

**Department of Public Utilities**

**Board of Public Utilities**

**FY19 & FY20 Budget  
Presentation**

**Gas Distribution (GA)**

**February 21, 2018**

## 1. EXPECTED EXPENDITURES – GAS DISTRIBUTION

- No major new O&M initiatives beginning in FY19 or FY20 are planned.
- No major new equipment or vehicles.
- Continued routine O&M; including in-house gas leak survey begun circa FY15.
- Continued improvement of the asset management system, field forms and GIS database.
- There are no major increases or decreases in any area of the budget from FY18 to FY19 or FY20.

## 2. CIP PROJECTS – GAS DISTRIBUTION

- AMI Implementation during FY19 and FY20 (Carryover from FY18).
- FY20: Update Energy & Water Conservation Plan (33.33% share with WP & EP).
- There is one possible capital project that might impact the Gas Distribution Division during FY19 or possibly FY20. The NM Hwy 502 project, which has a component of gas distribution, has been pre-funded in an earlier fiscal year but has been delayed multiple times and this project may actually be constructed in FY19 or FY20. Crew time for inspection, tie-ins to the existing system and general project construction administration may take some field crew, supervisory and engineering hours from normal planned duties in FY19 and/or FY20.

### 3. COST SAVING REFORMS – GAS DISTRIBUTION

- Begun circa FY15: Complete gas leak surveys using in-house staff in lieu of outside contractor. Elimination of both purchasing/contracting expenses and contractor overhead expenses. Doable because DPU acquired robust field detectors (2 each for \$17,000) via grant funding. Annual efficiency savings = \$10,000.
- Begun in FY18: Reconfigure the design of gas pressure regulating valve (PRV) stations. Elimination of dual redundancy – going from 4 valves to 2 valves per station. Doable because all gas zones now are looped with at least two independent feeds. Savings in FY18 = \$10,000. Annual efficiency savings = \$5,000.

## 4. EXPECTATIONS OF MAJOR ITEMS

### GAS DISTRIBUTION

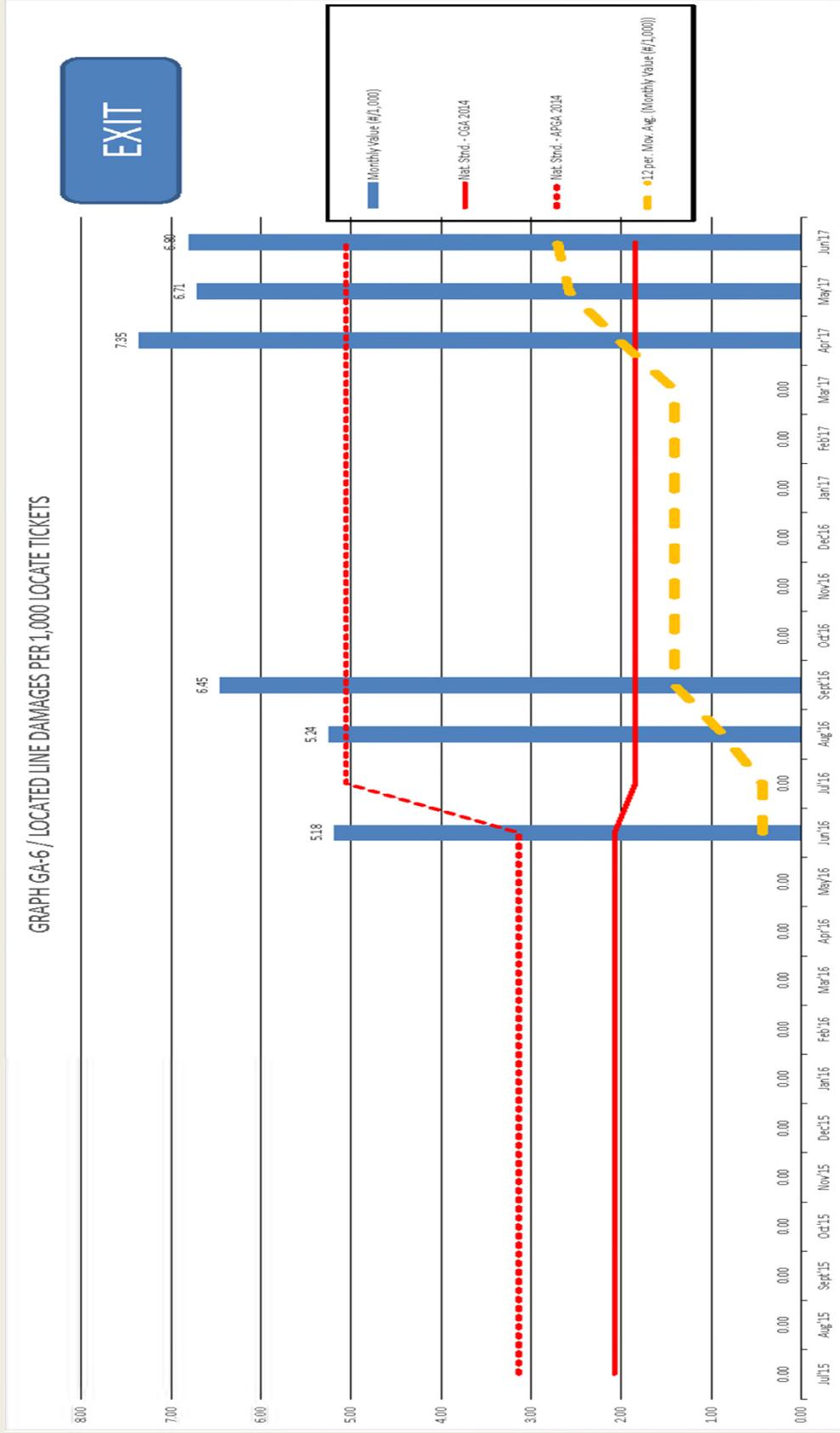
- No major internal gas distribution division initiatives in FY19 or FY20 are expected to take up significant new time.
- Conversion to AMI (Automated Meter Infrastructure) is expected to take time away from the normal gas distribution field crew duties during the AMI implementation.
- Conversion to the new Tyler MUNIS software system, through the PRISM project, is expected to take significant time for the field crews and supervisors to adjust to the new system – especially during the first half of FY19.

## 5. BENCHMARKED PERFORMANCE MEASURES

### GAS DISTRIBUTION

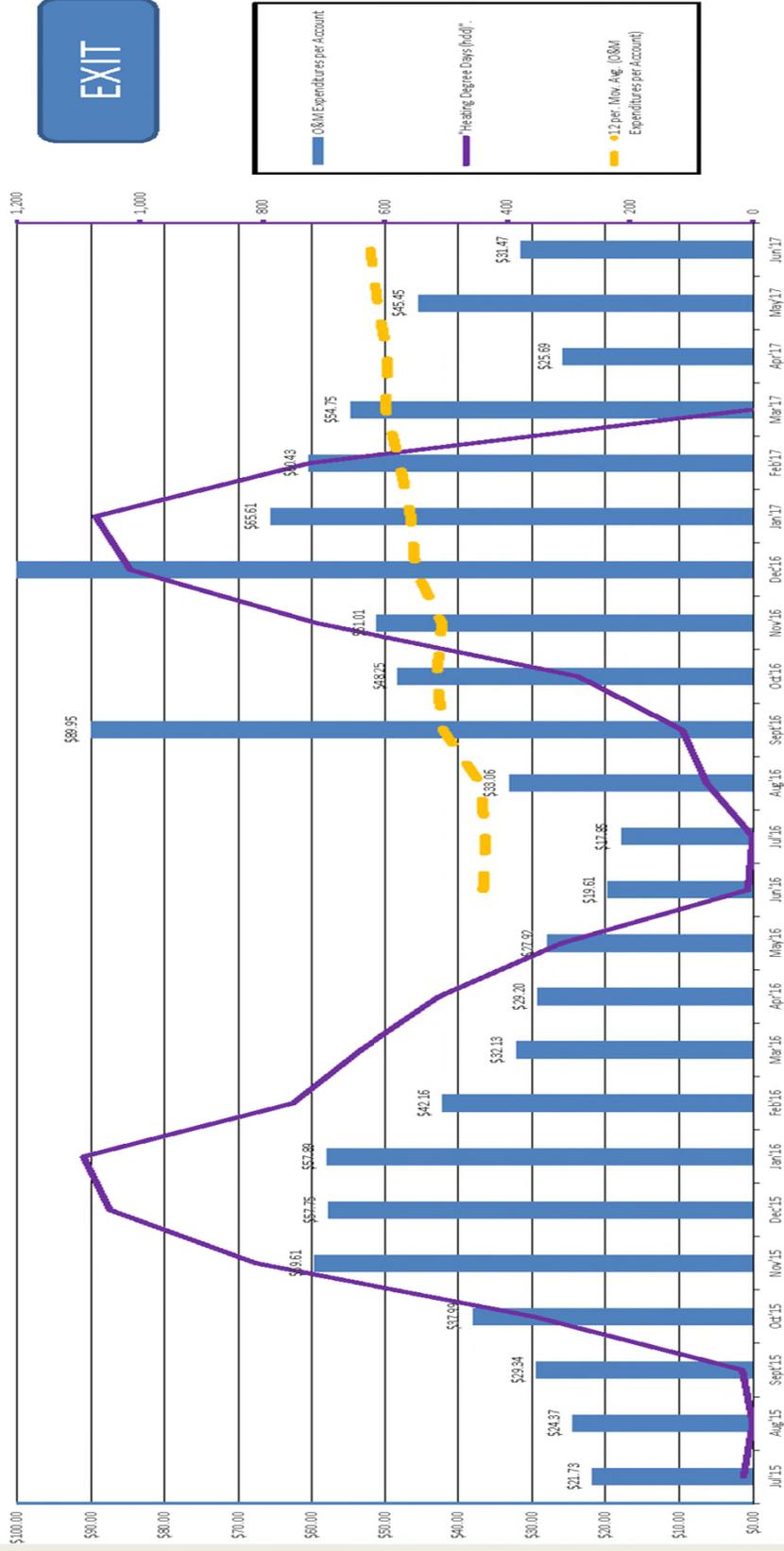
- Graph 6 – Damages per 1,000 Locate Tickets. 12-month moving average trend line at the end of the previous full year (FY17) was better than the national standard promulgated by Common Ground Alliance but worse than the national standard promulgated by the American Public Gas Association (APGA).
- Graph 15 – O&M Expenditures per Account. Internal comparison year over year. No national standard.
- Graph 17 – Revenue per Therm Delivered. Consistently less revenue per therm delivered in the DPU system compared to the APGA national average standard. Probable cause due to the smaller size of our system and the existing O&M efficiencies developed over the years.

# Gas Line Locate Damages



# O&M Expenditures per Account

GRAPH GA-15 / CUSTOMERS: O&M EXPENDITURES PER ACCOUNT (excluding the cost of gas and profit transfer) WITH HTG. DEG. DAYS



# Revenue per Therm Delivered

GRAPH GA-17 / SALES: REVENUE PER THERMS DELIVERED WITH HEATING DEGREE DAYS

EXIT

