Hedgerow

Hedgerow Partners, LLC 2026 Utility Allowance Methodology Summary

Utility allowances were calculated for all counties in which the HCV Program is administered by THDA. As required by HUD, these allowances are reviewed on an annual basis. This analysis is based on HUD-approved methodology. Hedgerow Partners, LLC creates allowances for each bedroom size for the following HUD unit types: Single Family (detached), Single Family (Energy Efficient), Single Family Attached, Single Family Attached (Energy Efficient), Low Rise Apt Bldg 2 to 4 Units, Low Rise Apt Bldg 2 to 4 Units (Energy Efficient), Larger Apt Bldgs 5 plus Units, Larger Apt Bldgs 5 plus Units (Energy Efficient), Manufactured Home and Manufactured Home (Energy Efficient)

Utility allowances are based on average consumption data provided by HUD's Utility Schedule Model (HUSM) and rates of utilities collected by Hedgerow Partners, LLC. Additional information on the HUD Utility Schedule Model can be found on HUD's website.

Utility allowance adjustments were made to select utility rates, based on annual rate fluctuations. The cost of utilities is calculated for electricity, natural gas, liquefied petroleum gas (propane), water, wastewater and trash. Rates are collected from utility service providers serving the county seats of each county to determine the average monthly consumption cost for each utility.

For 2026, all utilities have been updated. Furthermore, just as was done in the prior year, we will be publishing a combined energy efficiency discount variation of the utility allowances. In 2023, HUD released a new utility allowance schedule form 52667, which includes an additional provision for Water Heating by Electric – Heat Pump. Unfortunately, the HUSM provided by HUD has still not been updated since 2016. As a result, Hedgerow Partners, LLC cannot provide allowances for this row at this time. Furthermore, Hedgerow Partners, LLC utilized a new form of developing these allowances to ensure a more streamlined process. The result are pdfs that mirror the HUD form 52667, but are not the forms, themselves. Therefore, we recommend that users of this information copy these data into the official HUD Form 52667 template.

Electricity

In 2026, electricity rates were collected along with customer service fees and the TVA Fuel Cost Adjustment (FCA). FCA is the mechanism TVA uses to help recover largely uncontrollable fuel and purchased power costs that can vary month to month. A variety of factors affect these costs, including weather and global supply and demand issues.

Natural Gas

In 2026, natural gas rates were collected along with customer service fees and the Purchase Gas Adjustment (PGA). A detailed explanation of the PGA can be found on the American Gas Association website. If the natural gas provider utilizes seasonal rates, the weighted average of the rates was used to determine the average consumption cost.

Liquefied Petroleum Gas (Propane)

In 2026, liquefied Petroleum Gas rates were calculated based on the national average and a sample of state rates. To view the progression of propane prices over time, visit the following link from the U.S. Energy Information Administration: http://www.eia.gov/petroleum/heatingoilpropane/. Weekly updates run until the end of heating season, meaning the propane price used was from the last week of April 2026.

Water and Wastewater

In 2026, water and wastewater rates were collected along with customer service fees and applicable taxes. In 2016, HUD significantly revised its water and wastewater consumption estimates, greatly affecting the allowance amounts. These revised estimates remained in the 2026 model as well. The utility model's projections for household water and wastewater usage are identical, and are uniform regardless of location, however estimated water usage has been revised downwards for 0 to 2 bedroom units. Simply put, the 2016-26 versions of the HUD model project that a 5 bedroom unit holds, on average, 7 residents, and a 4 bedroom unit holds, on average, 5.5 residents. Previously there had been no such assumption; in 2015, the per-person gallon estimate was simply multiplied by the number of bedrooms. Incidentally, the per-person gallon estimate was lowered after 2015, based on the HUD model's usage of the Tennessee state average (rather than the U.S. average used in 2015).

Trash

In most cases, a monthly flat fee is charged for trash service. Rather than applying a single flat rate uniformly across all unit types, Hedgerow Partners, LLC calculated a weighted-average trash allowance for each county based on the estimated distribution of assisted housing units across unit types. Rates were collected directly from the relevant municipal or county service provider — typically the provider serving the jurisdiction with the greatest concentration of assisted housing, most often the county seat — and applied only to unit types billed individually for curbside collection, such as Single Family, Single Family Attached, and Manufactured Home units. For Low Rise and Larger Apartment Buildings, trash removal is generally provided via shared dumpster service billed to the property owner rather than the individual tenant, and was accordingly treated as a landlord expense rather than a tenant utility cost. Where a provider's service was confirmed to be funded through property taxes or a general county service rather than a separate billed fee, no allowance was applied. If provider information was unavailable for a specific county, data from TNHousingSearch.org was used, and where neither source was available, a state average was applied.

Range/Microwave and Refrigerator Fees

To determine the range and refrigerator fees for 2026, we used data from last year that was collected from online advertisements across the state in 2025 and applied an inflation factor of 2.5%. An average price was calculated from the data for each appliance and then divided by twelve to determine the monthly fee.