example, if the PHA/project reports four months of consumption for new units on Lines 01 and 07, the PHA/project would estimate an additional eight months	Blank field. The PHA cannot edit this field for Frozen EPC.	Blank field. The PHA cannot edit this field for Frozen Other.	Blank field. The PHA cannot edit this field for Flat Rate.

	of consumption for these new units on this line item.)			
<b>Line 15: Payable consumption.</b>	The sum of Lines 09, 12, 13, and 14.	The value in Line 08.	The value in Line 08.	Zero.

**Section 7 Actual Average Utility Costs and Average Rate**

	<b>Non Frozen</b>	<b>Frozen EPC</b>	<b>Frozen Other</b>	<b>Flat Rate</b>
<b>Line 16: Actual utility costs.</b>	Enter the actual total utility costs for the reporting period ending June 30th for the consumption entered in Line 01. Round to whole dollars.  Note: For all utility categories, PHA should submit supporting documentation required by HUD to support the actual utility costs.	Enter the actual total utility costs for the reporting period ending June 30th for the consumption entered in Line 01. Round to whole dollars.  Note: For all utility categories, PHA should submit supporting documentation required by HUD to support the actual utility costs.	Enter the actual total utility costs for the reporting period ending June 30th for the consumption entered in Line 01. Round to whole dollars.  Note: For all utility categories, PHA should submit supporting documentation required by HUD to support the actual utility costs.	Enter the actual total utility costs for the reporting period ending June 30th. Round to whole dollars.  Note: For all utility categories, PHA should submit supporting documentation required by HUD to support the actual utility costs.
<b>Line 17: Actual average utility rate.</b>	Line 16 divided by Line 01 rounded to four decimal places.	Line 16 divided by Line 01 rounded to four decimal places.	Line 16 divided by Line 01 rounded to four decimal places.	Zero with four decimal places.

**Section 8 – Base Utilities and Inflation/Deflation Factor**

	<b>Non Frozen</b>	<b>Frozen EPC</b>	<b>Frozen Other</b>	<b>Flat Rate</b>
<b>Line 18: Base utility expense level.</b>	Line 15 multiplied by Line 17 rounded to whole dollars.	Line 15 multiplied by Line 17 rounded to whole dollars.	Line 15 multiplied by Line 17 rounded to whole dollars.	The value in Line 16.

**Line 18 (continued): Base utilities expense level.** The total of all columns in Line 18.

**Line 19: Surcharges for excess consumption of PHA-supplied utilities.** Enter the amount of charges to residents for excess utility consumption for PHA-supplied utilities for the 12-month period ending June 30th that is 6 months prior to the first day of the funding period. Round to whole dollars.

**Line 20: Base utilities expense level minus surcharges.** The amount in Line 19 subtracted from the amount in Line 18 is displayed in Line 20.

**Line 21: Utilities inflation/deflation factor.** The applicable utilities inflation/deflation factor supplied by HUD pursuant to 24 CFR 990.170(d) is displayed in Line 21.

**Section 9 – Calculation of Utility Expense Level**

**Line 22: Utilities expense level adjusted for inflation/deflation.** The amount in Line 20 multiplied by the utilities inflation/deflation factor in Line 21, rounded to whole dollars, is displayed in Line 22.

**Line 23: Rate reduction incentive.** Enter the amount in whole dollars for an approved utility rate reduction incentive. If a PHA/project has been approved by HUD for the utility rate reduction incentive pursuant to 24 CFR 990.185(b), calculate actual utility costs as they would have been if the rate savings action had not been taken. If these costs are greater than actual utility costs on Line 16, calculate one-half of the difference and enter on Line 23. (The calculation of “costs” as they would have been had the action not been taken requires calculation of such costs on a monthly basis.) PHAs should leave this field blank for projects without an approved RRI. Note: The PHA should submit supporting documentation required by HUD to claim the RRI.

**Line 24: Utilities expense level (whole dollars).** The sum of Lines 22 and 23 is displayed in Line 24.



**Line 25: Eligible unit months.** From the current form HUD-52723, Operating Fund Grant: Calculation of Total Project Expense Level for the Funding Period, Line 15 plus Line 17 minus Line 04 from Section 2 Column B is displayed in Line 25.

**Line 26. Utilities expense level (PUM).** The utility expense level in Line 24 divided by the eligible unit months in Line 25, rounded to two decimal places, is displayed in Line 26. This amount shall be entered in Section 3, Part A, Line 05 of the form HUD-52723, Operating Fund Grant: Calculation of Total Project Expense Level.

## Special Instructions for Specific Items

**New units.** PHAs/projects should follow the instructions in this part when new units are eligible for operating funds in the funding period. Consumption associated with these new units should be added to consumption of existing units on the following lines for the applicable columns:

**Line 01: Actual consumption.** If there is no consumption for new units during the reporting period, do not add any consumption. If there is partial or full consumption for new units during the reporting period, add the actual consumption during the reporting period.

**Line 02: Rolling base year 1 – actual consumption.** If there is no consumption or partial consumption for new units during the reporting period, do not add any consumption. Once there are a full 12 months of consumption for new units during the reporting period, add the actual consumption during the reporting period.

**Line 03: Rolling base year 2 – actual consumption.** If there is no consumption or partial consumption for new units during the reporting period, add the same consumption that was added to Line 02. Once there are a full 12 months of consumption for new units during the reporting period, add the actual consumption during the reporting period.

**Line 04: Rolling base year 3 – actual consumption.** If there is no consumption or partial consumption for new units during the reporting period, add the same consumption that was added to Line 03. Once there are a full 12 months of consumption for new units during the reporting period, add the actual consumption during the reporting period.

**Line 07: Actual consumption for new units.** If there is no consumption for new units Line 01, do not enter any consumption on Line 07. If Line 01 has partial or full consumption for new units but Line 02 does not have any consumption for new units, enter the same amount of consumption for new units that was entered on Line 01. If Line 02 also has consumption for new units, do not enter any consumption on Line 07.

**Note:** Lines 02 through 07 are all used to calculate the rolling base on Line 08. In order to make the rolling base on Line 08 comparable to Line 01 so that the utility consumption incentive can be calculated, Line 08 must always include the same number of months of consumption as Line 01.

**Line 14: Annualization of consumption for new units.** If there is partial consumption for new units on Lines 01 and 07, enter the estimated difference between a full 12 months of consumption and the number of months reported on Lines 01 and 07. If there is a full 12 months of consumption for new units on Line 01, do not enter any consumption on Line 14. **Note:** Line 14 is necessary for new units that are eligible to receive operating funds during the funding period but for which consumption is only partially reflected on Line 01.

PHAs/projects will not resubmit or adjust the form HUD-52722, Calculation of Utilities Expense Level, for new units coming online after the June 30<sup>th</sup> date used in Line 01, actual consumption. Additional funding for utility expenses associated with these new units will be handled only through a change in eligible unit months on form HUD-52723, Operating Fund Grant: Calculation of Total Project Expense Level. Consumption data for new units will begin to be incorporated in the form HUD-52722 the following year.

**New Projects.** For new projects without any full or partial reporting period consumption data, the PHA may use the PUM UEL of a comparable project in lieu of completing the HUD-52722. The PHA must include the comparable project's Operating Fund project number and the PUM UEL, and in the comments a description of why they selected that comparable project. In the subsequent funding year enter the actual consumption in Line 01 and then enter the same amount on Line 07. Enter the estimated consumption for the remaining 12 months of the reporting period in Line 14.

- **Year 1:** The project uses the PUM UEL from a comparable project.
- **Year 2:** If the project has partial consumption during the reporting period, enter the partial consumption in Line 01 and Line 07. Then enter an estimate for the consumption of the remaining months in the reporting in Line 14.
- **Year 3:** If the project has one full year of actual consumption during the reporting period, enter the 12 months of actual consumption during the reporting period in Line 01 and Line 07. Enter zero in Line 14.
- **Year 4 and subsequent years:** Continue to enter actual consumption for the reporting period in Line 01. Enter the prior reporting period consumption data as the Rolling Base – Year 1 on Line 02. If Line 03 and 04 have partial or no data enter value from Line 02. Enter zero Lines 07 and 14.

**Demolition or disposition of units.** PHAs that are disposing or demolishing projects or entire buildings within a project shall exclude **all** data by utility (rate, consumption, rolling base, eligible unit months, etc.) for these projects or buildings once the actual consumption (see Line 01) for the 12-month period ending June 30<sup>th</sup> that is 6 months prior to the first day of the funding period no longer contains a full 12 months (including no months) of consumption for these projects or buildings. The PHA also shall make an appropriate adjustment to the rolling base. PHAs shall provide HUD additional details (i.e., amounts, calculation, and methodology) regarding this adjustment in the comments section of this form or as a separate attachment.

PHAs that are permanently disposing or demolishing units equal to or more than 10% of the total units within a building shall also follow the instructions, above, as they relate to the utility information regarding these units. If the PHA is permanently disposing or demolishing less than 10% of the total units within a building or 5 or fewer units within a building, the PHA shall make no adjustment; that is, this transaction will flow through the rolling base without any adjustment.

As required by 24 CFR Part 990.155, Additions, and deletions of units, PHAs will periodically report to HUD projects, or entire buildings in a project, that are eligible for an asset-repositioning fee. This event will trigger a decline in the number of eligible unit months reported on the form HUD-52723, Operating Fund Grant: Calculation of Total Project Expense Level. This event **will not** trigger a resubmission or an adjustment to the form HUD-52722, Calculation of Utilities Expense Level.

**Consumption Data Unavailable.** If a PHA/project has not maintained or cannot recapture actual consumption data from its existing units (not new units), the PHA will notify the HUD field office of this event. The PHA/project will develop comparable consumption data (an estimate) regarding a particular utility or utilities from its records or from the records of comparable units for the full Rolling Base Period that is consistent with the methodology approved by the HUD field office when they were notified.

The estimated consumption should be based upon actual experience taking into account, where possible, physical attributes of the units, the relationship of the heating degree days of the period of actual experience and the missing experience when considering utilities used for space heating. If consumption of comparable units is utilized, that consumption must have taken place during the same period. If the HUD field office approves the use of data for a period of at least 24 months, it shall be expanded to the full rolling base period. For example, if the PHA/project has two years of actual consumption, one year of actual consumption on Line 01 and the first year of the rolling base (Line 02), the consumption of the first year of the rolling base will be used to populate the consumption of the previous two years of the rolling base (Lines 03 and 04).

**Other situations requiring adjustments to avoid distortion of the rolling base consumption level.**

A PHA/project shall report its rolling base so as not to materially distort the rolling base period. The following events trigger a material distortion to the rolling base: a conversion from one energy source to another; interruptible service sufficient to cause discernible variance from normal consumption patterns; a switch from resident-purchased to PHA-supplied utilities; or a switch from PHA-supplied to resident-purchased utilities. Actual consumption of projects having the situations described above shall be established or adjusted in accordance with the instructions, below, and other guidance. The overriding consideration of all the adjustments is that the consumption data shall not be distorted by including in Lines 02 - 08 consumption information that is not comparable to Line 01 of this form.

**Conversion from one utility type to another type (e.g., from oil to gas).** A PHA/project shall convert the discontinued utility consumption data into a comparable unit of consumption of the new utility. The PHA/project will convert the rolling base consumption data into the same common unit of measurement. If the actual consumption data that would be reported in Line 01 contains consumption for both utility's types, the PHA/project will convert the discontinued utility into the same common unit of measurement.

**Switch of utilities from resident-purchased to PHA-supplied.** PHAs/projects will follow the Special Instructions for Specific Items - New Units, paragraph 2, for switches from resident-purchased to PHA-supplied utility(ies).

**Switch of utilities from PHA-supplied to resident-purchased.** PHAs/projects that switch from PHA-supplied to resident-purchased utilities will exclude all data by utility (rate, consumption, rolling base, eligible unit months, etc.) for these resident-purchased utilities on the next original form HUD-52722 submission following the switch. PHAs shall provide HUD additional details (i.e., amounts, calculation, and methodology) regarding this adjustment in comments section of this form or as a separate attachment.

**Interruptible service.** If the PHA/project has a utilities combination which provides for interruptible service from one energy source to another, the HUD field office shall be contacted to determine a reasonable reporting method on this form if the interruption is sufficient to cause discernible variance from normal consumption patterns. This adjustment would, of course, not be considered until after the interruption had occurred and, if possible, not until after the heating season has ended.

**Unoccupied projects and units.** For a project that is temporarily unoccupied (e.g., extensive modernization), PHAs/projects shall make no adjustment to this form.