

Frequently Asked Questions

Time of Use & Residential Demand Rate Structures

Why is DPU proposing Time of Use and Residential Demand rates now if the new structure doesn't take effect until July 1, 2026?

The Department of Public Utilities Strategic Plan includes the objective to “promote utility efficiency through targeted conservation programs.” As part of that initiative, DPU commissioned a cost of service study. The study recommended implementing time of use and residential demand rates.

The Department of Public Utilities is proposing Time of Use and Residential Demand rates to be approved by the Board of Public Utilities and adopted by the County Council now because the software to facilitate these new rate structures will take longer than 12 months to implement.

What is Time of Use?

Time of Use is a nationwide trending rate structure in which electricity rates vary according to the time of day. Electricity prices are higher during on-peak hours and lower during off-peak hours. With Time of Use, you have more control over your energy bills because you can save money by shifting your energy use to off-peak times when commodity rates are lower. Shifting your energy use is simple because the times during the day that prices change are the same every day.

The primary objective of TOU rates is to incentivize customers to shift their energy usage away from peak periods, resulting in more efficient and sustainable electricity consumption. The benefits systemwide include improved load balancing, enhanced grid stability, less stress on the infrastructure and possible lower costs for customers.

For our community, shifting usage away from peak periods will primarily have financial impacts on the Electric Distribution System maintenance, sizing and stability, not on the overall cost of power.

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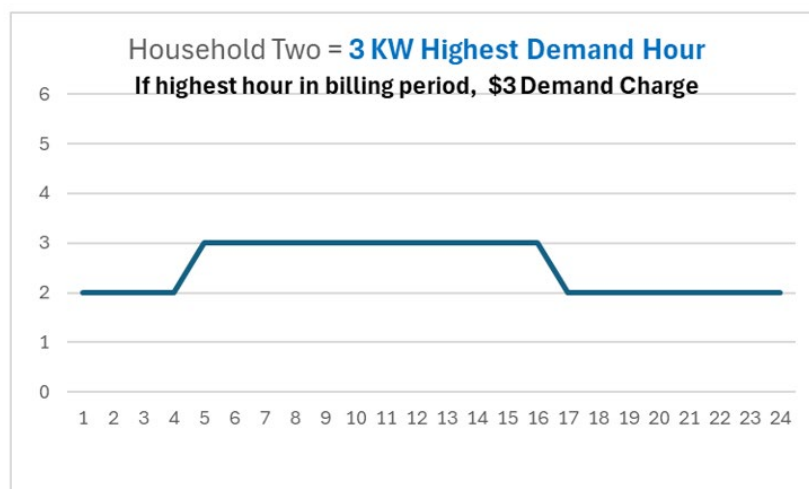
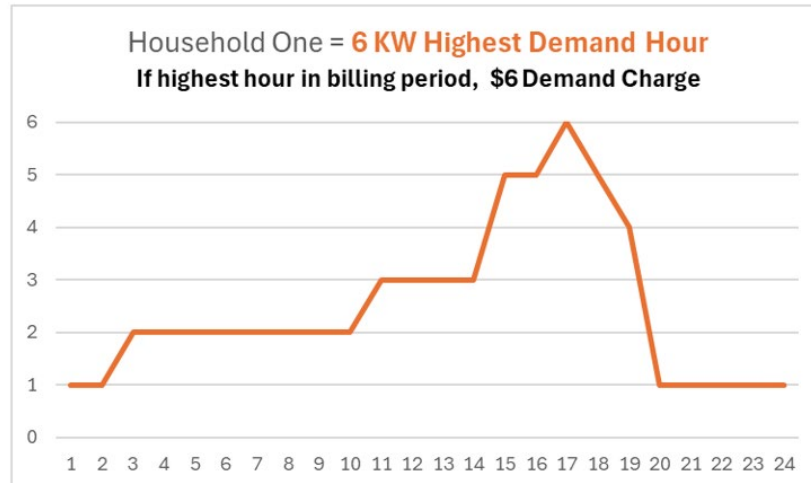
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What is a Residential Demand Rate?

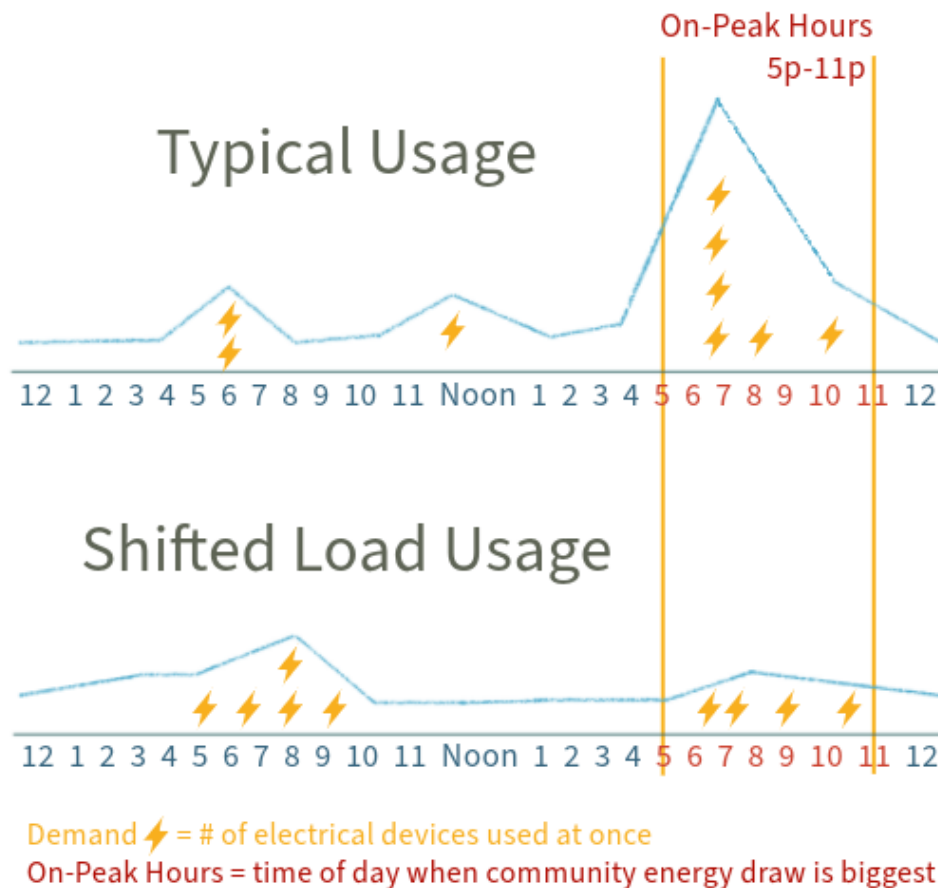
Residential demand rate is a variable peak hour charge that's measured in kilowatts (kW) and is based on the intensity at which electricity is used at a given time. For example, if your AC unit is running during the same hour as your dishwasher, oven, dryer, and any other large electrical appliance, your electrical demand will be higher than if you were to spread out the use of those appliances throughout the day.

Demand is measured by the maximum electricity used in a single hour throughout the billing period. As the chart below shows, Customer One and Customer Two have the same total monthly usage, but very different demand profiles. Customer One is creating more demand, as shown by the spike, and greater costs to the distribution system than Customer Two.



I like to prepare dinner between 5 p.m. and 7 p.m. Can I still use the stove/oven/microwave during the peak time?

Yes, you can still cook dinner between 5 p.m. and 11 p.m. The goal with these alternate rate structures is to avoid “appliance stacking.” This occurs when a household is using the stove, washer, dryer, dishwasher and heater or air conditioner all at the same time. By spreading out the use of these energy hungry appliances throughout the day, customers can reduce their total utility bill.



What will my monthly bill look like with Time of Use and Residential Demand vs. “regular” rates?

The average monthly bill for July 2026 under rate 6-A (without time of use or demand) will be **\$98**. The average monthly bill for July 2026 with both Time of Use and Residential Demand assuming 31% usage during on-peak hours of 5 p.m. to 11 p.m. each day, will be **\$96.99**.

TIME OF USE & RESIDENTIAL DEMAND

DPU - EXAMPLE

	On-Peak kWh 5 pm - 11 pm Every Day	Off-Peak kWh All Other Hours Every Day	MONTHLY
RATES			
Service Charge per Month			\$ 22.50
Demand Charge per Peak KW			\$ 1.00
Energy Charge	\$ 0.1970	\$ 0.1100	

ASSUMPTIONS

- A. 62,500,000 kWh
- B. Per APPA, 6 KW is ave residential peak
- C. 8,411 households
- D. 31% of usage falls between 5 - 11 p.m.
PEAK period per GDS study

SAMPLE BILLS @ 500 kWh Residential Average

No TOU - Assume 9% FY26 & 8% FY27 increases

Service	\$	22.50	
Energy	\$	75.50	(\$0.1510 per kWh)
	\$	98.00	

Assume 20% use during ON-PEAK

Service	\$	22.50
Demand	\$	6.00
Energy	\$	63.70
	\$	92.20

Assume 31% use during ON-PEAK (study average)

Service	\$	22.50
Demand	\$	6.00
Energy	\$	68.49
	\$	96.99

SAMPLE BILLS @ 500 kWh Residential Average		
No TOU - Assume 9% FY26 & 8% FY27 increases		
Service	\$	22.50
Energy	\$	75.50 (\$0.1510 per kWh)
	\$	98.00
Assume 20% use during ON-PEAK		
Service	\$	22.50
Demand	\$	6.00
Energy	\$	63.70
	\$	92.20
Assume 31% use during ON-PEAK (study average)		
Service	\$	22.50
Demand	\$	6.00
Energy	\$	68.49
	\$	96.99

July 2026

\$98.00 average with current rate structure

vs.

\$96.99 average with TOU & Demand rate structure with 31% ON-PEAK usage

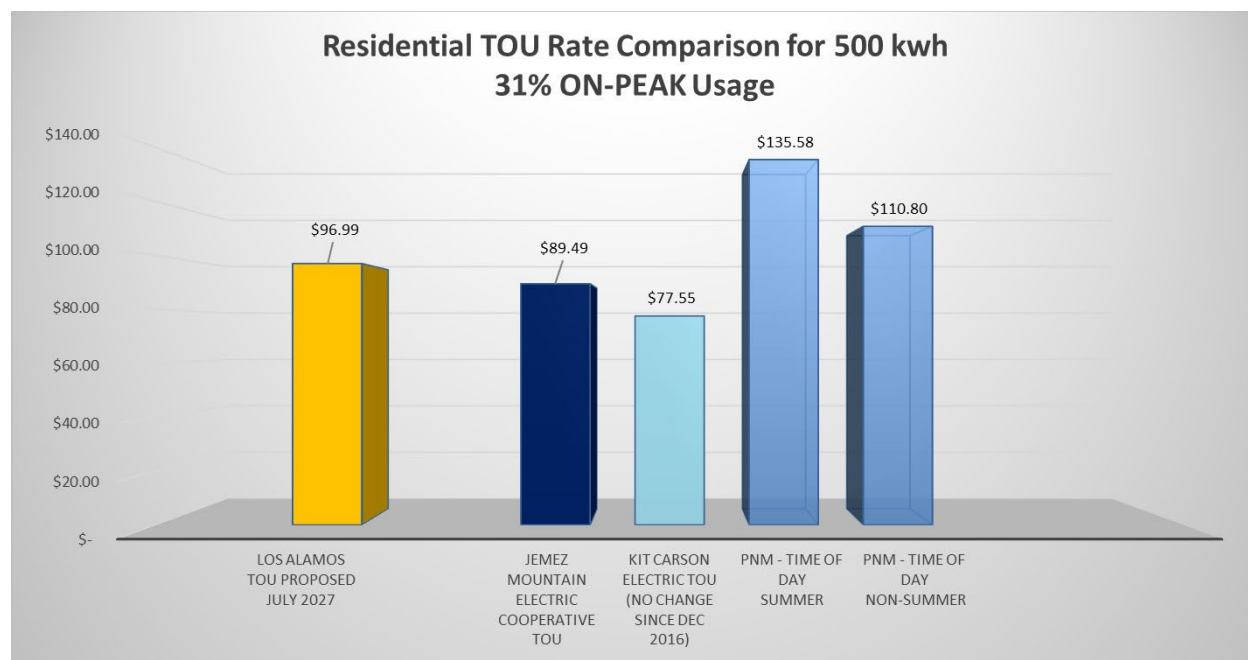
What are the on-peak and off-peak periods?

On-Peak is between 5 p.m. and 11 p.m. and the energy charge is \$0.1970 per kWh. Off-Peak is all other hours and the energy charge is \$0.11 per kWh. The Cost of Service Study calculated that for Los Alamos County, 31% of residential electric usage occurs between 5 p.m. and 11 p.m.

Will I still see my meter reads on my monthly bill with Time of Use rate structure?

The simple answer is No. There will instead be two buckets of total kWh used during the billing period. One for On-Peak electrical usage and one for Off-Peak electrical usage.

How will Time of Use impact my monthly bill compared to neighboring communities?



Are Time of Use/Customer Demand Rates optional?

No. Once implemented, these rates will be the rates for all residential customers except for those who have opted out of AMI meters. Those who opt out of AMI meters do not have access to hourly reads, will be charged the Peak Time rates 24/7 once TOU is implemented and do not have access to leak detection for water services or electric and gas usage. Also, these meters must be manually read which increases the delivery costs. There are approximately 140 residential customers out of over 8,000 customers who chose not to use the full features of the AMI meters.

What happens if I have previously opted out of using Advanced Metering (AMI)

The Department of Public Utilities installed smart electric meter for all residential customers, however for the 140 customers who opted out of AMI, the wireless transmission capabilities are deactivated. As such, meter readers must physically go to the customer's property to manually read the meters. Because of the additional costs associated with the manual reads, these customers will pay the peak hour rate. Any customers who have opted out of AMI but would like to use the Time of Use and Residential Demand rates when implemented should contact Customer Care to opt back in. Below are the rates for customers who opt out of AMI metering and an estimate of an average bill.

OPT-OUT	
RATES	
Service Charge per Month	\$ 22.50
Demand Charge per Peak KW	n/a
Energy Charge (on-peak rate)	\$0.1970
AVE BILL @ 500 kWh	<u>\$121.00</u>

Is there any assistance for individuals on fixed incomes?

DPU has a Utility Assistance Program to aid qualified low-income residential families. Information on this program can be found online at <https://ladpu.com/assist>.

Funded by DPU customer donations, the program is available to:

1. Qualifying low-income customers during the months of October through March
2. Qualifying low-income customers over age 65, year-round
3. Customers who demonstrate a financial hardship due to unforeseen circumstances may qualify for a single, lump sum credit.

Customers may contact the Customer Care Center to apply or to donate to the program (505 662 8333 or CustomerCare@lacnm.us), or they can find assistance and contribution forms online at <https://ladpu.com/assist>.

Other programs available to assist customers' utility bills are:

LA Cares 505 661 8105 or Self-help, Inc 505 662 4666.

New Mexico State offers the NM Low Income Energy Assistance Program (LIHEAP) to assist with energy bills 505 753 2271.