

E-470 Public Highway Authority / ExpressToll

License Plate Tolling (LPT) Overview

HPTE BOD of Directors - 9/16/15

E-470 LPT History and Toll Rates

Note: E470 toll rates are linked to the plan of finance from 1997 for increasing debt service

- Up to 2008** ETC (Transponder/AVI) OR cash collections at toll booths; Toll rates increased \$0.25 every 3 years
- 2009** Implemented video tolling (LPT) and took away cash toll booths. One of the first in the country to be AET.
- 2011** BOD changed policy to annual toll increases with an LPT surcharge of 25% of the ExpressToll rate
- 2012 & 2013** Refined the LPT billing process and fee/fine structure for late payers
E-470 staff proposed an LPT differential increase up to 50%; the BOD declined and deferred for future discussion

2015 Toll Rates	ExpressToll	LPT	Differential
Most Mainline Plazas	\$ 2.75	\$ 3.45	\$ 0.70

** Each additional axle adds \$2.75 for ExT, \$3.45 for LPT*

E470 Revenue Streams



Frequent Customers (in general)

- Customer prepays \$35 / get transponder
- Deduct toll from balance when using toll road; replenish account via CC
- 72% of E470 net toll revenue; 98% collection rate



Infrequent Customers (in general)

- Capture image of license plate - OCR reads 65-75%; 25-35% is human for first review (V1).
- ~30% VTOLL to ExpressToll, 17% of images (transactions) are unbillable (leakage)
- Find registered owner through DMV and send statement via mail
- 28% of E470 net toll revenue; 89% collection rate of billable tolls

E-470 Toll Revenue Breakdown

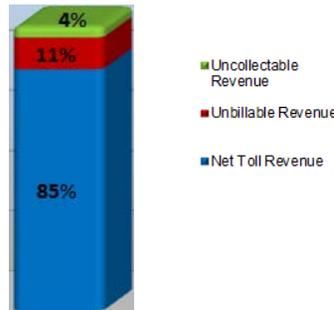
Gross Toll Revenue

- Unbillable Tolls (see breakdown below)

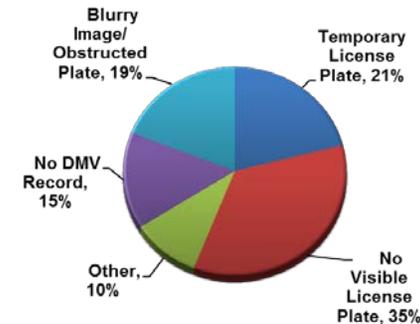
Billable Toll Revenue

- Uncollectible Tolls

Net Toll Revenue (Collectible)



Unbillable Tolls (Leakage) - Summary by Reason



Video Tolling Breakdown - Example of 100 Images (Transactions) *

- Example*:**
- 100 Images taken at the lane (no transponder read)
 - 30 Transactions VTOLL to ExpressToll Accounts
 - 70 LPT Transactions
 - (a) 17 Unreadable/unbillable images (leakage)
 - 53 Billable LPT Transactions
 - (47) Collect 89% LPT transactions (over entire billing process)
 - (b) 6 Remaining Unpaid LPT Transactions (BDE)
 - (a+b) 23 Total Unpaid images
 - 33% Percent of eligible LPT Transactions remain Unpaid
 - 67% Percent of eligible LPT Transactions were Collected

** This is for illustrative purposes only. Each roadway may have different VTOLL and collection rates, which depends on ExpressToll penetration, demographics and customer history*

License Plate Toll Billing Process



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Toll Collection Costs Overview

HPTE BOD of Directors - 9/16/15

Tolling Services Agreement - Cost Model Summary

TSA Summary:

Cost Recovery / Pass-Through Model (*no margin/profit built in for E470*)
 Based on budgeted costs and forecasted transactions/revenues for all roadways
 Annual reconciliation of actual costs, transactions and revenues with true up of final amounts due/reimbursed
 Periodic review of allocation percentages related to toll collection efforts

Cost Model:

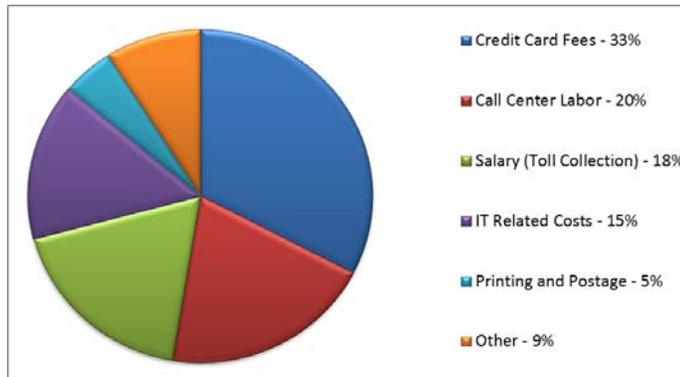
Direct Costs (73% of cost model - customer service center, image processing, credit card fees, printing/postage, etc.)
 Indirect Costs (27% of cost model - salaries, utilities, equipment maintenance, facility costs, etc.)
 Depreciation on shared toll collection assets in service after 1/1/14
 Cost Model Excludes:
 E-470 Roadway specific costs
 Discretionary costs not specific to toll collection
 E-470 Director Salaries
 Depreciation on shared toll collection assets in service before 1/1/14

Tolling Services Agreement (TSA) Cost Rates

<u>EXPRESSTOLL</u>	<u>2015 Rates</u>
Cost per ExpressToll Transaction	\$ 0.079
Cost per \$ Dollar of ExpressToll Revenue	\$ 0.039

<u>LPT</u>	<u>2015 Rates</u>
Cost per LPT Transaction	\$ 0.596
Cost per \$ Dollar of LPT Revenue	\$ 0.027

ExpressToll Cost Breakdown



License Plate Toll Cost Breakdown

