



# County of Los Alamos

Los Alamos, NM 87544  
www.losalamosnm.us

## Agenda - Final County Council - Work Session

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Tuesday, September 11, 2018

6:00 PM

Fire Station No. 3  
129 State Road 4 - White Rock  
Streamed

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1. OPENING/ROLL CALL

2. PLEDGE OF ALLEGIANCE

3. STATEMENT REGARDING CLOSED SESSION

September 11, 2018 Closed Session Motion

4. PUBLIC COMMENT

5. APPROVAL OF AGENDA

6. PRESENTATIONS, PROCLAMATIONS AND RECOGNITIONS

- A. [10493-18](#) Briefing to Council by Jeff Johnson, Chair of the Board of Public Utilities.

**Presenters:** Jeff Johnson, Chair of the Board of Public Utilities

**Attachments:** [A - Board of Public Utilities Presentation to Council FY18](#)

7. BUSINESS

- A. [11145-18](#) County Council Minutes for August 28, 2018

**Presenters:** Naomi Maestas

**Attachments:** [A - Draft County Council Minutes for August 28, 2018](#)

- B. [11177-18](#) Action to Suspend Council Rules for Work Session

**Presenters:** County Council - Work Session

- C. [11179-18](#) Proposed Stipulated Agreement/In the Matter of the Application of NMGC for Revisions to its Rates, Rules, and Charges Pursuant to Advice Notice Nos. 70 and 71; Case No. 18-00038-U before PRC.

**Presenters:** County Council - Work Session

**Attachments:**     [A - Final NMGC Stipulation Settlement Agreement](#)  
[B - Detailed Gas Rate Calculation Worksheet](#)  
[C - Monthly Gas Rate Schedule](#)

**8. PUBLIC COMMENT**

**9. ADJOURNMENT**

If you are an individual with a disability who is in need of a reader, amplifier, qualified sign language interpreter, or any other form of auxiliary aid or service to attend or participate in the hearing or meeting, please contact the County Human Resources Division at 662-8040 at least one week prior to the meeting or as soon as possible. Public documents, including the agenda and minutes can be provided in various accessible formats. Please contact the personnel in the Office of the County Manager at 663-1750 if a summary or other type of accessible format is needed.



# County of Los Alamos

## Staff Report

September 11, 2018

Los Alamos, NM 87544  
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**Agenda No.:**

**Index (Council Goals):**

**Presenters:**

### **Title**

September 11, 2018 Closed Session Motion

### **Recommended Action**

**I move that Council approve the following statement for inclusion in the minutes:**

**"The matters discussed in the closed session held on September 11, 2018 that began at 5:00 p.m. were limited only to those topics specified in the notice of the closed session, and no action was taken on any matter in that closed session."**

This motion is fairly characterized as procedural, therefore only a hand vote is required rather than a full roll call vote.



# County of Los Alamos

## Staff Report

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**Agenda No.:** A.

**Index (Council Goals):**

**Presenters:** Jeff Johnson, Chair of the Board of Public Utilities

**Legislative File:** 10493-18

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### **Title**

Briefing to Council by Jeff Johnson, Chair of the Board of Public Utilities.

### **Body**

Council leadership has requested that each Board/Commission Chair make a presentation to the Council once a year focused on what has been completed and what they are currently working on, and what challenges or opportunities they see coming up in the future .

### **Attachments**

A - Board of Public Utilities Presentation to Council FY18



# 2018 COUNCIL REVIEW

BOARD OF PUBLIC UTILITIES

SEPTEMBER 11, 2018



## BOARD OF PUBLIC UTILITIES BRIEFING TO COUNTY COUNCIL – SEPTEMBER 11, 2018

### BOARD MEMBERS

- PAUL FREDERICKSON (1)
- JEFF JOHNSON (2) - CHAIR
- KATHLEEN TAYLOR (3)
- CARRIE WALKER (4) - VICE CHAIR
- STEPHEN MCLIN (5)

## BPU/DPU 2018 ACTIONS AND ACCOMPLISHMENTS:

- Continuation Of SMR Project With Major Decisions About Future Involvement Due In FY19
  - The UAMPS Board Of Governors Negotiated A No-Risk One Year Extension To Delay Final Commitment To Buy-into CFPP Project
  - BPU And Council Voted To Remain In CFPP For One More Year
- Paid Down \$2.5M Of Los Alamos Waste Water Treatment Facility Via Transfer To Waste Water Utility From Gas Fund By Ordinance Approved By Both BPU And Council
- DPU Took Advantage Of Historically Low Interest Loans To Reposition LA Waste Water Plant Loan And Lock In Low Interest Financing For The White Rock Waste Treatment Plant
- Developed Financing Strategy For Both Waste Water Plants That Will Mitigate Future Rate Increases and Meet Financial Policy Goals Faster

## BPU/DPU 2018 ACTIONS AND ACCOMPLISHMENTS:

- Starting Discussion About Updating Distributed Generation (Roof-top Solar) Billing Structure
- Rolled-out ERP Software In July 2018
- White Rock Sub-station Upgrade
- Solar Garden Study
- Review Of In-county Locations For Utility Solar
- Gas, Water And Sewer (GWS) Geographic Information Systems (GIS) Data Sets Was Modified And Converted All GWS Assets Into The New Tyler Munis Software System
- Continuation Of Enhanced Water Meter Installation Project
- A Project To Install A New Stand-alone Air Conditioning System In The DPU SCADA Rooms Was Initiated
- DPU Executed a State Required Functional Exercise For The Los Alamos Canyon Dam Emergency Action Plan
- Modifying Network Integrated Transmission Service Agreement (NITSA) With PNM to Strategically Reduce Reserve Costs

## BPU/DPU 2018 ACTIONS AND ACCOMPLISHMENTS:

- Non-potable System Is Now Available Year Round Due To The Finalization Of Capital Improvement Projects To Enable Year Round Operations
- Voted To Exit SJGS In 2022
- Planning, design and installation on a new gas pressure regulating station in the Quemazon Subdivision
- Expanded Tracking Of Performance Metrics
- Work Continues On The Design And Environmental Documents For The Camp May Water Extension Project

## BPU/DPU 2018 ACTIONS AND ACCOMPLISHMENTS:

### **CONTINUATION OF FER RECOMMENDATIONS / INTEGRATED RESOURCE PLAN**

- PRELIMINARY NEGOTIATIONS WITH WAPA FOR COST EFFECTIVE POWER TRANSMISSION FROM IDAHO FOR CFPP
- CONTINUATION WITH THE CFPP
- DISPATCHABLE LOAD REVIEW
- MODEL THE COUNTY ELECTRIC DISTRIBUTION GRID
- INVESTIGATE ADDING UTILITY-SCALE SOLAR WITH ENERGY STORAGE TO THE COUNTY'S ENERGY PORTFOLIO
- RESEARCH ADDING A COMMUNITY SOLAR GARDEN AS AN OPTION FOR CITIZENS IN THE COMMUNITY.
- MODEL THE ELECTRIC DISTRIBUTION SYSTEM
- DPU STAFF PRESENTED SOME OPTIONS FOR UNBUNDLING RATES ALONG WITH A VALUE OF SOLAR TARIFF FOR BPU'S CONSIDERATION.

## BPU/DPU 2018 PUBLIC OUTREACH:

- Presentation on the Integrated Resource Plan
- CFPP presentations (January, February and March)
- Annual Water Festival
- School presentation on how waste water is collected and treated
- BPU met with student group presenting low-flow hydro science demonstration
- Scoping meeting on ski hill potable water extension



## BPU/DPU 2018 DEPARTMENT UPGRADES:



Replaced 800 feet of primary underground cable along Connie Street in White Rock



Trench across New Mexico State Road 4 to install a water line to connect the new Otowi 2 Well to the water supply system.

## BPU/DPU 2018 DEPARTMENT UPGRADES:



### Completion of the TA-3 Switchgear Substation

Successful DPU Negotiation with NNSA to include important safety features for county side system

In November, an outage on one of the two electric feeder lines from the Los Alamos National Laboratory caused a ripple outage through the LAC system. The entire town site lost power for two hours raising SAIDI from 21 minutes to over 2 hours. The new Los Alamos Switchgear Substation will provide additional redundancy.

## BPU/DPU 2018 DEPARTMENT UPGRADES:



Repaired La Reservoir Road And Installed Non-potable Water Line – Greatly Increasing Non-potable System; Reservoir Opened To The Public! (this project was funded by a 90% grant 10% loan from NM Water Trust Board)



Started Otowi #2 Well Development

## BPU/DPU 2018 DEPARTMENT UPGRADES:



Replace the battery systems that supply the plant control systems at the Abiquiu and El Vado hydroelectric facilities.



Replace the circuit breakers at the White Rock Substation.

## BPU/DPU 2018 DEPARTMENT UPGRADES:



Repaired Oil Leak in the El Vado Hydro Plant

Install new software and hardware at the Abiquiu hydroelectric plant to integrate the controls of low-flow turbine and the two larger turbines into one process logic controller.



## DPU 2018 SAFETY EMPLOYEES OF EACH QUARTER



**4Q FY17**  
**Rick Herrera**  
**Water Production**



**1QFY18**  
**Eric Sanchez Electric**  
**Distribution**



**2Q FY18**  
**Gary Trujillo, Electrician**  
**Water Production**



**3Q FY18**  
**LOREN FREYER, SENIOR PIPE**  
**FITTER GAS, WATER & SEWER**  
**DIVISION**

## BPU 2019 FOCUS AREAS:

- CONTINUE WORKING ON FER STRATEGIC IMPLEMENTATION PLAN, INCLUDING MAKING NEAR TERM DECISIONS AND RECOMMENDATIONS THAT WILL INFLUENCE FUTURE DPU INITIATIVES
- REVIEWING AND PROVIDING COMMENT ON THE INTEGRATED RESOURCE PLAN FOR FUTURE LAC POWER SUPPLIES
- DETERMINE FEASIBILITY OF CARBON FREE POWER PROJECT
- INVESTIGATION OF EXPANSION OF UTILITY-SCALE SOLAR / OTHER UTILITY SCALE POWER TO BACK FILL LOSS OF SJGS
- DEVELOPMENT OF SYSTEM MODEL TO DETERMINE MAXIMUM DISTRIBUTED SOLAR PENETRATION IN LAC
  - DRIVE RATE STRUCTURE
  - POLICY INITIATIVES
  - COUNTY INVOLVEMENT AND INTERACTION



## BPU 2019 FOCUS AREAS:

- ADVANCED METERING INFRASTRUCTURE PROJECT IMPLEMENTATION (SMART METERS)
- WHITE ROCK WASTEWATER TREATMENT PLANT REPLACEMENT
- FUTURE NON-COAL ELECTRICAL POWER SOURCES
- FUTURE OF LARAMIE RIVER STATION OWNERSHIP
- LAC/NNSA ELECTRIC COORDINATION AGREEMENT
- SUBMITTAL OF A ZIA AWARD APPLICATION THROUGH QUALITY NEW MEXICO





# County of Los Alamos

## Staff Report

September 11, 2018

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**Agenda No.:** A.

**Index (Council Goals):** \* 2018 Council Goal – Quality Governance – Operational Excellence – Maintain Quality Essential Services and Supporting Infrastructure Including Updated Enterprise Software and Permitting

**Presenters:** Naomi Maestas

**Legislative File:** 11145-18

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### **Title**

County Council Minutes for August 28, 2018

### **Recommended Action**

I move that Council approve the County Council Minutes for August 28, 2018.

### **Clerk's Recommendation**

The County Clerk recommends that Council approve the minutes as presented.

### **Attachments**

A-County Council Minutes for August 28, 2018

## Minutes

### County Council – Regular Session

\* Note – These minutes are **not the official minutes** and are subject to approval by the County Council.

*David Izraelevitz, Council Chair; Christine Chandler, Council Vice Chair;  
Antonio Maggiore, Susan O'Leary, Morris Pongratz, Rick Reiss,  
and Pete Sheehey, Councilors*

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Tuesday, August 28, 2018

6:00 PM

Council Chambers - 1000 Central Avenue

TELEVISED

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#### 1. OPENING/ROLL CALL

The Council Chair, David Izraelevitz, called the meeting to order at 6:00 p.m.

The following Councilors were in attendance:

Present: 7 - Councilor Izraelevitz, Councilor Chandler, Councilor Maggiore, Councilor O'Leary,  
Councilor Pongratz, Councilor Reiss, and Councilor Sheehey

Councilor Sheehey arrived remotely during the discussion of item, 9.C. at 6:44 p.m.

#### 2. PLEDGE OF ALLEGIANCE

Led by: All.

#### 3. PUBLIC COMMENT

None.

#### 4. APPROVAL OF AGENDA

A motion was made by Councilor Chandler, seconded by Councilor Pongratz, that the agenda be approved as presented, with one exception, to postpone consideration of County of Los Alamos Ordinance Number 02-287, and assign the Planning and Zoning Commission to review the proposed Ordinance and provide recommendations regarding its adoption before rescheduling its consideration by Council.

The motion passed with the following vote:

Yes: 6 - Councilor Izraelevitz, Councilor Chandler, Councilor Maggiore, Councilor O'Leary,  
Councilor Pongratz, and Councilor Reiss

Absent: 1 – Councilor Sheehey

5. **PRESENTATIONS, PROCLAMATIONS AND RECOGNITIONS**

- A. Proclamation declaring 2018-2019 as a “Year of Asset Building” and Friday Sept. 7, 2018 as “College Day/Military Day” in Los Alamos County

Councilor Reiss read the proclamation.

6. **PUBLIC COMMENT FOR ITEMS ON CONSENT AGENDA**

None.

7. **CONSENT AGENDA**

**Consent Motion:**

**A motion was made by Councilor Reiss, seconded by Councilor Pongratz, that Council approve the items on the Consent Agenda, as presented, and that the motions in the staff reports be included for the record.**

- A. Request for Consent to Assignment of Agreement for Services Agreement AGR17-01 Changing the Assignment from Diversified Data Processing & Consulting Inc. (DivDat) to Diamond Marketing Solutions Group, Inc.

**I move that Council approve the Consent to Assignment of Agreement for Services Agreement AGR17-01, changing the assignment from Diversified Data Processing & Consulting Inc. (DivDat) to Diamond Marketing Solutions Group, Inc.**

- B. Approval to Submit an Application and Accept a Federal Aviation Administration Airport Improvement Program (AIP) Grant for Federal Fiscal Year 2018 in the Amount of \$613,468 for the Construction, Construction Administration, Acceptance Testing and an Update to the FAA Required Disadvantage Business Enterprise (DBE) Program

**I move that Council Approve the Submittal of Application and Accept a Federal Aviation Administration Airport Improvement Program (AIP) Grant for Federal Fiscal Year 2018 in the Amount of \$613,468 for the Construction, Construction Administration, Acceptance Testing and an Update to the FAA Required Disadvantage Business Enterprise (DBE) Program.**

- C. Incorporated County of Los Alamos Resolution No. 18-19 to authorize the application to New Mexico Department of Transportation (NMDOT) for FY20 Section 5311 Public Rural Transportation Program for an estimated total amount of \$3,684,221 to fund the Administrative, Operating and Capital needs of Atomic City Transit; committing to the local match in the amount of \$1,644,841 to fund the Section 5311 Transit Program for Federal FY20

**I move to approve Incorporated County of Los Alamos Resolution No. 18-19 to authorize the application to New Mexico Department of Transportation (NMDOT) for FY20 Section 5311 Public Rural Transportation program for an estimated total amount of \$3,684,221 to fund the Administrative, Operating and Capital needs of Atomic City Transit; committing to the local match in the amount of \$1,644,841 to fund the Section 5311 Transit Program for Federal FY20.**

- D. Consideration of the FY2020 - FY2024 State Infrastructure and Capital Improvement Plan (ICIP) Submission

**I move that Council approve the submission to the State of the ICIP as attached.**

- E. Approval to Increase the Expenditure with Cooperative Education Services for IPR, Limited for Pavement Preservation Activities in the Amount of \$63,918.21 for a Total Amount of \$794,962.08, Provide for a Ten Percent Contingency in the Amount of \$79,496.20 and Establish a Project Budget in the Amount of \$874,458.28

**I move that Council Approve of the Expenditure with Cooperative Education Services for IPR, Limited for Pavement Preservation Activities in the Amount of \$63,918.21 for a Total Amount of \$794,962.08, Provide for a Ten Percent Contingency in the Amount of \$79,496.20 and establish a Project Budget in the Amount of \$874,458.28.**

- F. Consideration of Budget Revision 2019-07 for Utilities Carryovers, Various Grants, and Fire Deployment Reimbursements

**I move that Council approve Budget Revision 2019-07 as summarized on attachment A and that the attachment be made a part of the minutes of this meeting.**

- G. Approval of Authorized Signers for addition of the County NMEDD LEDA Bank Account

**I move that Council approve the individuals authorized to sign on all County of Los Alamos bank and investment accounts as presented in the attachment, to be effective on August 29, 2018.**

**Approval of the Consent Agenda:**

**The motion passed with the following vote:**

**Yes: 6 - Councilor Izraelevitz, Councilor Chandler, Councilor Maggiore, Councilor O'Leary, Councilor Pongratz, and Councilor Reiss**

**Absent: 1 - Councilor Sheehey**

**8. INTRODUCTION OF ORDINANCE(S)**

- A. Incorporated County of Los Alamos Code Ordinance No. 02-288, An Ordinance Amending Chapter 40, Article III, Section 40-201 and 40-202 of the Code of the Incorporated County of Los Alamos Pertaining to the Sewage Service Rate Schedule and Determination of Charges

**Councilor Maggiore introduced, without prejudice, Incorporated County of Los Alamos Code Ordinance No. 02-288; An Ordinance Amending Chapter 40, Article III, Section 40-201 and 40-202 of the Code of the Incorporated County of Los Alamos Pertaining to the Sewage Service Rate Schedule and Determination of Charges, and ask staff to assure that it is published as provided in the County Charter.**

**9. PUBLIC HEARING(S)**

- A. Incorporated County of Los Alamos Code Ordinance No. 683, An Ordinance to Authorize the Refinance and Reissuance of Amended Loan and Promissory Note Agreements with the New Mexico Environment Department to Reflect a Reduction of the Prior Loan Principal Balance, Lowered Interest Rate and Extension of the Payment Term

Mr. Tim Glasco, Utilities Manager, spoke.  
Mr. Bob Westervelt, Deputy Utilities Manager, spoke.

Public Comment:  
None.

**A motion was made by Councilor Chandler, seconded by Councilor Pongratz, that Council adopt Incorporated County of Los Alamos Ordinance No. 683, An Ordinance to Authorize the Refinance and Reissuance of Amended Loan and Promissory Note Agreements with the New Mexico Environment Department to Reflect a Reduction of the Prior Loan Principal Balance, Lowered Interest Rate and Extension of the Payment Term; and further moved that, upon passage, the Ordinance be published in summary form.**

**The motion passed with the following vote:**

**Yes: 6 - Councilor Izraelevitz, Councilor Chandler, Councilor Maggiore, Councilor O'Leary, Councilor Pongratz, and Councilor Reiss**

**Absent: 1 - Councilor Sheehey**

- B.** Incorporated County of Los Alamos Code Ordinance No. 02-287; an Ordinance Adopting a New Article to be Added to Chapter 34, Streets, Sidewalks and Other Public Places, to be Designated Article IV and Entitled "Addressing and Road Naming," and Amending Other Provisions of the Code to be Consistent Therewith

*Item pulled from the agenda.*

- C.** Ordinance No. 686 Authorization the Sale of Certain County-Owned Real Property Located in the Incorporated County of Los Alamos Generally Described as Lot 5C 20th Street to Verdad Real Estate, Inc.

Councilor Sheehey arrived remotely during the discussion of this item, at 6:44 p.m.

Ms. Joanie Ahlers, Economic Development Administrator, spoke.  
Mr. Eric Martinez, County Engineer, spoke.  
Mr. Matt Zonker, Verdad Real Estate Representative, spoke.  
Mr. Harry Burgess, County Manager, spoke.  
Mr. Alvin Leaphart, County Attorney, spoke.

Public Comment:  
Ms. Cindy Wells, 4611 Esperanza, spoke.  
Ms. Helen Milenski, 1651 36<sup>th</sup> Street, spoke.  
Mr. Aaron Walker, 413 Pruitt Avenue, spoke.  
Mr. Patrick Sullivan, 190 Central Park Square, spoke.

**A motion was made by Councilor Reiss, seconded by Councilor Pongratz, that Council approve, Incorporated County Of Los Alamos Ordinance No. 686; An Ordinance Authorizing The Sale of Certain County-Owned Real Property Located in The Incorporated County of Los Alamos Generally Described as Lot 5C 20th Street to Verdad Real Estate, Inc. and ask staff to assure it is published as provided in the County Charter.**

**The motion passed with the following vote:**

**Yes: 6 - Councilor Izraelevitz, Councilor Chandler, Councilor Maggiore, Councilor Pongratz, Councilor Reiss, and Councilor Sheehey**

**No: 1 - Councilor O'Leary**

## **10. BUSINESS**

None.

## **11. COUNCIL BUSINESS**

### **A. Appointments**

None.

### **B. Board, Commission, and Committee Liaison Reports**

Councilor Maggiore reported on the first meeting of the Community Development Advisory Board.

### **C. County Manager's Report**

#### **1) County Manager's Report for August 2018**

County Manager Harry Burgess reported on the missing child (he was found); Community Development activities; Installation of Wind Sculptures; the new columbarium; new trailhead kiosks; repairs at Mesa Public Library; Outreach events conducted by the County Clerk; the airport perimeter fence; work done on HVAC at Municipal Building; North Mesa road improvements; the yard waste program; the new bus stop at Elk Ridge; a grant received for electric busses; the open forum vendor rate change and search for a new vendor; and an update on the flow trail project.

### **D. Council Chair Report**

Council Chair, David Izraelevitz reported on a meeting with San Ildefonso Governor and past Governor regarding areas of common interest; attempts are being made to schedule a meeting with Dr. Mason, incoming Los Alamos National Laboratory Director; and the tour of the tunnel under the old McDonalds that he attended last week.

### **E. General Council Business**

None.

### **F. Approval of Councilor Expenses**

None.

### **G. Preview of Upcoming Agenda Items**

None.

## **12. COUNCILOR COMMENTS**

Councilor Chandler commented the application deadline for the Animal Shelter Advisory Committee is tomorrow.

Councilor Pongratz commented on the property tax rates.

**13. PUBLIC COMMENT**

Ms. Helen Milenski, 1651 36<sup>th</sup> Street, spoke regarding a request for additional public comment time at the next utility board meeting.

**14. ADJOURNMENT**

The meeting adjourned at 7:32 p.m.

INCORPORATED COUNTY OF LOS ALAMOS

\_\_\_\_\_  
David Izraelevitz, Council Chair

Attest:

\_\_\_\_\_  
Naomi D. Maestas, County Clerk

Meeting Transcribed by: Victoria L. Martinez, Deputy Clerk

**Infrastructure Capital Improvement Planning (ICIP) Ranking Listing FY2020-FY2024**

New Rank	PROJECT TITLE	ICIP CATEGORY	Funded To Date	2020	2021	2022	2023	2024	Total Project Cost
2020-01	White Rock Treatment Plant Replacement	Water - Wastewater	125,000	13,520,000					13,520,000
2020-02	Tourism Wayfinding Signage	Transportation - Other		500,000					500,000
2020-03	Jemez Mtns Regional Fire Prot Phase 2	Water - Other	1,305,600	4,000,000					4,000,000
2020-04	Urban Multiuse Trail	Transportation - Bike/Pedestrian/Equestrian	70,000	700,000	500,000	500,000			1,700,000
2020-05	Bayo Lift Station Replacement Project	Water - Wastewater		515,000					515,000
2020-06	Los Alamos Visitors Center	Facilities - Other		500,000	2,000,000				2,500,000
2020-07	Manhattan Project Interpretive Features	Other - Other	200,000	100,000	100,000				200,000
2020-08	Bike Flow Trail - Trails	Other - Other	500,000	500,000					500,000
2020-09	North Mesa Affordable Housing Project (LAC/Schools)	Other - Other	750,000	2,400,000					2,400,000
2020-10	Golf Course Improvements	Facilities - Other	4,524,000	4,524,000					4,524,000
2020-11	Ice Rink, bathrooms, locker rooms	Facilities - Other	1,200,000	1,200,000					1,200,000
2020-12	Kiddie Pool	Facilities - Other	650,000	5,850,000					5,850,000
2020-13	Splash Pads Water Feature	Facilities - Other	720,000	720,000					720,000
2020-14	DP Rd Utilities and Road Construction	Transportation - Highways/Roads/Bridges	2,000,000	5,000,000	-				5,000,000
2020-15	Deacon Street Reconstruction and Streetscape	Transportation - Highways/Roads/Bridges		2,000,000					2,000,000
2020-16	Ice Rink Shade Cover	Facilities - Other		4,000,000					4,000,000
2020-17	NM4-E. Jemez Intersection improvement (SF County)	Transportation - Highways/Roads/Bridges		5,000,000					5,000,000
2020-18	Fiber Middle Mile	Other - Other	2,275,000	4,000,000					4,000,000
2020-19	Trinity Drive Safety Improvements	Transportation - Highways/Roads/Bridges		3,175,000					3,175,000
2020-20	Overlook Park Ballfield Safety Netting	Facilities - Other		50,000					50,000
2020-21	20th to 15th Street Road Extension	Transportation - Highways/Roads/Bridges		100,000	1,200,000				1,300,000
2020-22	Recreation trail restoration (path and footing improvements)	Other - Other		500,000					500,000
2020-23	Event Center	Facilities - Other		1,800,000					1,800,000
2020-24	NM 4 Resurfacing - Pajarito to Bandelier (State - NMDOT)	Transportation - Highways/Roads/Bridges		16,000,000					16,000,000
2020-25	Aquatic Center Major Facilities Maintenance	Facilities - Other		1,150,000					1,150,000
2020-26	Fuller Lodge Major Facilities Maintenance	Facilities - Other		100,000	100,000	100,000			300,000
2020-27	Metropolitan Redevelopment Area Plan	Other - Other		50,000					50,000
2020-28	Traffic Speed Radar Sign in School Zones	Transportation - Highways/Roads/Bridges		80,000					80,000
2020-29	Airport Shade Hangar	Transportation - Airports		360,000					360,000
2020-30	Canyon Rim Multiuse Trail Phase 3	Transportation - Bike/Pedestrian/Equestrian	585,000	615,000					615,000
2020-31	Update Energy & Water Conservation Plan	Other - Utilities (publicly owned)		105,000					105,000
2020-32	Multi-use Trails-Bikeway-Pedestrian Facilities	Transportation - Bike/Pedestrian/Equestrian	-	100,000	100,000	100,000	100,000	100,000	500,000
2020-33	Wastewater Collection Exposed Line Replacement	Water - Wastewater	1,192,264	400,000	400,000	400,000	400,000		1,600,000
2020-34	Public Safety Radio System	Equipment - Public Safety Equipment	74,000	2,000,000					2,000,000
2020-35	Public Parking - Econ Dev	Transportation - Other		500,000					500,000
2020-36	Canyon Rim Multiuse Trail Underpass	Transportation - Bike/Pedestrian/Equestrian	320,000	2,020,000					2,020,000
2020-37	Betty Ehart Senior Center Facilities Improvements	Facilities - Senior Facilities		50,000	415,000	2,500,000			2,965,000
2020-38	Betty Ehart Senior Center Meal Truck	Vehicles - Senior Facility Vehicle		55,000					55,000
2020-39	ADA Transition Plan	Transportation - Other	65,000	50,000	50,000	50,000	50,000		200,000
2020-40	Airport-Security Fence	Transportation - Airports	170,000	750,000					750,000
2020-41	Construct Airport Maintenance Storage Building	Transportation - Airports	80,000	480,000					480,000
2020-42	Major Network Replacement	Other - Other		307,000	316,000	325,000	325,000		1,273,000
2020-43	Transit Fleet Expansion to support Bandelier Shuttle Service	Transportation - Transit		650,000					650,000
2020-44	URD Replacement (cables, jboxes, pedestal	Other - Utilities (publicly owned)		600,000	600,000	800,000	800,000	800,000	3,600,000
2020-45	Overhead Distribution & Pole Replacement	Other - Utilities (publicly owned)		400,000	400,000	400,000	400,000	400,000	2,000,000
2020-46	Non Potable Water System Expansion	Water - Other	2,650,000	500,000	500,000	500,000	500,000	500,000	2,500,000
2020-47	Compressed Natural Gas System	Transportation - Transit		2,000,000					2,000,000
2020-48	Storm Water Management	Water - Storm/Surface Water Control		500,000	500,000	500,000	500,000		2,000,000
2020-49	Major Facilities Improvements MFM	Facilities - Other		2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	10,000,000
2020-50	Airport Access, Parking Lots, Hangars (West)	Transportation - Airports		1,872,000	2,400,000	757,000			5,029,000
2020-51	Convert BMX park to pump track/biking amenity	Other - Other		50,000					50,000
2020-52	Betty Ehart Senior Center Transportation Van	Vehicles - Senior Facility Vehicle		50,000					50,000
2020-53	Airport Fuel Farm	Transportation - Airports		75,000	1,200,000				1,275,000
2020-54	Mainstreet Street Lights	Transportation - Lighting		100,000					100,000
2020-55	Bike Share Program	Transportation - Bike/Pedestrian/Equestrian		100,000					100,000

Los Alamos County Council  
Regular Meeting  
August 28, 2018  
Item 7.D.



**Infrastructure Capital Improvement Planning (ICIP) Ranking Listing FY2020-FY2024**

New Rank	PROJECT TITLE	ICIP CATEGORY	Funded To Date	2020	2021	2022	2023	2024	Total Project Cost
2020-56	Trail Waypoint & Kiosk Signage on Trails	Other - Other		300,000					300,000
2020-57	Wildlife Resistant Containers/Yard Trimmings (solid waste)	Other - Solid Waste		100,000	100,000				200,000
2020-58	Convert tennis courts to other recreational uses	Facilities - Other		200,000					200,000
2020-59	Replace Automated Weather Observing System	Transportation - Airports		250,000					250,000
2020-60	White Rock Visitors Center Restrooms/Vending Area/Displays	Facilities - Other		350,000					350,000
2020-61	Brewer Horse Arena new lights/poles and electrical	Facilities - Other		350,000					350,000
2020-62	Overlook Park ballfield lights for three fields	Facilities - Other		900,000					900,000
2020-63	NM502 Main Hill Rock Fall Remediation (SF County)	Transportation - Highways/Roads/Bridges		1,065,000	8,750,000				9,815,000
2020-64	A-13 Road & Utilities Improvements	Transportation - Highways/Roads/Bridges		1,200,000					1,200,000
2020-65	NM502 Pavement Rehabilitation - Tewa Loop to Camino Entrada	Transportation - Highways/Roads/Bridges		2,500,000					2,500,000
2020-66	Community Broadband Network	Other - Utilities (publicly owned)	1,123,502	60,000,000					60,000,000
2020-67	Barranca Mesa Road Improvements	Transportation - Highways/Roads/Bridges		1,950,000			2,000,000	2,000,000	5,950,000
2020-68	Elec Prod SCADA Upgrade	Other - Utilities (publicly owned)		100,000					100,000
2020-69	Traffic Signal Camera & Communication System Replacement	Transportation - Highways/Roads/Bridges		150,000					150,000
2020-70	Non Potable Minor Diamond Dr Connections	Water - Other		250,000					250,000
2020-71	Non Potable Design Project	Water - Other		530,000					530,000
2021-01	Cultural Facilities Major Facilities Maintenance	Facilities - Other			740,000				740,000
2021-02	WP-NP New Group 12 tank	Water - Other	825,000		750,000				750,000
2021-03	Sherwood Blvd Road Reconstruction	Transportation - Highways/Roads/Bridges			2,500,000				2,500,000
2021-04	Softball and Multi-Use Fields	Facilities - Other			500,000	500,000			1,000,000
2021-05	Entrada Drive Extension	Transportation - Highways/Roads/Bridges			1,000,000				1,000,000
2021-06	White Rock GWS & ED Facility	Facilities - Other			200,000				200,000
2021-07	North Mesa Road Improvements	Transportation - Highways/Roads/Bridges	1,950,000		2,000,000	2,000,000			4,000,000
2022-01	Mesa Public Library	Facilities - Libraries	3,000,000			370,000			370,000
2022-02	Compost Facility Expansion	Other - Solid Waste				900,000			900,000
2022-03	Gas White Rock Steel Valve Project	Other - Utilities (publicly owned)				281,000	290,000	299,000	870,000
2022-04	Replace Airport Terminal Building	Transportation - Airports				5,000,000			5,000,000
2022-05	Community Building Major Facilities Maintenance	Facilities - Other				200,000			200,000
2022-06	N Mesa Water Distribution Upgrades	Water - Water Supply				400,000			400,000
2022-07	Water Distribution Barranca Tank 2 Repaint	Water - Water Supply				675,000			675,000
2022-08	Laguna Sewer Canyon Drop Replacement	Water - Wastewater				844,000			844,000
2022-09	Canyon Road Reconstruction	Transportation - Highways/Roads/Bridges				2,500,000			2,500,000
2022-10	White Rock Town Center & Longview Drive Improvements	Transportation - Highways/Roads/Bridges				2,500,000			2,500,000
2023-01	Aspen School Area Road Improvements	Transportation - Highways/Roads/Bridges					2,500,000		2,500,000
2023-02	Canada del Buey Multiuse Trail Extension	Transportation - Bike/Pedestrian/Equestrian					1,000,000		1,000,000
2023-03	Aspen School Sewer line Replacement/Rehab	Water - Wastewater					174,000	179,000	353,000
2023-04	WD-Aspen School Area WL Repl	Water - Water Supply					870,000	896,000	1,766,000
2023-05	NP Guaje Pines, N Mesa, Diamond Connection WP	Water - Other					825,000		825,000
2023-06	LA WWTP Upgrades & Rehabilitation	Water - Wastewater					4,180,000		4,180,000
2023-07	Loma Vista Sewer Lift Station Rehab	Water - Wastewater					174,000		174,000
2023-08	Civil Defense Building on Arkansas MFM	Facilities - Other					1,370,367		1,370,367
2024-01	Townsite 14" Pipeline Renewal WP	Water - Water Supply						1,194,000	1,194,000
2024-02	Central Ave Road Project (4th to 9th)	Transportation - Highways/Roads/Bridges						2,500,000	2,500,000
2024-03	Paseo Penasco Sewer Lift Station Rehab	Water - Wastewater						179,000	179,000
2024-04	Arkansas Area Backyard Sewer Mains & Services R&R	Water - Wastewater						179,000	179,000
2024-05	Social Services Colocation Facilities	Facilities - Other						1,000,000	1,000,000

Los Alamos County Council  
Regular Meeting  
August 28, 2018  
Item 7.D.

**Budget Revision 2019-07****Council Meeting Date: August 28, 2018**

	<b>Fund/Dept</b>	<b>Munis Org</b>	<b>Revenue</b> (decrease)	<b>Expenditures</b> (decrease)	<b>Transfers</b> In(Out)	<b>Fund Balance</b> (decrease)
<b>Description:</b> The purpose of this budget revision is to carry over Utilities budget authority to FY2019.						
<b>Fiscal Impact:</b> The net fiscal impact to the Joint Utilities Fund in FY2019 is to increase expenditures and decrease Fund Balance by \$2,162,700.						

**Approved by the Board of Public Utilities August 15, 2018**

1	Joint Utilities Fund - Water Prod Otowi 2 Pipeline	54285699- 8369		\$ 1,130,000		\$ (1,130,000)
2	Joint Utilities Fund - Elec Prod Abiquiu Jib Crane	51185199- 8369		\$ 140,000		\$ (140,000)
3	Joint Utilities Fund - Elec Dist LA Switchgear Substation	51285299- 8369		\$ 334,000		\$ (334,000)
4	Joint Utilities Fund - Finance Customer Care Center Remodel	51285930- 8369		\$ 277,000		\$ (277,000)
5	Joint Utilities Fund - Finance Management Audit	51285930- 8369		\$ 50,000		\$ (50,000)
6	Joint Utilities Fund - Finance Customer Care Center Remodel	54185420- 8369		\$ 40,000		\$ (40,000)
7	Joint Utilities Fund - Wastewater SCADA Upgrade & Maint	55185525- 8833		\$ 80,000		\$ (80,000)
8	Joint Utilities Fund - Water Prod LA Reservoir	54285645- 8369		\$ 16,700		\$ (16,700)
9	Joint Utilities Fund - Water Prod Non Potable SCADA Upgrade	54285645- 8369		\$ 20,000		\$ (20,000)
10	Joint Utilities Fund - Water Prod Non Potable SCADA Upgrade	54285645- 8369		\$ 75,000		\$ (75,000)
11	General Fund - Police VAWA Grant	01165904- 8489	\$ 900	\$ 900		\$ -

**Description:** The purpose of this budget revision is to add budget authority for the Crime Victims Reparation VOCA and VOWA grants for FY2019. The labor and benefits portion of this grant was included in the FY2019 adopted budget.

**Fiscal Impact:** The net fiscal impact to the General Fund is to increase expenditures and revenue by \$1,698.

12	General Fund - Police VOCA Grant	01165904- 8489	\$ 798	\$ 798		\$ -
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## Budget Revision 2019-07

**Council Meeting Date: August 28, 2018**

	<b>Fund/Dept</b>	<b>Munis Org</b>	<b>Revenue</b> (decrease)	<b>Expenditures</b> (decrease)	<b>Transfers</b> In(Out)	<b>Fund Balance</b> (decrease)
<b>Description:</b> The purpose of this budget revision is to add budget authority for the estimated amount of fire deployment expense and reimbursement for FY2019. The County submits reimbursement requests to State Forestry Division or Department of Homeland Security for labor, benefits, travel expenses and equipment (apparatus) charges for wildland fire assistance provided to other communities. <b>Fiscal Impact:</b> The net fiscal impact to the Fire Fund (non-cooperative agreement) is to increase expenditures and revenue by \$200,000.						
13	Fire Fund - Deployment Reimbursement	66260727	\$ 200,000	\$ 200,000		\$ -
<b>Description:</b> The purpose of this budget revision is to increase the expenditure budget for the Environmental Services Fund by \$46,704 for the two Recycling and Illegal Dumping (RAID) Grants awarded to Los Alamos County by NMED. This revision is based on receipt of an actual grant agreement for FY2019. <b>Fiscal Impact:</b> The net fiscal impact of this revision to the Environmental Services Fund is an increase to expenditures of \$46,704 and an increase in grant revenue of \$46,704.						
14	Environmental Services - RAID Grant FY2019	61173010 8369	\$ 46,704	\$ 46,704		

**Incorporated County of Los Alamos  
Authorized Signers on Bank and Investment Accounts  
August 2018**

- A.** The following individuals are authorized signers for the accounts listed below, with two signatures required for most (see notes below) check disbursement transactions.

Arthur H. (Harry) Burgess III, County Manager  
Steven S. Lynne, Deputy County Manager  
Helen M. Perraglio, Chief Financial Officer  
Melissa Meyer, Deputy Chief Financial Officer  
Karen Kendall, Budget and Performance Manager  
Thomas Vigil, Accounting Operations Manager  
Margot Liberty, Senior Management Analyst

	<b>Institution</b>	<b>Account Name/Purpose</b>	<b>Account # For Finance Use Only</b>
1.	Los Alamos National Bank	General Checking, Savings and CD Accounts	
2.	Los Alamos National Bank	Landfill Closure Reserve	
3.	Los Alamos National Bank	Employee Flexible Spending Account	
4.	Los Alamos National Bank	GRT Revenue Bond Debt Service Account	
5.	Los Alamos National Bank	Utility Resource Pool Checking	
6.	Los Alamos National Bank	Library Gift Funds	
7.	Los Alamos National Bank	County Manual Checks	
8.	Los Alamos National Bank	LA County Ambulance Billing	
9.	Los Alamos National Bank	Safe Deposit Box #2230000-1-1087	
10.	Los Alamos National Bank	NMEDD LEDA	
11.	First National Bank of Santa Fe	Savings and CD Accounts	
12.	Wells Fargo Bank	Debt Service Accounts	
13.	Wells Fargo Bank	Debt Service Bond Reserve	
14.	Wells Fargo Bank	Purchasing Card Clearing Account	
15.	Bank of Albuquerque, N.A.	Loan Reserve – NMFA Loan	
16.	Bank of Albuquerque, N.A.	Trustee Account for Certain Investments	
17.	State Treasurer’s Pool (LGIP)	General County Pooled Equity Accounts	
18.	State Investment Council	Permanent Fund	
19.	State Investment Council	Cemetery Fund	
20.	State Investment Council	General County Pooled Equity	
21.	Public Trust Advisors, LLC	Authorized Investments	
22.	New Mexico Finance Authority	Trustee Account – NMFA Loan	

**Incorporated County of Los Alamos**  
**Authorized Signers on Bank and Investment Accounts**  
**August 2018**

- B.** The following individuals are authorized signers for the **Bank of Albuquerque Reclamation and Decommissioning Trust** accounts, which is used by the Department of Public Utilities for costs associated with the San Juan decommissioning and mine reclamation.

Steven S. Lynne, Deputy County Manager  
Helen M. Perraglio, Chief Financial Officer  
Melissa Meyer, Deputy Chief Financial Officer  
Karen Kendall, Budget and Performance Manager  
Margot Liberty, Senior Management Analyst  
Thomas Vigil, Accounting Operations Manager  
Robert Westervelt, Deputy Utility Manager Finance and Admin  
Catherine D'Anna, Business Operations Manager

	<b>Institution</b>	<b>Account Name/Purpose</b>	<b>Account # For Finance Use Only</b>
23.	Bank of Albuquerque, N.A.	LA County Reclamation Trust	
24.	Bank of Albuquerque, N.A.	LA County Decommissioning Trust	

- C.** The following individuals are authorized signers for the **Small Purchase Checking** account with a maximum transaction amount of \$250.00. Checks are issued to individuals authorized by the departments, and used to expedite the purchase of services and small items not stocked in the warehouse.

Steven S. Lynne, Deputy County Manager  
Helen M. Perraglio, Chief Financial Officer  
Melissa Meyer, Deputy Chief Financial Officer  
Karen Kendall, Budget and Performance Manager  
Margot Liberty, Senior Management Analyst  
Thomas Vigil, Accounting Operations Manager  
Annalisa Miranda, Chief Purchasing Officer  
Carmela Salazar, Senior Buyer  
Lillie Martinez, Buyer  
Billy Baum, Buyer

	<b>Institution</b>	<b>Account Name/Purpose</b>	<b>Account # For Finance Use Only</b>
25.	Los Alamos National Bank	Small Purchase Checking	

**Incorporated County of Los Alamos**  
**Authorized Signers on Bank and Investment Accounts**  
**August 2018**

- D.** The following individuals are authorized signers for the **Municipal Court Bond** account, which is used to account for bonds posted and then refunded or forfeited.

Alan S. Kirk, Municipal Judge  
Juanita McNiel, Court Administrator  
Steven S. Lynne, Deputy County Manager  
Helen M. Perraglio, Chief Financial Officer  
Melissa Meyer, Deputy Chief Financial Officer  
Margot Liberty, Senior Management Analyst

	<b>Institution</b>	<b>Account Name/Purpose</b>	<b>Account # For Finance Use Only</b>
26.	Los Alamos National Bank	Municipal Court Bond Account	

- E.** The following individuals are authorized signers for the **Employee Fund** account.

Shirley Huber, Office Specialist  
Bernadette Martinez, Senior Human Resources Technician  
Margot Liberty, Senior Management Analyst

	<b>Institution</b>	<b>Account Name/Purpose</b>	<b>Account # For Finance Use Only</b>
27.	Los Alamos National Bank	Employee Fund Account	

- F.** The following Individuals are authorized signers for the **Police Operations Savings**, which is used for discretionary purposes by the Los Alamos Police Department.

Oliver Morris, Police Commander  
James S. Rodriguez Jr., Police Sergeant  
Karen Kendall, Budget and Performance Manager  
Margot Liberty, Senior Management Analyst

	<b>Institution</b>	<b>Account Name/Purpose</b>	<b>Account # For Finance Use Only</b>
28.	Los Alamos National Bank	Police Operations Savings	

**Incorporated County of Los Alamos  
Authorized Signers on Bank and Investment Accounts  
August 2018**

- G.** The following individuals are authorized signers for the **LA Crimestoppers** account, which is used for discretionary purposes by the Los Alamos Police Department.

Oliver Morris, Police Commander  
Preston Ballew, Police Commander  
James S. Rodriguez, Police Sergeant  
Karen Kendall, Budget and Performance Manager  
Margot Liberty, Senior Management Analyst

	<b>Institution</b>	<b>Account Name/Purpose</b>	<b>Account # For Finance Use Only</b>
29.	Los Alamos National Bank	LA Crimestoppers	

This list of Authorized Signers was approved by County Council on \_\_\_\_\_

\_\_\_\_\_  
David Izraelevitz, Council Chair

**Incorporated County of Los Alamos**  
**Authorized Signers on Bank and Investment Accounts**  
**August 2018**

H. The following is some additional information concerning certain County bank accounts. The numbering schema below corresponds with the numbered account from tables A-G of this document;

	<b>Institution</b>	<b>Account Name/Purpose</b>	<b>Notes to Account</b>
1.	Los Alamos National Bank	General Checking, Savings and CD Accounts	Two signatures are required on checks.
4.	Los Alamos National Bank	GRT Revenue Bond Debt Service Account	Account required by bond covenants.
5.	Los Alamos National Bank	Utility Resource Pool	Account required by DOE
8.	Los Alamos National Bank	LA County Ambulance Billing	To segregate incoming ambulance receipts from the third-party ambulance billing company.
9.	Los Alamos National Bank	Safe Deposit Box #2230000-1-1087	Safe deposit box was established in 1976 for the purpose of a time capsule. Safe Deposit Box may not be accessed until the tri-centennial in 2076.
10.	Los Alamos National Bank	NMEDD LEDA	Was established to comply with LEDA Ordinance and statute requiring the County to deposit the State Contribution into a clearly identified bank account.
12.	Wells Fargo Bank	Debt Service Clearing Accounts	Account required by bond covenants.
13.	Wells Fargo Bank	Debt Service Bond Reserve	Account required by bond covenants.
14.	Wells Fargo Bank	P-Card Clearing Account	Was established for clearing payments made through the Wells one Purchasing Card Program.
15.	Bank of Albuquerque, N.A.	Loan Reserve – NMFA Loan	Was established pursuant to the NMFA loan agreements.
16.	Bank of Albuquerque, N.A.	Trustee Account for Certain Investments	Was established as a general trustee account for holding County investments.
17.	State Treasurer's Pool (LGIP)	General County Pooled Equity Accounts	Account is maintained with the State Treasurer's Local Government Investment Pool for short-term investments depending on yield (used similar to checking or savings account)
18.	State Investment Council	Permanent Fund	Maintained within the State Investment Council's Long-term Investment Pool to facilitate accounting of long-term funds.
19.	State Investment Council	Cemetery Fund	Maintained within the State Investment Council's Long-term Investment Pool to facilitate accounting of long-term funds.
20.	State Investment Council	General County Pooled Equity	Maintained within the State Investment Council's Long-term Investment Pool to facilitate accounting of long-term funds.
21.	Public Trust Advisors, LLC	Authorized Investments	Acknowledges that the County has contracted with Public Trust Advisors to purchase securities from qualified brokers on the County's behalf – all purchased securities are then held with a third-party trustee – Bank of Albuquerque
22.	New Mexico Finance Authority	Trustee Account – NMFA Loan	Was established pursuant to the NMFA loan agreements.
23.	Bank of Albuquerque, N.A.	LA County Reclamation Trust	To account for the Department of Public Utilities' share of decommissioning costs for the coal mine supplying the San Juan Power Plant.
24.	Bank of Albuquerque, N.A.	LA County Decommissioning Trust	To account for the Department of Public Utilities' share of the mine reclamation for the San Juan Power Plant.

Los Alamos County Council  
Regular Meeting  
August 28, 2018  
Item 7.G.





# County of Los Alamos

## Staff Report

September 11, 2018

Los Alamos, NM 87544  
www.losalamosnm.us

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**Agenda No.:** B.

**Index (Council Goals):**

**Presenters:** County Council - Work Session

**Legislative File:** 11177-18

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### **Title**

Action to Suspend Council Rules for Work Session

### **Recommended Action**

**I move that Council suspend their procedural rules for this work session, September 11, 2018, so that formal action may be taken.**

### **Body**

The 2018 Los Alamos County Council Procedural Rules identifies a Work Session as follows:

**"Work Sessions.** The Council may schedule work sessions on a regular basis under the requirements of the annual Open Meetings Resolution. Council meetings designated as work sessions shall be held for the primary purpose of discussing issues at length with staff in an informal setting without taking formal action except for required procedural actions such as approving minutes from a prior council meeting, or adopting a statement for inclusion in the minutes regarding a closed session. Public comment will generally be taken only at the beginning and ending."

This action would suspend that rule for this meeting to enable Council to take formal action on an agenda item scheduled for this work session.



# County of Los Alamos

## Staff Report

September 11, 2018

Los Alamos, NM 87544  
www.losalamosnm.us

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**Agenda No.:** C.  
**Index (Council Goals):** \* 2018 Council Goal - N/A  
**Presenters:** County Council - Work Session  
**Legislative File:** 11179-18

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### Title

Proposed Stipulated Agreement/In the Matter of the Application of NMGC for Revisions to its Rates, Rules, and Charges Pursuant to Advice Notice Nos. 70 and 71; Case No. 18-00038-U before PRC.

### Recommended Action

There are three possible motions related to this request:

- 1. I move that Council approve the proposed Stipulated Settlement as presented by New Mexico Gas Company in PRC Case No. 18-00038-UT, and further authorize Tim Glasco, Utility Manager, to submit, in a form acceptable by the County Attorney, a statement of the County's position on the Stipulated Settlement as required by the PRC Hearing Officer.**
- 2. I move that Council oppose the proposed Stipulated Settlement as presented by New Mexico Gas Company in PRC Case No. 18-00038-UT, and further authorize Tim Glasco, Utility Manager, to submit, in a form acceptable by the County Attorney, a statement of the County's position on the Stipulated Settlement as required by the PRC Hearing Officer.**
- 3. I move that Council take no position on the proposed Stipulated Settlement as presented by New Mexico Gas Company in PRC Case No. 18-00038-UT, and further request that staff communicate this position to NMGC and intervening parties and provide a report at the next regularly scheduled Council meeting on the status of the proceedings following the filing of the required statement of positions by the other parties.**

### ..Utility Manager's Recommendation

The Utility Manager recommends that Council approve the Stipulated Settlement of PRC Case No. 18-00038-UT.

### Body

On February 26, 2018, the New Mexico Gas Company (NMGC), filed with the New Mexico Public Regulation Commission (PRC), a petition to increase various rates and charges (Application). On March 14, 2018, the PRC suspended the Application and appointed a hearing officer, Frances I. Sundheim, on March 29, 2018. On April 18, 2018, the hearing officer set a

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procedural schedule for hearing of the Application. In addition to the normal procedural matters, the hearing officer set the public hearing on the Application for September 24, 2018 through October 5, 2018.

In NMGC's Application, NMGC requested an increase in revenues of approximately \$8 million to be recovered through base rates, an overall tax unadjusted weighted average cost of capital of 7.65% including a requested return on equity of 10.2% and a capital structure, an increase in access fees for customers, an increase in special charges under NMGC Rate No. 11, approval to implement a weather normalization adjustment (WNA) mechanism, approval to implement an integrated management program (IMP) cost recovery mechanism, approval to implement economic development rates meant to encourage economic development, and a change in the amortization of net regulatory assets related to its overfunded retiree medical plan.

The County, as a transportation customer, falls under NMGC Rate Schedule No. 61. The County purchases natural gas wholesale but must utilize NMGC's transmission pipelines to deliver the gas to the County's distribution system. NMGC's Application would have resulted in an annual increase to the County and its customers of \$35,000 to \$42,000, or 17.43%. To cover the requested transportation cost increase, the County would have to charge its customers \$.0283/Therm for the increase, up from \$.0241/Therm for the transportation costs.

After initial submittals by the parties, NMGC has proposed a possible settlement of the matter through a stipulated agreement (Stipulated Settlement) between the various intervening parties. As proposed in the Stipulated Settlement, the impact to the County under Rate Schedule No. 61, would be an increase of only 4.18% in Year 1 and Year 2, with an estimated annual impact of \$14,000. Although significantly higher than the standard NMGC residential customer increase, it is still lower than the original NMGC Application estimated increase of 17.43%. If passed, the potential new per Therm rate under the proposed Stipulated Settlement for County would be \$0.0259/Therm.

Based on available information, it is expected that of the six primary intervening parties, including New Mexico Attorney General's Office, the City of Albuquerque, the New Mexico Industrial Energy Consumers, U.S. Department of Energy for all federal facilities, the Southwest Public Service Company, and the Incorporated County of Los Alamos, only the City of Albuquerque is currently opposed to the proposed Stipulated Settlement terms.

It is important to note that NMGC has provided it is agreeable to this lower increase now, because the company will file a larger rate case in 2020 which the company will seek to more accurately realign certain fixed and the overall allocation of costs to customer classes. In essence, this is a temporary necessary increase to get the company through the interim period until the later rate filing.

The Council has three alternatives available to it regarding the proposed NMGC Stipulated Settlement. These are: 1) to formally support the stipulation, 2) to formally oppose the stipulation, or 3) take no position.

### **Alternatives**

As provided above, the Council can choose to either approve, oppose, or take no position on the settlement. Irrespective of our position or that of the other parties, the Hearing Officer at the September 24th public hearing will make a recommendation to the PRC to either accept or deny the proposed stipulated settlement. If the Hearing Officer recommends the Settlement, then the Commission can either reject or accept her recommendation. If the PRC rejects the recommendation for settlement, then the Hearing Officer will reset the schedule for a full hearing on the merits of the original petition. It is possible that the County may or may not receive a

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better allocation of costs and a final increase in Rate Schedule No. 61 at full hearing.

**Fiscal and Staff Impact/Planned Item**

If the Council agrees to the Stipulated Settlement and the Hearing Officer and PRC accept the Stipulated Settlement, the impact to the transportation portion of any customer bill (see attachment Detailed Gas Rate Calculation Worksheet, third column from left), will increase 4.18%, or from \$0.0241 to \$0.0251 per Therm delivered. If the Council opposes the Stipulated Settlement or takes no position, then the Hearing Officer and PRC could accept or reject the proposed action; which could either increase, decrease, or have no impact to Rate Schedule No. 61.

**Attachments**

A - Final NMGC Stipulated Settlement Agreement

B - Detailed Gas Rate Calculation Worksheet (as of September 2018)

C - Monthly Gas Rate Schedule (as of September 2018)



# New Mexico

## GAS COMPANY

Office 505-697-3832  
Fax 505-697-4487

September 7, 2018

Ms. Melanie Sandoval  
New Mexico Public Regulation Commission  
1120 Paseo de Peralta  
P. O. Box 1269  
Santa Fe, NM 87504-1269

**RE: Stipulation**  
**NMPRC Case No. 18-00038-UT**

Dear Ms. Sandoval:

Enclosed for filing with the New Mexico Public Regulation Commission is the original and six copies of the Stipulation. The original and five copies are for filing. Please conform the sixth copy for our file and return it with our courier.

If you have any questions or require any additional information, please do not hesitate to contact me at (505) 697-3832. Thank you for your assistance in this matter.

Sincerely,

Rebecca Carter  
Manager, Regulatory Affairs

Enclosures

cc: Certificate of Service

**BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION**

<b>IN THE MATTER OF THE APPLICATION</b>	)	
<b>OF NEW MEXICO GAS COMPANY, INC.</b>	)	
<b>FOR REVISIONS TO ITS RATES, RULES,</b>	)	
<b>AND CHARGES PURSUANT TO ADVICE</b>	)	<b>Case No. 18-00038-UT</b>
<b>NOTICE NOS. 70 AND 71</b>	)	
	)	
<b>NEW MEXICO GAS COMPANY, INC.</b>	)	
	)	
<u><b>Applicant.</b></u>	)	

**STIPULATION**

New Mexico Gas Company, Inc. ("NMGC" or the "Company") and the Attorney General of the State of New Mexico (the "Attorney General") (collectively, the "Signatories"), through their undersigned authorized representatives, agree and stipulate as follows:

**BACKGROUND**

1. On February 26, 2018, pursuant to NMSA 1978, Section 62-3-3, and 17.1.210.11 NMAC, and 17.10.630 NMAC, NMGC filed its Application for Revisions to Rates, Rules and Charges ("Application") based on a historic twelve-month period with a base year ending September 30, 2017, with test period adjustments.

2. NMGC, through its Application, requested, among other things, the following:

- A. an increase in revenues of approximately \$8 million to be recovered through base rates;
- B. an overall tax unadjusted weighted average cost of capital of 7.65%, including a requested return on equity of 10.2% and a capital structure comprised of 54% equity and 46% debt;
- C. an increase in access fees for customers;
- D. an increase in special charges under NMGC Rate No. 11 (Miscellaneous Fees and Charges) ("Rate 11");

- E. approval to implement a weather normalization adjustment mechanism;
  - F. approval to implement an integrated management program (“IMP”) cost recovery mechanism;
  - G. approval to implement economic development rates meant to encourage economic development in New Mexico; and
  - H. a change in the amortization of net regulatory assets related to its overfunded retiree medical plan.
3. NMGC’s proposed rates incorporated the reduction in corporate taxes NMGC realized as a result of the Federal Tax Cuts and Jobs Act of 2017.
4. In support of its Application, NMGC filed the schedules required by 17.10.630 NMAC and the direct testimonies of eight witnesses.
5. The base rates proposed by NMGC would have produced an estimated increase in the average residential customer’s total bill of approximately 1.4%.
6. The terms of this Stipulation reflect good faith arms-length negotiations by the Signatories, and properly balance the interests of the customers and investors.
7. The Signatories agree that the Stipulation is in the public interest, and results in fair, just, and reasonable rates.
8. The Signatories agree that this Stipulation resolves all issues between the Signatories in relation to NMGC’s Application, and more specifically agree as follows:

## STIPULATION

### **Base Revenue Increase and Stipulated Rates**

9. The proposed rate schedules filed by NMGC under Notice Nos. 70 and 71 shall be withdrawn and NMGC will file revised rate schedules to: A) increase its annualized base revenues by \$2.5 million, which will be phased-in over a two- year period as follows: 1) \$1 million in 2019, and 2) an additional \$1.5 million in 2020; B) reflect an increase in revenues generated from increased charges under Rate 11; C) cancel Original Rate 1-2 and Original Rate 1-7; and D) reflect changes to Rate Schedules 31, 35, 54, 56 and 58 to better reflect the Company's current practice used in its annual review of the rate classifications for its customers.

10. The increase in revenues generated from increased Miscellaneous Service charges under Rate 11 is \$453,031 and is approved as part of this Stipulation.

11. Attached as **Stipulation Exhibit No. 1** is the reconciliation required by 1.2.2.20 NMAC, containing the information listed in 1.2.2.36(F) NMAC. NMGC prepared **Stipulation Exhibit No. 1** for illustrative purposes, and it represents one scenario within the zone of reasonableness and shall not constitute a precedent for any future proceedings.

12. The Signatories agree that the rates reflected in **Stipulation Exhibit No. 1** are fair, just, and reasonable.

13. Attached as **Stipulation Exhibit No. 2** is a schedule showing increases in the cost of service revenue for all rate classes for recovery of the \$2.5 million base revenue increase. The Signatories stipulate and agree that the allocation of these base rate increases by rate class is reasonable.

14. Attached as **Stipulation Exhibit No. 3** is a schedule showing the present and proposed rate for each affected rate class. The Signatories agree that the revised base rates reflected in **Stipulation Exhibit No. 3** are fair, just, and reasonable.



15. Attached to this Stipulation as **Stipulation Exhibit No. 4** is a schedule showing percentage changes in residential bills in 5 therm increments. The rate design for residential customers in Rate No. 10, Residential Service (“Rate 10”) as well as other heat sensitive customers, used a ten-year normal weather standard.

16. The rates set forth in this Stipulation and Stipulation Exhibits shall be implemented in two phases as set forth in Paragraph 9 above. Phase 1 will be implemented with Cycle 1 of the month following the final order. NMGC shall file appropriate advice notices to implement the revised rates at least five days prior to their effective dates. Phase 2 will be implemented with Cycle 1 of the thirteenth month following the final order.

17. The Signatories agree that the base rates agreed to in this Stipulation will not increase prior to January 1, 2021, at the earliest. This provision of the Stipulation reflects a balancing of interests, including (on one hand) NMGC’s statutory right to petition the New Mexico Public Regulation Commission (the “Commission”) from time-to-time to revise the Company’s rates and (on the other hand) the interests of customers in rate stability.

#### **Weather Normalization Adjustment Mechanism**

18. The Signatories agree that wide fluctuations in weather in recent winter heating seasons have affected customers’ bills and have contributed directly to fluctuations in the level of base revenue recoveries to the Company. The Signatories agree that NMGC’s proposed Weather Normalization Adjustment Mechanism (the “Weather Mechanism”) is intended to address this problem and agree to the implementation of the Weather Mechanism.

19. The Signatories further agree that the Weather Mechanism shall operate as a five (5) year pilot program, and shall terminate at the end of the five-year period unless the Commission expressly approves otherwise. The Weather Mechanism shall be subject to review in NMGC’s next general rate case. The Signatories also expressly agree that the Commission may, for good cause

shown, after a hearing and an order, terminate the Weather Mechanism before the end of the five-year term in the event of unforeseen events.

20. The Signatories agree that the Weather Mechanism shall operate as described in the direct testimony of NMGC Witness Daniel P. Yardley, and as described in this paragraph:

A. The Signatories agree that the Weather Mechanism will use average heating degree days over the last ten (10) years to establish normal weather ("Normal Weather"), and that the initial Normal Weather amounts shall be set in this rate case and shall be reestablished in each of NMGC's successive rate cases going forward.

B. The Signatories agree that the following five National Oceanographic and Atmospheric Administration weather stations will be utilized to measure actual heating degree days: Albuquerque, Deming, Farmington, Roswell, and Santa Fe.

C. The Signatories agree that the Weather Mechanism will apply to the following two NMGC rate classes: Rate 10, and Rate 54.

D. Consistent with NMSA 1978, Section 62-8-7(E), on June 30, 2019 the Company shall provide notice and opportunity for hearing to all persons on the official Certificate of Service in this case for the purpose of establishing the Weather Mechanism rate to be used over the twelve-month period beginning with Cycle 1 October, 2019.

E. Thereafter, for as long as the Weather Mechanism is in place, the Company shall on June 30 of each year provide similar notice and opportunity for hearing for the purpose of establishing the Weather Mechanism rate to be used over the twelve-month period beginning with Cycle 1 October of that year. With each annual June 30 filing, NMGC shall include testimony or an affidavit of a witness or witnesses in support of NMGC's Weather Mechanism rate. The Signatories agree that any changes to the Weather Mechanism rate would only take effect after notice and opportunity for hearing and approval by the Commission or by operation of law.

F. As with the Company's Purchase Gas Adjustment Clause, NMGC shall have an independent accounting firm, paid for by NMGC, perform agreed-upon procedures related to the Company's annual June 30 Weather Mechanism filing with the Commission. NMGC shall work with the Commission's Utility Division Staff ("Staff") to develop the procedures to be performed by the independent accounting firm. If required, NMGC and Staff will provide written confirmation of their agreement to the agreed-upon procedures to be performed. Once completed, NMGC shall file the independent accounting firm's agreed-upon procedures report with its annual June 30 Weather Mechanism filing each year.

G. Consistent with the "good cause" exception in NMSA 1978, Section 62-8-7(B), if no objection is filed with the Commission within fourteen days of the notice from the Company, the proposed Weather Mechanism Rate shall go into effect with Cycle 1 October that year. If objection is filed with the Commission within two weeks, the Signatories agree that a hearing should be held expeditiously, and preferably, within 30 days of the objection. The notices and hearings shall set the Weather Mechanism rate for the twelve-month period beginning with Cycle 1 October of that year.

H. As with the Company's filings under the Company's Purchase Gas Adjustment Clause, the Company shall file a statement with the Commission monthly reflecting its best estimate of the rate impact of the Weather Mechanism.

I. To the extent that the Weather Mechanism is not continued beyond the term of the pilot or is discontinued or replaced for any reason, the amount recorded in the Weather Normalization Adjustment Balancing Account as of the effective date of the termination or replacement of the Weather Mechanism shall be credited to customers or charged to customers through the Weather Mechanism.

21. Attached as **Stipulation Exhibit No. 5** are the proposed tariffs reflecting the Weather Mechanism.

**Information Required by the Procedural Order**

22. The Procedural Order issued on April 18, 2018 in this case by the Hearing Examiner requires that “any stipulation shall, at a minimum, identify the following cost of service components to apply following the issuance of a final order: 1) Depreciation rates; 2) Return on equity; 3) Tax unadjusted weighted average cost of capital; [and] 4) Annual amortization amount for each amortized item in the cost of service.”

23. **Stipulation Exhibit No. 1** includes a Company-prepared illustrative cost of service with the following cost of service components:

- A. Depreciation Rates - NMGC shall continue to use its current depreciation rates until they are changed in accordance with 17.3.340 NMAC
- B. Return on Equity (“ROE”) of 9.1%
- C. Tax Unadjusted Weighted Average Cost of Capital (“WACC”) of 6.96%
- D. Annual Amortization Amounts will be derived the same as the amounts reflected in NMGC’s Application

24. For the sole purpose of computing the illustrative cost of service in this case, the Company used a 9.1% ROE and a 6.96% WACC. None of Signatories are agreeing to a specific ROE or WACC in this Stipulation. The Signatories agree that this imputed ROE and WACC have no precedential value and are only used to compute the illustrative cost of service. The Signatories agree that the imputed ROE and WACC, as well as the other reconciliation adjustments reflected in the illustrative cost of service were not used to determine, and have no impact on, the Company’s revenue requirement in this Stipulation, which was derived following arm’s length negotiations between the parties and based on all factors in this case.

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### **Tax Reform**

25. The Signatories agree that the rates detailed in **Stipulation Exhibit No. 1** incorporate the reduction in corporate income taxes NMGC realized from the Federal Tax Cuts and Jobs Act of 2017.

### **Miscellaneous Provisions**

26. In order to provide NMGC with the guidance needed to record transactions in its books and records, the Signatories agree that NMGC may incorporate the accounting positions as filed in the Application and as detailed in Direct Testimony of NMGC Witness Scott A. Hastings and supporting schedules, unless otherwise specifically stated in this Stipulation. This provision does not preclude a Signatory from challenging any assumptions in future proceedings.

27. The Signatories agree that the discounted transportation rates identified in the Direct Testimony of Edward J. Kacer and his supporting exhibits are fair, just, and reasonable and should be approved by the Commission.

### **General Provisions**

28. The Signatories stipulate to the admission into the evidentiary record of this case of the following documents: 1) this Stipulation and the Stipulation Exhibits; 2) NMGC's pre-filed direct testimonies, exhibits, and schedules NMGC submits in the evidentiary record at the public hearing on the Stipulation and 3) all testimonies the Signatories file in support of this Stipulation.

29. The Signatories agree that this Stipulation has been drafted by all of the Signatories and is the result of negotiation, compromise, settlement, and accommodations by each of the Signatories.

30. The Signatories agree that this Stipulation: 1) provides benefits to NMGC and its customers, 2) is in the public interest; and 3) results in fair, just, and reasonable rates.

31. This Stipulation contains the full intent and understanding of the Signatories and constitutes the entire agreement of the Signatories. There are no representations, warranties, or agreements other than those specifically set forth in this Stipulation. No implication should be drawn on any matter not specifically addressed in this Stipulation.

32. The Signatories agree that the substantive terms and conditions set forth in this Stipulation are interdependent, and that the various provisions of this Stipulation are not severable. Any modification of the substantive terms and conditions of this Stipulation require the written agreement of all of the Signatories. If the Stipulation is not adopted in its entirety by the Commission, without modification, the Stipulation will be voidable by any Signatory.

33. The Signatories agree to support the approval of this Stipulation in this case and shall support the Stipulation and its terms in any related proceeding before the Commission. Signatories agree to make reasonable and good faith efforts to obtain the Commission's approval of this Stipulation.

34. The Signatories agree that by approving this Stipulation, the Commission is neither granting any approval nor creating any precedent regarding any specific principle or issue in future proceedings, except to the extent the Final Order in this case approves the agreements that bind the Signatories. The Signatories do not waive rights they may have in other pending or future proceedings, and they will not be deemed to have approved, accepted, agreed to, or consented to the application of any concept, principle, theory, or method in any future proceeding other than as expressly provided in this Stipulation.

35. Signatories agree to refrain from introducing in any regulatory or court proceeding any statement made or position taken by any of the Signatures during the course of negotiations.

36. The Stipulation shall be binding upon and inure to the benefit of the successors and assigns of the Signatories.

37. Other parties not presently Signatories may subsequently file a joinder to this Stipulation, and become a Signatory.

38. This Stipulation may be executed in any number of counterparts, including by telefax or PDF signature, each of which shall be deemed to be an original and all of which will constitute one and the same agreement. This Stipulation shall be deemed fully executed upon the signature upon the same and separate or individual copies of the signature page(s) by all Signatories.

Dated this 7th day of September, 2018.

Respectfully Submitted,

NEW MEXICO GAS COMPANY, INC.

By: 

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NEW MEXICO GAS COMPANY

Stipulation Exhibit No. 1  
Stipulated Schedule A-1  
Page 1 of 1

Summary of the Illustrative Cost of Service and the Claimed Revenue Deficiency  
Stipulated Test Period - 12 Months Ending September 30, 2017

Line No.	Description	Test Period As Filed	Settlement Adjustment 1 ROE to 9.1%	Settlement Adjustment 2 52% Equity	Stipulated Test Period
1	Operations & Maintenance	89,276,284	-	-	89,276,284
2	Depreciation & Amortization	38,891,700	-	-	38,891,700
3	Miscellaneous Interest	420,472	-	-	420,472
4	Taxes Other Than Income	10,468,058	-	-	10,468,058
5	Income Taxes	10,429,704	(1,173,305)	(353,146)	8,903,253
6	Return on Rate Base	44,180,457	(3,447,687)	(507,115)	40,225,655
7	Revenue Credits	(9,231,203)	-	-	(9,231,203)
8	Revenue Tax	984,937	-	-	984,937
9	Total Cost of Service	185,420,408	(4,620,992)	(860,260)	179,939,156
10	Base Period Total Cost of Service Revenue	(177,439,156)	-	-	(177,439,156)
11	Revenue Deficiency	7,981,252	(4,620,992)	(860,260)	2,500,000

New Mexico Gas Company  
SUMMARY OF REVENUE CHANGE  
FOR PROPOSED RATE SCHEDULES

Stipulation Exhibit No. 1  
Stipulated Schedule A-2  
Page 1 of 3

Base Period Revenues							
Line No.	Rate Schedule	Cost of Gas	Cost of Service	Natural Gas Processed By Others	Product Extraction	Other	Total
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
1	10	\$ 87,161,864	\$ 128,917,464	\$ -	\$ -	\$ -	\$ 216,079,327
2	30	\$ 1,905,855	\$ 552,278	-	-	-	2,458,133
3	31	\$ -	\$ 35,260	-	-	-	35,260
4	35	\$ -	\$ 12,418	-	-	-	12,418
5	37	\$ -	\$ 1,772	-	-	-	1,772
6	54	\$ 27,718,047	\$ 30,474,537	-	-	-	58,192,584
7	56	\$ 1,638,157	\$ 3,885,453	-	-	-	5,523,610
8	58	\$ 764,542	\$ 4,046,842	-	-	-	4,811,384
9	61	\$ -	\$ 334,188	-	-	-	334,188
10	70	\$ -	\$ 788,476	-	-	-	788,476
11	114	\$ -	\$ -	-	-	-	-
13	Other	-	-	-	-	8,545,573	8,545,573
14	Total	<u>\$ 119,188,465</u>	<u>\$ 169,048,689</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,545,573</u>	<u>\$ 296,782,727</u>

Adjustments to Base Period Revenues							
Line No.	Rate Schedule	Cost of Gas	Cost of Service	Natural Gas Processed By Others	Product Extraction	Other	Total
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
15	10	\$ -	\$ 6,472,556	\$ -	\$ -	\$ -	\$ 6,472,556
16	30	-	(37,597)	-	-	-	(37,597)
17	31	-	(0)	-	-	-	(0)
18	35	-	(7,989)	-	-	-	(7,989)
19	37	-	(0)	-	-	-	(0)
20	54	-	1,924,251	-	-	-	1,924,251
21	56	-	2,246	-	-	-	2,246
22	58	-	136	-	-	-	136
23	61	-	0	-	-	-	0
24	70	-	(0)	-	-	-	(0)
25	114	-	-	-	-	-	-
27	Other	-	-	-	-	685,631	685,631
28	Total	<u>\$ -</u>	<u>\$ 8,353,602</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 685,631</u>	<u>\$ 9,039,233</u>

New Mexico Gas Company  
SUMMARY OF REVENUE CHANGE  
FOR PROPOSED RATE SCHEDULES

Stipulation Exhibit No. 1  
Stipulated Schedule A-2  
Page 2 of 3

Test Period Revenues at Existing Rates

Line No.	Rate Schedule	Natural Gas					Total
		Cost of Gas	Cost of Service	Processed By Others	Product Extraction	Other	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
1	10	\$ 87,161,864	\$ 135,390,020	\$ -	\$ -	\$ -	\$ 222,551,884
2	30	1,905,855	514,681	-	-	-	2,420,536
3	31	-	35,260	-	-	-	35,260
4	35	-	4,429	-	-	-	4,429
5	37	-	1,772	-	-	-	1,772
6	54	27,718,047	32,398,788	-	-	-	60,116,835
7	56	1,638,157	3,887,699	-	-	-	5,525,856
8	58	764,542	4,046,978	-	-	-	4,811,520
9	61	-	334,188	-	-	-	334,188
10	70	-	788,476	-	-	-	788,476
11	114	-	-	-	-	-	-
12	Other	-	-	-	-	9,231,204	9,231,204
13	Total	<u>\$ 119,188,465</u>	<u>\$ 177,402,291</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,231,204</u>	<u>\$ 305,821,960</u>

Test Period Revenues at Stipulated Rates

Line No.	Rate Schedule	Natural Gas					Total
		Cost of Gas	Cost of Service	Processed By Others	Product Extraction	Other	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
14	10	\$ 87,161,864	\$ 136,269,668	\$ -	\$ -	\$ -	\$ 223,431,532
15	30	1,905,855	518,013	-	-	-	2,423,868
16	31	-	36,736	-	-	-	36,736
17	35	-	4,614	-	-	-	4,614
18	37	-	1,845	-	-	-	1,845
19	54	27,718,047	33,753,044	-	-	-	61,471,091
20	56	1,638,157	4,048,961	-	-	-	5,687,118
21	58	764,542	4,099,007	-	-	-	4,863,549
22	61	-	348,393	-	-	-	348,393
23	70	-	821,851	-	-	-	821,851
24	114	-	-	-	-	-	-
25	Other	-	-	-	-	9,231,204	9,231,204
26	Total	<u>\$ 119,188,465</u>	<u>\$ 179,902,132</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,231,204</u>	<u>\$ 308,321,801</u>

New Mexico Gas Company  
SUMMARY OF REVENUE CHANGE  
FOR PROPOSED RATE SCHEDULES

Stipulation Exhibit No. 1  
Stipulated Schedule A-2  
Page 3 of 3

Line No.	Rate Schedule	Amount of Revenue Increase					Total
		Cost of Gas	Cost of Service	Natural Gas Processed By Others	Product Extraction	Other	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
1	10	\$ -	\$ 879,648	\$ -	\$ -	\$ -	\$ 879,648
2	30	-	3,332	-	-	-	3,332
3	31	-	1,476	-	-	-	1,476
4	35	-	185	-	-	-	185
5	37	-	73	-	-	-	73
6	54	-	1,354,256	-	-	-	1,354,256
7	56	-	161,262	-	-	-	161,262
8	58	-	52,029	-	-	-	52,029
9	61	-	14,205	-	-	-	14,205
10	70	-	33,375	-	-	-	33,375
11	114	-	-	-	-	-	-
12	Other	-	-	-	-	-	-
13	Total	<u>\$ -</u>	<u>\$ 2,499,841</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,499,841</u>

Line No.	Rate Schedule	Percentage Increase (Decrease)					Total
		Cost of Gas	Cost of Service	Natural Gas Processed By Others	Product Extraction	Other	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
14	10	0.00%	0.65%	0.00%	0.00%	0.00%	0.40%
15	30	0.00%	0.65%	0.00%	0.00%	0.00%	0.14%
16	31	0.00%	4.19%	0.00%	0.00%	0.00%	4.19%
17	35	0.00%	4.18%	0.00%	0.00%	0.00%	4.18%
18	37	0.00%	4.12%	0.00%	0.00%	0.00%	4.12%
19	54	0.00%	4.18%	0.00%	0.00%	0.00%	2.25%
20	56	0.00%	4.15%	0.00%	0.00%	0.00%	2.92%
21	58	0.00%	1.29%	0.00%	0.00%	0.00%	1.08%
22	61	0.00%	4.25%	0.00%	0.00%	0.00%	4.25%
23	70	0.00%	4.23%	0.00%	0.00%	0.00%	4.23%
24	114	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
25	Total	<u>0.00%</u>	<u>1.41%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.82%</u>

NEW MEXICO GAS COMPANY

Stipulation Exhibit No. 1  
Stipulated Schedule A-3  
Page 1 of 1

Summary of the Illustrative Cost of Service Adjustments by Functional Classification  
Stipulated Test Period - 12 Months Ending September 30, 2017

Line No.	Description	Test Period As Filed	Settlement Adjustment 1 ROE to 9.1%	Settlement Adjustment 2 52% Equity	Stipulated Test Period
1	Other Gas Supply	1,546,234	-	-	1,546,234
2	Purchased Gas Expense	-	-	-	-
3	Underground Storage	-	-	-	-
4	Transmission	5,886,211	-	-	5,886,211
5	Distribution	25,472,657	-	-	25,472,657
6	Customer Accounts	15,150,454	-	-	15,150,454
7	Customer Service & Information	-	-	-	-
8	Sales	653,980	-	-	653,980
9	Administrative & General	40,566,748	-	-	40,566,748
10	Depreciation & Amortization	38,891,700	-	-	38,891,700
11	Interest on Customer Deposits	100,611	-	-	100,611
12	Amortization of Loss on Reacquired Debt	288,055	-	-	288,055
13	Interest Accretion on ARO Liability	31,806	-	-	31,806
14	Taxes Other Than Income	10,468,058	-	-	10,468,058
15	Income Taxes	10,429,704	(1,173,305)	(353,146)	8,903,253
16	Return on Rate Base	44,180,457	(3,447,687)	(507,115)	40,225,655
17	Revenue Credits	(9,231,203)	-	-	(9,231,203)
18	Revenue Tax	984,937	-	-	984,937
19					
20	Total Cost of Service	185,420,408	(4,620,992)	(860,260)	179,939,156

NEW MEXICO GAS COMPANY

Illustrative Summary of Rate Base

Stipulated Test Period - 12 Months Ending September 30, 2017

Stipulation Exhibit No. 1  
Stipulated Schedule A-4  
Page 1 of 1

Line No.	Description	Test Period As Filed	Settlement Adjustment 1 ROE to 9.1%	Settlement Adjustment 2 52% Equity	Stipulated Test Period
<u>Net Plant in Service:</u>					
1	Underground Storage	-	-	-	-
2	Transmission	213,719,650	-	-	213,719,650
3	Distribution	316,658,612	-	-	316,658,612
4	Intangible	15,871,013	-	-	15,871,013
5	General	48,458,232	-	-	48,458,232
6	Total Net Plant	594,707,507	-	-	594,707,507
7					
8	Accum Deferred Income Taxes	(28,978,996)	-	-	(28,978,996)
9					
10	Subtractive Adjustments	(49,751,797)	-	-	(49,751,797)
11					
12	Additive Adjustments	46,847,437	-	-	46,847,437
13					
14	<u>Working Capital:</u>				
15	Natural Gas Storage	5,755,965	-	-	5,755,965
16	Materials & Supplies	3,520,737	-	-	3,520,737
17	Prepayments	3,646,345	-	-	3,646,345
18	Cash Working Capital	2,606,246	-	-	2,606,246
19	Total Working Capital	15,529,293	-	-	15,529,293
20					
21	Total Rate Base	578,353,444	-	-	578,353,444

NEW MEXICO GAS COMPANY  
Summary of Total Capitalization and the  
Illustrative Weighted Average Cost of Capital  
Stipulated Test Period - 12 Months Ending September 30, 2017

Stipulation Exhibit No. 1  
Stipulated Schedule A-5  
Page 1 of 1

Line No.	Class of Capital	Capital Ratio	Effective Rate	Weighted Avg. Cost of Capital
<u>TEST PERIOD</u>				
1	Long-Term Debt	46.00%	4.65%	2.14%
2	Common Equity	54.00%	10.20%	5.51%
3	Total	100.00%		7.65%
4				
5				
6				
7	<u>STIPULATED TEST PERIOD</u>			
8	Long-Term Debt	48.00%	4.65%	2.23%
9	Common Equity	52.00%	9.10%	4.73%
10	Total	100.00%		6.96%



NEW MEXICO GAS COMPANY

Stipulation Exhibit No. 1  
Stipulated Schedule H-9  
Page 1 of 1

Illustrative Calculation of Federal and State Income Taxes  
Stipulated Test Period - 12 Months Ending September 30, 2017

Line No.	Description	Test Period	Settlement Adjustment 1 ROE of 9.1%	Settlement Adjustment 2 Equity % of 52%	Stipulated Test Period
1	Calculated Equity Return on Rate Base (or Net Income)	\$ 31,750,422	\$ (3,445,952)	\$ (1,037,175)	\$ 27,267,295
2	Add Back Allowable Federal and State Income Taxes	10,429,704	(1,173,305)	(353,146)	8,903,253
3	Net Income Before Income Taxes ("NIBIT")	42,180,126	(4,619,257)	(1,390,321)	36,170,548
4					
5	<u>Remove Permanent Differences:</u>				
6	Non-Deductible Fines & Penalties	-	-	-	-
7	AFUDC Equity	-	-	-	-
8	Non-Deductible Meals	134,215	-	-	134,215
9	Non-Deductible Lobbying Expense	-	-	-	-
10	Non-Deductible Dues	-	-	-	-
11	AFUDC Equity- Depreciation	21,033	-	-	21,033
12	NIBIT Excluding Permanent Differences	42,335,373	(4,619,257)	(1,390,321)	36,325,796
13					
14	State Income Tax at 5.57% Test Period (Current and Deferred)	2,358,080	(257,293)	(77,441)	2,023,347
15	State Excess Deferred Tax Amortization	(38,766)	-	-	(38,766)
16					
17	Taxable Income (Current and Deferred)	40,016,059	(4,361,964)	(1,312,880)	34,341,215
18					
19	Federal Income Tax at 21% Test Period (Current and Deferred)	8,403,372	(916,012)	(275,705)	7,211,655
20					
21	Federal Excess Deferred Tax Amortization	(292,983)	-	-	(292,983)
22					
23	Total State and Federal Income Taxes (Cur. and Deferred)	10,429,704	(1,173,305)	(353,146)	8,903,253

New Mexico Gas Company  
TOTAL REVENUE REQUIREMENT BY RATE CLASSES  
NEW MEXICO JURISDICTIONAL

Line No.	Rate Schedule	Base Period				Test Period Revenues at Existing Rates			
		Cost of Gas	Cost of Service	Other	Total	Cost of Gas	Cost of Service	Other	Total
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
1	10	\$ 87,161,864	\$ 128,917,464	\$ -	\$ 216,079,328	\$ 87,161,864	\$ 135,390,020	\$ -	\$ 222,551,884
2	30	1,905,855	552,278	-	2,458,133	1,905,855	514,681	-	2,420,536
3	31	-	35,260	-	35,260	-	35,260	-	35,260
4	35	-	12,418	-	12,418	-	4,429	-	4,429
5	37	-	1,772	-	1,772	-	1,772	-	1,772
6	54	27,718,047	30,474,537	-	58,192,584	27,718,047	32,398,788	-	60,116,835
7	56	1,638,157	3,885,453	-	5,523,610	1,638,157	3,887,699	-	5,525,856
8	58	764,542	4,046,842	-	4,811,384	764,542	4,046,978	-	4,811,520
9	61	-	334,188	-	334,188	-	334,188	-	334,188
10	70	-	788,476	-	788,476	-	788,476	-	788,476
12	114	-	-	-	-	-	-	-	-
13	Other	-	-	8,545,573	8,545,573	-	-	9,231,204	9,231,204
14	Total	\$ 119,188,465	\$ 169,048,689	\$ 8,545,573	\$ 296,782,727	\$ 119,188,465	\$ 177,402,291	\$ 9,231,204	\$ 305,821,960

Stipulated Schedule P-1

Line No.	Rate Schedule	Test Period Revenues at Stipulated Rates				Stipulated Changes in Revenues	Percent Change in Revenues
		Cost of Gas	Cost of Service	Other	Total		
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
15	10	\$ 87,161,864	\$ 136,269,668	\$ -	\$ 223,431,532	\$ 879,648	0.40%
16	30	1,905,855	518,013	-	2,423,868	3,332	0.14%
17	31	-	36,736	-	36,736	1,476	4.19%
18	35	-	4,614	-	4,614	185	4.18%
19	37	-	1,845	-	1,845	73	4.12%
20	54	27,718,047	33,753,044	-	61,471,091	1,354,256	2.25%
21	56	1,638,157	4,048,961	-	5,687,118	161,262	2.92%
22	58	764,542	4,099,007	-	4,863,549	52,029	1.08%
23	61	-	348,393	-	348,393	14,205	4.25%
24	70	-	821,851	-	821,851	33,375	4.23%
25	114	-	-	-	-	-	0.00%
26	Other	-	-	9,231,204	9,231,204	-	0.00%
27	Total	\$ 119,188,465	\$ 179,902,132	\$ 9,231,204	\$ 308,321,801	\$ 2,499,841	0.82%

New Mexico Gas Company  
PROOF OF REVENUE ANALYSIS  
NEW MEXICO JURISDICTIONAL

Stipulated Schaeule P-2

Line No.	Rate Schedule (b)	Test Period Revenues at Proposed Rates					Over (Under) Recovery (g)
		Test Year Revenues (c)	Stipulated Revenue Changes (d)	Total Revenues (e)	Calculated Revenues From Sch. P-3 (f)		
Cost of Service Revenues							
1	10	\$ 135,390,020	\$ 879,648	\$ 136,269,668	\$ 136,269,668	\$ -	
2	30	514,681	3,332	518,013	518,013	-	
3	31	35,260	1,476	36,736	36,736	-	
4	35	4,429	185	4,614	4,614	0	
5	37	1,772	73	1,845	1,846	(1)	
6	54	32,398,788	1,354,256	33,753,044	33,752,159	885	
7	56	3,887,699	161,262	4,048,961	4,050,097	(1,136)	
8	58	4,046,978	52,029	4,099,007	4,099,589	(582)	
9	61	334,188	14,205	348,393	348,147	246	
10	70	788,476	33,375	821,851	821,413	438	
11	114	-	-	-	-	-	
12	Total Cost of Service Revenues	\$ 177,402,291	\$ 2,499,841	\$ 179,902,132	\$ 179,902,282	\$ (150)	
13	Cost of Gas Revenues	119,188,465	-	119,188,465	119,188,465	-	
14	Natural Gas Processed By Others	-	-	-	-	-	
15	Other Operating Revenues	8,545,573	685,631	9,231,204	9,231,204	-	
16	Total Operating Revenues	\$ 305,136,329	\$ 3,185,472	\$ 308,321,801	\$ 308,321,951	\$ (150)	

NEW MEXICO GAS COMPANY  
COMPARISON OF RATES FOR SERVICE UNDER THE PRESENT AND PROPOSED SCHEDULES

**Rate No. 10  
Residential**

	Approved 11-00042-UT Rates	
	Quantity	Rate
Service Charge	5,864,322	\$ 11.50
Commodity		
Transmission	289,390,834	\$ 0.0634
Distribution	298,632,979	\$ 0.1661
Total Billing		\$ 135,390,020

Stipulated Rates	
Quantity	Rate
Service Charge	5,864,322 \$ 11.65
Commodity	
Transmission	289,390,834 \$ 0.0634
Distribution	298,632,979 \$ 0.1661
Total Proposed Billing	\$ 136,269,668
Revenue Allocation	\$ 136,269,667
Over (Under) Recovery	\$ 1

**Rate No. 30  
Irrigation**

	Approved 11-00042-UT Rates	
	Quantity	Rate
Service Charge	5,126	\$ 33.00
Commodity		
Transmission	3,273,673	\$ 0.0381
Distribution	5,872,227	\$ 0.0376
Total Billing		\$ 514,681

Stipulated Rates	
Quantity	Rate
Service Charge	5,126 \$ 33.65
Commodity	
Transmission	3,273,673 \$ 0.0381
Distribution	5,872,227 \$ 0.0376
Total Proposed Billing	\$ 518,013
Revenue Allocation	\$ 518,030
Over (Under) Recovery	\$ (17)

**Rate No. 31  
Water & Sewage Pumping**

	Approved 11-00042-UT Rates	
	Quantity	Rate
Service Charge	180	\$ 100.00
Commodity		
Transmission	207,952	\$ 0.0388
Distribution	207,953	\$ 0.0444
Total Billing		\$ 35,260

Stipulated Rates	
Quantity	Rate
Service Charge	180 \$ 100.00
Commodity	
Transmission	207,952 \$ 0.0439
Distribution	207,953 \$ 0.0462
Total Proposed Billing	\$ 36,736
Revenue Allocation	\$ 36,733
Over (Under) Recovery	\$ 3

**Rate No. 35  
Cogeneration**

	Approved 11-00042-UT Rates	
	Quantity	Rate
Service Charge	12	\$ 50.00
Commodity		
Transmission	3,772	\$ 0.0329
Distribution	3,773	\$ 0.0437
Total Billing		\$ 4,428

Stipulated Rates	
Quantity	Rate
Service Charge	12 \$ 55.00
Commodity	
Transmission	3,772 \$ 0.0329
Distribution	3,773 \$ 0.0768
Total Proposed Billing	\$ 4,614
Revenue Allocation	\$ 4,614
Over (Under) Recovery	\$ 0

**Rate No. 37  
Gas Air Conditioning**

	Approved 11-00042-UT Rates	
	Quantity	Rate
Service Charge	12	\$ 15.00
Commodity		
Transmission	-	\$ 0.0259
Distribution	48,997	\$ 0.0325
Total Billing		\$ 1,772

Stipulated Rates	
Quantity	Rate
Service Charge	12 \$ 17.75
Commodity	
Transmission	- \$ 0.0259
Distribution	48,997 \$ 0.0333
Total Proposed Billing	\$ 1,845
Revenue Allocation	\$ 1,846
Over (Under) Recovery	\$ (1)

**Rate No. 54  
Small Volume General Service**

	Approved 11-00042-UT Rates	
	Quantity	Rate
Service Charge	487,142	\$ 20.00
Commodity		
Transmission	149,480,370	\$ 0.0707
Distribution	153,396,960	\$ 0.0788
Total Billing		\$ 32,396,788

Stipulated Rates	
Quantity	Rate
Service Charge	487,142 \$ 22.78
Commodity	
Transmission	149,480,370 \$ 0.0707
Distribution	153,396,960 \$ 0.0788
Total Proposed Billing	\$ 33,753,044
Revenue Allocation	\$ 33,752,159
Over (Under) Recovery	\$ 885

Stipulated Schedule P-3

NEW MEXICO GAS COMPANY  
COMPARISON OF RATES FOR SERVICE UNDER THE PRESENT AND PROPOSED SCHEDULES

Rate No. 56 Medium Volume General Service				Rate No. 58 Large Volume General Service				Rate No. 61 Sales For Resale			
		Approved 11-00042-UT Rates				Approved 11-00042-UT Rates				Approved 11-00042-UT Rates	
		Quantity	Rate	Revenue		Quantity	Rate	Revenue		Quantity	Rate
Service Charge		1,105	\$ 80.00	\$ 88,400		147	\$ 1,200.00	\$ 176,400		72	\$ 2,000.00
Commodity		39,281,505	\$ 0.0513	\$ 2,015,141		55,366,735	\$ 0.0486	\$ 2,690,823		7,891,603	\$ 0.0241
Transmission		34,778,902	\$ 0.0513	\$ 1,784,158		32,322,053	\$ 0.0365	\$ 1,179,755		-	\$ -
Distribution											
Total Billing				3,887,699				\$ 4,046,978			\$ 334,188
		Stipulated Rates				Stipulated Rates				Stipulated Rates	
		Quantity	Rate	Revenue		Quantity	Rate	Revenue		Quantity	Rate
Service Charge		1,105	\$ 100.00	\$ 110,500		147	\$ 1,240.00	\$ 182,280		72	\$ 2,000.00
Commodity		39,281,505	\$ 0.0544	\$ 2,136,814		55,366,735	\$ 0.0492	\$ 2,724,043		7,891,603	\$ 0.0259
Transmission		34,778,902	\$ 0.0518	\$ 1,801,547		32,322,053	\$ 0.0369	\$ 1,192,684		-	\$ -
Distribution											
Total Proposed Billing				\$ 4,048,961				\$ 4,099,007			\$ 348,393
Revenue Allocation				\$ 4,050,097				\$ 4,099,589			\$ 348,147
Over (Under) Recovery				\$ (1,136)				\$ (582)			\$ 246

Rate No. 70 (2.L) Off-System Transportation				Rate No. 114 District Energy Systems			
		Approved 11-00042-UT Rates				Approved 11-00042-UT Rates	
		Quantity	Rate	Revenue		Quantity	Rate
Service Charge		-	\$ -	\$ -		-	\$ 1,200.00
Commodity		41,718,332	\$ 0.0189	\$ 788,476		-	\$ 0.0328
Transmission		-	\$ -	\$ -		-	\$ 0.0326
Distribution						-	\$ -
Total Billing				788,476			
		Stipulated Rates				Stipulated Rates	
		Quantity	Rate	Revenue		Quantity	Rate
Service Charge		-	\$ -	\$ -		-	\$ 1,250.00
Commodity		41,718,332	\$ 0.0197	\$ 821,851		-	\$ 0.0340
Transmission		-	\$ -	\$ -		-	\$ 0.0338
Distribution						-	\$ -
Total Proposed Billing				\$ 821,851			\$ -
Revenue Allocation				\$ 821,413			\$ -
Over (Under) Recovery				\$ 438			\$ -

Line No.	Rate Class (A)	Current Base Revenue (B)	Proposed Increase (C)	Proposed Base Revenues (D)	Year 2 Step Increase (E)	Year 2 Proposed Base Revenues (F)	Percent Change in Base Revenues (G)
1	Residential Rates:						
2	Rate 10 - Residential	\$ 135,390,018	\$ 410,503	\$ 135,800,521	\$ 469,146	\$ 136,269,667	0.65%
3	Rate 30 - Irrigation Service	\$ 514,686	\$ 1,561	\$ 516,246	\$ 1,783	\$ 518,030	0.65%
4	Rate 31 - Water and Sewer Pumping Service	\$ 35,260	\$ 529	\$ 35,789	\$ 944	\$ 36,733	4.18%
5	Rate 35 - Cogeneration Service	\$ 4,429	\$ 66	\$ 4,495	\$ 119	\$ 4,614	4.18%
6	Rate 37 - Gas Air Conditioning Service	\$ 1,772	\$ 27	\$ 1,799	\$ 47	\$ 1,846	4.18%
7	Rate 54 - Small General Service	\$ 32,398,788	\$ 485,871	\$ 32,884,660	\$ 867,499	\$ 33,752,159	4.18%
8	Rate 56 - Medium General Service	\$ 3,887,699	\$ 58,302	\$ 3,946,001	\$ 104,096	\$ 4,050,097	4.18%
9	Rate 58 - Large General Service	\$ 4,046,978	\$ 26,305	\$ 4,073,284	\$ 26,305	\$ 4,099,589	1.30%
10	Rate 61 - Sales for Resale Service	\$ 334,188	\$ 5,012	\$ 339,199	\$ 8,948	\$ 348,147	4.18%
11	Rate 70 - Off-System Transportation	\$ 788,476	\$ 11,824	\$ 800,301	\$ 21,112	\$ 821,413	4.18%
12	Rate 114 - District Energy System Service	\$ -	\$ -	\$ -	\$ -	\$ -	-
13	TOTAL	\$ 177,402,294	\$ 1,000,000	\$ 178,402,294	\$ 1,500,000	\$ 179,902,294	
			\$ 412,064	Residential and Irrigation	\$ 470,929	Residential and Irrigation	
			26,305	Rate 58	\$ 26,305	Rate 58	
			\$ 561,631	All other C&I	\$ 1,002,765	All other C&I	
			\$ 1,000,000		\$ 1,500,000		

**New Mexico Gas Company**  
**Base Rates and Revenues at Present and Proposed Rates**  
**Reflecting Step 1 Base Rate Increase of an \$1.0 million**

Line No.	Current Rate (A)	Test Year Billing Units (B)	Current Charge (C)	Current Revenue (D)	Proposed Charge (E)	Proposed Revenue (F)	Base Revenue Increase (G)
1	<b>Rate 10 - Residential</b>						
2	Access Charge	5,864,322	\$ 11.50	\$ 67,439,701	\$ 11.57	\$ 67,850,203	0.6%
3	Transmission	289,390,834	\$ 0.0634	\$ 18,347,379	\$ 0.0634	\$ 18,347,379	0.0%
4	Distribution	298,632,979	\$ 0.1661	\$ 49,602,938	\$ 0.1661	\$ 49,602,938	0.0%
5	<b>TOTAL Rate 10 BASE REVENUE</b>			<u>\$ 135,390,018</u>		<u>\$ 135,800,520</u>	<u>0.3%</u>
6	<b>Rate 30 - Irrigation Service</b>						
7	Access Charge	5,126	\$ 33.00	\$ 169,163	\$ 33.30	\$ 170,701	0.9%
8	Transmission	3,273,673	\$ 0.0381	\$ 124,727	\$ 0.0381	\$ 124,727	0.0%
9	Distribution	5,872,227	\$ 0.0376	\$ 220,796	\$ 0.0376	\$ 220,796	0.0%
10	<b>TOTAL Rate 30 BASE REVENUE</b>			<u>\$ 514,686</u>		<u>\$ 516,224</u>	<u>0.3%</u>
11	<b>Rate 31 - Water and Sewage Pumping</b>						
12	Access Charge - < 200,000 Therms	180	\$ 100.00	\$ 18,000	\$ 100.00	\$ 18,000	0.0%
13	Access Charge - > 200,000 Therms	-	\$ 175.00	\$ -	\$ 175.00	\$ -	0.0%
14	Transmission	207,952	\$ 0.0386	\$ 8,027	\$ 0.0405	\$ 8,422	4.9%
15	Distribution	207,953	\$ 0.0444	\$ 9,233	\$ 0.0451	\$ 9,379	1.6%
16	<b>TOTAL Rate 31 BASE REVENUE</b>			<u>\$ 35,260</u>		<u>\$ 35,801</u>	<u>1.5%</u>

**New Mexico Gas Company**  
**Base Rates and Revenues at Present and Proposed Rates**  
**Reflecting Step 1 Base Rate Increase of an \$1.0 million**

Line No.	Current Rate (A)	Test Year Billing Units (B)	Current Charge (C)	Current Revenue (D)	Proposed Charge (E)	Proposed Revenue (F)	Base Revenue Increase (G)
1	<b>Rate 35 - Cogeneration</b>						
2	Access Charge - < 45,000 Therms	-	\$ 50.00	\$ -	\$ 55.00	\$ -	0.0%
3	Access Charge - > 450,000 Therms	12	\$ 345.00	\$ 4,140	\$ 350.00	\$ 4,200	1.4%
4	Transmission	3,772	\$ 0.0329	\$ 124	\$ 0.0329	\$ 124	0.0%
5	Distribution	3,773	\$ 0.0437	\$ 165	\$ 0.0454	\$ 171	3.9%
6	<b>TOTAL Rate 35 BASE REVENUE</b>			<u>\$ 4,429</u>		<u>\$ 4,495</u>	<u>1.5%</u>
7	<b>Rate 37 -Gas Air Conditioning</b>						
8	Access Charge	12	\$ 15.00	\$ 180	\$ 16.75	\$ 201	11.7%
9	Transmission	-	\$ 0.0259	\$ -	\$ 0.0259	\$ -	0.0%
10	Distribution	48,997	\$ 0.0325	\$ 1,592	\$ 0.0326	\$ 1,597	0.3%
11	<b>TOTAL Rate 37 BASE REVENUE</b>			<u>\$ 1,772</u>		<u>\$ 1,798</u>	<u>1.5%</u>
6	<b>Rate 54 - Small Volume General Service</b>						
7	Access Charge	487,142	\$ 20.00	\$ 9,742,846	\$ 21.00	\$ 10,229,988	5.0%
8	Transmission	149,480,370	\$ 0.0707	\$ 10,568,262	\$ 0.0707	\$ 10,568,262	0.0%
9	Distribution	153,396,960	\$ 0.0788	\$ 12,087,680	\$ 0.0788	\$ 12,087,680	0.0%
10	<b>TOTAL Rate 54 BASE REVENUE</b>			<u>\$ 32,398,788</u>		<u>\$ 32,885,931</u>	<u>1.5%</u>



**New Mexico Gas Company**  
**Base Rates and Revenues at Present and Proposed Rates**  
**Reflecting Step 1 Base Rate Increase of an \$1.0 million**

Line No.	Current Rate (A)	Test Year Billing Units (B)	Current Charge (C)	Current Revenue (D)	Proposed Charge (E)	Proposed Revenue (F)	Base Revenue Increase (G)
1	Rate 56 - Medium Volume General Service						
2	Access Charge	1,105	\$ 80.00	\$ 88,400	\$ 100.00	\$ 110,500	25.0%
3	Transmission	39,281,505	\$ 0.0513	\$ 2,015,141	\$ 0.0521	\$ 2,046,566	1.6%
4	Distribution	34,778,902	\$ 0.0513	\$ 1,784,158	\$ 0.0514	\$ 1,787,636	0.2%
5	<b>TOTAL Rate 56 BASE REVENUE</b>			<b>\$ 3,887,699</b>		<b>\$ 3,944,702</b>	<b>1.5%</b>
6	Rate 58 - Large Volume General Service						
7	Access Charge	147	\$ 1,200.00	\$ 176,400	\$ 1,220.00	\$ 179,340	1.7%
8	Transmission	55,366,735	\$ 0.0486	\$ 2,690,823	\$ 0.0489	\$ 2,707,433	0.6%
9	Distribution	32,322,053	\$ 0.0365	\$ 1,179,755	\$ 0.0367	\$ 1,186,219	0.5%
10	<b>TOTAL Rate 58 BASE REVENUE</b>			<b>\$ 4,046,978</b>		<b>\$ 4,072,993</b>	<b>0.6%</b>
11	Rate 61 - Sales for Resale						
12	Access Charge	72	\$ 2,000.00	\$ 144,000	\$ 2,000.00	\$ 144,000	0.0%
13	Transmission	7,891,603	\$ 0.0241	\$ 190,188	\$ 0.0247	\$ 194,923	2.5%
14	Distribution	-	\$ -	\$ -	\$ -	\$ -	0.0%
15	<b>TOTAL Rate 61 BASE REVENUE</b>			<b>\$ 334,188</b>		<b>\$ 338,923</b>	<b>1.4%</b>

**New Mexico Gas Company**  
**Base Rates and Revenues at Present and Proposed Rates**

Reflecting Step 1 Base Rate Increase of an \$1.0 million

Line No.	Current Rate (A)	Test Year Billing Units (B)	Current Charge (C)	Current Revenue (D)	Proposed Charge (E)	Proposed Revenue (F)	Base Revenue Increase 1/ (G)
1	<b>Rate 70 - Offsystem Transportation</b>						
2	Access Charge	-	\$ -	\$ -	\$ -	\$ -	0.0%
3	Transmission	41,718,332	\$ 0.0189	\$ 788,476	\$ 0.0192	\$ 800,992	1.6%
4	Distribution	-	\$ -	\$ -	\$ -	\$ -	0.0%
5	<b>TOTAL Rate 70 BASE REVENUE</b>			<u>\$ 788,476</u>		<u>\$ 800,992</u>	<u>1.6%</u>
6	<b>Rate 114 - District Energy System Service</b>						
7	Access Charge	-	\$ 1,200.00	\$ -	\$ 1,250.00	\$ -	0.0%
8	Transmission	-	\$ 0.0328	\$ -	\$ 0.0342	\$ -	0.0%
9	Distribution	-	\$ 0.0326	\$ -	\$ 0.0340	\$ -	0.0%
10	<b>TOTAL Rate 114 BASE REVENUE</b>			<u>\$ -</u>		<u>\$ -</u>	<u>0.0%</u>
11	<b>TOTAL REVENUE</b>			<u>\$ 177,402,294</u>		<u>\$ 178,402,378</u>	

1/ Base revenue increase percentage excludes gas costs, other riders and fees applicable to customer bills.

**New Mexico Gas Company**  
**Base Rates and Revenues at Present and Proposed Rates**

**Reflecting Step 2 Base Rate Increase of an Additional \$1.5 million**

Line No.	Current Rate (A)	Test Year Billing Units (B)	Current Charge (C)	Current Revenue (D)	Proposed Charge (E)	Proposed Revenue (F)	Base Revenue Increase 1/ (G)
1	<b>Rate 10 - Residential</b>						
2	Access Charge	5,864,322	\$ 11.50	\$ 67,439,701	\$ 11.65	\$ 68,319,349	1.3%
3	Transmission	289,390,834	\$ 0.0634	\$ 18,347,379	\$ 0.0634	\$ 18,347,379	0.0%
4	Distribution	298,632,979	\$ 0.1661	\$ 49,602,938	\$ 0.1661	\$ 49,602,938	0.0%
5	<b>TOTAL Rate 10 BASE REVENUE</b>			<u>\$ 135,390,018</u>		<u>\$ 136,269,666</u>	<u>0.6%</u>
6	<b>Rate 30 - Irrigation Service</b>						
7	Access Charge	5,126	\$ 33.00	\$ 169,163	\$ 33.65	\$ 172,495	2.0%
8	Transmission	3,273,673	\$ 0.0381	\$ 124,727	\$ 0.0381	\$ 124,727	0.0%
9	Distribution	5,872,227	\$ 0.0376	\$ 220,796	\$ 0.0376	\$ 220,796	0.0%
10	<b>TOTAL Rate 30 BASE REVENUE</b>			<u>\$ 514,686</u>		<u>\$ 518,018</u>	<u>0.6%</u>
11	<b>Rate 31 - Water and Sewage Pumping</b>						
12	Access Charge - < 200,000 Therms	180	\$ 100.00	\$ 18,000	\$ 100.00	\$ 18,000	0.0%
13	Access Charge - > 200,000 Therms	-	\$ 175.00	\$ -	\$ 175.00	\$ -	0.0%
14	Transmission	207,952	\$ 0.0386	\$ 8,027	\$ 0.0439	\$ 9,129	13.7%
15	Distribution	207,953	\$ 0.0444	\$ 9,233	\$ 0.0462	\$ 9,607	4.1%
16	<b>TOTAL Rate 31 BASE REVENUE</b>			<u>\$ 35,260</u>		<u>\$ 36,737</u>	<u>4.2%</u>

**New Mexico Gas Company**  
**Base Rates and Revenues at Present and Proposed Rates**

**Reflecting Step 2 Base Rate Increase of an Additional \$1.5 million**

Line No.	Current Rate (A)	Test Year Billing Units (B)	Current Charge (C)	Current Revenue (D)	Proposed Charge (E)	Proposed Revenue (F)	Base Revenue Increase (G)
1	<b>Rate 35 - Cogeneration</b>						
2	Access Charge - < 45,0,000 Therms	-	\$ 50.00	\$ -	\$ 55.00	\$ -	0.0%
3	Access Charge - > 450,000 Therms	12	\$ 345.00	\$ 4,140	\$ 350.00	\$ 4,200	1.4%
4	Transmission	3,772	\$ 0.0329	\$ 124	\$ 0.0329	\$ 124	0.0%
5	Distribution	3,773	\$ 0.0437	\$ 165	\$ 0.0768	\$ 290	75.7%
6	<b>TOTAL Rate 35 BASE REVENUE</b>			<u>\$ 4,429</u>		<u>\$ 4,614</u>	<u>4.2%</u>
7	<b>Rate 37 -Gas Air Conditioning</b>						
8	Access Charge	12	\$ 15.00	\$ 180	\$ 17.75	\$ 213	18.3%
9	Transmission	-	\$ 0.0259	\$ -	\$ 0.0259	\$ -	0.0%
10	Distribution	48,997	\$ 0.0325	\$ 1,592	\$ 0.0333	\$ 1,632	2.5%
11	<b>TOTAL Rate 37 BASE REVENUE</b>			<u>\$ 1,772</u>		<u>\$ 1,845</u>	<u>4.1%</u>
6	<b>Rate 54 - Small Volume General Service</b>						
7	Access Charge	487,142	\$ 20.00	\$ 9,742,846	\$ 22.78	\$ 11,097,101	13.9%
8	Transmission	149,480,370	\$ 0.0707	\$ 10,568,262	\$ 0.0707	\$ 10,568,262	0.0%
9	Distribution	153,396,960	\$ 0.0788	\$ 12,087,680	\$ 0.0788	\$ 12,087,680	0.0%
10	<b>TOTAL Rate 54 BASE REVENUE</b>			<u>\$ 32,398,788</u>		<u>\$ 33,753,044</u>	<u>4.2%</u>

**New Mexico Gas Company**  
**Base Rates and Revenues at Present and Proposed Rates**

**Reflecting Step 2 Base Rate Increase of an Additional \$1.5 million**

Line No.	Current Rate (A)	Test Year Billing Units (B)	Current Charge (C)	Current Revenue (D)	Proposed Charge (E)	Proposed Revenue (F)	Base Revenue Increase (G)	1/
1	<b>Rate 56 - Medium Volume General Service</b>							
2	Access Charge	1,105	\$ 80.00	\$ 88,400	\$ 100.00	\$ 110,500	25.0%	
3	Transmission	39,281,505	\$ 0.0513	\$ 2,015,141	\$ 0.0544	\$ 2,136,914	6.0%	
4	Distribution	34,778,902	\$ 0.0513	\$ 1,784,158	\$ 0.0518	\$ 1,801,547	1.0%	
5	<b>TOTAL Rate 56 BASE REVENUE</b>			<b>\$ 3,887,699</b>		<b>\$ 4,048,961</b>	<b>4.1%</b>	
6	<b>Rate 58 - Large Volume General Service</b>							
7	Access Charge	147	\$ 1,200.00	\$ 176,400	\$ 1,240.00	\$ 182,280	3.3%	
8	Transmission	55,366,735	\$ 0.0486	\$ 2,690,823	\$ 0.0492	\$ 2,724,043	1.2%	
9	Distribution	32,322,053	\$ 0.0365	\$ 1,179,755	\$ 0.0369	\$ 1,192,684	1.1%	
10	<b>TOTAL Rate 58 BASE REVENUE</b>			<b>\$ 4,046,978</b>		<b>\$ 4,099,007</b>	<b>1.3%</b>	
11	<b>Rate 61 - Sales for Resale</b>							
12	Access Charge	72	\$ 2,000.00	\$ 144,000	\$ 2,000.00	\$ 144,000	0.0%	
13	Transmission	7,891,603	\$ 0.0241	\$ 190,188	\$ 0.0259	\$ 204,393	7.5%	
14	Distribution	-	\$ -	\$ -	\$ -	\$ -	0.0%	
15	<b>TOTAL Rate 61 BASE REVENUE</b>			<b>\$ 334,188</b>		<b>\$ 348,393</b>	<b>4.3%</b>	

**New Mexico Gas Company**  
**Base Rates and Revenues at Present and Proposed Rates**

**Reflecting Step 2 Base Rate Increase of an Additional \$1.5 million**

Line No.	Current Rate (A)	Test Year Billing Units (B)	Current Charge (C)	Current Revenue (D)	Proposed Charge (E)	Proposed Revenue (F)	Base Revenue Increase 1/ (G)
1	<b>Rate 70 - Offsystem Transportation</b>						
2	Access Charge	-	\$ -	\$ -	-	\$ -	0.0%
3	Transmission	41,718,332	\$ 0.0189	\$ 788,476	\$ 0.0197	\$ 821,851	4.2%
4	Distribution	-	\$ -	\$ -	-	\$ -	0.0%
5	<b>TOTAL Rate 70 BASE REVENUE</b>			<u>\$ 788,476</u>		<u>\$ 821,851</u>	<u>4.2%</u>
6	<b>Rate 114 - District Energy System Service</b>						
7	Access Charge	-	\$ 1,200.00	\$ -	\$ 1,250.00	\$ -	0.0%
8	Transmission	-	\$ 0.0328	\$ -	\$ 0.0342	\$ -	0.0%
9	Distribution	-	\$ 0.0326	\$ -	\$ 0.0340	\$ -	0.0%
10	<b>TOTAL Rate 114 BASE REVENUE</b>			<u>\$ -</u>		<u>\$ -</u>	<u>0.0%</u>
11	<b>TOTAL REVENUE</b>			<u>\$ 177,402,294</u>		<u>\$ 179,902,134</u>	

1/ Base revenue increase percentage excludes gas costs, other riders and fees applicable to customer bills.

New Mexico Gas Company  
Typical Bill Impacts for Residential Rates

Line No.	Monthly Therms (A)	Monthly Bill at Present Rates (B)	Monthly Bill at Proposed Rates (C)	Increase (D)	Percentage Increase (E)
1	<b><u>Residential Bill Impacts</u></b>				
2	30	\$ 32.90	\$ 33.07	\$ 0.17	0.50%
3	35	\$ 36.25	\$ 36.41	\$ 0.17	0.46%
4	40	\$ 39.59	\$ 39.76	\$ 0.17	0.42%
5	45	\$ 42.94	\$ 43.10	\$ 0.17	0.39%
6	50	\$ 46.28	\$ 46.45	\$ 0.17	0.36%
7	55	\$ 49.63	\$ 49.79	\$ 0.17	0.33%
8	60	\$ 52.97	\$ 53.14	\$ 0.17	0.31%
9	65	\$ 56.32	\$ 56.48	\$ 0.17	0.29%
10	70	\$ 59.66	\$ 59.83	\$ 0.17	0.28%
11		<b><u>Present</u></b>	<b><u>Proposed</u></b>		
12	<b>Rates:</b>				
13	Monthly Access Fee	\$ 11.50	\$ 11.65	per month	
14	Residential Transmission	\$ 0.0634	\$ 0.0634	per therm	
15	Residential Distribution	\$ 0.1661	\$ 0.1661	per therm	
16	Rate Rider 14	\$ (0.0004)	\$ (0.0004)	per therm	
17	Rate Rider 15	\$ 0.0146	\$ 0.0146	per therm	
18	Cost of Gas	\$ 0.3729	\$ 0.3729	per therm	
19	TECO Acquisition Credit	\$ (0.0124)	\$ (0.0124)	per therm	
20	Pipeline Safety Fee	\$ 0.0900	\$ 0.0900	per month	
21	Franchise Fee	3.00%	3.00%	percent	
22	Gross Receipts	7.50%	7.50%	percent	

**NEW MEXICO GAS COMPANY**

**ORIGINAL RATE NO. 1-8**

**RATE RIDER NO. 8 –WEATHER NORMALIZATION ADJUSTMENT MECHANISM**

**Page 1 of 1**

**DESCRIPTION**

Weather Normalization Adjustment Mechanism.

**APPLICABILITY**

All sales and transportation end-users served under Rate No. 10 – Residential and Rate No. 54 – Small General Service.

**APPLICATION**

The Weather Normalization Adjustment Mechanism shall be added to each Customer's bill as a separate line item. It shall be determined by multiplying the number of billing units by the Weather Normalization Adjustment Mechanism Factor computed in accordance with Rule No. 29.

**CONDITIONS**

1. The Weather Normalization Adjustment Mechanism is subject to the same riders, fees and taxes as are applicable to transmission and distributions charges.
2. The Weather Normalization Adjustment Mechanism Factors will be determined annually and become effective with cycle 1, October, in accordance with Rule No. 29.
3. The Weather Normalization Adjustment Mechanism Factors will remain in effect until changed, unless authorized by the New Mexico Public Regulation Commission.

Advice Notice No.

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Nicole Strauser  
Director, Legal & Regulatory Affairs



## NEW MEXICO GAS COMPANY

## ORIGINAL RULE NO. 29

## RATE RIDER NO. 8 DETAILS

Page 1 of 5

1. Definitions

The following words and terms shall have the indicated meaning when used in the Company's Rate Rider No. 8 and this Rule:

Actual Calendar Month Heating Degree Days: The cumulative monthly Weighted Average Heating Degree Days for the current Heating Season.

Adjustment Period: The annual period beginning with cycle 1, October.

Annual Reconciliation Report: The annual report filed with the Commission which provides the weather-related revenue excesses and deficiencies and the revenues or revenue credits for the Company's Weather Normalization Adjustment for a Reconciliation Period.

Balancing Account: Contains the cumulative monthly differences between the weather-related revenue excesses or revenue deficiencies as they are recorded on the books and records of the Company, and the revenues resulting from billings or credits to customers for the recovery or crediting of weather-related revenue excesses or revenue deficiencies as they are recorded on the books and records of the Company.

Balancing Account Adjustment Factor: A component of the Weather Normalization Adjustment Factor designed to allow the Company to continuously manage the Balancing Account.

Commission: The New Mexico Public Regulation Commission.

Company: New Mexico Gas Company.

Degree Day Consumption Factor: The aggregate heating use per degree day by rate class for the calendar month stated in terms as set forth in the following table:

<u>Month</u>	<u>Rate 10 Residential</u>	<u>Rate 54 Small General Service</u>
October	25,513	10,763
November	42,678	17,890
December	49,457	21,906
January	56,774	25,964
February	62,288	28,579
March	48,106	21,648
April	44,471	19,840

Heating Degree Day: The difference between 65° and the mean daily temperature for the calendar day for days when the mean daily temperature is below 65°. Heating Degree Days equal zero for calendar days when the mean daily temperature is 65° or greater.

Heating Season: The seven consecutive calendar months beginning October and ending April.

Advice Notice No.

Nicole Strauser  
Director, Legal and Regulatory

## NEW MEXICO GAS COMPANY

## ORIGINAL RULE NO. 29

## RATE RIDER NO. 8 DETAILS

Page 2 of 5

**Margin Revenue Factor:** The revenue per therm net of applicable taxes and fees established in the Company's most recent base rate case for the applicable rate class as set forth in the following table:

<u>Rate Class</u>	<u>Margin Revenue Factor</u>
Rate 10 Residential	
Transmission	\$0.0634
Distribution	<u>\$0.1661</u>
Transmission & Distribution	\$0.2295
Rate 54 – Small General Service	
Transmission	\$0.0707
Distribution	<u>\$0.0788</u>
Transmission & Distribution	\$0.1495

**Normal Calendar Month Heating Degree Days:** The cumulative ten-year Weighted Average Heating Degree Days for each calendar month from October through April as established in the Company's most recent base rate proceeding. Normal Calendar Month Degree Days are set forth in the following table:

<u>Month</u>	<u>Normal Degree Days</u>
October	239
November	588
December	907
January	926
February	690
March	489
April	292

**Reconciliation Period:** The twelve consecutive months ended September 30 of each year.

**Weather Normalization Adjustment Component:** The amount included in each customer's bill to recover or credit the net weather-related revenue excess or deficiency as determined in Rate Rider No. 8 and this Rule.

**Weather Normalization Adjustment Factor:** The rate to be multiplied by the customer's billing units to determine the Weather Normalization Adjustment Component.

**Weather Normalization Adjustment Factor Statement:** The report establishing the Weather Normalization Adjustment Factor. The Weather Normalization Adjustment Factor Statement is filed with the Commission prior to changing the previously used Weather Normalization Adjustment Factor.

Advice Notice No.

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Nicole Strauser  
Director, Legal and Regulatory

## NEW MEXICO GAS COMPANY

## ORIGINAL RULE NO. 29

## RATE RIDER NO. 8 DETAILS

Page 3 of 5

Weighted Average Heating Degree Days: The average daily Heating Degree Days reported by the National Oceanographic and Atmospheric Administration for the weather stations representative of the Company's service area computed on the basis of the weightings specified in the following table:

<u>Station</u>	<u>Percentage Weighting</u>
Albuquerque	56.66%
Deming	4.43%
Farmington	12.35%
Roswell	8.29%
Santa Fe	18.27%

2. Records

The Company shall maintain records which identify the weather-related revenue excesses or revenue deficiencies and the revenues or revenue credits attributable to the operation of Rate Rider No. 8. The difference between the weather-related revenue excesses or revenue deficiencies and the revenues or revenue credits described in this section shall be entered into the Balancing Account. Entries shall be made in this account at the end of the month in which the Rate Rider No. 8 weather-related revenue excesses or revenue deficiencies and revenues or revenue credits are recorded on the Company's books. The Balancing Account entry shall consist of the following:

- A. Rate Rider No. 8 weather-related revenue excesses or revenue deficiencies shall be taken from the Company's books and records. Rate Rider No. 8 revenue excesses or revenue deficiencies shall include:
  - (1) The amount, if any, by which weather-related revenue excesses occur due to colder-than-normal weather, as determined in accordance with the provisions of Rider No. 8;
  - (2) The amount, if any, by which weather-related revenue deficiencies occur due to warmer-than-normal weather as determined in accordance with the provisions of Rider No. 8.
- B. Rate Rider No. 8 revenues or revenue credits shall be taken from the Company's books and records. Rate Rider No. 8 revenues shall include, but not be limited to:
  - (1) The amount of weather normalization adjustment revenues recorded through the customers' Weather Normalization Adjustment Component;
  - (2) The amount of weather normalization adjustment revenue credits recorded through the customers' Weather Normalization Adjustment Component.
- C. The Company shall separately maintain records attributable to the operation of Rate Rider No. 8 for service provided to Rate 10 Residential Service customers and Rate 54 Small General Service customers.
- D. If Rate Rider No. 8 is discontinued or replaced, the amount recorded in the Balancing Account, positive or negative, as of the effective date that Rate Rider No. 8 is discontinued or replaced shall be credited to customers or charged to customers in a future period.

Advice Notice No.

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Nicole Strauser  
Director, Legal and Regulatory

NEW MEXICO GAS COMPANY

ORIGINAL RULE NO. 29

RATE RIDER NO. 8 DETAILS

Page 4 of 5

3. Calculation of the Weather Normalization Adjustment Factor

A. The Weather Normalization Adjustment Factor shall be determined as follows:

- (1) A calculation of the revenue impact of colder-than-normal or warmer-than-normal weather shall be performed for each month of the Heating Season. A revenue excess shall result for the month when the Actual Calendar Month Heating Degree Days for the month exceed the Normal Calendar Month Heating Degree Days for the month. A revenue deficiency shall result for the month when the Actual Calendar Month Heating Degree Days for the month fall below the corresponding Normal Calendar Month Heating Degree Days for the month.
- (2) The weather-related revenue impact shall be determined by first calculating the difference between Actual Calendar Month Heating Degree Days and Normal Calendar Month Heating Degree Days and multiplying this difference by the Degree Day Consumption Factor for the month and by the Margin Revenue Factor.
- (3) The monthly weather-related revenue excess or revenue deficiency shall be determined separately for each rate class subject to Rider No. 8.
- (4) The monthly revenue excesses and revenue deficiencies shall be summed together for the seven-month period of October through April to determine the net revenue excess or deficiency for the current Heating Season for each rate class subject to Rider No. 8.
- (5) A calculation of the net prior period over or under-recovery of the Weather Normalization Adjustment Factor shall be performed by comparing the cumulative difference between the net revenue excess or revenue deficiency to the cumulative net revenues and revenue credits for prior periods for each rate class subject to Rider No. 8.
- (6) The sum of the net revenue excess or deficiency for the current Heating Season and the net prior period over or under-recovery of the Weather Normalization Adjustment Factor for prior periods shall represent the total net revenue impact to be recovered through the Weather Normalization Adjustment Factor for each rate class subject to Rider No. 8.
- (7) The Weather Normalization Adjustment Factor for the Adjustment Period shall be the total net revenue impact to be recovered through the Weather Normalization Adjustment Factor divided by the projected billing units for each rate class subject to Rider No. 8.

4. Reports and Statements

- A. A Weather Normalization Adjustment Factor Statement must be filed annually with the Commission no later than June 30 before adjustment of the Weather Normalization Adjustment Factor. Each Statement shall consist of a cover letter identifying the items impacting the Weather Normalization Adjustment Factor, a projection of the final reconciliation balance for the twelve-month period ending on September 30 and any matters which may be of interest to the Commission. The Weather Normalization Adjustment Factor Statement consists of the following sections:

Advice Notice No.

\_\_\_\_\_  
Nicole Strauser  
Director, Legal and Regulatory

**NEW MEXICO GAS COMPANY**

**ORIGINAL RULE NO. 29**

**RATE RIDER NO. 8 DETAILS**

**Page 5 of 5**

Section 1 - Summary of the Weather Normalization Adjustment Factors

Section 2 - Determination of the Weather Normalization Adjustment Factor

(A) Actual Monthly Heating Degree Days

(B) Monthly Weather-Related Revenue Excesses and Deficiencies

Section 3 - Determination of the Balancing Account Adjustment Factor.

B. An Annual Certified Reconciliation Report shall be filed with the Commission as soon after completion of the September accounting month as permitted by record availability, and shall be filed annually no later than December 31. This report shall consist of the following sections:

- (1) a summary of weather-related revenue excesses or deficiencies and revenues or revenue credits which were recorded in the Balancing Account;
- (2) a summary of reconciling items including items adjusting the Balancing Account; and
- (3) any additional reporting requirements as specified by the Commission.

The Weather Normalization Adjustment mechanism is continuous and therefore, the Balancing Account is also continuous. Any under or over-collection of weather-related revenue excesses or deficiencies that resulted in the prior Reconciliation Period will immediately carry over into the subsequent Reconciliation Period. All adjustments resulting from the Annual Reconciliation will be recorded into the Balancing Account as they become certified in the Annual Reconciliation process.

Advice Notice No.

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Nicole Strauser  
Director, Legal and Regulatory

**BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION**

IN THE MATTER OF THE APPLICATION )  
OF NEW MEXICO GAS COMPANY, INC. )  
FOR REVISIONS TO ITS RATES, RULES, )  
AND CHARGES PURSUANT TO ADVICE )  
NOTICE NOS. 70 AND 71 )

Case No. 18-00038-UT

NEW MEXICO GAS COMPANY, INC. )  
)  
)

Applicant. )

**CERTIFICATE OF SERVICE**

I CERTIFY that on this day I sent, via email only, a true and correct copy of the STIPULATION, to the individuals listed below.

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DATED this 7<sup>th</sup> day of September 2018.

Respectfully submitted,



Rebecca Carter  
Manager, Regulatory Affairs  
505-697-3832  
[rebecca.carter@nmgco.com](mailto:rebecca.carter@nmgco.com)

**DPU GAS RATE CALCULATION WORKSHEET**
**Note: 1 MMBTU = 10 Therms**
*Gas Rate Calculation Worksheet at: [rebrand.ly/dpugascalculationsheet](http://rebrand.ly/dpugascalculationsheet)*

Month	San Juan Index per MMBTU	NMMEAA Adj.	Estimated Transportation per MMBTU Delivered	Estimated Fixed Transportation Cost	NMMEAA Qty	Estimated Gas Purchases (MMBTU)	Estimated Total Cost of Gas Delivered	Prior Adjustment for Actual Cost of Gas Delivered	Estimated Therms Sold	Estimated Variable Rate per Therm	Prior Month Cost Adjustment Rate per Therm	Total Estimated Variable Rate for Current Month	Actual Cost of Gas Delivered	Actual Therms Sold	\$ Over/Under
Nov 2013	\$ 3.48	\$ (0.555)	\$ 0.24	\$ 6,500	90,000	112,500	\$ 389,221	\$ -	1,091,250	\$ 0.36	\$ -	\$ 0.36	\$ 430,159.00	739,221	\$ 40,938.50
Dec 2013	\$ 3.69	\$ (0.475)	\$ 0.24	\$ 6,500	137,981	172,476	\$ 626,560	\$ -	1,673,020	\$ 0.37	\$ -	\$ 0.37	\$ 583,326.00	1,366,961	\$ (43,234.40)
Jan 2014	\$ 4.33	\$ (0.475)	\$ 0.24	\$ 6,500	129,983	162,479	\$ 697,600	\$ 40,939	1,576,044	\$ 0.44	\$ 0.03	\$ 0.47	\$ 640,995.75	1,529,039	\$ (56,604.36)
Feb 2014	\$ 4.87	\$ (0.475)	\$ 0.24	\$ 6,500	112,000	140,000	\$ 679,402	\$ (43,234)	1,358,000	\$ 0.50	\$ (0.03)	\$ 0.47	\$ 574,249.93	1,243,221	\$ (105,151.67)
Mar 2014	\$ 5.15	\$ (0.475)	\$ 0.24	\$ 6,500	93,992	117,490	\$ 604,895	\$ (56,604)	1,139,653	\$ 0.53	\$ (0.05)	\$ 0.48	\$ 427,672.14	978,731	\$ (177,223.23)
Apr 2014	\$ 4.29	\$ (0.475)	\$ 0.24	\$ 6,500	51,990	64,988	\$ 280,261	\$ (105,152)	630,379	\$ 0.44	\$ (0.17)	\$ 0.27	\$ 265,835.46	738,465	\$ (14,425.68)
May 2014	\$ 4.51	\$ (0.475)	\$ 0.24	\$ 6,500	30,008	37,510	\$ 172,962	\$ (177,223)	363,847	\$ 0.48	\$ (0.49)	\$ (0.01)	\$ 183,027.31	600,989	\$ 10,065.43
Jun 2014	\$ 4.27	\$ (0.475)	\$ 0.24	\$ 6,500	15,000	18,750	\$ 85,101	\$ (14,426)	181,875	\$ 0.47	\$ (0.08)	\$ 0.39	\$ 105,661.70	323,304	\$ 20,560.95
Jul 2014	\$ 4.42	\$ (0.475)	\$ 0.24	\$ 6,500	15,004	24,382	\$ 116,046	\$ 10,065	236,501	\$ 0.49	\$ 0.04	\$ 0.53	\$ 144,893.44	236,385	\$ 28,847.36
Aug 2014	\$ 3.73	\$ (0.564)	\$ 0.24	\$ 6,500	17,980	22,475	\$ 86,681	\$ 20,561	218,008	\$ 0.40	\$ 0.09	\$ 0.49	\$ 114,267.22	198,855	\$ 27,586.31
Sep 2014	\$ 3.88	\$ (0.564)	\$ 0.24	\$ 6,500	21,000	26,250	\$ 104,180	\$ 28,847	254,625	\$ 0.41	\$ 0.11	\$ 0.52	\$ 120,059.42	201,975	\$ 15,878.97
Oct 2014	\$ 3.82	\$ (0.564)	\$ 0.24	\$ 6,500	59,985	74,981	\$ 280,910	\$ 27,586	727,318	\$ 0.39	\$ 0.04	\$ 0.43	\$ 207,823.82	304,885	\$ (73,086.56)
Nov 2014	\$ 3.41	\$ (0.564)	\$ 0.24	\$ 6,500	90,000	112,500	\$ 370,987	\$ 15,879	1,091,250	\$ 0.34	\$ 0.01	\$ 0.35	\$ 322,848.23	512,321	\$ (48,138.27)
Dec 2014	\$ 4.30	\$ (0.564)	\$ 0.24	\$ 6,500	137,981	172,476	\$ 722,490	\$ (73,087)	1,673,020	\$ 0.43	\$ (0.04)	\$ 0.39	\$ 521,881.50	1,257,375	\$ (200,608.81)
Jan 2015	\$ 3.03	\$ (0.894)	\$ 0.24	\$ 6,500	129,983	162,479	\$ 426,794	\$ (48,138)	1,576,044	\$ 0.37	\$ (0.03)	\$ 0.34	\$ 377,249.33	1,488,500	\$ (49,544.20)
Feb 2015	\$ 2.64	\$ (0.894)	\$ 0.24	\$ 6,500	112,000	140,000	\$ 312,736	\$ (200,609)	1,358,000	\$ 0.23	\$ (0.15)	\$ 0.08	\$ 230,289.18	1,111,063	\$ (82,446.82)
Mar 2015	\$ 2.63	\$ (0.894)	\$ 0.24	\$ 6,500	93,992	117,490	\$ 262,295	\$ (49,544)	1,139,653	\$ 0.23	\$ (0.04)	\$ 0.19	\$ 190,294.07	1,179,618	\$ (72,000.46)
Apr 2015	\$ 2.36	\$ (0.894)	\$ 0.24	\$ 6,500	51,990	64,988	\$ 130,020	\$ (82,447)	630,379	\$ 0.21	\$ (0.13)	\$ 0.08	\$ 115,163.24	670,053	\$ (14,857.20)
May 2015	\$ 2.27	\$ (0.894)	\$ 0.24	\$ 6,500	30,008	37,510	\$ 74,338	\$ (72,000)	363,847	\$ 0.20	\$ (0.20)	\$ 0.00	\$ 101,249.91	529,427	\$ 26,912.32
Jun 2015	\$ 2.59	\$ (0.894)	\$ 0.24	\$ 6,500	15,000	18,750	\$ 46,554	\$ (14,857)	181,875	\$ 0.26	\$ (0.08)	\$ 0.18	\$ 72,376.60	438,736	\$ 25,822.85
July 2015	\$ 2.65	\$ (0.894)	\$ 0.24	\$ 6,500	15,004	18,755	\$ 47,717	\$ 26,912	181,924	\$ 0.26	\$ 0.15	\$ 0.41	\$ 59,100.26	241,095	\$ 11,383.52
Aug 2015	\$ 2.73	\$ (0.894)	\$ 0.24	\$ 6,500	17,980	22,475	\$ 57,733	\$ 25,823	218,008	\$ 0.26	\$ 0.12	\$ 0.38	\$ 60,101.44	208,912	\$ 2,368.33
Sep 2015	\$ 2.53	\$ (0.894)	\$ 0.24	\$ 6,500	21,000	26,250	\$ 60,962	\$ 11,384	254,625	\$ 0.24	\$ 0.04	\$ 0.28	\$ 58,236.10	217,808	\$ (2,726.35)
Oct 2015	\$ 2.43	\$ (0.894)	\$ 0.24	\$ 6,500	59,985	74,981	\$ 154,390	\$ 2,368	727,318	\$ 0.21	\$ 0.00	\$ 0.21	\$ 126,670.56	280,362	\$ (27,719.46)
Nov 2015	\$ 2.00	\$ (0.274)	\$ 0.24	\$ 6,500	90,000	112,500	\$ 234,655	\$ (2,726)	1,091,250	\$ 0.22	\$ (0.00)	\$ 0.22	\$ 235,177.62	615,435	\$ 523.12
Dec 2015	\$ 2.19	\$ (0.274)	\$ 0.24	\$ 6,500	137,981	172,476	\$ 389,846	\$ (27,719)	1,673,020	\$ 0.23	\$ (0.02)	\$ 0.21	\$ 352,534.87	1,309,872	\$ (37,310.84)
Jan 2016	\$ 2.05	\$ (0.274)	\$ 0.24	\$ 6,500	129,983	162,479	\$ 344,332	\$ 523	1,576,044	\$ 0.22	\$ 0.00	\$ 0.22	\$ 334,889.32	1,446,722	\$ (9,443.00)
Feb 2016	\$ 2.03	\$ (0.274)	\$ 0.24	\$ 8,000	112,000	140,000	\$ 296,226	\$ (37,311)	1,358,000	\$ 0.22	\$ (0.03)	\$ 0.19	\$ 194,727.29	1,465,800	\$ (101,499.11)
Mar 2016	\$ 1.52	\$ (0.274)	\$ 0.24	\$ 8,000	93,992	117,490	\$ 188,526	\$ (9,443)	1,139,653	\$ 0.17	\$ (0.01)	\$ 0.16	\$ 144,035.80	933,744	\$ (44,489.93)
Apr 2016	\$ 1.49	\$ (0.274)	\$ 0.24	\$ 8,000	51,990	64,988	\$ 105,858	\$ (101,499)	630,379	\$ 0.17	\$ (0.16)	\$ 0.01	\$ 96,280.78	822,191	\$ (9,577.40)
May 2016	\$ 1.80	\$ (0.274)	\$ 0.24	\$ 8,000	30,008	37,510	\$ 76,390	\$ (44,490)	363,847	\$ 0.21	\$ (0.12)	\$ 0.09	\$ 72,293.75	567,385	\$ (4,095.98)
Jun 2016	\$ 1.81	\$ (0.274)	\$ 0.24	\$ 8,000	15,000	18,750	\$ 42,378	\$ (9,577)	181,875	\$ 0.23	\$ (0.05)	\$ 0.18	\$ 40,743.03	306,759	\$ (1,634.72)

**DPU GAS RATE CALCULATION WORKSHEET**

**Note: 1 MMBTU = 10 Therms**

Gas Rate Calculation Worksheet at: [rebrand.ly/dpugascalculationsheet](http://rebrand.ly/dpugascalculationsheet)

Month	San Juan Index per MMBTU	NMMEAA Adj.	Estimated Transportation per MMBTU Delivered	Estimated Fixed Transportation Cost	NMMEAA Qty	Estimated Gas Purchases (MMBTU)	Estimated Total Cost of Gas Delivered	Prior Adjustment for Actual Cost of Gas Delivered	Estimated Therms Sold	Estimated Variable Rate per Therm	Prior Month Cost Adjustment Rate per Therm	Total Estimated Variable Rate for Current Month	Actual Cost of Gas Delivered	Actual Therms Sold	\$ Over/Under
Jul 2016	\$ 2.56	\$ (0.274)	\$ 0.24	\$ 8,000	15,004	18,755	\$ 56,791	\$ (4,096)	181,924	\$ 0.31	\$ (0.02)	\$ 0.29	\$ 44,840.95	206,399	\$ (11,949.81)
Aug 2016	\$ 2.54	\$ (0.274)	\$ 0.24	\$ 8,000	17,980	22,475	\$ 66,008	\$ (1,635)	218,008	\$ 0.30	\$ (0.01)	\$ 0.29	\$ 64,865.78	172,166	\$ (1,142.20)
Sep 2016	\$ 2.60	\$ (0.274)	\$ 0.24	\$ 8,000	21,000	26,250	\$ 77,364	\$ (11,950)	254,625	\$ 0.30	\$ (0.05)	\$ 0.25	\$ 65,835.99	260,267	\$ (11,528.06)
Oct 2016	\$ 2.72	\$ (0.274)	\$ 0.24	\$ 8,000	59,985	74,981	\$ 215,347	\$ (1,142)	727,318	\$ 0.30	\$ (0.00)	\$ 0.30	\$ 125,805.25	287,003	\$ (89,541.90)
Nov 2016	\$ 2.53	\$ (0.274)	\$ 0.24	\$ 8,000	90,000	112,500	\$ 297,211	\$ (11,528)	1,091,250	\$ 0.27	\$ (0.01)	\$ 0.26	\$ 217,373.71	413,936	\$ (79,836.79)
Dec 2016	\$ 3.15	\$ (0.274)	\$ 0.24	\$ 8,000	137,981	172,476	\$ 560,897	\$ (89,542)	1,673,020	\$ 0.34	\$ (0.05)	\$ 0.29	\$ 464,072.42	1,202,496	\$ (96,824.35)
Jan 2017	\$ 3.46	\$ (0.274)	\$ 0.24	\$ 8,000	129,983	162,479	\$ 580,426	\$ (79,837)	1,576,044	\$ 0.37	\$ (0.05)	\$ 0.32	\$ 399,848.19	1,363,708	\$ (180,577.44)
Feb 2017	\$ 3.10	\$ (0.274)	\$ 0.24	\$ 8,000	112,000	140,000	\$ 449,622	\$ (96,824)	1,358,000	\$ 0.33	\$ (0.07)	\$ 0.26	\$ 408,161.11	1,240,636	\$ (41,460.49)
Mar 2017	\$ 2.30	\$ (0.274)	\$ 0.24	\$ 8,000	93,992	117,490	\$ 282,367	\$ (180,577)	1,139,653	\$ 0.25	\$ (0.16)	\$ 0.09	\$ 198,919.60	1,063,525	\$ (83,447.75)
Apr 2017	\$ 2.61	\$ (0.274)	\$ 0.24	\$ 8,000	51,990	64,988	\$ 180,391	\$ (41,460)	630,379	\$ 0.29	\$ (0.07)	\$ 0.22	\$ 119,985.93	637,636	\$ (60,405.11)
May 2017	\$ 2.58	\$ (0.274)	\$ 0.24	\$ 8,000	30,008	37,510	\$ 106,350	\$ (83,448)	363,847	\$ 0.29	\$ (0.23)	\$ 0.06	\$ 125,125.35	533,285	\$ 18,775.63
June 2017	\$ 2.76	\$ (0.274)	\$ 0.24	\$ 8,000	15,000	18,750	\$ 60,618	\$ (67,680)	181,875	\$ 0.33	\$ (0.37)	\$ (0.04)	\$ 61,281.77	268,414	\$ 664.02
July 2017	\$ 2.65	\$ (0.274)	\$ 0.24	\$ 8,000	15,004	18,755	\$ 58,519	\$ 18,776	181,924	\$ 0.32	\$ 0.10	\$ 0.42	\$ 49,583.20	184,101	\$ (8,936.02)
Aug 2017	\$ 2.61	\$ (0.274)	\$ 0.24	\$ 8,000	17,980	22,475	\$ 67,619	\$ 664	218,008	\$ 0.31	\$ 0.00	\$ 0.31	\$ 48,634.06	183,002	\$ (18,984.92)
Sep 2017	\$ 2.55	\$ (0.274)	\$ 0.24	\$ 8,000	21,000	26,250	\$ 76,020	\$ (19,121)	254,625	\$ 0.30	\$ (0.08)	\$ 0.22	\$ 79,714.01	219,835	\$ 3,693.96
Oct 2017	\$ 2.40	\$ (0.274)	\$ 0.24	\$ 8,000	59,985	74,981	\$ 190,777	\$ (18,985)	727,318	\$ 0.26	\$ (0.03)	\$ 0.23	\$ 144,512.32	373,264	\$ (46,264.97)
Nov 2017	\$ 2.43	\$ (0.274)	\$ 0.24	\$ 8,000	90,000	112,500	\$ 285,691	\$ 3,694	1,091,250	\$ 0.26	\$ 0.00	\$ 0.26	\$ 200,951.02	587,370	\$ (84,739.48)
Dec 2017	\$ 2.54	\$ (0.274)	\$ 0.24	\$ 8,000	137,981	172,476	\$ 453,161	\$ (46,265)	1,673,020	\$ 0.27	\$ (0.03)	\$ 0.24	\$ 351,401.98	992,014	\$ (101,759.22)
Jan 2018	\$ 2.43	\$ (0.274)	\$ 0.24	\$ 8,000	129,983	162,479	\$ 409,056	\$ (84,739)	1,576,044	\$ 0.26	\$ (0.05)	\$ 0.21	\$ 361,155.23	1,412,963	\$ (47,900.82)
Feb 2018	\$ 2.70	\$ (0.274)	\$ 0.24	\$ 8,000	112,000	140,000	\$ 392,278	\$ (101,759)	1,358,000	\$ 0.29	\$ (0.07)	\$ 0.22	\$ 315,035.03	1,176,437	\$ (77,242.57)
Mar 2018	\$ 2.05	\$ (0.274)	\$ 0.24	\$ 8,000	93,992	117,490	\$ 252,290	\$ (47,901)	1,139,653	\$ 0.22	\$ (0.04)	\$ 0.18	\$ 201,841.99	1,192,342	\$ (50,447.92)
Apr 2018	\$ 1.52	\$ (0.274)	\$ 0.24	\$ 8,000	51,990	64,988	\$ 107,855	\$ (77,243)	630,379	\$ 0.17	\$ (0.12)	\$ 0.05	\$ 88,171.44	699,229	\$ (19,683.15)
May 2018	\$ 1.71	\$ (0.274)	\$ 0.24	\$ 8,000	30,008	37,510	\$ 72,933	\$ (50,448)	363,847	\$ 0.20	\$ (0.14)	\$ 0.06	\$ 43,788.39	426,682	\$ (29,144.42)
June 2018	\$ 1.97	\$ (0.274)	\$ 0.24	\$ 8,000	15,000	18,750	\$ 45,450	\$ (19,683)	181,875	\$ 0.25	\$ (0.11)	\$ 0.14	\$ 49,863.10	195,576	\$ 4,413.35
July 2018	\$ 2.13	\$ (0.274)	\$ 0.24	\$ 8,000	15,004	18,755	\$ 48,533	\$ (29,144)	181,924	\$ 0.27	\$ (0.16)	\$ 0.11	\$ 47,601.84	243,901	\$ (930.72)
Aug 2018	\$ 2.40	\$ (0.274)	\$ 0.24	\$ 8,000	17,980	22,475	\$ 62,786	\$ 4,413	218,008	\$ 0.29	\$ 0.02	\$ 0.31			
Sept 2018	\$ 2.15	\$ (0.274)	\$ 0.24	\$ 8,000	21,000	26,250	\$ 65,268	\$ (931)	254,625	\$ 0.26	\$ (0.00)	\$ 0.26			

The San Juan Index is provided to DPU by Conoco Phillips at the first of the month. This is the base price paid by DPU for the month for the NMMEAA quantity of purchased gas.

The cost of gas delivered is made up of three components: a) gas purchased via our NMMEAA contract for a fixed quantity at the San Juan Index price fixed at the beginning of each month; b) gas purchased on the spot market at the daily spot price plus suppliers' costs; and c) cost of transporting gas from the supplier through the pipeline to the border stations which are our delivery points for bulk gas purchases. The rate the customer pays is the total cost of gas delivered divided by the total therms sold. The difference between the quantity purchased and sold is due to line losses in the delivery system and service meters and timing differences between customer billing and bulk purchase billings.



# Los Alamos County - Department of Public Utilities

2018

**GAS RATE** The Cost of Gas is calculated on a monthly basis and effective the 8th of each month.

**ELEVATION FACTOR** Los Alamos = 0.78 White Rock = 0.81

**CHARGE CALCULATION** Read diff x elev factor x heat content = therms (round to whole number)

**SCHEDULE** 7A = Residential 7E = Commercial 7L = County 7N = Schools

**SERVICE CHARGE**

Meter Rated	Service Charge
<=250 CFH	\$9.50
> 250 CFH	\$28.50

CONSUMPTION CHARGE			Variable Cost of Gas Rate		TOTAL Consumption Charge per Therm
Month	Schedule	Heat Content	Fixed Consumption Charge per Therm	Projected Variable Cost of Gas per Therm	
September 2018	7A & 7E	1.0660	\$0.23	\$0.26	\$0.49
September 2018	7L & 7N	1.0660	\$0.20	\$0.26	\$0.46
August 2018	7A & 7E	1.0790	\$0.23	\$0.29	\$0.54
August 2018	7L & 7N	1.0790	\$0.20	\$0.29	\$0.51
July 2018	7A & 7E	1.0805	\$0.23	\$0.27	\$0.34
July 2018	7L & 7N	1.0805	\$0.20	\$0.27	\$0.31
June 2018	7A & 7E	1.0773	\$0.23	\$0.25	\$0.37
June 2018	7L & 7N	1.0773	\$0.20	\$0.25	\$0.34
May 2018	7A & 7E	1.0625	\$0.23	\$0.20	\$0.29
May 2018	7L & 7N	1.0625	\$0.20	\$0.20	\$0.26
April 2018	7A & 7E	1.0546	\$0.23	\$0.17	\$0.28
April 2018	7L & 7N	1.0546	\$0.20	\$0.17	\$0.25
March 2018	7A & 7E	1.0500	\$0.23	\$0.22	\$0.41
March 2018	7L & 7N	1.0500	\$0.20	\$0.22	\$0.38
February 2018	7A & 7E	1.0489	\$0.23	\$0.29	\$0.45
February 2018	7L & 7N	1.0489	\$0.20	\$0.29	\$0.42
January 2018	7A & 7E	1.0520	\$0.23	\$0.26	\$0.44
January 2018	7L & 7N	1.0520	\$0.20	\$0.26	\$0.41
*Monthly Variable Gas Rates at: <a href="http://rebrand.ly/dpugasrateschedule">rebrand.ly/dpugasrateschedule</a>					

# Los Alamos County - Department of Public Utilities

2017

## SCHEDULE

7A = Residential 7E = Commercial 7L = County 7N = Schools

## SERVICE CHARGE

Schedule	Meter Rated	Service Charge
ALL	250 CFH or less	\$ 9.50
ALL	> 250 CFH	\$ 28.50

## CONSUMPTION CHARGE

		Variable Cost of Gas Rate			TOTAL Consumption Charge per Therm
Month	Schedule	Fixed Consumption Charge per Therm	Projected Variable Cost of Gas per Therm	Adjustment for Prior Month Estimate	
December 2017	7A & 7E	\$0.23	\$0.27	-\$0.03	\$0.47
December 2017	7L & 7N	\$0.20	\$0.27	-\$0.03	\$0.44
November 2017	7A & 7E	\$0.23	\$0.26	\$0.00	\$0.49
November 2017	7L & 7N	\$0.20	\$0.26	\$0.00	\$0.46
October 2017	7A & 7E	\$0.23	\$0.26	-\$0.03	\$0.46
October 2017	7L & 7N	\$0.20	\$0.26	-\$0.03	\$0.43
September 2017	7A & 7E	\$0.23	\$0.30	-\$0.08	\$0.45
September 2017	7L & 7N	\$0.20	\$0.30	-\$0.08	\$0.42
August 2017	7A & 7E	\$0.23	\$0.31	\$0.00	\$0.54
August 2017	7L & 7N	\$0.20	\$0.31	\$0.00	\$0.51
July 2017	7A & 7E	\$0.23	\$0.32	\$0.10	\$0.65
July 2017	7L & 7N	\$0.20	\$0.32	\$0.10	\$0.62
June 2017	7A & 7E	\$0.23	\$0.33	-\$0.37	\$0.19
June 2017	7L & 7N	\$0.20	\$0.33	-\$0.37	\$0.16
May 2017	7A & 7E	\$0.23	\$0.29	-\$0.23	\$0.29
May 2017	7L & 7N	\$0.20	\$0.29	-\$0.23	\$0.26
April 2017	7A & 7E	\$0.23	\$0.29	-\$0.07	\$0.45
April 2017	7L & 7N	\$0.20	\$0.29	-\$0.07	\$0.42
March 2017	7A & 7E	\$0.23	\$0.25	-\$0.16	\$0.32
March 2017	7L & 7N	\$0.20	\$0.25	-\$0.16	\$0.29
February 2017	7A & 7E	\$0.23	\$0.33	-\$0.07	\$0.49
February 2017	7L & 7N	\$0.20	\$0.33	-\$0.07	\$0.46
January 2017	7A & 7E	\$0.23	\$0.37	-\$0.05	\$0.55
January 2017	7L & 7N	\$0.20	\$0.37	-\$0.05	\$0.52

\*Monthly Variable Gas Rates at: [rebrand.ly/dpugasrateschedule](http://rebrand.ly/dpugasrateschedule)

# Los Alamos County - Department of Public Utilities

2016

## SCHEDULE

7A = Residential 7E = Commercial 7L = County 7N = Schools

## SERVICE CHARGE

Schedule	Meter Rated	Service Charge
ALL	250 CFH or less	\$ 9.50
ALL	> 250 CFH	\$ 28.50

## CONSUMPTION CHARGE

Month	Schedule	Variable Cost of Gas Rate			TOTAL Consumption Charge per Therm
		Fixed Consumption Charge per Therm	Projected Variable Cost of Gas per Therm	Adjustment for Prior Month Estimate	
December 2016	7A & 7E	\$0.23	\$0.34	-\$0.05	\$0.52
December 2016	7L & 7N	\$0.20	\$0.34	-\$0.05	\$0.49
November 2016	7A & 7E	\$0.23	\$0.27	-\$0.02	\$0.48
November 2016	7L & 7N	\$0.20	\$0.27	-\$0.01	\$0.46
October 2016	7A & 7E	\$0.23	\$0.30	\$0.01	\$0.54
October 2016	7L & 7N	\$0.20	\$0.30	\$0.00	\$0.50
September 2016	7A & 7E	\$0.29	\$0.30	-\$0.05	\$0.54
September 2016	7L & 7N	\$0.25	\$0.30	-\$0.05	\$0.50
August 2016	7A & 7E	\$0.29	\$0.30	-\$0.01	\$0.58
August 2016	7L & 7N	\$0.25	\$0.30	-\$0.01	\$0.54
July 2016	7A & 7E	\$0.29	\$0.31	-\$0.02	\$0.58
July 2016	7L & 7N	\$0.25	\$0.31	-\$0.02	\$0.54
June 2016	7A & 7E	\$0.29	\$0.23	-\$0.05	\$0.47
June 2016	7L & 7N	\$0.25	\$0.23	-\$0.05	\$0.43
May 2016	7A & 7E	\$0.29	\$0.21	-\$0.12	\$0.38
May 2016	7L & 7N	\$0.25	\$0.21	-\$0.12	\$0.34
April 2016	7A & 7E	\$0.29	\$0.17	-\$0.16	\$0.30
April 2016	7L & 7N	\$0.25	\$0.17	-\$0.16	\$0.26
March 2016	7A & 7E	\$0.29	\$0.17	-\$0.01	\$0.45
March 2016	7L & 7N	\$0.25	\$0.17	-\$0.01	\$0.41
February 2016	7A & 7E	\$0.29	\$0.22	-\$0.03	\$0.48
February 2016	7L & 7N	\$0.25	\$0.22	-\$0.03	\$0.44
January 2016	7A & 7E	\$0.29	\$0.22	\$0.00	\$0.51
January 2016	7L & 7N	\$0.25	\$0.22	\$0.00	\$0.47

# Los Alamos County - Department of Public Utilities

2015

## SCHEDULE

7A = Residential 7E = Commercial 7L = County 7N = Schools

## SERVICE CHARGE

Schedule	Meter Rated	Service Charge
ALL	250 CFH or less	\$9.50
ALL	> 250 CFH	\$28.50

## CONSUMPTION CHARGE

Month	Schedule	Variable Cost of Gas Rate			TOTAL Consumption Charge per Therm
		Fixed Consumption Charge per Therm	Projected Variable Cost of Gas per Therm	Adjustment for Prior Month Estimate	
Dec 2015	7A & 7E	\$0.29	\$0.23	-\$0.02	\$0.50
Dec 2015	7L & 7N	\$0.25	\$0.23	-\$0.02	\$0.46
Nov 2015	7A & 7E	\$0.29	\$0.22	\$0.00	\$0.51
Nov 2015	7L & 7N	\$0.25	\$0.22	\$0.00	\$0.47
Oct 2015	7A & 7E	\$0.29	\$0.21	\$0.00	\$0.50
Oct 2015	7L & 7N	\$0.25	\$0.21	\$0.00	\$0.46
Sep 2015	7A & 7E	\$0.29	\$0.24	\$0.04	\$0.57
Sep 2015	7L & 7N	\$0.25	\$0.24	\$0.04	\$0.53
Aug 2015	7A & 7E	\$0.29	\$0.26	\$0.12	\$0.67
Aug 2015	7L & 7N	\$0.25	\$0.26	\$0.12	\$0.63
Jul 2015	7A & 7E	\$0.29	\$0.26	\$0.15	\$0.70
Jul 2015	7L & 7N	\$0.25	\$0.26	\$0.15	\$0.66
Jun 2015	7A & 7E	\$0.29	\$0.26	-\$0.08	\$0.47
Jun 2015	7L & 7N	\$0.25	\$0.26	-\$0.08	\$0.43
May 2015	7A & 7E	\$0.29	\$0.20	-\$0.20	\$0.29
May 2015	7L & 7N	\$0.25	\$0.20	-\$0.20	\$0.25
Apr 2015	7A & 7E	\$0.29	\$0.21	-\$0.13	\$0.37
Apr 2015	7L & 7N	\$0.25	\$0.21	-\$0.13	\$0.33
Mar 2015	7A & 7E	\$0.29	\$0.23	-\$0.04	\$0.48
Mar 2015	7L & 7N	\$0.25	\$0.23	-\$0.04	\$0.44
Feb 2015	7A & 7E	\$0.29	\$0.23	-\$0.15	\$0.37
Feb 2015	7L & 7N	\$0.25	\$0.23	-\$0.15	\$0.33
Jan 2015	7A & 7E	\$0.29	\$0.37	-\$0.03	\$0.63
Jan 2015	7L & 7N	\$0.25	\$0.37	-\$0.03	\$0.59

**Los Alamos County - Department of Public Utilities**
*Historical*
**SCHEDULE**

7A = Residential    7E = Commercial    7L = County    7N = Schools

**SERVICE CHARGE**

Schedule	Meter Rated	Service Charge
ALL	250 CFH or less	\$ 9.50
ALL	> 250 CFH	\$ 28.50

**CONSUMPTION CHARGE**

Month	Schedule	Variable Cost of Gas Rate			TOTAL Consumption Charge per Therm
		Fixed Consumption Charge per Therm	Projected Variable Cost of Gas per Therm	Adjustment for Prior Month Estimate	
Dec 2014	7A & 7E	\$0.29	\$0.43	-\$0.04	\$0.68
Dec 2014	7L & 7N	\$0.25	\$0.43	-\$0.04	\$0.64
Nov 2014	7A & 7E	\$0.29	\$0.34	\$0.01	\$0.64
Nov 2014	7L & 7N	\$0.25	\$0.34	\$0.01	\$0.60
Oct 2014	7A & 7E	\$0.29	\$0.39	\$0.04	\$0.72
Oct 2014	7L & 7N	\$0.25	\$0.39	\$0.04	\$0.68
Sep 2014	7A & 7E	\$0.29	\$0.41	\$0.11	\$0.81
Sep 2014	7L & 7N	\$0.25	\$0.41	\$0.11	\$0.77
Aug 2014	7A & 7E	\$0.29	\$0.40	\$0.09	\$0.78
Aug 2014	7L & 7N	\$0.25	\$0.40	\$0.09	\$0.74
Jul 2014	7A & 7E	\$0.29	\$0.49	\$0.04	\$0.82
Jul 2014	7L & 7N	\$0.25	\$0.49	\$0.04	\$0.78
Jun 2014	7A & 7E	\$0.29	\$0.47	-\$0.08	\$0.68
Jun 2014	7L & 7N	\$0.25	\$0.47	-\$0.08	\$0.64
May 2014	7A & 7E	\$0.29	\$0.48	-\$0.49	\$0.28
May 2014	7L & 7N	\$0.25	\$0.48	-\$0.49	\$0.24
Apr 2014	7A & 7E	\$0.29	\$0.44	-\$0.17	\$0.56
Apr 2014	7L & 7N	\$0.25	\$0.44	-\$0.17	\$0.52
Mar 2014	7A & 7E	\$0.29	\$0.53	-\$0.05	\$0.77
Mar 2014	7L & 7N	\$0.25	\$0.53	-\$0.05	\$0.73
Feb 2014	7A & 7E	\$0.29	\$0.50	-\$0.03	\$0.76
Feb 2014	7L & 7N	\$0.25	\$0.50	-\$0.03	\$0.72
Jan 2014	7A & 7E	\$0.29	\$0.44	\$0.03	\$0.76
Jan 2014	7L & 7N	\$0.25	\$0.44	\$0.03	\$0.72
Dec 2013	7A & 7E	\$0.29	\$0.37	\$0.00	\$0.66
Dec 2013	7L & 7N	\$0.25	\$0.37	\$0.00	\$0.62
Nov 2013	7A & 7E	\$0.29	\$0.36	\$0.00	\$0.65
Nov 2013	7L & 7N	\$0.25	\$0.36	\$0.00	\$0.61