

INCORPORATED COUNTY OF LOS ALAMOS CODE ORDINANCE NO. 02-359

AN ORDINANCE AMENDING CHAPTER 40, ARTICLE III, SECTIONS 40-151 AND 40-152 OF THE CODE OF THE INCORPORATED COUNTY OF LOS ALAMOS PERTAINING TO THE NATURAL GAS SERVICE RATE SCHEDULE

WHEREAS, the Incorporated County of Los Alamos (“County”) is an incorporated county of the State of New Mexico as provided in Article 10, Section 5, of the New Mexico Constitution; and

WHEREAS, pursuant to the County Charter, Section 500, there is a Department of Public Utilities (“Department”) charged with the duty to operate County owned electric, gas, water and sewer systems; and

WHEREAS, pursuant to the County Charter, Section 502, the Department head shall be known as the “Utilities Manager” who shall conduct the business of the Department subject to the policies established by the Board of Public Utilities (“BPU”); and

WHEREAS, pursuant to the County Charter, Section 504, the Department’s utility systems shall be operated on a compensatory basis, and the utility rates and charges shall be just, reasonable, and comparable to those in neighboring communities, and shall be uniform for all consumers of the same class; and

WHEREAS, the Department Utilities Manager has determined the current gas utility rates will not meet the requirement for the gas utility to operate on a compensatory basis unless the gas rates are increased to cover the projected revenue requirements adopted in the Department’s fiscal year 2025 budget and fiscal year 2026 projections; and

WHEREAS, pursuant to County Charter, Section 203.1(d), any change in County utility rates shall be by ordinance; and

WHEREAS, pursuant to Section 4.6(a) of the *Board of Public Utilities Procedural Rules* (ed. 08/16/2023), the Utilities Manager is responsible for preparing and presenting proposed utility rate ordinances to the BPU; and

WHEREAS, pursuant to County Charter, Section 504, the rates to be paid by consumers for utility services shall not be proposed by the BPU, to the County Council, and shall become effective on the date of adoption by the County Council; and

WHEREAS, pursuant to Section 4.6(b) of the *Board of Public Utilities Procedural Rules*, the Utilities Manager shall introduce a draft of the proposed gas rate increase ordinance to the BPU and present the budget and operational reasons for the proposed increase to the BPU at a public meeting, prior to a final public hearing on the proposed increase to the natural gas rate ordinance; and

WHEREAS, the Utilities Manager initially presented the proposed natural gas rate ordinance to the BPU on June 5, 2024; and

WHEREAS, the Utilities Manager, after receiving comments from the BPU, then presented the final proposed increased gas rate ordinance to the BPU on June 26, 2024; and

WHEREAS, on June 26, 2024, the BPU approved the final proposed increased gas rate ordinance and recommended forwarding it to the County Council; and

WHEREAS, on July 9, 2024, the County Council, pursuant to County Charter, Section 203.2.1 introduced the proposed gas rate ordinance; and

WHEREAS, on July 30, 2024, the County Council, pursuant to County Charter, Section 203.2.2 held a public hearing on the proposed increase to the natural gas rate ordinance; and

WHEREAS, the natural gas rate schedule shall be amended as follows, with strike through-text deleted and underline-text added.

NOW, THEREFORE, BE IT ORDAINED BY THE GOVERNING BODY OF THE INCORPORATED COUNTY OF LOS ALAMOS:

Sec. 40-151. - Gas rate schedules 7A and 7E.

(a) Residential service schedule 7A. The residential rate applies to customers in a single dwelling or in a single dwelling unit of a multiple dwelling or apartment for domestic purposes only.

(b) General commercial and industrial service schedule 7E. The commercial and industrial rate applies to customers for use in or in connection with any commercial, business or industrial activities, including multiple dwelling units where service for more than one unit is taken through a master meter, and to other customers not otherwise specifically falling within another class.

(c) Service charge.

(1) Per meter rated 250 CFH or less: ~~\$9.50 per month through September 30, 2022;~~
~~\$10.26 per month after September 30, 2022;~~ \$11.08 per month after September 30, 2023;
~~\$11.97~~ \$13.00 per month after September 30, 2024; ~~\$12.57~~ \$14.25 per month after September 30, 2025;

(2) Per meter rated more than 250 CFH: ~~\$28.50 per month through September 30, 2022;~~
~~\$30.78 after September 30, 2022;~~ \$33.24 per month after September 30, 2023; ~~\$35.90~~
\$39.00 per month after September 30, 2024; ~~\$37.70~~ \$41.25 per month after September 30, 2025.

(d) Gas consumption charge.

(1) The gas consumption charge for schedules 7A and 7E shall be made up of ~~three~~
two components: fixed cost recovery, and a variable cost of gas component, ~~and an~~
~~extraordinary gas cost recovery fee.~~

i. The fixed cost recovery shall be ~~\$0.23~~ \$0.27 per therm (one therm is equal to 100,000 British Thermal Units (BTU)) ~~through September 30, 2022;~~
~~\$0.25 after September 30, 2022;~~ \$0.27 after September 30, 2023; ~~\$0.29~~ \$0.32 after September 30, 2024; ~~\$0.30~~ \$0.34 after September 30, 2025.

ii. The variable cost of gas rate shall be calculated each month based on the projected cost of gas for the billing month plus an adjustment for any prior over or under collection for gas purchases and/or gas transportation costs, provided, however that the variable cost of gas rate shall not be lower than \$0.11 per therm per month.

iii. ~~The extraordinary gas cost recovery charge shall be \$0.44 per therm per month and shall be assessed for two years from the effective date of this ordinance, ending not later than April 8, 2025. Upon full recovery of the extraordinary gas cost fee, the utility shall immediately terminate collecting this component of the gas consumption charge, and this component of the gas component charge shall automatically sunset.~~

(2) The projected cost of gas shall be at the rate as stated on the San Juan Index or any recognized index that may replace the San Juan Index.

(3) Should the variable cost of gas exceed \$4.00 per therm, the billed rate to consumers shall not reflect the cost of gas over that amount until the rate is approved by an ordinance of the council.

Sec. 40-152. - Gas rate schedules 7L and 7N.

(a) Applicability.

(1) Schedule 7L: Interdepartmental service—Incorporated County of Los Alamos.

(2) Schedule 7N: Schools service—Los Alamos public schools.

(b) Service charge.

(1) Per meter rated 250 CFH or less: ~~\$9.50 per month through September 30, 2022;~~
~~\$10.26 per month after September 30, 2022;~~ \$11.08 per month after September 30, 2023;
~~\$11.97~~ \$13.00 per month after September 30, 2024; ~~\$12.57~~ \$14.25 per month after September 30, 2025;

(2) Per meter rated more than 250 CFH: ~~\$28.50 per month through September 30, 2022;~~
~~\$30.78 after September 30, 2022;~~ \$33.24 per month after September 30, 2023; ~~\$35.90~~
\$39.00 per month after September 30, 2024; ~~\$37.70~~ \$41.25 per month after September 30, 2025.

(c) Gas consumption charge.

(1) The gas consumption charge for schedules 7L and 7N shall be made up of three components: fixed cost recovery, a variable cost of gas component, and an extraordinary gas cost recovery fee.

i. The fixed cost recovery shall be ~~\$0.20~~ \$0.24 per therm (one therm is equal to 100,000 British Thermal Units (BTU)) ~~through September 30, 2022;~~ ~~\$0.22 after September 30, 2022;~~ ~~\$0.24 after September 30, 2023;~~ ~~\$0.26~~ \$0.28 after September 30, 2024; ~~\$0.27~~ \$0.30 after September 30, 2025.

ii. The variable cost of gas rate shall be calculated each month based on the projected cost of gas for the billing month plus an adjustment for any prior over or under collection for gas purchases and/or gas transportation costs, provided, however that the variable cost of gas rate shall not be lower than \$0.11 per therm per month.

iii. ~~The extraordinary gas cost recovery charge shall be \$0.44 per therm per month and shall be assessed for two years from the effective date of this ordinance, ending not later than April 8, 2025. Upon full recovery of the extraordinary gas cost fee, the utility shall immediately terminate collecting this component of the gas consumption charge, and this component of the gas component charge shall automatically sunset.~~

(2) The projected cost of gas shall be at the rate as stated on the San Juan Index or any recognized index that may replace the San Juan Index.

(3) Should the variable cost of gas exceed \$4.00 per therm the billed rate to consumers shall not reflect the cost of gas over that amount until the rate is approved by an ordinance of the Council.

Section 3. Effective Date. This ordinance shall become effective upon adoption with the amended gas ordinance being applied for all billings on or after September 30, 2024.

Section 4. **Severability.** Should any section, paragraph, clause or provision of this ordinance, for any reason, be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this ordinance.

Section 5. **Repealer.** All ordinance or resolutions, or parts thereof, inconsistent herewith are hereby repealed only to the extent of such inconsistency. This repealer shall not be construed to revive any ordinance or resolution, or part thereof, heretofore repealed.

ADOPTED this 30th day of July 2024.

**COUNCIL OF THE INCORPORATED
COUNTY OF LOS ALAMOS**

**Denise Derkacs,
Council Chair**

ATTEST: (SEAL)

**Naomi D. Maestas,
Los Alamos County Clerk**